November 4, 2008

Brief Announcement of Consolidated Financial Results for the Fiscal Year Ended September 30, 2008

Company name: Fullcast Holdings Co., Ltd.
Stock code: 4848
Stock Exchange listing: First Section of the Tokyo Stock Exchange
Address: Tokyo
URL: http://www.fullcast.co.jp
Representative Director and President: Hiroyuki Urushizaki
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Date of Annual General Meeting of Shareholders (planned): December 19, 2008
Date of submission of annual securities report (planned): December 22, 2008

1. Consolidated Financial Results for the Fiscal Year Ended September 30, 2008 (October 1, 2007 – September 30, 2008)

(Figures are rounded to the nearest one million yen.)
(Figures in percentages denote the year-on-year change)

(1) Consolidated business results

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended September 2008	98,989	-8.6	1,647	-20.9	1,530	-15.5	-2,443	—
Fiscal year ended September 2007	108,301	20.1	2,081	-55.9	1,811	-60.2	-674	—

	Net income per share	Diluted net income per share	ROE	Ratio of ordinary income to total capital	Ratio of operating income to sales
	Yen	Yen	%	%	%
Fiscal year ended September 2008	-9,222.68	—	-27.4	3.9	1.7
Fiscal year ended September 2007	-2,536.40	—	-5.5	4.6	1.9

Reference: Investment profit and loss on equity method (million yen)
Fiscal year ended September 2008: -20 Fiscal year ended September 2007: -39

(2) Consolidated financial condition

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
Fiscal year ended September 2008	36,697	10,969	20.6	28,591.84
Fiscal year ended September 2007	41,624	13,642	24.7	38,839.30

Reference: Shareholders' equity (million yen)
Fiscal year ended September 2008: 7,573 Fiscal year ended September 2007: 10,287

(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	
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended September 2008	-1,621	-867	-399	9,878
Fiscal year ended September 2007	1,546	-1,718	1,009	12,764

2. Dividend Status

	Dividend per share (yen)			Total dividend (annual) (million yen)	Payout ratio (consolidated) (%)	Dividend on equity ratio (consolidated) (%)
(Base date)	First half	Second half	Annual			
Fiscal year ended September 2008	—	—	—	—	—	—
Fiscal year ended September 2007	2,000	1,000	3,000	790	—	6.5
Fiscal year ending September 2009 (forecast)	—	—	—		—	

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

(Percentage figures for the full year denote the year-on-year increase or decrease. Percentage figures for the interim period denote the increase or decrease from the previous interim period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Interim	39,960	-19.8	-50	—	-135	—	-1,387	—	-5,236.65
Full year	81,000	-18.2	870	-47.2	670	-56.2	0	—	0.00

4. Others

(1) Important changes of subsidiaries during the term (changes of specified subsidiaries that lead to a change in the scope of consolidation) No

(2) Adoption of simplified accounting policies No

(3) Changes in accounting policies Yes

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the term (including treasury stock) (shares)
Fiscal year ended September 2008: 275,964 Fiscal year ended September 2007: 275,964

2) Number of treasury stock at the end of the term (shares)
Fiscal year ended September 2008: 11,100 Fiscal year ended September 2007: 11,100

(Note) For the number of shares that is the basis for the calculation of consolidated net income per share, please see Page 51, "Per share information."

Reference: Non-consolidated Financial Results

1. Financial Results for the Fiscal Year Ended September 30, 2008 (October 1, 2007 – September 30, 2008)

(1) Business results

(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	%
Fiscal year ended September 2008	30,820	-30.6	346	66.3	2,100	765.9	-1,470	—
Fiscal year ended September 2007	44,429	-1.4	208	-92.6	242	-91.5	-994	—

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended September 2008	-5,549.55	—
Fiscal year ended September 2007	-3,737.32	—

(2) Financial condition

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
Fiscal year ended September 2008	23,419	5,728	24.5	21,625.16
Fiscal year ended September 2007	26,478	7,464	28.2	28,182.19

Reference: Shareholders' equity (million yen)
Fiscal year ended September 2008: 5,728 Fiscal year ended September 2007: 7,464

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.

(Note) 1. The Company shifted to a pure holding company as of October 1, 2008 by way of the company split method. Therefore, non-consolidated results for the fiscal year ended September 30, 2008 are those before the company split.

2. For assumptions for results forecasts and other related matters, please see Page 9 of the Appendix.

Financial Statement and Results for FY2008 <Table of contents>

1. Results of Operations

(1) Consolidated Operating Highlights

1) Consolidated operating results

Fiscal year ended September 30, 2008 (October 1, 2007 – September 30, 2008)

Previous period ended September 30, 2007 (October 1, 2006 – September 30, 2007)

(Million yen)

	FY2007 (12 months)	FY2008 (12 months)	YoYchange
Net sales	108,301	98,989	-8.6
Operating income	2,081	1,647	-20.9
Operating income ratio (%)	1.9	1.7	—
Ordinary income	1,811	1,530	-15.5
Net income/loss	-674	-2,443	—
Net income/loss per share (Yen)	-2,536.40	-9.222.68	—

2) Consolidated operating results for the fourth quarter

Fourth quarter of the fiscal year ended September 30, 2008 (July 1, 2008 – September 30, 2008)

Fourth quarter of the fiscal year ended September 30, 2007 (July 1, 2007 – September 30, 2007)

(Million yen)

	Fourth quarter of FY9/07	Fourth quarter of FY9/08	Rate of progress (%)
Net sales	25,696	24,520	-4.6
Operating income/loss	-310	478	—
Operating income/loss ratio (%)	-1.2	1.9	
Ordinary income/loss	-377	481	—
Net income/loss	-1,532	-2,203	—
Net income/loss per share (Yen)	-5,785.37	-8,316.34	—

(Note) The year-on-year comparisons are calculated based on the following formula.

$$\text{Year-on-year change \%} = \frac{\text{(Figure in the current fiscal year – Figure in the previous fiscal year)}}{\text{Figure in the previous fiscal year}} \times 100$$

On October 1, 2008, the Company transferred all of its businesses, including the labor dispatch business and employment placement business, to Fullcast Co., Ltd. (formerly Fullcast HR Institute Co., Ltd.) and shifted to a pure holding company. On the same day, the Company changed its corporate name to Fullcast Holdings Co., Ltd.

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 pursuant to Section 2 of Article 14 and Section 1 of Article 49 of the Law for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatching Workers (hereinafter referred to as the “Worker Dispatching Law”). We sincerely apologize once again for the serious inconvenience and concern that we have caused our customers, shareholders, and other stakeholders. We take the sanction with the utmost seriousness and are making concerted efforts to take preventive measures.
We sincerely ask for the understanding and continued guidance and support of shareholders.

(2) Analysis of Operating Results

During the fiscal year under review, the Japanese economy continued to recover in the first half, but a noticeable weakening of the economy took place in the second half through the end of the term, as demonstrated by the deterioration in corporate earnings and weaker capital investment.

In the human resources service industry, the "Guideline for Measures to be Taken by Worker Dispatch Service Providers and by Companies to Be Provided with Workers for Stabilization of Workers Employed on Daily Basis (Guideline for Workers Employed on Daily Basis)" was enforced on April 1, 2008, reflecting a mounting public opinion that short-term worker dispatch (so-called daily employment dispatch) will increase employment instability. As indicated by these developments and progress in preparation for the legislation of prohibition of daily employment dispatch in principle, the environment surrounding the short-term worker dispatch business was changing rapidly.

In this environment, the Group has sought to accurately identify corporate demand for human resources and employment associated with diversified values of individual, and has operated with the emphasis placed on compliance in business operations pursuant to the Guideline for Workers Employed on Daily Basis.

The Technology Business, in which the scope of consolidation (Note 1) was changed by transforming an equity method affiliate into a consolidated subsidiary in June 2007, and the Office Business, where the sales support service division was solid, posted an increase in net sales. In contrast, net sales declined in the Spot Business and Factory Business. As a result, consolidated net sales decreased to 98,989 million yen (down 8.6% year on year).

Turning to profits, while all the group companies worked to reduce SG&A expenses, this could not offset a decline in gross profit associated with smaller sales. Consequently, consolidated operating income decreased to 1,647 million yen (down 20.9% year on year), and consolidated ordinary income fell to 1,530 million yen (down 15.5%).

In the Spot Business, offices were integrated or abolished, and the head offices of group companies were relocated to streamline operations and reduce costs. Accordingly, a total extraordinary loss of 2,361 million yen was recorded, including temporary expenses such as losses on the closure of offices of 204 million yen, expenses for the relocation of head offices of 236 million yen, and an impairment loss of 1,397 million yen including the impairment of goodwill in three unlisted subsidiaries. In addition, Fullcast Co., Ltd. reversed deferred tax assets.

As a result, a consolidated net loss of 2,443 million yen was posted in the fiscal year under review (a net loss of 674 million yen was recorded in the previous year).

Operating highlights by business segment are as follows:

Spot Business

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

Combined with the effect of transferring a consolidated subsidiary (Note 2), net sale of the spot business were 37,067 million yen (declining 30.9% year on year). Excluding the influence of the transfer of the consolidated subsidiary, the year-on-year decrease was 25.3%.

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

Factory Business

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

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

Technology Business

In the contract development division, orders remained flat as the growth of investment in system development in the financial sector stalled. In contrast, sales increased in the engineer dispatch division, although it took time to allocate engineers to companies. Net it works, Inc. (Note 1), which installs base stations for communications equipment and builds network infrastructure and which has become a consolidated subsidiary, made a strong contribution to sales. As a result, net sales of the Technology Business climbed to 24,931 million yen (up 33.2% year on year).

In terms of profits, in spite of the increase of profits brought about by the change in the scope of consolidation of Net it works, Inc., operating income declined to 911 million yen (down 6.9% year on year), driven by an increase in the cost burden associated with a rise in the number of standby employees for dispatching engineers and the increase in personnel and training costs in the contracted development division.

Office Business

Because demand for the dispatch of general office workers to client companies has slowed, the office worker dispatch division posted a decline in net sales. In the sales support service division, despite the commencement of recoding of allowance for cancellation adjustments to prepare for the returned expenses of fee income associated with cancellations in the future, sales expanded as an increase in orders placed by companies seeking to reinforce sales activities for communication equipment products and the like offset the decline in sales associated with the recording of allowance for cancellation adjustments. Consequently, net sales in the Office Business amounted to 12,770 million yen (up 7.9% year on year).

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

Other Business

Orders in the security guard division, which is run by Fullcast Advance Co., Ltd., leveled off, while Info-P Co., Ltd., which is an advertising agency for the pachinko industry and which became a wholly owned subsidiary in May 2007 (Note 3), produced an increase in net sales. As a result, net sales of the Other Business rose to 6,914 million yen (up 46.6% year on year).

Looking to profits, although efforts were made to reduce SG&A expenses, an operating loss of 213 million yen was posted (the operating loss in the previous year was 146 million yen) attributable to slow improvement in efficiency after acquisitions.

(Notes) 1. For detail, please see the disclosure, “Net it works, Inc. Becomes Consolidated Subsidiary” dated on July 26, 2007.
2. For detail, please see the disclosure, “Notice of Change in Subsidiary (Transfer of Shares)” dated on July 6, 2007.
3. For detail, please see the disclosure of "Notice of Conversion of Info-P Co., Ltd. to a Wholly Owned Subsidiary by Share Swap" dated March 12, 2007.
4. The Company decided to accept the takeover bid by Canon Electronics Inc. for the shares of Asia Pacific System Research Co., Ltd., which played a major role in the contracted development division in Technology Business. When the takeover bid is concluded, the Company plans to exclude Asia Pacific System Research Co., Ltd. from the scope of consolidation. For more detail about the acceptance of the takeover bid, please see “Notice of Acceptance of Takeover Bid of a Subsidiary’s Shares” disclosed on October 14, 2008.

1) Operating Results by Business Segment

Fiscal year ended September 30, 2008 (Twelve months from October 1, 2007 to September 30, 2008)
Previous period ended September 30, 2007 (Twelve months from October 1, 2006 to September 30, 2007)

Spot Business (Million yen)

	FY2007 (12 months)	FY2008 (12 months)	YoY change
Net sales	53,634	37,067	-30.9
Operating income	1,628	1,538	-5.5
Operating income ratio (%)	3.0	4.1	

Factory Business

	FY2007 (12 months)	FY2008 (12 months)	YoY change
Net sales	19,398	17,306	-10.8
Operating income	189	167	-11.8
Operating income ratio (%)	1.0	1.0	

Technology Business

	FY2007 (12 months)	FY2008 (12 months)	YoY change
Net sales	18,715	24,931	33.2
Operating income	979	911	-6.9
Operating income ratio (%)	5.2	3.7	

Office Business

	FY2007 (12 months)	FY2008 (12 months)	YoY change
Net sales	11,837	12,770	7.9
Operating income	690	315	-54.4
Operating income ratio (%)	5.8	2.5	

Other Business

	FY2007 (12 months)	FY2008 (12 months)	YoY change
Net sales	4,717	6,914	46.6
Operating income or loss	-146	-213	—
Operating income ratio (%)	-3.1	-3.1	

2) Business results for the fourth quarter

Fourth quarter ended September 30, 2008 (July 1, 2008 – September 30, 2008)

Fourth quarter ended September 30, 2007 (July 1, 2007 – September 30, 2007)

Spot Business (Million yen)

	FY2007 (3 months)	FY2008 (3 months)	YoY change
Net sales	9,841	9,452	-4.0
Operating income (loss)	-328	438	—
Operating income ratio (%)	-3.3	4.6	

Factory Business

	FY2007 (3 months)	FY2008 (3 months)	YoY change
Net sales	4,517	4,124	-8.7
Operating income (loss)	-73	-33	—
Operating income ratio (%)	-1.6	-0.8	

Technology Business

	FY2007 (3 months)	FY2008 (3 months)	YoY change
Net sales	6,067	6,350	4.7
Operating income	304	425	39.9
Operating income ratio (%)	5.0	6.7	

Office Business

	FY2007 (3 months)	FY2008 (3 months)	YoY change
Net sales	3,421	2,731	-20.2
Operating income (loss)	147	-139	
Operating income ratio (%)	4.3	-5.1	

Other Business

	FY2007 (3 months)	FY2008 (3 months)	YoY change
Net sales	1,851	1,864	0.7
Operating income (loss)	-40	-7	—
Operating income ratio (%)	-2.1	-0.4	

(Note) Segment Operations

Calculation methods in segment results

(1) Net sales by business category consist only of external sales.

(2) Operating income by business category includes income posted within the Group due to internal transactions.

(3) Operating income ratio by business category is calculated by dividing the figures in (2) by the figures in (1).

3) Outlook for the September 2009 Fiscal Year

Projected consolidated business results for the fiscal year ending September 2009

(October 1, 2008 – September 30, 2009) (Million yen)

	Actual results for the September 2008 fiscal year	Projection for the September 2009 fiscal year
Net sales	98,989	81,000
Spot Business	37,067	29,980
Office Business	17,306	14,800
Factory Business	24,931	17,980
Technology Business	12,770	11,340
Other Business	6,914	6,900
Operating income	1,647	870
Ordinary income	1,530	670
Net income or loss	-2,443	0
Net income or loss per share (yen)	-9,222.68	0.00

(Note) Estimated net income per share for the year ending September 2009 is calculated using the following formula.

$$\text{Estimated net income per share} = \frac{\text{Forecast for net income applicable to common stock}}{\text{Estimated number of common shares outstanding during the fiscal year ending September 30, 2009}}$$

The Company decided to accept the takeover bid by Canon Electronics Inc. for the shares of Asia Pacific System Research Co., Ltd. When the takeover bid is concluded, the Company plans to exclude Asia Pacific System Research Co., Ltd. and three other consolidated subsidiaries from the scope of consolidation. Therefore, the projected consolidated results for the fiscal year ending September 2009 are prepared on the premise that the scope of consolidation has been changed.

The outlook by business segment is as follows:

Spot Business

Order-receiving trends

- It is expected that demand for human resources outsourcing will remain solid.
- The Company anticipates winning increased confidence from its client companies and boosting orders by stepping up the screening of orders.
- It should be possible to obtain new orders from companies that have experienced difficulties in direct employment of part-time and non-regular workers.

Hiring trends

- The Company expects to be able to employ staff who have chosen to work in a labor dispatch service for lifestyle reasons.
- Progress in registering new staff should be steady through recruitment activities geared to young people, using the website and mobile phones.

Factory Business

Order-receiving trends

- It is expected that demand for outsourcing in manufacturing will level off under the influence of production adjustments in the manufacturing sector.

Hiring trends

- The number of employed workers and the retention rate should increase with improvements in the work environment and other measures to respond to the needs of workers.

Technology Business

Order-receiving trends

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

Hiring trends

- The Company is promoting the G.E.T. program (educational/training programs to nurture bilingual engineers) overseas, including China, and this should continue to provide excellent non-Japanese engineers and technical experts.

Office Business

Order-receiving trends

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

Hiring trends

- By responding to the needs of workers, the number of employment of long-term workers should increase.

<<Reference>>

(1) Quarterly Results of Operations (Consolidated)

Fiscal year ended September 2008 (Million yen)

	1st Quarter Oct. – Dec. 2007	2nd Quarter Jan. – Mar. 2008	3rd Quarter Apr. – Jun. 2008	4th Quarter Jul. – Sep. 2008	Full year Ended Sep. 2008
Net sales	24,433	25,385	24,651	24,520	98,989
Gross profit	5,958	6,395	6,105	5,971	24,429
Operating income	51	690	428	478	1,647
Ordinary income	25	666	358	481	1,530
Income before income taxes and minority interests	8	380	- 14	- 1,016	- 642
Net income	9	- 113	- 137	- 2,203	- 2,443
Net income per share (yen)	35.83	- 425.18	- 516.99	- 8,316.34	- 9,222.68
Total assets	41,176	40,294	40,264	36,697	36,697
Shareholders’ equity	9,975	9,910	9,779	7,573	7,573
Shareholders’ equity per share (yen)	37,660.74	37,415.31	36,920.39	28,591.84	28,591.84
Cash flows from operating activities	- 2,194	- 378	648	303	- 1,621
Cash flows from investing activities	- 466	- 164	- 74	- 163	- 867
Cash flows from financing activities	1,263	- 686	1,005	- 1,981	- 399
Cash and cash equivalents at end of period	11,367	10,139	11,719	9,878	9,878

Fiscal year ended September 2007 (Million yen)

	1st Quarter Oct. – Dec. 2006	2nd Quarter Jan. – Mar. 2007	3rd Quarter Apr. – Jun. 2007	4th Quarter Jul. – Sep. 2007	Full year Ended Sep. 2007
Net sales	28,043	27,514	27,049	25,696	108,301
Gross profit	7,773	7,384	6,687	5,743	27,587
Operating income	1,395	1,054	- 59	- 310	2,081
Ordinary income	1,370	993	- 175	- 377	1,811
Income before income taxes and minority interests	1,383	714	- 148	- 2,242	- 293
Net income	716	390	- 248	- 1,532	- 674
Net income per share (yen)	2,632.67	1,485.52	- 938.80	- 5,785.37	- 2,536.40
Diluted net income per share (yen)	2,632.06	1,485.09	–	–	–
Total assets	40,387	43,512	48,879	41,624	41,624
Shareholders’ equity	11,972	11,914	11,876	10,287	10,287
Shareholders’ equity per share (yen)	45,374.95	45,405.32	44,837.19	38,839.30	38,839.30
Cash flows from operating activities	- 187	2,276	1,185	- 1,729	1,546
Cash flows from investing activities	- 946	- 1,152	617	- 237	- 1,718
Cash flows from financing activities	2,334	1,819	2,237	- 5,382	1,009
Increase in cash and cash equivalents from merger of subsidiaries	–	–	21	–	21
Cash and cash equivalents at end of period	13,108	16,052	20,112	12,764	12,764

(2) Changes in Quarterly Operating Results by Business Segment

(Million yen)

Spot Business		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Fiscal year ended September 2008	(1) Sales to external customers	9,011	9,196	9,408	9,452	37,067
	(2) Inter-segment sales or the amount of transfers	17	167	49	64	296
	Total	9,028	9,362	9,458	9,515	37,363
	Operating expenses	8,956	8,849	8,943	9,077	35,825
	Operating income or loss	72	513	514	438	1,538
	Operating income ratio (%)	0.8	5.6	5.5	4.6	4.1
Fiscal year ended September 2007	(1) Sales to external customers	15,577	14,251	13,965	9,841	53,634
	(2) Inter-segment sales or the amount of transfers	207	202	107	103	619
	Total	15,784	14,453	14,072	9,944	54,252
	Operating expenses	14,625	13,840	13,887	10,272	52,625
	Operating income or loss	1,158	613	185	- 328	1,628
	Operating income ratio (%)	7.4	4.3	1.3	- 3.3	3.0

Factory Business		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Fiscal year ended September 2008	(1) Sales to external customers	4,377	4,591	4,215	4,124	17,306
	(2) Inter-segment sales or the amount of transfers	0	5	1	2	7
	Total	4,377	4,596	4,216	4,125	17,314
	Operating expenses	4,326	4,490	4,172	4,158	17,147
	Operating income or loss	51	106	43	- 33	167
	Operating income ratio (%)	1.2	2.3	1.0	- 0.8	1.0
Fiscal year ended September 2007	(1) Sales to external customers	5,092	5,229	4,560	4,517	19,398
	(2) Inter-segment sales or the amount of transfers	6	6	3	3	17
	Total	5,098	5,235	4,563	4,519	19,415
	Operating expenses	4,892	5,057	4,684	4,592	19,226
	Operating income or loss	206	178	- 121	- 73	189
	Operating income ratio (%)	4.0	3.4	- 2.7	- 1.6	1.0

	Technology Business	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Fiscal year ended September 2008	(1) Sales to external customers	5,928	6,497	6,156	6,350	24,931
	(2) Inter-segment sales or the amount of transfers	85	88	117	37	328
	Total	6,014	6,585	6,273	6,387	25,259
	Operating expenses	5,839	6,369	6,178	5,963	24,348
	Operating income or loss	175	216	95	425	911
	Operating income ratio (%)	3.0	3.3	1.5	6.7	3.7
Fiscal year ended September 2007	(1) Sales to external customers	4,017	4,542	4,089	6,067	18,715
	(2) Inter-segment sales or the amount of transfers	151	204	77	134	566
	Total	4,169	4,746	4,166	6,201	19,282
	Operating expenses	3,931	4,336	4,137	5,897	18,302
	Operating income or loss	238	410	28	304	979
	Operating income ratio (%)	5.9	9.0	0.7	5.0	5.2

(Million yen)

	Office Business	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Fiscal year ended September 2008	(1) Sales to external customers	3,426	3,471	3,143	2,731	12,770
	(2) Inter-segment sales or the amount of transfers	15	24	16	8	62
	Total	3,440	3,495	3,159	2,739	12,833
	Operating expenses	3,242	3,330	3,069	2,877	12,518
	Operating income or loss	198	165	90	- 139	315
	Operating income ratio (%)	5.8	4.8	2.9	- 5.1	2.5
Fiscal year ended September 2007	(1) Sales to external customers	2,605	2,697	3,114	3,421	11,837
	(2) Inter-segment sales or the amount of transfers	76	38	27	21	162
	Total	2,681	2,736	3,141	3,442	11,999
	Operating expenses	2,594	2,584	2,838	3,294	11,309
	Operating income or loss	88	152	303	147	690
	Operating income ratio (%)	3.4	5.6	9.7	4.3	5.8

	Other Business	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Fiscal year ended September 2008	(1) Sales to external customers	1,691	1,630	1,729	1,864	6,914
	(2) Inter-segment sales or the amount of transfers	27	3	3	5	38
	Total	1,718	1,633	1,732	1,869	6,952
	Operating expenses	1,799	1,671	1,819	1,876	7,165
	Operating income or loss	- 81	- 38	- 87	- 7	- 213
	Operating income ratio (%)	- 4.8	- 2.4	- 5.0	- 0.4	- 3.1
Fiscal year ended September 2007	(1) Sales to external customers	752	794	1,320	1,851	4,717
	(2) Inter-segment sales or the amount of transfers	1	1	1	4	8
	Total	753	795	1,321	1,855	4,725
	Operating expenses	772	775	1,429	1,895	4,871
	Operating income or loss	- 18	20	- 108	- 40	- 146
	Operating income ratio (%)	- 2.5	2.6	- 8.2	- 2.1	- 3.1

Note (1) Operating income by business category includes income posted within the Group from internal transactions.
(2) Operating income ratio by business category is calculated by dividing operating income by net sales to external customers.

(3) State of Capital Investment (Million yen)

Investment	Capital investment for the September 2008 fiscal year	Capital investment for the September 2009 fiscal year	Main facilities
	Amount invested	Estimate	
Fixed assets	416	104	Purchase of PC servers and terminals in five subsidiaries etc.
Intangible fixed assets	294	292	Purchase & development of software in six subsidiaries etc.
Total	710	397	

(3) Analysis of the Financial Position

1) Conditions of assets, liabilities and net assets

Total assets at the end of the consolidated fiscal year under review fell 4,926 million yen from the end of the previous consolidated fiscal year, to 36,697 million yen. Net worth decreased 2,714 million yen from the end of the previous consolidated fiscal year, to 7,573 million yen (net worth ratio: 20.6%), while net assets were down 2,673 million yen, to 10,969 million yen.

Major increases/decreases were as follows: In the assets section, current assets declined by 2,736 million yen from the end of the previous consolidated fiscal year, to 26,441 million yen. This reflected a decline in negotiable securities of 1,199 million yen, to 100 million yen, and other factors. Fixed assets, meanwhile, increased by 2,191 million yen, to 10,257 million yen. Major factors were a decline in goodwill of 1,250 million yen, to 3,035 million yen, reflecting a loss on impairment of goodwill of three unlisted subsidiaries that was recognized when it became clear that these subsidiaries no longer appeared to have the capacity to generate the excess earnings originally projected, a fall in investment securities of 304 million yen, to 1,187 million yen, as a result of the marking to market of investment securities, and a drop in long-term deferred assets by 370 million yen, to 180 million yen, due to the reversal of deferred assets in tax effect accounting at Fullcast Co., Ltd.

In the liabilities section, current liabilities increased by 660 million yen from the end of the previous consolidated fiscal year, to 19,723 million yen. This is because accounts payable were down 2,253 million yen, to 1,945 million yen, while short-term loans increased by 3,130 million yen, to 8,144 million yen. Fixed liabilities decreased by 2,915 million yen from the end of the previous consolidated fiscal year, to 6,005 million yen. This owed to a decrease of long-term loans of 3,007 million yen, to 5,237 million yen (long-term loans to be repaid within one year in current liabilities decreased by 126 million yen), among other factors.

2) Conditions of cash flows

In the consolidated fiscal year under review, cash and cash equivalents (hereinafter "cash") decreased by 2,887 million yen from the end of the previous consolidated fiscal year (increase of 837 million yen in the same period of the previous year). The balance as of the end of the fiscal year was 9,878 million yen.

Cash flows from operating activities

The amount of refunds of corporate tax etc. was 598 million yen while consumption tax payable decreased 1,293 million yen, receivables increased by 733 million yen (accounts payable decreased by 1,141 million yen) and payments of corporate tax etc. were 1,534 million yen. Consequently, cash used for operating activities amounted to 1,621 million yen. (In the same period of the previous year, cash of 1,546 million yen was obtained.)

Cash flows from investing activities

Income from the sale of investment securities was 242 million yen. On the other hand, expenses for the acquisition of tangible fixed assets were 416 million yen, expenses for the acquisition of intangible fixed assets were 294 million yen, and expenses for the payments for business transfer were 418 million yen. Consequently, cash used for investing activities amounted to 867 million yen. (In the same period of the previous year, 1,718 million yen of cash was used.)

Cash flows from financing activities

The net increase in short-term loans amounted to 3,132 million yen, while expenses for the repayment of long-term loans were 3,333 million yen, (proceeds from long-term loans payable were 200 million yen), and expenses for the payment of dividends were 266 million yen. Consequently, cash used for financing activities amounted to 399 million yen. (In the same period of the previous year, 1,009 million yen of cash was obtained.)

Trends in Cash Flow Indexes

	September 2006 fiscal year	September 2007 fiscal year	September 2008 fiscal year
Shareholders' equity (Million yen)	14,460	10,287	7,573
Shareholders' equity ratio (%)	38.9	24.7	20.6
Ratio of interest-bearing debt to cash flow (%)	215.0	445.4	15,392.6
Interest coverage ratio (times)	76.8	18.5	0.4

Shareholders' equity = Total net assets – Stock subscription rights – Minority interest
Shareholders' equity ratio: shareholders' equity ÷ gross assets x 100
Ratio of interest-bearing debt to cash flow: Interest-bearing debt ÷ Operating cash flow (before interest and corporate taxes)
Interest coverage ratio: Operating cash flow (before interest and corporate taxes) ÷ interest paid
Notes:
1. Each index is calculated based upon consolidated financial figures.
2. 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.
3. All debt involving the payment of interest and stated in the consolidated balance sheet are included in interest-bearing debt.
4. For interest payment, the amount of interest paid in the consolidated cash flow statement is used.

(4) Fundamental Policy for Allocation of Earnings and Dividends for the Fiscal Year under Review and the Next Fiscal Year

In the fiscal year under review (ended September 30, 2008), the Company is not planning to pay interim dividends or year-end dividends.
We regret that we will also forgo the payment of dividends in the subsequent fiscal year (ending September 30, 2009), as we seek to bolster our financial position.
We wholeheartedly apologize to our shareholders. We are resolved to resume dividends at the earliest possible stage. We sincerely ask for the continued support and understanding of shareholders.

(5) Risks Associated with Businesses

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

1) The Group's Policy for Business Growth

The environment surrounding the human resources service industry in Japan has been changing significantly. In response, the Group shifted to a pure holding company system on October 1, 2008 to divide the decision making of the Group management and the execution of each business for the purpose of improving corporate governance and accelerating decision making with respect to business strategies and the execution of tactics to bolster competitiveness. The Group adopted a more flexible organization so that each business and each operation of the Group can respond to the changing environment appropriately and immediately, with a more refined business focused to establish a strong position as a comprehensive outsourcing group. If it takes more time than expected to reorganize and reinforce the business, or if the contribution to earnings is not made as planned, the Group's earnings are likely to be adversely influenced.
Fullcast Co., Ltd., which has mainly provided short-term labor dispatch service for light duties, decided to disengage from the short-term worker (so-called "day worker") dispatching business, with a target date of September 30, 2009, in response to the changes of external environment including the enforcement of "Guideline for Measures to Be

Taken by Worker Dispatch Service Providers and by Companies to Be Provided with Workers for the Stabilization of Workers Employed on a Daily Basis and Workers Dispatched for the Short-Term” (hereinafter Guideline for Workers Employed on a Daily Basis) on April 1, 2008 and the increasing argument seeking for the revision (to legislate against the dispatch of day workers in principle) of the Law for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers (hereinafter Worker Dispatch Law). During the fiscal year ending September 2009, Fullcast Co., Ltd. is seeling to gradually shift to “long-term worker dispatch service for light duties” and change its business from day worker dispatch service to “short-term employment placement business etc.” If it takes time to convert the business model, the Group’s earnings are likely to be adversely influenced.

In addition, to refine the focus to the core worker dispatch business, it was decided to accept the takeover bid by Canon Electronics Inc. for the shares of Asia Pacific System Research Co., Ltd., a consolidated subsidiary of Fullcast Holdings Co., Ltd. When the takeover bid is completed, Asia Pacific System Research Co., Ltd. will be excluded from the consolidation.

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

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

2) Legal Regulations

a) Changes in Legal Regulations

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

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

b) Sharing of Social Insurance Contributions

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

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

c) Employee Dispatching Service

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

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

On October 3, 2008, Fullcast Co., Ltd. was instructed by the Tokyo Labor Bureau to suspend its worker dispatch business and to improve its worker dispatch operations pursuant to Section 2 of Article 14 and Section 1 of Article 49 of the Law for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers (hereinafter "Worker Dispatch Law").

d) Onsite Subcontracting Service

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

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

3) Securing Staff

The population of young people in Japan has been declining since 1985 due to a drop in the birthrate, leading to a decline in the number of children, and this trend is likely to continue, according to forecasts by research institutes. In the Spot Business, the staff is primarily made up of the younger generation aged 18 to 25. Therefore, a decline in the younger generation makes it difficult for the Group to secure the human resources it needs, and if the Group cannot secure the necessary human resources, the Group's earnings are likely to be adversely influenced. .To cope with this decline in the population of young people, the Group is recruiting staff through Web sites and mobile phone networks, in a bid to make its staff procurement process more efficient. In the event that the Group is unable to absorb increased expenses from rising salaries of in-house employees and costs of recruiting advertisements to promote staff procurement, through internal efforts such as improving operational efficiency and passing the higher cost on to service prices, it may impact the Group's earnings.

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

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

4) Securing and Retaining Employees

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

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

5) Managing the Database on Client Firms and Staff

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

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

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

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

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

6) Workplace Accidents and Transaction-Related Trouble

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

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

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

7) Seasonal Factors Affecting the Group's Earnings

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

In the Technology Business, accounts are settled on an inspection basis* for orders received. Thus, both sales and profits show a tendency to increase in the second and fourth quarters, which are key quarters of the fiscal year.

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

(Note) Inspection basis is the basis under which sales are recorded on the date when products (and services) are inspected by the other party (customers).

8) Concerning Notes about Going Concern Assumption

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. Since this event has made it difficult for Fullcast Co., Ltd. to refinance borrowings with the same terms as before, Fullcast Holdings Co., Ltd., which became a pure holding company on October 1, 2008, is negotiating with its main banks a revision to the terms of its borrowing in the future. Under these circumstances, there is a substantial doubt about the going concern assumption.

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

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

2. Corporate Group

The Group has developed a comprehensive human resources outsourcing business that covers short-term worker dispatch service for light duties in the distribution industry, including warehousing and logistics, and in the retail industry, factory line worker dispatch service for the manufacturing industry, engineer dispatch service for development and design work in major manufacturers, and an office worker dispatch service for clerical work and the sales support business.

Disclosure of situations at affiliated companies and the business organization chart as of September 30, 2008 is omitted because there was no significant change from the description in the recent securities report (submitted on December 25, 2007).
As Fullcast Holdings Co., Ltd. shifted to a pure holding company system on October 1, 2008, the status of affiliated companies and the business organization chart as of October 1, 2008 are shown below.

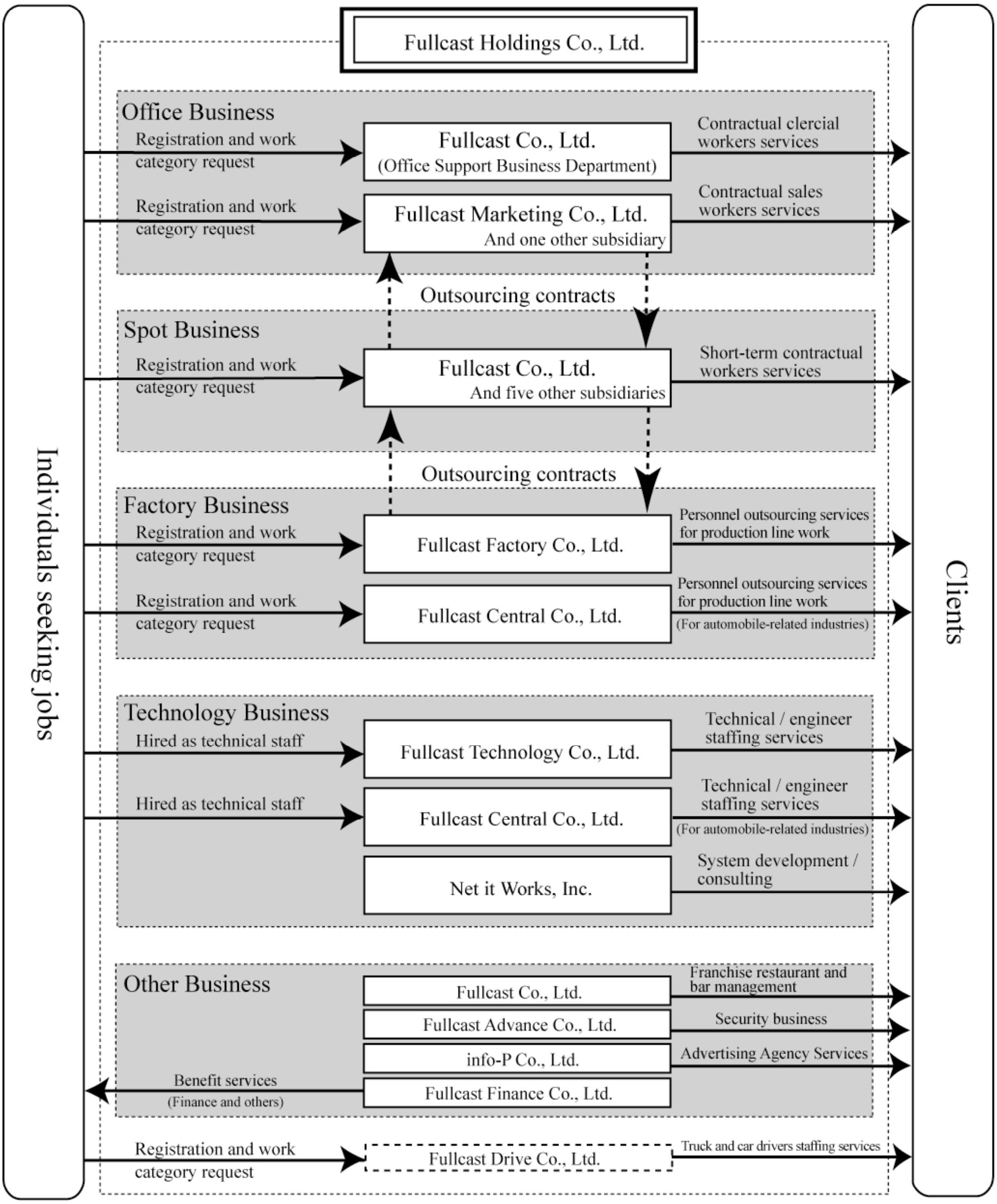
Status of Affiliated Companies

Company	Location	Capital (mil. yen)	Major business activities	Voting shares (%)	Issues to be noted:
Fullcast Co., Ltd.	Shibuya-ward, Tokyo	480	Spot Business	100.0	- Provides financial support (financing operating capital) - Interlocking directorates: 5
Fullcast Technology Co., Ltd.	Minato-ward, Tokyo	863	Technology business	68.6	- Interlocking directorates: 3
Net it works, Inc.	Meguro-ward, Tokyo	494	Technology business	67.0	- Interlocking directorates: 2
Fullcast Factory Co., Ltd.	Shibuya-ward, Tokyo	100	Factory business	100.0	- Provides financial support (financing operating capital) - Interlocking directorates: 3
Fullcast Central Co. Ltd.	Yokohama City, Kanagawa	90	Factory business Technology business	55.6	- Provides financial support (financing operating capital) - Interlocking directorates: 1
Fullcast Marketing Co., Ltd.	Osaka City, Osaka	80	Office Business	100.0	- Provides financial support (financing operating capital) - Interlocking directorates: 1
Others (9 companies)	—	—	—	—	—
One equity-method affiliated company	—	—	—	—	—

Notes:
1) The “Major business activities” category follows the business segment classification.
2) For all consolidated subsidiaries and equity-method affiliates, please refer to “Significant Accounting Policies in the Preparation of the Consolidated Financial Statements.”
3) A pure holding company system was introduced on October 1, 2008. Fullcast Co., Ltd. (currently Fullcast Holdings Co., Ltd.) spun off its operating division, which was succeeded by Fullcast HR Institute Co., Ltd. (currently Fullcast Co., Ltd.).
4) It has been resolved to accept the takeover bid concerning the shares of Asia Pacific System Research Co., Ltd. After the completion of the takeover bid, Asia Pacific System Research Co., Ltd. and three other consolidated subsidiaries will be excluded from the consolidated subsidiaries. Therefore, these subsidiaries are not included.

Flowchart of Business Activities

A flowchart of business activities is shown below:



(Notes) 1 Flowchart is current as of October 1, 2008.

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.

4 It has been resolved to accept the takeover bid concerning the shares of Asia Pacific System Research Co., Ltd. After the completion of the takeover bid, Asia Pacific System Research Co., Ltd. and three other consolidated subsidiaries will be excluded from the consolidated subsidiaries. Therefore, these subsidiaries are not included in the business organization chart.

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. The Group also endeavors to maximize corporate value by implementing management initiatives from the standpoint of all stakeholders including shareholders, customers and employees.

(2) Target Management Indicators

The Group aims to maintain ROE (rate of return on equity) of more than 20% and increase corporate value by focusing on the balance between profitability and growth, while maintaining financial soundness.

(3) Medium- and Long-Term Management Strategies

The labor market in Japan has shown evidence of the so-called Petty-Clark’s law in action, namely a tendency for workers to shift from primary industries, to secondary industries, and to tertiary industries in step with the development of the economy. During this process, the worker dispatch service industry contributed to the development of the Japanese economy significantly by solving the mismatch in demand and supply of human resources among industries and by absorbing fluctuations. The Group believes that the worker dispatch service industry in the future will play a role in replacement infrastructure. The Group is placing the emphasis on compliance as a basis of management, strengthening corporate governance and accelerating decisions making associated with business strategies and the execution of tactics to bolster its competitiveness. It is also reorganizing the Group flexibly to build a well-balanced segment structure to facilitate growth and strengthen the management base so that it can establish a strong position as a comprehensive outsourcing group.

(4) Key Management Issues

Fullcast Co., Ltd., a subsidiary of Fullcast Holdings Co., Ltd., received orders on October 3, 2008 from the Tokyo Labour Bureau to suspend its worker dispatch business and to improve its worker dispatch operations pursuant to Section 2 of Article 14 and Section 1 of Article 49 of the Law for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers (hereinafter “Worker Dispatch Law”). The Company is committed to strengthening its compliance system and addressing all of the issues that led to this incident, to prevent any recurrence.

The Group is united in its efforts to bolster and strengthen the compliance system and restore the confidence of all stakeholders, making this its top priority.

We will address the following issues by each business section:

1) Spot business
- a) Improve and thoroughly enforce compliance
- b) Shift to long-term worker dispatch in the field of light duties
- c) Introduce employment placement services to respond to demand for short-term employment
- d) Reduce costs by streamlining the operations
- e) Strengthen staff recruiting activities and increase the stability of the work force

2) Factory business
- a) Strengthen staff recruiting activities and increase the stability of the work force
- b) Cultivate human resources capable of responding to the increasingly sophisticated requests of client companies
- c) Improve the adaptability to respond to demands for both subcontracting and dispatching

3) Technology business
- a) Acquire excellent engineers in each field
- b) Acquiring quality human resources from overseas
- c) Improve the training to engineers
- d) Reduce costs and reinforce quality control

4) Office business

a) Expand sales support service where client demand is high
b) Strengthen staff recruiting activities and increase the stability of the work force
c) Reduce costs by streamlining operations

(5) Other, and Important Matters for Management

Fullcast Holdings Co., Ltd. resolved at a meeting of the Board of Directors held on October 14, 2008 to accept the takeover bid by Canon Electronics Inc. concerning the shares of Asia Pacific System Research Co., Ltd. When the takeover bid is completed, Asia Pacific System Research Co., Ltd. will be excluded from the scope consolidation.
For the details, please see “Notice of Acceptance of Takeover Bid of a Subsidiary’s Shares” released on October 14, 2008.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Million yen)

Category	Note No.	As of September 30, 2007 Amount		%	As of September 30, 2008 Amount		%	Change Amount	Rate of change (%)
Assets									
I Current assets									
1. Cash and deposits			11,674			9,878		-1,797	
2. Trade notes and accounts receivables			11,082			11,866		784	
3. Securities			1,299			100		-1,199	
4. Inventories			684			881		197	
5. Deferred tax asset			1,186			727		-459	
6. Other current assets			3,396			3,224		-172	
Allowance for doubtful accounts			-145			-235		-90	
Total current assets			29,176	70.1		26,441	72.1	-2,736	-9.4
II Fixed assets									
1. Tangible fixed assets									
(1) Buildings and structures	*1	923			999				
Accumulated depreciation	*2	357	566		361	638		72	
(2) Machinery and vehicles		37			33				
Accumulated depreciation	*2	28	9		26	6		-2	
(3) Furniture and fixtures		1,858			1,681				
Accumulated depreciation	*2	1,188	671		1,194	487		-183	
(4) Land	*1		793			793		—	
(5) Construction suspense account			21			3		-19	
Total tangible fixed assets			2,060	5.0		1,927	5.3	-132	-6.4
2. Intangible fixed assets									
(1) Software			1,075			1,021		-53	
(2) Goodwill			4,286			3,035		-1,250	
(3) Other	*1		194			108		-86	
Total intangible fixed assets			5,555	13.3		4,165	11.3	-1,390	-25.0
3. Investment and other assets									
(1) Investment securities	*3		1,492			1,187		-304	
(2) Long-term loan receivable			6			8		1	
(3) Insurance reserve fund			614			647		33	
(4) Guarantee money paid			—			1,979		1,979	
(5) Deferred tax asset			550			180		-370	
(6) Other			2,419			352		-2,066	
Allowance for doubtful accounts			-248			-189		59	
Total investment and other assets			4,833	11.6		4,165	11.3	-668	-13.8
Total fixed assets			12,448	29.9		10,257	27.9	-2,191	-17.6
Total assets			41,624	100.0		36,697	100.0	-4,926	-11.8

(Million yen)

Category	Note No.	As of September 30, 2007		**As of September 30, 2008**		Change	
		Amount	%	**Amount**	**%**	Amount	Rate of change (%)
Liabilities							
I Current liabilities							
1. Notes payable and accounts payable trade		1,287		**1,407**		120	
2. Short-term borrowings		5,014		**8,144**		3,130	
3. Current portion of long-term debt	*1	2,993		**2,867**		-126	
4. Accounts payable-other		4,198		**1,945**		-2,253	
5. Accrued expenses payable		2,820		**2,649**		-171	
6. Income taxes payable		678		**532**		-146	
7. Deferred tax liability		0		**3**		3	
8. Accrued bonuses		1,395		**1,409**		14	
9. Allowance for cancellation adjustments		—		**205**		205	
10. Other current liabilities		678		**562**		-116	
Total current liabilities		19,062	45.8	**19,723**	**53.7**	660	3.5
II Fixed liabilities							
1. Long-term debt	*1	8,244		**5,237**		-3,007	
2. Deferred tax liability		—		**1**		1	
3. Allowance for employee retirement benefits		482		**553**		71	
4. Other fixed liabilities		194		**215**		21	
Total fixed liabilities		8,919	21.4	**6,005**	**16.4**	-2,915	-32.7
Total liabilities		27,982	67.2	**25,728**	**70.1**	-2,254	-8.1
Net assets							
I Equity							
1. Common stock		3,464	8.3	**3,464**	**9.5**	—	—
2. Capital surplus		2,906	7.0	**2,906**	**7.9**	—	—
3. Retained surplus		6,679	16.1	**3,978**	**10.8**	-2,701	-40.4
4. Treasury stock		-2,747	-6.6	**-2,747**	**-7.5**	—	—
Total equity		10,302	24.8	**7,601**	**20.7**	-2,701	26.2
II Valuation and translation adjustments:							
1. Net unrealized holding gains on securities		-15		**-28**		-13	
Total Valuation and translation adjustments		-15	-0.0	**-28**	**-0.1**	-13	-86.8
III Minority interests		3,355	8.0	**3,396**	**9.3**	41	1.2
Total net assets		13,642	32.8	**10,969**	**29.9**	-2,673	-19.6
Liabilities and net assets		41,624	100.0	**36,697**	**100.0**	-4,926	-11.8

(2) Consolidated Profit and Loss Statement

(Million yen)

		October 1, 2006 to September 30, 2007			**October 1, 2007 to September 30, 2008**			Change	
Category	Note No.	Amount		%	**Amount**		**%**	Amount	Rate of change (%)
I Net sales			108,301	100.0		**98,989**	**100.0**	-9,312	-8.6
II Cost of sales			80,714	74.5		**74,561**	**75.3**	-6,154	-7.6
Gross profit			27,587	25.5		**24,429**	**24.7**	-3,158	-11.5
III Selling, general and administrative expenses			25,507	23.6		**22,782**	**23.0**	-2,724	-10.7
1. Salaries and wages		6,975			**6,795**				
2. Miscellaneous wages		3,816			**2,305**				
3. Legal welfare		1,301			**1,144**				
4. Provision of accrued bonuses		595			**602**				
5. Retirement benefit expenses		179			**260**				
6. Communications expenses		1,064			**778**				
7. Advertisement and sales promotion		659			**292**				
8. Travel and transportation		1,126			**968**				
9. Rents		2,350			**2,216**				
10. Depreciation and amortization		699			**663**				
11. Recruitment expense		2,202			**1,770**				
12. Provision of allowance for doubtful accounts		93			**239**				
13. Amortization of goodwill		204			**374**				
14. Other		4,244			**4,376**				
Operating income			2,081	1.9		**1,647**	**1.7**	-434	-20.9
IV Non-operating income			188	0.2		**476**	**0.5**	288	153.3
1. Interest income		25			**26**				
2. Rental income		35			**164**				
3. Gain on equity method investments		—			**76**				
4. Other		128			**210**				
V Non-operating expenses			457	0.4		**593**	**0.6**	135	29.6
1. Interest expense		208			**242**				
2. Rent cost		—			**142**				
3. Share delivery expenses		0			**1**				
4. Business commence expense		11			**—**				
5. Loss on equity method investments		39			**20**				
6. Other		198			**188**				
Ordinary income			1,811	1.7		**1,530**	**1.6**	-281	-15.5

		October 1, 2006 to September 30, 2007			**October 1, 2007 to September 30, 2008**			Change	
Category	Note No.	Amount		%	**Amount**		**%**	Amount	Rate of change (%)
VI Extraordinary income			745	0.7		**189**	**0.2**	-557	-74.7
1. Gain on sale of fixed assets	*1	1			**4**				
2. Gain on sale of investment securities		4			**123**				
3. Reversal of allowances for doubtful accounts		68			**53**				
4. Gain on sale of affiliate stocks		672			**8**				
VII Extraordinary loss			2,849	2.7		**2,361**	**2.4**	-488	-17.1
1. Loss on sales of fixed assets	*2	110			**2**				
2. Loss on disposal of fixed assets	*3	50			**106**				
3. Loss on valuation of investment securities		7			**276**				
4. Loss on insurance cancellation		10			**—**				
5. Loss on change of share-holding ratio	*4	6			**0**				
6. Penalty	*5	49			**33**				
7. Loss on liquidation of affiliates		27			**—**				
8. Settlement	*6	22			**—**				
9. Allowance for officers' retirement benefits	*7	10			**—**				
10. Loss on impairment of fixed assets	*8	151			**1,397**				
11. Loss on reimbursement of administrative expenses	*9	1,875			**—**				
12. Loss on cancellation of naming rights	*10	182			**—**				
13. Loss on closure of offices	*11	350			**204**				
14. Expenses for withdrawal from training base	*12	—			**32**				
15. Expenses for relocation of head offices	*13	—			**236**				
16. Social insurance contributions in prior years		—			**76**				
Income (loss) before income taxes and minority interests			-293	-0.3		**-642**	**-0.6**	-350	—
Corporate, residential and enterprise taxes		1,012			**880**				
Corporate tax adjustment		-734	279	0.2	**844**	**1,724**	**1.8**	1,445	518.3
Minority interests			103	0.1		**77**	**0.1**	-26	-25.2
Net income (loss)			-674	-0.6		**-2,443**	**-2.5**	-1,768	—

(3) Consolidated Statements of Shareholders' Equity

Fiscal year ended September 2007 (October 1, 2006 to September 30, 2007)

(Million yen)

	Equity					Valuation and Translation Adjustments		Minority interests	Total net assets
	Common stock	Capital surplus	Retained surplus	Treasury stock	Total equity	Net unrealized holding gains on securities	Valuation and translation adjustments		
Balance September 30, 2006	3,464	3,100	7,992	-163	14,393	67	67	2,817	17,278
Net increase/decrease during the fiscal year Cash dividends	—	—	-935	—	-935	—	—	—	-935
Decrease due to exclusion from consolidation	—	-314	314	—	—	—	—	—	—
Decrease due to exemption from equity-method	—	—	-17	—	-17	—	—	—	-17
Net loss	—	—	-674	—	-674	—	—	—	-674
Purchase of company shares	—	—	—	-3,203	-3,203	—	—	—	-3,203
Disposal of treasury stock	—	120	—	620	740	—	—	—	740
Net increase/ decrease during the fiscal year except in equity						-82	-82	538	455
Total of increase/decrease during the fiscal year	—	-194	-1,313	-2,583	-4,091	-82	-82	538	-3,635
Balance September 30, 2007	3,464	2,906	6,679	-2,747	10,302	-15	-15	3,355	13,642

Fiscal year ended September 2008 (October 1, 2007 to September 30, 2008)

(Million yen)

	Equity					Valuation and Translation Adjustments		Minority interests	Total net assets
	Common stock	Capital surplus	Retained surplus	Treasury stock	Total equity	Net unrealized holding gains on securities	Valuation and translation adjustments		
Balance September 30, 2007	3,464	2,906	6,679	-2,747	10,302	-15	-15	3,355	13,642
Net increase/decrease during the fiscal year Cash dividends	—	—	-265	—	-265	—	—	—	-265
Decrease due to exemption from equity-method	—	—	7	—	7	—	—	—	7
Net income	—	—	-2,443	—	-2,443	—	—	—	-2,443
Net increase/ decrease during the fiscal year except in equity						-13	-13	41	28
Total of increase/decrease during the fiscal year	—	—	-2,701	—	-2,701	-13	-13	41	-2,673
Balance September 30, 2008	3,464	2,906	3,978	-2,747	7,601	-28	-28	3,396	10,969

(4) Consolidated Cash Flows Statement

(Million yen)

		October 1, 2006 to September 30, 2007	**October 1, 2007 to September 30, 2008**
Category	Note No.	Amount	**Amount**
I Cash flows from operating activities			
1. Income (loss) before income taxes and minority interests		-293	**-642**
2. Depreciation and amortization		852	**772**
3. Increase (decrease) in allowance for doubtful accounts		-13	**30**
4. Increase in allowance for bonuses		205	**14**
5. Increase in allowance for employee retirement benefits		23	**87**
6. Increse in allowance for cancellation adjustements		—	**205**
7. Interest and dividend income		-34	**-58**
8. Interest expenses		208	**242**
9. Gain on sale of fixed assets		-1	**-4**
10. Loss on sales of fixed assets		110	**2**
11. Loss on disposal of fixed assets		50	**106**
12. Credit losses		16	**56**
13. Gain on sale of investment securities		-4	**-123**
14. Loss on valuation of investment securities		7	**276**
15. Gain on sale of affiliate stocks		-672	**-8**
16. Share delivery expenses		0	**1**
17. Amortization of goodwill		219	**382**
18. Gain and loss on equity method investments		39	**20**
19. Loss on change of share-holding ratio		6	**0**
20. Loss on impairment of fixed assets		151	**1,397**
21. Increase (decrease) in trade receivable		2,122	**-733**
22. Increase (decrease) in inventories		103	**-197**
23. Increase (decrease) in trade payable		950	**-1,141**
24. Increase (decrease) in accrued expenses payable		365	**-169**
25. Increase in insurance reserve fund		-13	**-33**
26. Increase in accrued income		-16	**-27**
27. Decrease in accrued consumption tax		—	**-1,293**
28. Other		-711	**346**
Subtotal		3,671	**-493**
29. Interest and dividend received		43	**58**
30. Interest paid		-199	**-250**
31. Income taxes paid		-1,970	**-1,534**
32. Refund of income tax etc.		—	**598**
Net cash provided by (used in) operating activities		1,546	**-1,621**

(Million yen)

Category	Note No.	October 1, 2006 to September 30, 2007 Amount	**October 1, 2007 to September 30, 2008 Amount**
II Cash flows from investing activities			
1. Purchase of time deposits		-105	**-1**
2. Proceeds from refund of time deposits		33	**11**
3. Purchase of tangible fixed assets		-501	**-416**
4. Proceeds from sales of tangible fixed assets		53	**14**
5. Purchase of intangible fixed assets		-544	**-294**
6. Proceeds from maturity of investment securities		—	**100**
7. Purchase of acquisition of investment securities		-1,444	**-125**
8. Proceeds from sales of investment securities		15	**242**
9. Proceeds from collection on equity in investment securities		25	**3**
10. Advanced for loans receivable		-20	**-440**
11. Collection on loans receivable		563	**447**
12. Payment for the acquisition of shares in subsidiary		-540	—
13. Proceeds from the sales of the shares of newly consolidated subsidiaries subject to change in scope of consolidation (minus means payments)	*3	-23	—
14. Proceeds from the acquisition of the shares of newly consolidated subsidiaries subject to change in scope of consolidation (minus means payments)	*2	771	—
15. Expenses for transferred business		—	**-418**
16. Other		-1	**10**
Net cash provided by (used in) investing activities		-1,718	**-867**
III Cash flows from financing activities			
1. Increase (decrease) in short-term borrowings		665	**3,132**
2. Proceeds from long-term debt		9,000	**200**
3. Repayments of long-term debt		-4,462	**-3,333**
4. Payments of redemption of corporate bonds		—	**-100**
5. Proceeds from disposal of treasury stocks (exercise of stock option rights)		10	—
6. Expenditure incurred by acquisition of own stocks		-3,203	—
7. Proceeds from payment by minority shareholders		12	**51**
8. Payments of dividends		-934	**-266**
9. Payments of dividends to minority shareholders		-77	**-83**
10. Other		-1	—
Net cash provided by (used in) financing activities		1,009	**-399**
IV Exchange gain/loss on cash and cash equivalents		0	**0**
V Net increase in cash and cash equivalents		837	**-2,887**
VI Cash and cash equivalents at beginning of period		11,906	**12,764**
VII Net increase in cash and cash equivalents due to newly consolidated subsidiaries		21	—
VIII Cash and cash equivalents at end of period	*1	12,764	**9,878**

(5) Events or situations that give rise to substantial doubt about the going concern assumption

Fiscal year ended September 2007 (October 1, 2006 to September 30, 2007)

There are no relevant matters.

Fiscal year ended September 2008 (October 1, 2007 to September 30, 2008)

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. Since this event has made it difficult for Fullcast Co., Ltd. to refinance borrowings with the same terms as before, Fullcast Holdings Co., Ltd., which became a pure holding company on October 1, 2008, is negotiating with its main banks a revision to the terms of its borrowing in the future.

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

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

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

Therefore, these consolidated financial statements are prepared on the premise that the Company will operate as a going concern and do not reflect the effect of the substantial doubt about the going concern assumption as descried above.

(6) Significant Accounting Policies in the Preparation of the Consolidated Financial Statements

1. Matters concerning the scope of consolidation

Consolidated subsidiaries: 19	Fullcast Technology Co., Ltd.	Nisso Co., Ltd.
	Fullcast Factory Co., Ltd.	Solution Development Co., Ltd.
	Fullcast Central Co., Ltd.	Fullcast Marketing Co., Ltd.
	Fullcast Finance Co., Ltd.	Toa System Co., Ltd.
	Asia Pacific System Research Co., Ltd.	Job Choice Tokai Co., Ltd.
	Fullcast HR Institute Co., Ltd.	Net it works, Inc.
	Casting Bank Co., Ltd.	Info-P Co., Ltd.
	Top Spot Co., Ltd.	Marketing Square Co., Ltd.
	Oneday Job Style Co., Ltd.	Japan NonStop Innovation Co., Ltd.
	Fullcast Advance Co., Ltd.	

(Notes) 1. Fullcast Stylish Work Co., Ltd., which had been a consolidated subsidiary, was absorbed by Nisso Co., Ltd. on January 1, 2008.

2. info-P Co., Ltd. absorbed Amusecast Co., Ltd., which was a consolidated subsidiary on May 1, 2008.

3. Asia Pacific System Research Co., Ltd., which is a consolidated subsidiary, established Japan NonStop Innovation Co., Ltd. on May 12, 2008, which is the base date for its inclusion in consolidation.

Unconsolidated subsidiary: ―

(Notes) Southern Cross Management Co., Ltd. was excluded from the non-consolidated subsidiary as the Company sold all shares in the subsidiary on September 27, 2008.

2. Matters concerning the application of the equity method

(1) Affiliate accounted for by the equity method

One company: Fullcast Drive Co., Ltd.

(Notes) As the investment ratio declined with the sale of shares on June 20, 2008, Fullcast Sports Co., Ltd. (now eAMA Co., Ltd.) was excluded from the application of equity method with a base date of June 30, 2008.

(2) Names, etc. of major companies among the non-consolidated subsidiaries and affiliates to which the equity method is not applied.

Affiliate not accounted for by the equity method: 1 ICS Research Institute Co., Ltd.

Unconsolidated subsidiary not accounted for by the equity method: ―

(Notes) Southern Cross Management Co., Ltd. was excluded from the non-consolidated subsidiary as the Company sold all the shares the subsidiary on September 27, 2008.

Unconsolidated subsidiaries that are not accounted for by the equity method are excluded from the scope of the equity method because their influence on the Company's net income and loss and retained earnings is minor and does not have overall significance.

(3) Matters for which the special note on procedures for the application of the equity method is regarded as necessary or the preparation of consolidated financial statements of those affiliates that are accounted for by the equity method but have different closing dates from the Company's, financial statements that were prepared based on a provisional settlement of account conducted on the consolidated closing date are used.

3. Matters concerning the fiscal year settlement date, etc. of consolidated subsidiaries

Consolidated companies with a settlement date that is different from the consolidated settlement date are as follows.

Company name	Settlement date
Net it works, Inc.	February 28

In the case of Net it works, Inc., the Company carried out a provisional settlement of accounts on August 31, 2008, and used financial statements as of this provisional settlement date to prepare consolidated financial statements for the fiscal year. The Company made necessary consolidation adjustments in relation to significant transactions occuring between the settlement date of Net it works, Inc. and the consolidated settlement date.

The settlement dates of other consolidated subsidiaries are the same as the consolidated settlement date.

4. Matters concerning significant accounting policies

Accounting policy of allowance for cancellation adjustments

In the sales support service departments of consolidated subsidiaries, the returned expenses of fee income that are claimed by sales contractors of the Company because of the cancellation of short-term contracts by customers who have a contract for information and telecommunication services, etc. are accounted for as a subtraction from sales in the fiscal year when the returned expenses are paid.

However, since the importance of the returned expenses of fee income is increasing with the growth in transaction volume and it has become possible to reasonably estimate the amount of the returned expenses due to the development of a management system to calculate the cancellation rate, the accounting method has been changed in the fiscal year under review, so that the amount of expected cancellations based on the actual cancellation rate in the past is recorded as an allowance for cancellation adjustments to calculate the period income and loss more properly.

As a result, gross profit, operating income, ordinary income, income before income taxes and minority interests declined 205 million yen in comparison with the amounts recorded by the method in the past. Since a system to reasonably estimate the return was developed in the second half, the method in the past was applied in the first half of the fiscal year under review.

As there is no significant change from the content of the most recent securities report (submitted on December 25, 2007) except for the allowance for cancellation adjustments above, the disclosure is omitted.

Reclassification

(Consolidated balance sheet)

Guarantee Money Paid, included in Others in Investments & Other Assets at the end of the previous consolidated fiscal year, is recorded as an independent item at the end of this consolidated fiscal year because its amount exceeded five percent of total assets.

The amount of guarantee money paid included in Investments & Other Assets at the end of the previous fiscal year was 1,909 million yen.

(Consolidated profit and loss statement)

Although selling, general and administrative expenses had been presented together up to the previous fiscal year, with major items written in notes (on the consolidated profit and loss statement), they are classified into sub-categories from this consolidated fiscal year to make the presentation more concise.

Housing Rental Costs, which had been included in Other in Non-operating Expenses in the previous consolidated fiscal year, is recorded as an independent item in this consolidated fiscal year because its amount exceeded ten percent of Non-operating Expenses.

The amount of housing rental costs in Non-operating Expenses in the previous consolidated fiscal year was 5 million yen.

(Consolidated cash flows statement)

Refund of Income Tax etc., which had been included in Income Taxes Paid of the Cash Flow from Operating Activities at the end of the previous consolidated fiscal year, is recorded as an independent item at the end of this consolidated fiscal year because the amount of refund of income tax etc. is more significant. The amount of refund of income tax etc. at the end of the previous consolidated fiscal year was 64 million yen.

Decrease in Accrued Consumption Tax, which had been included in Other of the Cash Flow from Operating Activities at the end of the previous consolidated fiscal year, is recorded as an independent item at the end of this consolidated fiscal year because the amount of the decrease is more significant. The amount of Increase in Accrued Consumption Taxes at the end of the previous consolidated fiscal year was 326 million yen.

(7) Notes on Consolidated Financial Statements

Notes on consolidated balance sheet

(Million yen)

As of September 30, 2007	As of September 30, 2008
*1. Assets pledged as collateral Assets pledged as collateral were as follows: Buildings and structures 122 Land 222 Others (intangible fixed assets) 131 Total 474 Liabilities corresponding to assets pledged as collateral: Long-term debt 381 (Current portion of long-term debt 114) Total 381	*1. ————————
*2. ————————	*2. Accumulated depreciation includes accumulated impairment losses.
*3. Non-consolidated subsidiary and affiliate stock includes the following: Investment securities 34	*3. Non-consolidated subsidiary and affiliate stock includes the following: Investment securities 87
4. Our consolidated subsidiary Fullcast Finance Co., Ltd. offers cashing services incidental to credit card loan and credit card operations, and others. Unexecuted lending outstanding involved in loan commitment under these operations is as follows: Loan commitment 2,205 Lending 1,073 Balance 1,132	4. Our consolidated subsidiary Fullcast Finance Co., Ltd. offers cashing services incidental to credit card loan and credit card operations, and others. Unexecuted lending outstanding involved in loan commitment under these operations is as follows: Loan commitment 1,205 Lending 912 Balance 293
5. The Company and four of its 4 consolidated subsidiaries signed an agreement for overdraft with 11 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 13,389 Borrowing 5,013 Balance 8,376	5. The Company and 3 consolidated subsidiaries signed an agreement for overdraft with 8 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 10,580 Borrowing 7,314 Balance 3,266

Notes on consolidated profit and loss statement

(Million yen)

October 1, 2006 － September 30, 2007		October 1, 2007 － September 30, 2008	
*1. Significant components of gain on sales of fixed assets		*1. Significant components of gain on sales of fixed assets	
Machinery and vehicles	1	Machinery and vehicles	4
		Furniture and fixtures	0
		Total	4
*2. Significant components of loss on sales of fixed assets		*2. Significant components of loss on sales of fixed assets	
Land and buildings	110	Furniture and fixtures	2
*3. Significant components of loss on disposal of fixed assets		*3. Significant components of loss on disposal of fixed assets	
Buildings and structures	6	Buildings and structures	11
Machinery and vehicles	1	Machinery and vehicles	0
Furniture and fixtures	38	Furniture and fixtures	48
Software	0	Software	46
Others (intangible fixed assets)	5	Total	106
Total	50		
*4. Loss on change in equity resulted from the exercise of stock options at a consolidated subsidiary, Fullcast Technology Co., Ltd.		*4. Loss on change in equity resulted from the exercise of stock options at a consolidated subsidiary, Fullcast Technology Co., Ltd.	
*5. Penalties on a lump-sum repayment of borrowings by the Company before maturity and on an early cancellation of a franchise contract by Fullcast Marketing Co., Ltd, a consolidated subsidiary.		*5. The penalty was primarily an exit-penalty on the change of transfer agent by the Company.	
*6. A settlement was posted because the Company's subsidiary Asia Pacific System Research Co., Ltd. recorded the settlement amount and other expenses likely to be incurred following conciliation or a decision handed down by the Tokyo District Court.		*6. ――――――――	
*7. Officers' retirement benefits are mainly in connection with the payment of retirement benefits to the founder of a consolidated subsidiary, Toa System Co., Ltd., as resolved at an ordinary meeting of shareholders of the subsidiary held on May 25, 2007.		*7. ――――――――	

October 1, 2006 － September 30, 2007

*8. The details of the impairment loss are as follows.

(1) Main assets for which an impairment loss was recognized

Use	Type	Place
Business know-how	Goodwill	Shibuya-ku, Tokyo
Franchise contract fees	Long term prepaid expenses	Shibuya-ku, Tokyo

(2) Background to the recognition of the impairment loss

Impairment loss is recognized on the business know-how and franchise contracts above, as future use is no longer anticipated in light of the Company's business policy.

(3) Amount of impairment loss

Goodwill	88
Long term prepaid expenses	63

(4) Grouping method of assets

To apply accounting for the impairment of fixed assets, the Group classified assets in accordance with the classification of business segments.

(5) Calculation of collectible amount

The use-value is used for the collectible amount of the Company Group, and the business know-how and franchise membership fees are calculated as zero based on an estimate of future cash flows.

October 1, 2007 － September 30, 2008

*8. The details of the impairment loss are as follows.

(1) Main assets for which an impairment loss was recognized

Use	Type	Place
Business property in Other Businesse	Buildings and structures	Minato-ku, Tokyo
	Furniture and fixtures	
	Software	
	Others (intangible fixed assets)	
Business property in Factory Business	Buildings and structures	Kohoku-ku, Yokohama-shi
	Machinery and vehicles	
	Furniture and fixtures	
	Software	
	Leased assets	
Business know-how	Goodwill	Shibuya-ku, Tokyo
Business know-how	Goodwill	Toshima-ku, Tokyo
Excess Earning Power	Goodwill	Minato-ku, Tokyo
Excess Earning Power	Goodwill	Shibuya-ku, Tokyo
Excess Earning Power	Goodwill	Toshima-ku, Tokyo

(2) Background to the recognition of the impairment loss

At consolidated subsidiaries, Fullcast Advance Co., Ltd. (Minato-ku, Tokyo) and Fullcast Central Co., Ltd. (Kohoku-ku, Yokohama-shi), cash flow from operating activities has remained negative. As it is difficult to estimate cash flow from operating activities in the future with certainty, the entire book value of fixed assets in Other Business and Factory Business was deemed irrecoverable, and recognized as an impairment loss.

At Fullcast Factory Co., Ltd. (Shibuya-ku, Tokyo) and Asia Pacific System Research Co., Ltd. (Toshima-ku, Tokyo), impairment loss is recognized in the business know-how obtained when the business was acquired, as future use is no longer anticipated in light of the Company's business policy.

In addition, a loss on impairment of goodwill was also recognized because it became clear that the originally projected excess earnings power was no longer likely as a result of the review of business plan conducted by Fullcast Advance Co., Ltd., Info-P Co., Ltd., (Shibuya-ku, Tokyo) and Solution Development Co., Ltd. (Toshima-ku, Tokyo).

(3) Amount of impairment loss

Buildings and structures	6
Machinery and vehicles	6
Furniture and fixtures	24
Software	10
Others (intangible fixed assets)	3
Goodwill	1,285
Leased assets	63

October 1, 2006 － September 30, 2007	October 1, 2007 － September 30, 2008
	(4) Grouping method of assets To apply accounting for the impairment of fixed assets, the Group classified assets in accordance with the classification of business segments. (5) Calculation of collectible amount The use-value is used for the collectible amount of the Company Group, and the business properties, business know-how and excess earnings power are calculated as zero based on an estimate of future cash flows.
*9. The loss on reimbursement of administrative expenses includes administrative expenses which the Company repaid to certain temporary staff with whom there was a misunderstanding about the administrative expense dating back to the establishment of the business and whom the Company considered eligible for reimbursement, as well as the personnel expenses, etc. required for the response.	*9. ――――――――――――
*10. The loss on the cancellation of naming rights includes a loss on cancellation primarily arising from the withdrawal from a naming right agreement with the prefecture-run Miyagi Stadium and an official sponsor agreement with Rakuten Baseball, Inc. before the expiration of the contracts and a related loss on the disposal of fixed assets.	*10. ――――――――――――
*11. The loss on closure of offices is a loss resulting from the consolidation of offices around the nation, and the major components are a loss on disposal of fixed assets and a loss on cancellation of real estate contracts due to the consolidation of the offices.	*11. The loss on closure of offices is a loss resulting from the consolidation of offices around the nation, and the major components are a loss on disposal of fixed assets and a loss on cancellation of real estate contracts due to the consolidation of the offices.
*12. ――――――――――――	*12. Expenses for the withdrawal from a training base are related to the withdrawal made by a consolidated subsidiary, Fullcast Technology Co., Ltd., from its overseas training base. The majority of the expenses were a penalty for early termination of the lease agreement, and expenses for education and training already booked.
*13. ――――――――――――	*13. Expenses for the relocation of head offices represent a loss mainly associated with the relocation of Group head offices, consisting of make-good costs, loss on retirement of fixed assets, and other costs

Notes on consolidated statement of changes in net assets

Fiscal year ended September 2007 (October 1, 2006 to September 30, 2007)

1. Matters concerning the type and the number of shares issued and treasury stock

	Number of shares at the end of the previous fiscal year	Increase in the number of shares during the fiscal year	Decrease in the number of shares during the fiscal year	Number of shares at the end of the fiscal year
Shares issued Common stock (shares)	275,964	－	－	275,964
Total	275,964	－	－	275,964
Treasury stock Common stock (shares)	2,275	(Note 1) 11,336	(Note 2) 2,511	11,100
Total	2,275	11,336	2,511	11,100

(Notes) 1. The reason for the increase in treasury stock is as follows:
Acquisition of the Company shares based on a resolution of the Board of Directors 11,336 shares
2. The cause for the decrease in treasury stock is as follows.
Disposal of treasury stock associated with the exercise of stock option rights 34 shares
Disposal of treasury stock associated with share for share exchange 2,477 shares

2. Matters concerning stock acquisition rights

There are no relevant matters.

3. Matters concerning dividend

(1) Dividend payments

Resolution	Type of stock	Total amount of dividends	Dividend per share	Record date	Effective date
Ordinary meeting of shareholders on December 21, 2006	Common stock	411 million yen	1,500 yen	September 30, 2006	December 22, 2006
Board of directors' meeting on May 1, 2007	Common stock	525 million yen	2,000 yen	March 31, 2007	June 5, 2007

(2) Of dividends the record date of which belongs to the fiscal year, those the effective date of which falls in or after the following fiscal year

Resolution	Type of stock	Total amount of dividends	Source of dividends	Dividend per share	Record date	Effective date
Board of directors' meeting on November 5, 2007	Common stock	265 million yen	Retained surplus	1,000 yen	September 30, 2007	December 25, 2007

Fiscal year ended September 2008 (October 1, 2007 to September 30, 2008)

1. Matters concerning the type and the number of shares issued and treasury stock

	Number of shares at the end of the previous fiscal year	Increase in the number of shares during the fiscal year	Decrease in the number of shares during the fiscal year	Number of shares at the end of the fiscal year
Shares issued Common stock (shares)	275,964	—	—	275,964
Total	275,964	—	—	275,964
Treasury stock Common stock (shares)	11,100	—	—	11,100
Total	11,100	—	—	11,100

2. Matters concerning stock acquisition rights

There are no relevant matters.

3. Matters concerning dividend

(1) Dividend payments

Resolution	Type of stock	Total amount of dividends	Dividend per share	Record date	Effective date
Board of directors' meeting on November 5, 2007	Common stock	265 million yen	1,000 yen	September 30, 2007	December 25, 2007

(2) Of dividends the record date of which belongs to the fiscal year, those the effective date of which falls in or after the following fiscal year

There are no relevant matters.

Notes on consolidated cash flows statement

(Million yen)

October 1, 2006 − September 30, 2007	October 1, 2007 − September 30, 2008
*1. Reconciliation of the first half consolidated balance sheet items to cash and cash equivalents in the first quarter consolidated cash flows statements Cash and deposits 11,674 Fixed deposits with original maturities of over 3 months -109 Commercial paper 999 Money market funds 201 Cash and cash equivalents 12,764	*1. Reconciliation of the first half consolidated balance sheet items to cash and cash equivalents in the first quarter consolidated cash flows statements Cash and deposits 9,878 Fixed deposits with original maturities of over 3 months -100 Money management funds 100 Cash and cash equivalents 9,878
*2. Major breakdown of assets and liabilities of a newly consolidated subsidiary The following shows a breakdown of assets and liabilities at the start of consolidation of Net it works, Inc. through stock acquisition and the relation with net expenditure for acquisition of the company. Current assets 2,180 Fixed assets 723 Goodwill 261 Current liabilities 1,150 Fixed liabilities 474 Minority interest 744 Acquisition price of the company's shares 796 Valuation by equity method as of the date of acquisition of control -796 Cash and cash equivalents held by the company -693 Net expenditure for acquisition of the company (minus indicates proceeds) -693 The following shows a breakdown of assets and liabilities at start of consolidation of Info-P Co., Ltd. through share for share exchange and the relation with net expenditure for acquisition of the company. Current assets 681 Fixed assets 294 Goodwill 1,250 Current liabilities 779 Fixed liabilities 115 Acquisition price of the companies' shares 1,331 Substituted treasury shares exchanged for the company's shares -730 Transfer from investments in securities -598 Cash and cash equivalents held by the companies -85 Net expenditure for acquisition of the companies -81	*2. ――――――――

<table>
<tr><th>October 1, 2006 － September 30, 2007</th><th>October 1, 2007 － September 30, 2008</th></tr>
<tr><td>The following shows a breakdown of assets and liabilities at the start of consolidation of Marketing Square Co., Ltd. through stock acquisition and the relation with net expenditure for the acquisition of the company.
Current assets 59
Fixed assets 3
Goodwill 31
Current liabilities 47
Minority interest 7
Sales price of the company's stock 38
Cash and cash equivalents held by the company 35
Net expenditure for acquisition of the company 4

*3. Major breakdown of assets and liabilities of a company that became non-consolidated through the sale of stock
The following shows a breakdown of assets and liabilities at the time of exclusion of Apayours Co., Ltd. from the scope of consolidation through the sale of stock and the relation with net proceeds from the sale of the company
Current assets 1,711
Fixed assets 162
Current liabilities 1,417
Fixed liabilities 104
Gain on sale of stock in affiliate 672
Sales price of the company's stock 1,025
Cash and cash equivalents held by the company -1,048
Net proceeds from sale of the company's stock (minus indicates expenditures) -23</td><td>

*3. ――――――――</td></tr>
</table>

Securities

Previous consolidated fiscal year

1. Securities with market quotations classified as "Other" (as of September 30, 2007) (Million yen)

Security	Acquisition cost	Carrying value	Unrealized gain/loss
Carrying value exceeds acquisition cost			
(1) Equity securities	100	205	104
(2) Debt securities			
JGBs and municipal bonds	—	—	—
Corporate bonds	197	198	2
Other bonds	—	—	—
(3) Other securities	—	—	—
Subtotal	297	403	106
Carrying value does not exceed acquisition cost			
(1) Equity securities	404	290	-114
(2) Debt securities			
JGBs and municipal bonds	—	—	—
Corporate bonds	—	—	—
Other bonds	—	—	—
(3) Other securities	24	23	-1
Subtotal	429	313	-116
Total	726	716	-9

(Note) For the "Acquisition cost" in the table, the amount after the write-off is written.
The amount of the write-off is 6 million yen (for equity securities).

2. Other securities sold during the consolidated fiscal year (October 1, 2006 – September 30, 2007)

(Million yen)

Selling price	Total profit on sale	Total loss on sale
15	4	—

3. Securities without market quotations classified as "Other" (as of September 30, 2007)

(Million yen)

	Carrying value
Subsidiary and affiliate stock	
Affiliate stock	34
Other securities	
Securities without market quotations	841
Investment in partnerships and associates	1
Money management funds	201
Commercial paper	999

(Note) Equity securities (carrying value) are reported at fair value after adjustment for impairment on the consolidated balance sheet.
Write-off: 2 million yen (unlisted equity securities)

4. Scheduled redemption of securities with maturities classified as “Other” and debt securities held to maturity (as of September 30, 2007) (Million yen)

	Within 1 year	More than 1 year and not more than 5 years	More than 5 years and not more than 10 years	More than 10 years
(1) Debt securities				
JGBs and municipal bonds	—	—	—	—
Corporate bonds	100	99	—	—
Other bonds	999	—	—	—
(2) Other securities	—	—	—	—
Total	1,098	99	—	—

Consolidated fiscal year under review

1. Securities with market quotations classified as “Other” (as of September 30 2008) (Million yen)

Security	Acquisition cost	Carrying value	Unrealized gain/loss
Carrying value exceeds acquisition cost			
(1) Equity securities	12	16	4
(2) Debt securities			
JGBs and municipal bonds	—	—	—
Corporate bonds	99	99	0
Other bonds	—	—	—
(3) Other securities	—	—	—
Subtotal	111	115	4
Carrying value does not exceed acquisition cost			
(1) Equity securities	140	103	-37
(2) Debt securities			
JGBs and municipal bonds	—	—	—
Corporate bonds	—	—	—
Other bonds	—	—	—
(3) Other securities	24	19	-5
Subtotal	164	122	-42
Total	275	237	-38

(Note) For the “Acquisition cost” in the table, the amount after the write-off is written.
The amount of the write-off is 265 million yen (for equity securities).

2. Other securities sold during the consolidated fiscal year (October 1, 2007 – September 30, 2008)

(Million yen)

Selling price	Total profit on sale	Total loss on sale
234	123	—

3. Securities without market quotations classified as “Other” (as of September 30, 2008)

(Million yen)

	Carrying value
Subsidiary and affiliate stock	
Affiliate stock	87
Other securities	
Securities without market quotations	863
Money management funds	100

(Note) Equity securities (carrying value) are reported at fair value after adjustment for impairment on the consolidated balance sheet.

Write-off: 10 million yen (unlisted equity securities)

4. Scheduled redemption of securities with maturities classified as “Other” and debt securities held to maturity (as of September 30, 2008)

(Million yen)

	Within 1 year	More than 1 year and not more than 5 years	More than 5 years and not more than 10 years	More than 10 years
(1) Debt securities				
JGBs and municipal bonds	—	—	—	—
Corporate bonds	—	100	—	—
Other bonds	—	—	—	—
(2) Other securities	—	—	—	—
Total	—	100	—	—

Notes on retirement benefits

(Million yen)

October 1, 2006 – September 30, 2007	October 1, 2007 – September 30, 2008
1. Summary of the retirement benefit scheme adopted The Company and part of its consolidated subsidiaries have established employees' pension fund, approved retirement annuity system and termination allowance plan as fixed benefit-type programs. As of the consolidated accounting period, four companies of the Group own the termination allowance plan, while three of those own a taxation approved retirement plan as for the approved retirement annuity system. As for the employees' pension fund, one company of the Group has the "Billboard Display Employees' Pension Fund" (general type).	1. Summary of the retirement benefit scheme adopted The Company and part of its consolidated subsidiaries have established employees' pension fund, approved retirement annuity system and termination allowance plan as fixed benefit-type programs. As of the consolidated accounting period, four companies of the Group own the termination allowance plan, while three of those own a taxation approved retirement plan as for the approved retirement annuity system. As for the employees' pension fund, one company of the Group has the "Billboard Display Employees' Pension Fund" (general type). Matters concerning the multiemployer pension plan in which the amount of required contributions is accounted for as retirement benefit expenses are as follows. (1) Matters concerning the funded status of the overall plan (as of March 31, 2008) Pension assets 42,299 Benefit obligation based on the calculation of pension financial position 53,621 Difference -11,322 (2) The ratio of contribution of the Company Group to the overall plan (From April 1, 2007 to March 31, 2008) 2.22% (3) Supplementary explanation The main factor for the difference in (1) above is the balance of prior service costs of 8,499 million yen based on the calculation of pension financial position. The amortization method of prior service costs used in this plan is an equal monthly payment with interest for 10 years and four months. The ratio in (2) above is not the same as the ratio of actual obligation of the Company Group.

October 1, 2006 – September 30, 2007	October 1, 2007 – September 30, 2008
2. Matters concerning retirement benefit obligation (as of September 30, 2007) a. Retirement benefit obligation -573 b. Pension assets 121 c. Non-accumulated retirement benefit obligation (a + b) -453 d. Prepaid pension cost 20 e. Unconfirmed computational differential -9 f. Retirement benefit allowance (c – d + e) -482 Besides the aforementioned, there are pension assets involved in the general-type employees' pension fund, which includes the surrogate part of employees pension insurance, as well. The total amount of pension assets calculated according to the percentage of the total salaries of members of the programs was ¥1,147 million as of September 30, 2007.	2. Matters concerning retirement benefit obligation (as of September 30, 2008) a. Retirement benefit obligation -664 b. Pension assets 129 c. Non-accumulated retirement benefit obligation (a + b) -535 d. Prepaid pension cost 4 e. Unconfirmed computational differential -14 f. Retirement benefit allowance (c – d + e) -553
3. Matters concerning retirement benefit expenses a. Service cost 228 b. Interest cost 9 c. Expected return on plan assets -1 d. Cost to dispose of computational differentials -82 e. Contribution to employees' pension fund 69 f. Retirement benefit expenses (a + b + c + d + e) 224	3. Matters concerning retirement benefit expenses a. Service cost 237 b. Interest cost 9 c. Expected return on plan assets -1 d. Cost to dispose of computational differentials -4 e. Contribution to employees' pension fund 58 f. Retirement benefit expenses (a + b + c + d + e) 300
4. Matters concerning the basis of calculation of retirement benefit obligation, etc. a. Distribution of estimated retirement benefits during term: Fixed amount standards during term b. Discount rate: Mainly 2.1% c. Expected rate of return on plan assets: 1.5% d. Number of years to dispose of computational differentials: Mainly 1 year	4. Matters concerning the basis of calculation of retirement benefit obligation, etc. a. Distribution of estimated retirement benefits during term: Fixed amount standards during term b. Discount rate: Mainly 2.1% c. Expected rate of return on plan assets: 1.5% d. Number of years to dispose of computational differentials: Mainly 1 year (Additional Information) The "Partial Amendments to Accounting Standards for Retirement Benefits (Part 2)" (ASBJ Statement No. 14, May 15, 2007) is applied in the consolidated fiscal year under review.

Notes on tax effect accounting

(Million yen)

As of September 30, 2007		As of September 30, 2008	
1. Breakdown of main reasons for deferred tax asset and deferred liability		1. Breakdown of main reasons for deferred tax asset and deferred liability	
Deferred tax asset		Deferred tax asset	
Allowance for bad debts and bad debt loss	118	Allowance for bad debts and bad debt loss	147
Allowance for retirement benefits	187	Allowance for retirement benefits	225
Allowance for bonuses	630	Allowance for bonuses	589
Excess of allowance for depreciation	40	Allowance for cancellation adjustments	83
Unrealized profit on fixed assets	52	Excess of allowance for depreciation	27
Loss from revaluation of investment securities	146	Unrealized profit on fixed assets	35
Loss carryforward	589	Loss from revaluation of investment securities	123
Accrued enterprise taxes	15	Loss carryforward	1,286
Accrued social insurance premiums	100	Accrued enterprise taxes	37
Accrued office taxes	29	Accrued social insurance premiums	102
Loss on reimbursement of administrative expenses	68	Accrued office taxes	22
Loss on closure of offices	120	Loss on impairment of fixed assets	98
Loss on cancellation of naming rights	74	Other	156
Loss on impairment of fixed assets	56	Subtotal of deferred tax asset	2,930
Other	181	Valuation reserve	-2,023
Subtotal of deferred tax asset	2,404	Total deferred tax asset	907
Valuation reserve	-651	Deferred tax liability	
Total deferred tax asset	1,753	Revaluation differentials of other securities	-4
Deferred tax liability		Subtotal of deferred tax liability	-4
Revaluation differentials of other securities	-17	Net deferred tax asset	903
Subtotal of deferred tax liability	-17		
Net deferred tax asset	1,736		
2. Breakdown by item of the main reasons for differentials between the legal effective tax rates and the ratio of tax expenses, including corporate taxes, after tax effect accounting is applied As the Company posted a net loss before income taxes and minority interests in the consolidated accounting period, the information in this Item is omitted.		2. Breakdown by item of the main reasons for differentials between the legal effective tax rates and the ratio of tax expenses, including corporate taxes, after tax effect accounting is applied As the Company posted a net loss before income taxes and minority interests in the consolidated accounting period, the information in this Item is omitted.	

Segment information

Information on the business segments

Previous consolidated fiscal year (October 1, 2006 – September 30, 2007)

(Million yen)

	Spot Business	Technology Business	Factory Business	Office Business	Other Business	Total	Elimination or company total	Consolidated
I. Net sales and operating income Net sales (1) Sales to external customers	53,634	19,398	18,715	11,837	4,717	108,301	—	108,301
(2) Inter-segment sales or transfers	619	17	566	162	8	1,372	(1,372)	—
Total	54,252	19,415	19,282	11,999	4,725	109,673	(1,372)	108,301
Operating expenses	52,625	19,226	18,302	11,309	4,871	106,332	(112)	106,221
Operating income or loss (-)	1,628	189	979	690	-146	3,341	(1,260)	2,081
II. Assets, allowance for depreciation and capital expenditure								
Assets	10,558	4,349	15,054	4,428	5,004	39,393	2,231	41,624
Allowance for depreciation	515	62	195	55	69	895	2	897
Loss on impairment of fixed assets	88	—	—	—	63	151	—	151
Capital expenditure	452	41	297	127	34	952	94	1,045

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 fiscal year, the amount of funds, which can not be allocated, included in the elimination or company total item is 1,267 million yen. It is mainly expenses associated with the administrative departments of the parent company's head office, such as Accounting.
4. Of assets for the consolidated fiscal year, the total amount of assets of the whole Company included into the eliminations or company total items was 17,361 miillion yen. They were primarily made up of long-term investment assets (investment securities) and assets involved in the administrative department.

Consolidated fiscal year under review (October 1, 2007 – September 30, 2008)

(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	37,067	17,306	24,931	12,770	6,914	98,989	—	98,989
(2) Inter-segment sales or transfers	296	7	328	62	38	732	(732)	—
Total	37,363	17,314	25,259	12,833	6,952	99,721	(732)	98,989
Operating expenses	35,825	17,147	24,348	12,518	7,165	97,003	340	97,343
Operating income or loss (-)	1,538	167	911	315	-213	2,718	(1,071)	1,647
II. Assets, allowance for depreciation and capital expenditure								
Assets	8,931	3,986	15,158	3,630	3,248	34,952	1,745	36,697
Allowance for depreciation	422	51	259	76	102	910	(2)	908
Loss on impairment of fixed assets	—	110	37	—	1,250	1,397	—	1,397
Capital expenditure	215	26	690	154	32	1,117	11	1,128

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 fiscal year, the amount of funds, which can not be allocated, included in the elimination or company total item is 1,259 million yen. It is mainly expenses associated with the administrative departments of the parent company's head office, such as Accounting.
4. Of assets for the consolidated fiscal year, the total amount of assets of the whole Company included into the eliminations or company total items was 15,398 miillion yen. They were primarily made up of long-term investment assets (investment securities) and assets involved in the administrative department.
5. As set out in "4. Matters concerning important significant policies" in "Significant Accounting Policies in the Preparation of the Financial Statements," in the consolidated subsidiaries from this consolidated fiscal year, the method of recording the cancellation adjustment reserve for expected cancellation amounts based on historical cancellation rates in the sales support service department has changed. Accompanying this, in comparison with the method used to date, sales and operating profit in the office business have both declined by 205 million yen.

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 consolidated fiscal year and the previous consolidated fiscal year.

Overseas sales

Overseas sales are not presented given the absence of overseas sales in the consolidated fiscal year under review and the previous consolidated fiscal year.

Business combination, etc.

Previous consolidated fiscal year (October 1, 2006 – September 30, 2007)

The Company merged with Fullcast Growing School Co., Ltd., a consolidated subsidiary, on January 1, 2007. Although the merger is a transaction under common control, the note is omitted as the significance is low.

On January 1, 2007, Fullcast HR Institute Co., Ltd. merged with Best Staff Co., Ltd., and Fullcast Advance Co., Ltd. merged with Niscom Co., Ltd. Although the mergers are transactions under common control since they were undertaken between consolidated subsidiaries, the note is omitted as the significance is low.

Consolidated fiscal year under review (October 1, 2007 – September 30, 2008)

Nisso Co., Ltd. absorbed Fullcast Stylish Work Co., Ltd. on January 1, 2008, and Info-P Co., Ltd. absorbed Amusecast Co., Ltd. on May 1, 2008. These absorptions were made between consolidated subsidiaries, and correspond to transactions under common control. Notes for these transactions were omitted because they are not significant.

Per share information

October 1, 2006 − September 30, 2007		October 1, 2007 − September 30, 2008	
Shareholders' equity per share	38,839.30 yen	Shareholders' equity per share	28,591.84 yen
Net income per share	2,536.40 yen	Net income per share	9,222.68 yen
Diluted net income per share for the fiscal year is not reported since there is no outstanding potential stock.		Diluted net income per share for the fiscal year is not reported since there is no outstanding potential stock.	

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

Item	October 1, 2006 − September 30, 2007	October 1, 2007 − September 30, 2008
Net income (net loss) (million yen)	674	2,443
Net income (basic) (million yen)	674	2,443
Net income not available to common stock (million yen)	—	—
Average number of common stock outstanding during the period (shares)	265,864	264,864
Net income available to common stock after effect of dilutive stock (million yen)	—	—
Effect of dilutive stock (shares) Stock acquisition rights	—	—
Increase in common shares	—	—
Potential stock not included in the calculation of net income per share (diluted) since it did not have dilutive effect.	Stock options pursuant to the resolution of the general shareholders' meeting held on December 19, 2003. (Number of share acquisition rights to be issued: 1,818) Stock options pursuant to the resolution of the general shareholders' meeting held on December 21, 2005. (Number of share acquisition rights to be issued: 1,996)	Stock options pursuant to the resolution of the general shareholders' meeting held on December 19, 2003. (Number of share acquisition rights to be issued: 1,818) Stock options pursuant to the resolution of the general shareholders' meeting held on December 21, 2005. (Number of share acquisition rights to be issued: 1,996) As the Board of Directors decided at a meeting held on August 25, 2008 that the Company acquires and retires equity warrants that are stock options free of charge on the same day, there are no potential shares at the end of the term.

Subsequent events

Consolidated fiscal year under review (October 1, 2007 – September 30, 2008)

1. Pure holding company through the company split

The Company shifted to a pure holding company based on resolutions adopted at a meeting of the Board of Directors held on July 28, 2008 and an extraordinary general meeting of shareholders held on September 29, 2008. The Company consequently spun off all of its businesses, including the labor dispatch business and employment placement business, and transferred them to Fullcast HR Institute Co., Ltd. on October 1, 2008.

(1) Name, etc. of parties and businesses spun off

(i) Name, etc. of businesses spun off

Labor dispatch business and employment placement business, etc. of the Company

(ii) Details, etc. of businesses spun off

Short-term employee dispatching service, onsite subcontracting service, and employment placement, etc.

(iii) Legal form of company split

Absorption-type company split with the Company being a transferring company and a consolidated subsidiary, Fullcast HR Institute Co., Ltd. being a succeeding company

(iv) Name after company split

Transferring company: Fullcast Holdings Co., Ltd.

Succeeding company: Fullcast Co., Ltd.

(v) Overview of the transaction including its purpose

The purpose of shifting to a pure holding company is to strengthen the competitiveness of the Group by dividing the decision making of the Group management and the execution of operations in each business, committing to comprehensive corporate governance and achieving prompt decision making and execution of management strategies. The pure holding company system is also designed to enable a flexible reorganization of the Group so that each business and each category of the Group can respond to changes in the environment quickly and appropriately, to facilitate the future growth of the Group. By constructing an appropriate balance between segments under the holding company, the Group aims to grow and establish a solid position as an integrated outsourcing group.

(2) Overview of accounting treatment to implement

The accounting treatment of “transactions under common control” will be applied based on the “Accounting Standards for Business Combinations” (Business Accounting Council), the “Accounting Standard for Business Divestitures” (Accounting Standards Board Statement No. 7) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (Accounting Standards Board Guidance No. 10). As such, this accounting treatment does not have any impact on consolidated financial statements.

2. Acceptance of takeover bid of a subsidiary’s shares

At a meeting held on October 14, 2008, the Board of Directors decided to accept the takeover bid by Canon Electronics Inc. for all shares of the Company’s consolidated subsidiary, Asia Pacific System Research Co., Ltd.

(1) Reasons for the acceptance of the takeover bid

The Company Group has decided to accept the takeover bid made by Canon Electronics as part of the Group’s efforts to shift to the long-term workers dispatch business and employment placement business in the field of light duties, where short-term services have been dominant, to narrow the focus to principally core businesses, namely worker dispatch services, and to bolster its financial basis.

(2) Profile of the tender offeror

(i) Corporate name	Canon Electronics Inc.
(ii) Business	Manufacture and sale of electronic information devices, etc.
(iii) Established	May 1954
(iv) Head office	1248, Shimokagemori, Chichibu-shi, Saitama
(v) Representative	Hisashi Sakamaki, President and Representative Director
(vi) Paid-in capital	4,969 million yen

(3) Profile of the target company

(i) Corporate name	Asia Pacific System Research Co., Ltd.
(ii) Business	Contract development, sale, operation and management of software, etc.
(iii) Established	April 1970
(iv) Head office	3-37-10, Takada, Toshima-ku, Tokyo
(v) Representative	Takeshi Uchiyama, President and Representative Director
(vi) Paid-in capital	2,400 million yen

(4) Summary of takeover bid

(i) Schedule

October 15, 2008	Date of public notice of commencement of the takeover bid
November 17, 2008	Final day of the takeover bid period
November 21, 2008	Settlement day for the takeover bid

(ii) Purchase price

650 yen per share

(iii) Number of shares to purchase

5,507,400 shares

(5) Summary of tender in takeover bid

(i) Number of shares tendered	5,507,400 shares
(ii) Tender amount	3,580 million yen (planned)

3. Business suspension order and business improvement order

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 on August 3, 2007.

(1) Description of sanction

(i) Order to suspend worker dispatch business

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

(ii) Order to improve worker dispatch business

The current Fullcast Co., Ltd was instructed to improve its worker dispatch business.

For workers already dispatched as of the day on which the business suspension is to commence, under worker dispatch contracts concluded prior to that date based on the Worker Dispatch Law, as well as for worker dispatched by branches of the former Fullcast HR Institute Co., Ltd. unit, will not be affected by this business suspension order.

Omission of Disclosure

The disclosure of notes on transactions with related parties such as lease transactions, derivatives transactions and stock options is omitted, as the need for the disclosure in the brief announcement is considered to be low.

5. Financial Statements

(1) Balance Sheet

(Million yen)

Category	Note No.	As of September 30, 2007			**As of September 30, 2008**			Change	
		Amount		%	**Amount**		**%**	Amount	Rate of change (%)
Assets									
I Current assets									
1. Cash and deposits			1,829			**1,414**		-415	
2. Trade notes			5			**1**		-3	
3. Accounts receivables			2,696			**3,379**		684	
4. Articles of trade			1			**5**		4	
5. Inventory assets			35			**40**		5	
6. Prepaid expenses			305			**197**		-108	
7. Deferred tax asset			589			—		-589	
8. Short-term receivables from shareholders, officers or employees			0			—		-0	
9. Short-term loans to affiliates			3,685			**4,092**		407	
10. Accrued revenues			73			**71**		-2	
11. Corporate income tax recoverable, etc.			535			**342**		-193	
12. Other current assets			29			**278**		249	
Allowance for doubtful accounts			-26			**-24**		2	
Total current assets			9,755	36.8		**9,795**	**41.8**	39	0.4
II Fixed assets									
1. Tangible fixed assets									
(1) Buildings and structures		520			**507**				
Accumulated depreciation		208	312		**184**	**323**		11	
(2) Structures		1			**1**				
Accumulated depreciation		0	1		**0**	**1**		0	
(3) Vehicles		14			**2**				
Accumulated depreciation		12	2		**2**	**0**		-2	
(4) Furniture and fixtures		957			**704**				
Accumulated depreciation		591	366		**496**	**208**		-158	
(5) Land			606			**606**		—	
Total tangible fixed assets			1,287	4.9		**1,139**	**4.9**	-148	-11.5
2. Intangible fixed assets									
(1) Telephone subscription right			20			**20**		—	
(2) Software			833			**681**		-152	
(3) Software suspense account			6			—		-6	
(4) Other			7			**6**		-1	
Total intangible fixed assets			866	3.3		**707**	**3.0**	-159	-18.4
3. Investment and other assets									
(1) Investment securities			1,223			**966**		-257	
(2) Affiliated company's stocks			11,503			**9,597**		-1,906	
(3) Investment			0			**0**		0	
(4) Bankruptcy rehabilitation credits, etc.			16			**19**		2	
(5) Deferred tax asset			380			—		-380	
(6) Long term prepaid expenses			102			**63**		-39	
(7) Guarantee money paid			791			**574**		-217	
(8) Insurance reserve fund			547			**573**		26	
(9) Memberships			2			**2**		0	
(10) Other			20			**4**		-16	
Allowance for doubtful accounts			-16			**-19**		-2	
Total investment and other assets			14,569	55.0		**11,778**	**50.3**	-2,791	-19.2
Total fixed assets			16,722	63.2		**13,624**	**58.2**	-3,098	-18.5
Total assets			26,478	100.0		**23,419**	**100.0**	-3,059	-11.6

(Million yen)

Category	Note No.	As of September 30, 2007			**As of September 30, 2008**			Change	
		Amount		%	**Amount**		**%**	Amount	Rate of change (%)
Liabilities									
I Current liabilities									
1. Accounts payable trade			20			**20**		0	
2. Short-term borrowings			4,800			**7,450**		2,650	
3. Short-term borrowings of affiliates			—			**203**		203	
4. Current portion of long-term debt			2,801			**2,747**		-53	
5. Accounts payable-other			1,692			**909**		-782	
6. Accrued expenses payable			546			**464**		-81	
7. Accrued corporation tax, etc.			20			**114**		94	
8. Accrued consumption tax			573			—		-573	
9. Advance money			26			**14**		-11	
10. Deposits			97			**41**		-55	
11. Unearned income			23			**9**		-14	
12. Accrued bonuses			257			**312**		55	
13. Other current liabilities			2			**54**		52	
Total current liabilities			10,857	41.0		**12,340**	**52.7**	1,483	13.7
II Fixed liabilities									
1. Long-term debt			7,817			**5,070**		-2,747	
2. Long-term guarantee deposits received			117			**29**		-87	
3. Allowance for employee retirement benefits			216			**250**		34	
4. Deferred tax liability			—			**0**		0	
5. Other fixed liabilities			6			**2**		-5	
Total fixed liabilities			8,156	30.8		**5,351**	**22.8**	-2,805	-34.4
Total liabilities			19,013	71.8		**17,691**	**75.5**	-1,322	-7.0
Net assets									
I Equity									
1. Common stock			3,464	13.1		**3,464**	**14.8**	—	—
2. Capital surplus									
(1) Capital reserve		2,705			**900**				
(2) Other capital surplus		201			**2,006**				
Total capital surplus			2,906	11.0		**2,906**	**12.4**	—	—
3. Retained surplus									
(1) Earned reserve		13			—				
(2) Other retained surplus									
Special reserve		500			**500**				
Retained earnings carried forward		3,328			**1,606**				
Total retained surplus			3,841	14.5		**2,106**	**9.0**	-1,735	-45.2
4. Treasury stock			-2,747	-10.4		**-2,747**	**-11.7**	—	—
Total Equity			7,464	28.2		**5,730**	**24.5**	-1,735	-23.2
II Valuation and translation adjustments:									
1. Net unrealized holding gains on securities			0	0.0		**-2**	**-0.0**	-2	—
Total Valuation and translation adjustments			0	0.0		**-2**	**-0.0**	-2	—
Total net assets			7,464	28.2		**5,728**	**24.5**	-1,737	-23.3
Liabilities and net assets			26,478	100.0		**23,419**	**100.0**	-3,059	-11.6

(2) Profit and Loss Statement

(Million yen)

		October 1, 2006 to September 30, 2007			**October 1, 2007 to September 30, 2008**			Change	
Category	Note No.	Amount		%	**Amount**		**%**	Amount	Rate of change (%)
I Net sales			44,429	100.0		**30,820**	**100.0**	-13,610	-30.6
II Cost of sales			31,682	71.3		**21,228**	**68.9**	-10,454	-33.0
Gross profit			12,747	28.7		**9,591**	**31.1**	-3,155	-24.8
III Selling, general and administrative expenses			12,539	28.2		**9,245**	**30.0**	-3,293	-26.3
1. Salaries and wages		2,630			**2,405**				
2. Miscellaneous wages		2,963			**1,585**				
3. Legal welfare		578			**514**				
4. Provision of accrued bonuses		254			**304**				
5. Retirement benefit expenses		69			**130**				
6. Communications expenses		649			**372**				
7. Advertisement and sales promotion		515			**151**				
8. Travel and transportation		536			**401**				
9. Rents		1,162			**884**				
10. Depreciation and amortization		507			**413**				
11. Recruitment expense		768			**591**				
12. Provision of allowance for doubtful accounts		19			**15**				
13. Other		1,887			**1,480**				
Operating income			208	0.5		**346**	**1.1**	138	66.3
IV Non-operating income			581	1.3		**2,275**	**7.4**	1,693	291.2
1. Interest income		58			**77**				
2. Dividends received	*1	171			**1,793**				
3. Rental income	*1	271			**207**				
4. Other		82			**197**				
V Non-operating expenses			547	1.3		**521**	**1.7**	-26	-4.8
1. Interest expense		200			**225**				
2. Amortization of software		6			**22**				
3. Rent cost		243			**173**				
4. Other		98			**101**				
Ordinary income			242	0.5		**2,100**	**6.8**	1,857	765.9
VI Extraordinary income			825	1.9		**123**	**0.4**	-702	85.1
1. Gain on sale of fixed assets	*2	—			**1**				
2. Gain on sale of investment securities		4			**120**				
3. Gain on sale of affiliate stocks		814			**1**				
4. Reversal of allowances for doubtful accounts		7			—				
VII Extraordinary loss			2,568	5.8		**2,624**	**8.5**	56	2.2
1. Loss on sales of fixed assets	*3	—			**2**				
2. Loss on disposal of fixed assets	*4	40			**44**				
3. Loss on valuation of investment securities		—			**273**				
4. Loss on valuation of affiliate stocks		—			**1,943**				
5. Loss on liquidation of shares in affiliates		80			—				
6. Early cancellation penalty	*5	9			**19**				
7. Loss on amortization of shares in acquisitions		24			—				
8. Loss on impairment of fixed assets	*6	151			—				
9. Loss on reimbursement of administrative expenses	*7	1,762			—				
10. Loss on cancellation of naming rights	*8	182			—				
11. Loss on closure of offices	*9	321			**188**				
12. Expenses for relocation of head offices	*10	—			**117**				
13. Social insurance contributions in prior years		—			**38**				
Income (loss) before taxes			-1,501	-3.4		**-401**	**-1.3**	1,100	—
Corporate, residential and enterprise taxes		136			**98**				
Corporate tax adjustment		-644	-508	-1.2	**971**	**1,069**	**3.5**	1,576	—
Net income (loss)			-994	-2.2		**-1,470**	**-4.8**	-476	—

(3) Statements of Equity

Fiscal year ended September 2007 (October 1, 2006 to September 30, 2007)

(Million yen)

	Equity			
	Common stock	Capital surplus		
		Capital reserve	Other capital surplus	Total capital surplus
Balance September 30, 2006	3,464	2,705	82	2,786
Net increase/decrease during the fiscal year				
Cash dividends	–	–	–	–
Net income	–	–	–	–
Purchase of company shares	–	–	–	–
Disposal of treasury stock	–	–	120	120
Net increase/ decrease during the fiscal year except in equity				
Total of increase/decrease during the fiscal year	–	–	120	120
Balance September 30, 2007	3,464	2,705	201	2,906

	Equity					
	Retained surplus				Treasury stock	Total equity
	Earned reserve	Other retained surplus		Total retained surplus		
		Special reserve	Retained earnings carried forward			
Balance September 30, 2006	13	500	5,257	5,770	-163	11,857
Net increase/decrease during the fiscal year						
Cash dividends	–	–	-935	-935	–	-935
Net income	–	–	-994	-994	–	-994
Purchase of company shares	–	–	–	–	-3,203	-3,203
Disposal of treasury stock	–	–	–	–	620	740
Net increase/ decrease during the fiscal year except in equity						
Total of increase/decrease during the fiscal year	–	–	-1,929	-1,929	-2,583	-4,393
Balance September 30, 2007	13	500	3,328	3,841	-2,747	7,464

	Valuation and Translation Adjustments		Total net assets
	Net unrealized holding gains on securities	Valuation and translation adjustments	
Balance September 30, 2006	80	80	11,937
Net increase/decrease during the fiscal year			
Cash dividends	–	–	-935
Net income	–	–	-994
Purchase of company shares	–	–	-3,203
Disposal of treasury stock	–	–	740
Net increase/ decrease during the fiscal year except in equity	-79	-79	-79
Total of increase/decrease during the fiscal year	-79	-79	-4,472
Balance September 30, 2007	0	0	7,464

Fiscal year ended September 2008 (October 1, 2007 to September 30, 2008)

(Million yen)

	Equity			
	Common stock	Capital surplus		
		Capital reserve	Other capital surplus	Total capital surplus
Balance September 30, 2007	3,464	2,705	201	2,906
Net increase/decrease during the fiscal year				
Cash dividends	–	–	–	–
Transfer from reserve to surplus	–	-1,805	1,805	–
Net loss	–	–	–	–
Net increase/ decrease during the fiscal year except in equity				
Total of increase/decrease during the fiscal year	–	-1,805	1,805	–
Balance September 30, 2008	3,464	900	2,006	2,906

	Equity					
	Retained surplus				Treasury stock	Total equity
	Earned reserve	Other retained surplus		Total retained surplus		
		Special reserve	Retained earnings carried forward			
Balance September 30, 2007	13	500	3,328	3,841	-2,747	7,464
Net increase/decrease during the fiscal year						
Cash dividends	–	–	-265	-265	–	-265
Transfer from reserve to surplus	-13	–	13	–	–	–
Net loss	–	–	-1,470	-1,470	–	-1,470
Net increase/ decrease during the fiscal year except in equity						
Total of increase/decrease during the fiscal year	-13	–	-1,722	-1,735	–	-1,735
Balance September 30, 2008	–	500	1,606	2,106	-2,747	5,730

	Valuation and Translation Adjustments		Total net assets
	Net unrealized holding gains on securities	Valuation and translation adjustments	
Balance September 30, 2007	0	0	7,464
Net increase/decrease during the fiscal year			
Cash dividends	–	–	-265
Transfer from reserve to surplus	–	–	–
Net loss	–	–	-1,470
Net increase/ decrease during the fiscal year except in equity	-2	-2	-2
Total of increase/decrease during the fiscal year	-2	-2	-1,737
Balance September 30, 2008	-2	-2	5,728

(4) Events or situations that give rise to substantial doubt about the going concern assumption

Fiscal year ended September 2007 (October 1, 2006 to September 30, 2007)

There are no relevant matters.

Fiscal year ended September 2008 (October 1, 2007 to September 30, 2008)

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. Since this event has made it difficult for Fullcast Co., Ltd. to refinance borrowings with the same terms as before, Fullcast Holdings Co., Ltd., which became a pure holding company on October 1, 2008, is negotiating with its main banks a revision to the terms of its borrowing in the future.

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

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

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

Therefore, these consolidated financial statements are prepared on the premise that the Company will operate as a going concern and do not reflect the effect of the substantial doubt about the going concern assumption as descried above.

Reclassification

(Consolidated profit and loss statement)

Although selling, general and administrative expenses had been presented together up to the previous fiscal year, with major items written in notes (on the profit and loss statement), they are classified into sub-categories from this fiscal year to make the presentation more concise.

(5) Notes on Non-consolidated Financial Statements

Notes on balance sheet

(Million yen)

As of September 30, 2007	As of September 30, 2008
1. The Company signed an agreement for overdraft with 11 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 11,950 Borrowing 4,800 Balance 7,150	1. The Company 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 9,150 Borrowing 6,850 Balance 2,300

Notes on profit and loss statement

(Million yen)

<table>
<tr><th>October 1, 2006 － September 30, 2007</th><th>October 1, 2007 － September 30, 2008</th></tr>
<tr><td>*1. Items concerning affiliated companies are as follows:
Rent income 253
Dividends received 154
The total of nonoperating income from affiliated companies other than the above exceeded ten hundredths of the total of nonoperating income. The amount is 71 million yen.</td><td>*1. Items concerning affiliated companies are as follows:
Dividends received 1,764
The total of nonoperating income from affiliated companies other than the above exceeded ten hundredths of the total of nonoperating income. The amount is 295 million yen.</td></tr>
<tr><td>*2. ――――――――――</td><td>*2. Significant components of gain on sales of fixed assets
Vehicles 1
Furniture and fixtures 0
Total 1</td></tr>
<tr><td>*3. ――――――――――</td><td>*3. Significant components of loss on sales of fixed assets
Furniture and fixtures 2</td></tr>
<tr><td>*4. Significant components of loss on disposal of fixed assets
Buildings 4
Vehicles 0
Furniture and fixtures 31
Telephone subscription rights 5
Total 40</td><td>*4. Significant components of loss on disposal of fixed assets
Buildings 5
Vehicles 0
Furniture and fixtures 39
Total 44</td></tr>
<tr><td>*5. Early cancellation penalty for lump-sum repayment of a loan prior to the expiry date of the loan agreement.</td><td>*5. Penalty on a change in the contract period of management consignment contract.</td></tr>
<tr><td>*6. The details of the impairment loss are as follows.
(1) Main assets for which an impairment loss was recognized
<table><tr><th>Use</th><th>Type</th><th>Place</th></tr><tr><td>Business know-how</td><td>Goodwill</td><td>Shibuya-ku, Tokyo</td></tr><tr><td>Franchise contract fees</td><td>Long term prepaid expenses</td><td>Shibuya-ku, Tokyo</td></tr></table>(2) Background to the recognition of the impairment loss
Impairment loss is recognized on the business know-how and franchise contracts above, as future use is no longer anticipated in light of the Company’s business policy.
(3) Amount of impairment loss
Goodwill 88
Long term prepaid expenses 63</td><td>*6 ――――――――――</td></tr>
</table>

October 1, 2006 － September 30, 2007	October 1, 2007 － September 30, 2008
(4) Grouping method of assets To apply accounting for the impairment of fixed assets, the Group classified assets in accordance with the classification of business segments. (5) Calculation of collectible amount The use-value is used for the collectible amount of the Company Group, and the business know-how and franchise contract fees are calculated as zero based on an estimate of future cash flows.	
*7. The loss on reimbursement of administrative expenses includes administrative expenses which the Company repaid to certain temporary staff with whom there was a misunderstanding about the administrative expense dating back to the establishment of the business and whom the Company considered eligible for reimbursement, as well as the personnel expenses, etc. required for the response.	*7. ――――――――――――
*8. The loss on the cancellation of naming rights includes a loss on cancellation primarily arising from the withdrawal from a naming right agreement with the prefecture-run Miyagi Stadium and an official sponsor agreement with Rakuten Baseball, Inc. before the expiration of the contracts and a related loss on the disposal of fixed assets.	*8. ――――――――――――
*9. The loss on closure of offices is a loss resulting from the consolidation of offices around the nation, and the major components are a loss on disposal of fixed assets and a loss on cancellation of real estate contracts due to the consolidation of the offices.	*9. The loss on closure of offices is a loss resulting from the consolidation of offices around the nation, and the major components are a loss on disposal of fixed assets and a loss on cancellation of real estate contracts due to the consolidation of the offices.
*10. ――――――――――――	*10. Expenses for the relocation of head offices represent a loss associated with the relocation of the head offices, consisting of make-good costs, loss on retirement of fixed assets, and other costs.
11. Amount of depreciation Tangible fixed assets 269 Inangible fixed assets 254	11. Amount of depreciation Tangible fixed assets 168 Inangible fixed assets 278

Notes on statement of changes shareholders' equity

Fiscal year ended September 2007 (October 1, 2006 to September 30, 2007)

1. Matters concerning the type and the number of treasury stock

	Number of shares at the end of the previous fiscal year	Increase in the number of shares during the fiscal year	Decrease in the number of shares during the fiscal year	Number of shares at the end of the fiscal year
Treasury stock Common stock (shares)	2,275	(Note 1) 11,336	(Note 2) 2,511	11,100
Total	2,275	11,336	2,511	11,100

(Notes) 1. The reason for the increase in treasury stock is as follows:

Acquisition of the Company shares based on a resolution of the Board of Directors 11,336 shares

2. The cause for the decrease in treasury stock is as follows.

Disposal of treasury stock associated with the exercise of stock option rights 34 shares

Disposal of treasury stock associated with share for share exchange 2,477 shares

Fiscal year ended September 2008 (October 1, 2007 to September 30, 2008)

1. Matters concerning the type and the number of treasury stock

	Number of shares at the end of the previous fiscal year	Increase in the number of shares during the fiscal year	Decrease in the number of shares during the fiscal year	Number of shares at the end of the fiscal year
Treasury stock Common stock (shares)	11,100	—	—	11,100
Total	11,100	—	—	11,100

Securities

Fiscal year ended September 2007 (as of September 30, 2007)

Subsidiary stocks and affiliate stocks with market quotations (Million yen)

Category	Carrying value	Market quotation	Unrealized gain/loss
(1) Subsidiary stocks	4,817	5,054	237
(2) Affiliate stocks	—	—	—
Total	4,817	5,054	237

Fiscal year ended September 2008 (as of September 30, 2008)

Subsidiary stocks and affiliate stocks with market quotations (Million yen)

Category	Carrying value	Market quotation	Unrealized gain/loss
(1) Subsidiary stocks	4,817	3,701	-1,116
(2) Affiliate stocks	—	—	—
Total	4,817	3,701	-1,116