

Brief Announcement of Consolidated Financial Results for the Fiscal Year Ended September 30, 2009

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
 Contact: Futoshi Kitagawa Executive Officer
 Telephone: +81-3-4530-4830
 Date of Annual General Meeting of Shareholders (planned): December 22, 2009
 Date of submission of annual securities report (planned): December 24, 2009
 Scheduled day for commencement of dividend payments: –

1. Consolidated Financial Results for the Fiscal Year Ended September 30, 2009 (October 1, 2008 – September 30, 2009)

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

(1) Consolidated 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 2009	57,293	-42.1	-682	—	-925	—	-6,870	—
Fiscal year ended September 2008	98,989	-8.6	1,647	-20.9	1,530	-15.5	-2,443	—

	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 2009	-21,288.47	—	-155.0	-3.7	-1.2
Fiscal year ended September 2008	-9,222.68	—	-27.4	3.9	1.7

Reference: Investment profit and loss on equity method (million yen)

Fiscal year ended September 2009: -70

Fiscal year ended September 2008: -20

(2) Consolidated financial condition

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
Fiscal year ended September 2009	13,072	1,724	9.9	3,357.40
Fiscal year ended September 2008	36,697	10,969	20.6	28,591.84

Reference: Shareholders' equity (million yen)

Fiscal year ended September 2009: 1,292

Fiscal year ended September 2008: 7,573

(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 2009	1,401	1,573	-7,937	4,914
Fiscal year ended September 2008	-1,621	-867	-399	9,878

2. Dividend Status

	Dividend per share (yen)					Total dividend (annual) (million yen)	Payout ratio (consolidated) (%)	Dividend on equity ratio (consolidated) (%)
(Base date)	End of Q1	End of Q2	End of Q3	End of Q4	End of FY			
Fiscal year ended September 2008	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended September 2009	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending September 2010 (forecast)	—	0.00	—	0.00	0.00		—	

3. Forecast for Consolidated Financial Results for the Year Ending September 30, 2010

(October 1, 2009 – September 30, 2010) (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	17,642	-49.3	551	—	469	—	-255	—	-662.57
Full year	33,780	-41.0	1,777	—	1,664	—	782	—	2,031.89

4. Others

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

New: None

Eliminated: 2 companies (company name: Asia Pacific System Research Co., Ltd., Net it works, Inc.)

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

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

2) Change other than 1): No

- (3) 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 2009: 395,964

Fiscal year ended September 2008: 275,964

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

Fiscal year ended September 2009: 11,100

Fiscal year ended September 2008: 11,100

Reference: Non-consolidated Financial Results

1. Financial Results for the Fiscal Year Ended September 30, 2009

(October 1, 2008 – September 30, 2009)

(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 2009	2,191	-92.9	1,505	335.1	1,430	-31.9	-2,002	—
Fiscal year ended September 2008	30,820	-30.6	346	66.3	2,100	765.9	-1,470	—

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended September 2009	-6,204.45	—
Fiscal year ended September 2008	-5,549.55	—

(2) Financial condition

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
Fiscal year ended September 2009	7,573	52	0.7	135.63
Fiscal year ended September 2008	23,419	5,728	24.5	21,625.16

Reference: Shareholders' equity (million yen)

Fiscal year ended September 2009: 52

Fiscal year ended September 2008: 5,728

* Explanation about the proper use of financial forecasts and other important notes

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.

For the assumptions underlying earnings forecasts and related issues, please see Page 7, (2). Outlook for the September 2010 Fiscal Year " of "Qualitative Data, Financial Statements and Other Information.

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1. Results of Operations

(1) Analysis of Operating Results

During the fiscal year under review, Japan entered a period of large economic decline. Consequently the human resources services industry was negatively impacted by record high unemployment and record low jobs offered to sought ratio levels. Furthermore the contraction in the economy contributed to reductions in the businesses operations of customers, adjustment of in the work force brought on by the goal of reducing costs, and a generally difficult operating environment for the human resources services industry.

Furthermore the reversal in labor dispatch law trend from deregulation to a tightening of regulations, including the potential ban of “short term labor dispatch,” “registered worker dispatch,” and “manufacturing line worker dispatch” has raised the possibility for large changes within our industry.

Against this backdrop, the Fullcast Group sought to secure workplaces for workers by pursuing opportunities in the short term labor outsourcing market given our outlook for corporations to curtail their hiring of workers over the intermediate to long-term.

At the same time, the number of corporations seeking to outsource various services continued to expand. In particular we noted an expansion in demand for outsourcing of the sales functions for high value added products as part of corporate cost saving strategies. Therefore we are taking a “selection and concentration” approach in the restructuring of our own businesses and have chosen to focus upon the business domains of “short term personnel outsourcing” and “sales outsourcing.” At the same time we are considering the sale or merger of companies in our other divisions as part of our overall business restructuring strategy.

Sales in our spot business stagnated due to the pronounced slowing in the manufacturing industry. Also our technology business also suffered from weak orders. Moreover the liquidation of some of our subsidiaries also contributed to a 42.1% year-over-year decline in consolidated sales to ¥57,293 million. If the effect of the sale of our subsidiaries is excluded, our consolidated sales declined by a smaller margin of 30.8% year-over-year.

With regards to profits, while we noted an improvement in profitability during the fourth quarter due in part to the sale of shares of our subsidiary in the factory business, these efforts were not enough to offset the effects of a decline in our sales. Furthermore despite our voluntary retirement program in our spot business, and consolidation of offices as part of our overall cost reduction activities we recorded an operating loss of ¥682 million (Down from an operating profit of ¥1,647 million in the previous year) and an ordinary loss of ¥925 million (Compared to a ordinary profit of ¥1,530 million in the previous year).

At the extraordinary income level, we recorded extraordinary profits of ¥625 million on the sale of shares in affiliated companies, ¥203 million on the sale of fixed assets, and ¥340 million from employment adjustment subsidies. At the same time we also incurred extraordinary losses of ¥1,101 million due to effects of impairment accounting, ¥650 million from office closures, ¥586 million from special retirement fees, ¥1,218 million from sales of shares in subsidiaries, ¥950 million on debt waivers, and ¥950 million on debt transfer. Consequently we incurred a consolidated net loss of ¥6,870 million (¥2,443 million net loss in the previous term) in the term under review.

From the third quarter forward, we began implementation of a “New Three Year Plan” designed to streamline our management in response to the current volatile operating environment. The details of this Plan are listed below.

1. We decided to divest from our technology business and sell Fullcast Technology Co., Ltd. (Announced on April 9, 2009, Notice of Restructuring of Business).
2. We decided to divest from the credit business and other fringe benefit services by transferring all shares of and debt extended to Fullcast Finance Co., Ltd. to a third party (Announced on May 8, 2009, Notice of New Three Year Plan).
3. We decided to divest from the factory and technology businesses by transferring all shares of Fullcast Factory Co., Ltd. (Announced June 1, 2009, Notice of Change in Subsidiary) and of Fullcast Central Co., Ltd. (Announced June 11, 2009, Notice of Transfer of Shares in Subsidiary) to third parties.
4. Fullcast Co., Ltd. reduced its work force by 276 employees through its voluntary retirement program (Announced on June 9, 2009, Notice of Results of Call for Voluntary Retirement).
5. We decided to sell fixed assets (real estate) (Announced July 16, 2009, Notice of Sale of Fixed Assets).
6. We decided to divest from the technology business and transfer all shares of Net it works, Inc. to a third party (Announced July 17, 2009, Notice of Change in Subsidiary).
7. As part of our activities to divest from the technology business, we accepted applications for voluntary retirement and relocated our head offices (announced September 18, 2009, Notice of Management Streamlining Initiatives Including the Call for Voluntary Retirement and Head Office Relocation in Subsidiary).

* The subsidiaries whose shares we sold include Asia Pacific System Research Co., Ltd. (Announced November 18, 2008), Info-P Co., Ltd. (Announced March 9, 2009), Fullcast Finance Co., Ltd. (Announced May 8, 2009), Fullcast Factory Co., Ltd. (Announced June 1, 2009), Fullcast Central Co., Ltd. (Announced June 11, 2009), and Net it works, Inc. (Announced July 17, 2009).

Operating highlights by business segment are as follows:

[Spot Business]

Overall demand for personnel dispatch remained stagnant and orders from customers remained weak throughout the full year. And despite the bottoming in the sales decline during the fourth quarter due in part to our effective marketing efforts, sales in our spot business declined by 44.4% year-over-year to ¥20,619 million.

With regards to profits, we noted a recovery to profits during the fourth quarter due in part to the reduction in our workforce through a voluntary retirement program and to cost reductions arising from the consolidation of offices. However this was not enough to offset the effects of weak sales and we incurred an operating loss of ¥365 million, down from an operating profit of ¥1,538 million recorded during the previous fiscal year.

[Factory Business]

During the first half of the fiscal year, our sales declined due to adjustments made to the work forces of companies in the manufacturing industry and to the revenue losses from the sales of our subsidiaries operating in this business sector. Therefore we recorded a 61.5% year-over-year decline in sales to ¥6,662 million.

In terms of profits, we incurred an operating loss of ¥399 million (Compared with operating profit of ¥167 million

in the previous year) due to our inability to absorb weaker sales. Furthermore because of the sale of all shares in Fullcast Factory Co., Ltd. and Fullcast Central Co., Ltd. as of June 2009, we have removed them from the scope of our consolidation as of June 1, 2009.

[Technology Business]

In our technician dispatch business we noted declines in the number of new contracts received, termination at the end of existing contracts, and reductions in dispatched technician fees. This compounded the sale of our subsidiary and contributed to a 43.6% year-over-year decline in this division's sales to ¥14,074 million.

In terms of profits in our technician dispatch division, we implemented efforts to restrain sales, general and administrative costs by reducing hiring and training expenses, but the sale of a subsidiary contributed to a 24.9% year-over-year decline to operating profits of ¥685 million. When the impact of the sale of Asia Pacific System Research Co., Ltd., and Fullcast Central Co., Ltd., and Net it works, Inc. is excluded, our sales declined by a smaller margin of 15.2% year-over-year in our technology business.

[Office Business]

In our sales outsourcing business, we expanded our marketing channels in communication equipment and successfully expanded the number of orders. However the number of long-term contracts in our office personnel dispatch business fell. Consequently our office business sales declined by 11.9% year-over-year to ¥11,245 million.

Our cost reduction measures in sales, general and administrative expenses were unable to offset the lower gross profit margins arising from weak operating conditions in the office personnel dispatch related business and we incurred an operating loss of ¥44 million (Down from an operating profit of ¥315 million in the previous year).

[Other Business]

Orders in our security division trended sideways, but the sale of our subsidiary led to a 32.1% decline in sales to ¥4,693 million.

Our efforts to hold down sales, general and administrative costs contributed to an improvement in profitability and allowed us to record an operating profit of ¥63 million, up from a ¥213 million operating loss in the year before. Moreover when the impact of the sale of Info-P Co., Ltd. and Fullcast Finance Co., Ltd. are excluded, sales of this division only declined by only 0.1% year-over-year.

(2) Outlook for the September 2010 Fiscal Year

[Changes in Our Business Segments]

As defined in the “New Three year Plan” announced by our Group on May 8, 2009, we will focus upon the businesses of “short term personnel outsourcing” and “sales outsourcing” businesses in addition to the security and other business segments. In accordance with this Plan, we expect to change our business segments effective from fiscal year ending September 2010. Therefore we will provide our consolidated earnings forecasts in accordance with these new business segments.

We provide details of each of our new business segments below.

- ◆ Short term operational support business: Fullcast Co., Ltd., Top Spot Co., Ltd., Fullcast Advance Co., Ltd.
- ◆ Sales support business: Fullcast Marketing Co., Ltd., Marketing Square Co., Ltd., Telecom Marketing Co., Ltd.
- ◆ Technician dispatch business: Fullcast Technology Co., Ltd.
- ◆ Security, other business: Fullcast Advance Co., Ltd.

Projected consolidated business results for the fiscal year ending September 2010
(October 1, 2009 – September 30, 2010)

(Million yen)

	Fiscal year ended September 2009 Actual results	Fiscal year ending September 2010 Projection
Net sales	57,293	33,780
Short term operational support business	—	16,254
Sales support business	—	10,841
Technician dispatch business	—	4,350
Security, other business	—	2,335
Operating income or loss	-682	1,777
Ordinary income or loss	-925	1,664
Net income or loss	-6,870	782
Net income or loss per share (yen)	-21,288.47	2,031.89

(Note) 1. Estimated net income per share for the year ending September 2010 is calculated using the following formula.

$$\text{Estimated net income per share} = \frac{\text{Forecast for net income applicable to common stock}}{\text{Estimated number of common shares outstanding during the fiscal year ending September 30, 2010}}$$

(Note) 2. Because of the changes in our business segments, we do not disclose information based on business segments for the fiscal year ended September 2009.

The outlook by business segment is as follows:

[Short term operational support business] (Former Spot Business, Office Business)

- ◆ Short term operational support is expected to be provided primarily to customers in the warehouse, logistics, and other services industries
- ◆ In response to revisions in the dispatched labor laws, we expect to gradually shift our business model to one which undertakes introduction of short term workers.
- ◆ We will strive to achieve highly efficient operations by restraining regional office and personnel costs.
- ◆ We anticipate orders from companies which experience seasonal fluctuations in their labor needs to hire part time and temporary workers.
- ◆ We anticipate hiring staff who seek work as dispatched workers to allow them flexibility in their lifestyle.
- ◆ We anticipate continued brisk growth in the number registered staff numbers through the use of the Internet and mobile handsets as means of registration.

[Sales support business] (Former Office Business)

- ◆ Demand for outsourcing of the sales function for companies in high-value added products is expected to rise on the back of corporate cost reduction activities.
- ◆ Sales support business division orders are expected to grow on the back of increases in demand from companies seeking to bolster their sales activities in the communications equipment product area.
- ◆ Call center services in the sales support business is expected to remain firm as well.

[Technician dispatch business] (Former Technology Business)

- ◆ We will develop new demand for personnel in research and development applications while holding down sales, general and administrative costs.
- ◆ We anticipate continued weak demand for dispatched technicians in development and design job applications from the manufacturing industry.
- ◆ We are also considering the sale of our dispatched technician business as part of our Group's overall restructuring.

[Security, other business] (Former Other Business)

- ◆ We anticipate demand in the security business to trend firmly.

<Reference> Quarterly Results of Operations (Consolidated)

Fiscal year ended September 2009

(Million yen)

	1st Quarter Oct. – Dec. 2008	2nd Quarter Jan. – Mar. 2009	3rd Quarter Apr. – Jun. 2009	4th Quarter Jul. – Sep. 2009	Full year Ended Sep. 2009
Net sales	19,456	15,308	12,107	10,423	57,293
Gross profit	4,561	3,369	2,521	2,389	12,840
Operating income or loss	-273	-323	-273	187	-682
Ordinary income or loss	-282	-404	-367	128	-925
Income or loss before income taxes and minority interests	-1,466	-954	-2,938	-1,032	-6,390
Net income or loss	-1,647	-1,135	-2,943	-1,146	-6,870
Net income or loss per share (yen)	-6,216.70	-4,286.20	-7,833.65	-2,977.53	-21,288.47
Total assets	28,510	24,451	20,051	13,072	13,072
Shareholders' equity	5,921	4,793	2,442	1,292	1,292
Shareholders' equity per share (yen)	22,356.16	18,095.89	6,344.24	3,357.40	3,357.40
Cash flows from operating activities	1,255	613	-628	160	1,401
Cash flows from investing activities	-464	219	-194	2,011	1,573
Cash flows from financing activities	-2,793	-1,146	16	-4,014	-7,937
Cash and cash equivalents at end of period	7,875	7,562	6,757	4,914	4,914

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 or loss before income taxes and minority interests	8	380	- 14	- 1,016	- 642
Net income or loss	9	- 113	- 137	- 2,203	- 2,443
Net income or loss 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

(3) Analysis of the Financial Position

1) Conditions of assets, liabilities and net assets

At the end of the current fiscal year, our total consolidated assets declined by ¥23,626 million to ¥13,072 million. Net capital declined by ¥6,281 million to ¥1,292 million (capital ratio of 9.9%) and net assets fell by ¥9,245 million to ¥1,724 million.

The main changes on our balance sheet include a ¥16,283 million decline in current assets from the end of the previous fiscal year to ¥10,157 million as of the end of the current fiscal year. We attribute this decline in part to the repayment of debt which reduced cash and equivalents by ¥4,963 million to ¥4,914 million. We also note a ¥7,825 million decline in notes and accounts receivable from the end of the previous year to ¥4,041 million at the end of the current year. Furthermore fixed assets contracted by ¥7,343 million to ¥2,914 million. This contraction can be attributed to a fall of ¥2,997 million in goodwill to ¥39 million arising from impairment accounting and sales of subsidiaries. We also saw a ¥941 million drop in security deposits to ¥1,038 million due to consolidation in offices. In addition we saw a ¥624 million contraction in software to ¥398 million, and a ¥1,664 million decline in tangible fixed assets to ¥263 million due to the sale of real estate and subsidiaries.

With regards to liabilities, we saw a ¥11,291 million decline in current liabilities from the end of the last year to ¥8,432 million at the end of the current year. We attribute this decline to a ¥1,197 million reduction in notes and account payable to ¥210 million, and also to reductions in short term debt of ¥5,133 million to ¥3,011 million. Also unpaid expenses were cut by ¥1,942 million to ¥706 million. Fixed liabilities also fell by ¥3,090 million to ¥2,915 million. This is attributed to the regularly scheduled repayment of debt of ¥2,837 million (Debt due within one year as a portion of long term debt fell by ¥856 million) to ¥2.4 billion.

2) Conditions of cash flows

At the end of the fiscal year under review, cash and equivalents declined by ¥4,963 million from the end of the previous fiscal year to ¥4,914 million, which compares to a ¥2,887 million decline at the end of the previous fiscal year.

(Cash flows from operating activities)

Unpaid consumption tax increased by ¥598 million, and receivables declined by ¥4,196 million (accounts payable fell by ¥57 million). At the same time losses on waived debt of ¥950 million, transfer of debt of ¥950 million, and share sales of affiliated companies of ¥594 million were realized, while unpaid expenses fell by ¥1,358 million, and tax payments of ¥737 million were incurred. Consequently we saw a net inflow of ¥1,401 million in our operating cash flow (A net outflow of ¥1,621 million was recorded in the previous year).

(Cash flows from investing activities)

We recorded income of ¥121 million and ¥959 million from the sale of marketable securities and tangible fixed assets respectively. Also, the sale of shares in subsidiaries resulting from changes in the scope of our consolidation led to income of ¥1,462 million, while we also realized an outflow of ¥792 million on sales of subsidiary shares also resulting from changes in the scope of our consolidation. Therefore we recorded a net inflow of ¥1,573 million in our investing cash flow (Compared with a net outflow of ¥867 million in the previous year).

(Cash flows from financing activities)

We realized income of ¥553 million from the issuance of shares, while short term debt declined by ¥4,833 million

and we saw an outflow for the repayment of long term debt of ¥3,667 million. Consequently we saw a net outflow of ¥7,937 million in our financing cash flow (compared to a net outflow of ¥399 million in the previous year).

Trends in Cash Flow Indexes

	September 2007 fiscal year	September 2008 fiscal year	September 2009 fiscal year
Shareholders' equity (Million yen)	10,287	7,573	1,292
Shareholders' equity ratio (%)	24.7	20.6	9.9
Ratio of interest-bearing debt to cash flow (%)	445.4	15,392.6	410.4
Interest coverage ratio (times)	18.5	0.4	8.4

Shareholders' equity = Total net assets – Stock subscription rights – Minority interest

Shareholders' equity ratio = shareholders' equity ÷ gross assets × 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

The return of profits to shareholders as a means of cultivating intermediate to long term investors is an important management issue.

With regards to dividends, we will base the level of dividend payment on our earnings trends, profit growth, and investment plans. We plan to maintain two dividend payments of retained earnings per year, one at the end of both the interim and full year period. Furthermore as defined in our articles of incorporation, both interim and year-end dividend payments will be decided upon during our board of directors' meeting.

In order to fortify our financial standing, we have decided to forgo paying interim and year-end dividends during the current term. Furthermore we expect to forgo dividend payment in the coming fiscal year to September 2010 as part of our effort to fortify our financial base. It is our goal to quickly establish stability in our business operations in order to begin paying dividends again and to promote growth in our various businesses.

(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 most 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

We endeavor to raise our competitive position by strict adherence to corporate governance, and achieving speed in our management strategy decision making process and in the implementation of various strategies. At the same

time we seek to be able respond quickly to changes in the operating environment in each of our business segments by promoting a strategy of “selection and concentration” of our various businesses to create a flexibly restructured Group. However in the event that our restructuring takes longer than anticipated, and the contribution to our earnings does not proceed as planned, our Group may see its earnings negatively impacted.

Furthermore we will promote short term operational support services business going forward by implementing a hiring policy designed to respond to the current employment conditions. But our Group’s earnings could be seriously impacted in the event that the earnings of this business do not trend as expected, or should revisions in the labor dispatch laws force us to convert our business model.

In our sales support business, we operate call center functions and provide sales support for communications equipment. However our earnings could be impacted in the event that this business’s earning do not trend as expected, or if a large infusion of capital is required, or should the attractiveness of the products being sold deteriorate.

In addition we maintain a policy of selling shares in affiliates or marketable securities of companies which do not offer synergies with any of our Group’s businesses. Also our Group’s earnings could be profoundly impacted by implementation of impairment accounting during times when market capitalization or the actual value of companies whose shares we hold deteriorate.

2) Legal Regulations

a) Changes in Legal Regulations

Our Group earnings could be largely influenced by revisions or changes in the interpretation of the worker dispatch law, labor standards act, employment security act, workmen’s accident compensation insurance law, health insurance act, employees pension insurance act, and other related laws resulting from changes surrounding the labor market.

Moreover there are currently moves to ban “short term worker dispatch” (namely daily worker dispatch), “registered worker dispatch,” and “manufacturing industry worker dispatch” through revisions to the labor dispatch laws. Going forward we will endeavor to create a business model that appropriately responds to revisions in the worker dispatch laws, and will gradually shift our business to a model based on “short term worker introduction.” In the future we will perform short term operational support services but our Group’s earnings could be largely impacted by revisions and changes in the interpretation of laws.

b) Sharing of Social Insurance Contributions

With regards to social insurance participation, those workers who work for less than two months or less than three quarters of the normal working hours are excluded from participation.

Furthermore with regards to the employees’ pension insurance act and the national health insurance law we employ similar participation guidelines. And while the majority of staff hired in our spot business are short term workers and are exempted from participation in the social insurance system, Fullcast recognizes the potential for an increase in social insurance fees due to a shift in our business model to intermediate to long term worker dispatch resulting from banning of short term worker dispatch as part of revisions to the worker dispatch law. In the event that we cannot pass along these higher costs to our customers in the form of higher prices or absorb them through increased efficiency of our overall operations and other cost cutting measures, our Group’s earnings could be negatively impacted.

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.

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 and Retaining Employees

In order to restructure the earnings structure of our Group, we will reallocate human resources to other business segments which hold promise of greater growth, implement a voluntary retirement plan, and reduce our staff numbers. In the future, the loss of a greater than expected number of personnel could influence our Group's various business segments.

4) 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.

In the future, we intend to make investments in information technologies as needed to help differentiate our Company from our competitors in terms of costs and services offered. Deterioration in the effectiveness of these investments could decrease their contribution to sales and earnings growth.

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.

5) 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.

6) Seasonal Factors Affecting the Group's Earnings

We note seasonality in our short term operational support business where orders tend to increase during the second and fourth quarters of our fiscal year. In order to help lessen the effects of this seasonality, we endeavor to increase the quality of our services, which in turn should contribute to increased efficiency of our clients' operations and reduce the seasonality in their demand.

Furthermore the capacity utilization rates (number of technicians dispatched to companies divided by total employed) of technicians in our technology business strongly influences our earnings. Due to the large number of newly hired technicians in April upon their graduation from schools, our earnings tends to rise during the latter half of the fiscal year when our technicians begin contributing to earnings after they are sent to work in clients' offices. Furthermore the fact that most pricing negotiations and new pricing are implemented after April, our sales and profits have a tendency to increase during the second half of our fiscal year.

(6) Concerning Notes about Going Concern Assumption

Fullcast continues to face difficult operating conditions due to the order to cease work in its dispatched worker business issued by the Tokyo Labor Bureau and the sudden slowing in the Japanese economy. Consequently we noted a large 42.1% year-over-year decline in our consolidated sales, and incurred an operating loss of ¥682 million during the term under review. Against this backdrop and as of the time of the announcement of our earnings for the current fiscal year, we are continuing negotiations with financial institutions and our creditors to seek a change in the terms of our debt repayment.

Therefore the going concern assumption assigned to our Company could contribute to questions over the future of our operations.

In an attempt to resolve these conditions, we seek to quickly restore stability in our management through our efforts to rationalize our management and reduce administrative costs by consolidating offices of our subsidiaries and reducing our Group's workforce. In addition, we will promote a strategy of selection and concentration on key

business segments, use capital raised through the sale of subsidiaries' shares to repay debt and to be used as working capital, and implement a third party issuance of new shares to improve our financial position. By implementing these measures we seek to fortify our management base while giving the highest priority to compliance.

Our Group believes that through the implementation of the various measures mentioned above we can allay the concern over our Company due to the going concern assumption. However our earnings could be profoundly affected should the time required to restore stability to our management take longer than expected.

2. Corporate Group

Our Group will focus its efforts on the “short term personnel outsourcing business” where personnel are dispatched to manual labor applications in the retail, distribution, logistics, warehousing and other industries, “sales outsourcing business” where we provide sales support primarily for communications equipment, and security and other services in our other business segment.

Furthermore we have implemented sales, mergers and restructuring of our consolidated subsidiaries in accordance with our “New Three Year Plan” announced on May 8, 2009.

We provide a diagram of our businesses and affiliated companies as of September 30, 2009 below.

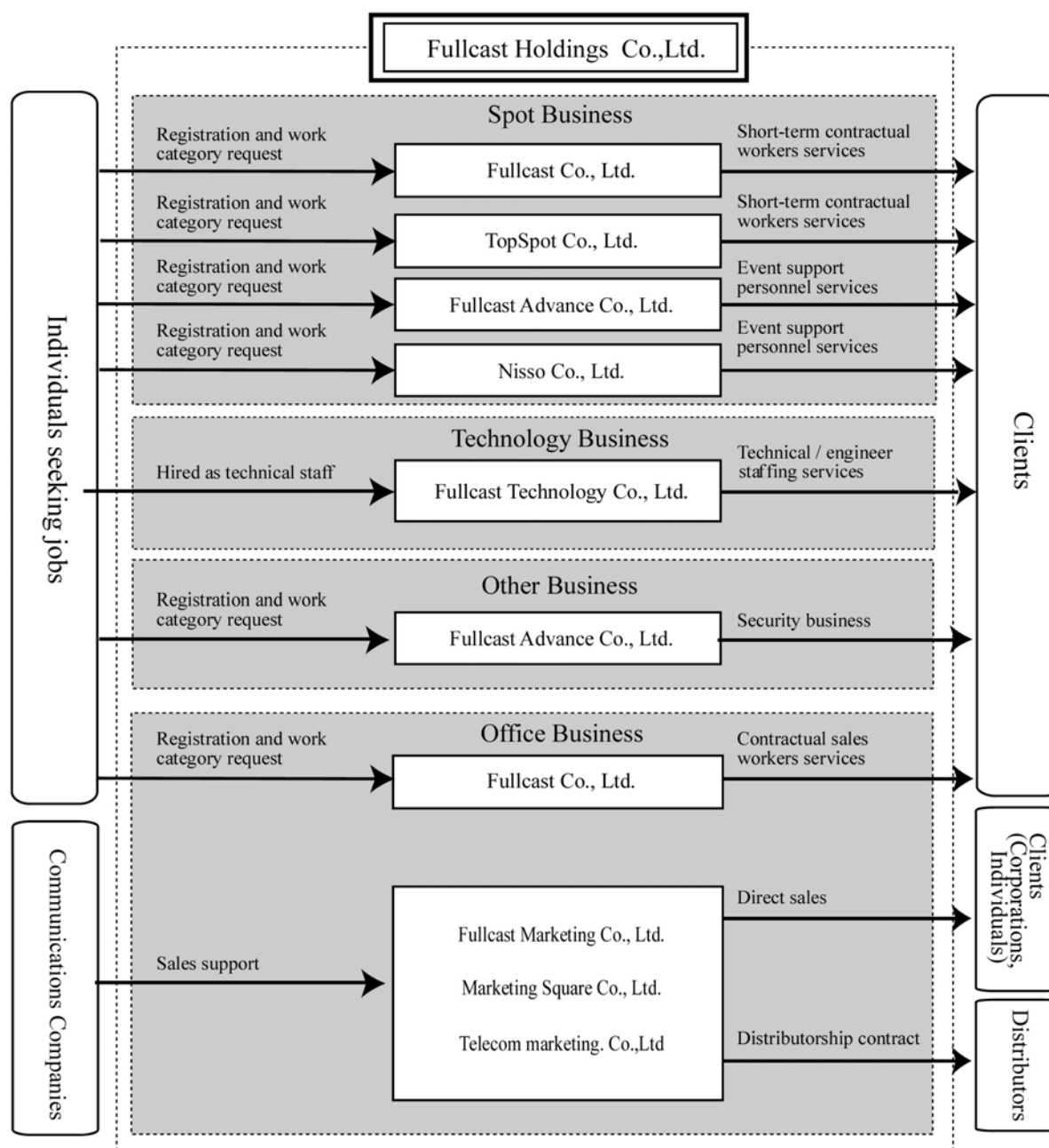
(1) Status of Affiliated Companies

Company	Location	Capital (mil. yen)	Major business activities	Voting shares (%)	Issues to be noted
Fullcast Co., Ltd.	Shibuya-ku, Tokyo	480	Spot Business	100.0	- Interlocking directorates: 1 - Provides financial support (financing operating capital)
Top Spot Co., Ltd.	Shinjuku-ku, Tokyo	131	Spot Business	100.0	- Provides financial support (financing operating capital)
Fullcast Marketing Co., Ltd.	Osaka City, Osaka	80	Office Business	100.0	- Interlocking directorates: 1 - Provides financial support (financing operating capital)
Marketing Square Co., Ltd.	Osaka City, Osaka	29	Office Business	0.0	—
Telecom Marketing Co., Ltd.	Toshima-ku, Tokyo	90	Office Business	0.0	- Interlocking directorates: 1
Fullcast Technology Co., Ltd.	Minato-ku, Tokyo	864	Technology business	68.6	- Interlocking directorates: 4
Fullcast Advance Co., Ltd	Shibuya-ku, Tokyo	80	Other Business Spot Business	100.0	- Provides financial support (financing operating capital)
Nisso Co., Ltd.	Shibuya-ku, Tokyo	60	Spot Business	100.0	—
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) We made the changes to our business segments as cited above effective from October 1, 2009. Regarding these changes, we provide details in the “full year earnings projections” section.
- 4) The subsidiaries whose shares we sold include Asia Pacific System Research Co., Ltd. (Announced November 18, 2008), Info-P Co., Ltd. (Announced March 9, 2009), Fullcast Finance Co., Ltd. (Announced May 8, 2009), Fullcast Factory Co., Ltd. (Announced June 1, 2009), Fullcast Central Co., Ltd. (Announced June 11, 2009), and Net it works, Inc. (Announced July 17, 2009).
- 5) The subsidiaries merged into Fullcast include Job Choice Tokai Co., Ltd., Casting Bank Co., Ltd. (Announced December 12, 2008), and Oneday Job Style Co., Ltd. (Announced March 9, 2009).

(2) Flowchart of Business Activities

A flowchart of business activities is shown below:



(Note) Flowchart is current as of September 30, 2009.

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

With the highest priority assigned to compliance as the basic assumption of our management, we are undertaking a restructuring of our management structure and revising our business model through the process of “selection and concentration,” with special focus upon outsourcing businesses in the realm of dispatched worker business.

We define our core businesses as the “short term operation support business” and the “sales support business.” Furthermore we will strive to raise our competitive standing within the industry by implementing strict adherence to corporate governance and employing quick management decision making and strategy implementation, in addition to fortifying our financial position.

(4) Key Management Issues

We have implemented restructuring and realignment of our group in accordance with our intermediate term plan called the “New Three Year Plan.” We define our business domains as the “short term operation support business” and the “sales support business,” and have adopted a strategy of selection and concentration. Furthermore we have pursued a strategy of reducing sales, general and administrative costs through restructuring, consolidation of offices and reduction in staff numbers. In the future we will continue to promote rationalization as a means of fortifying our management structure, while giving the highest priority to compliance. We also seek to restore the confidence of all our stakeholders in our Company.

Along with the revisions to the worker dispatch law being considered currently, we are now focusing upon short term operational support business to become the main business in the process of our converting our business model. And we will make adjustments to our overall human resources services in response to any potential changes in the laws governing our industry.

We will address the following issues by each business section:

- | | |
|--|---|
| 1) Short term operational support business | a) Maintain, raise the level of our compliance
b) Convert our business model to one based on introduction of jobs in response to changes in worker dispatch laws
c) Reduce costs by streamlining the operations |
|--|---|

- d) Strengthen staff recruiting activities and increase the stability of the work force
- 2) Sales support business
 - a) Expand sales channels
 - b) Capture new clients whose products are in strong demand
 - c) Reduce costs by streamlining the operations
- 3) Technician dispatch business
 - a) Acquire excellent engineers in each field
 - b) Maintain, raise capacity utilization rates of technicians
 - c) Reduce costs and reinforce quality control
- 4) Security, other business
 - a) Continue to pursue orders for security related jobs
 - b) Reduce costs by streamlining operations

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

	(Million yen)	
	Consolidated accounting period for the previous fiscal year (September 30, 2008)	Consolidated accounting period for the current fiscal year (September 30, 2009)
ASSETS		
Current assets:		
Cash and deposits	9,878	4,914
Notes and accounts receivable-trade	11,866	4,041
Short-term investment securities	100	—
Inventories	881	—
Merchandise	—	134
Work in process	—	1
Supplies	—	39
Deferred tax asset	727	14
Other	3,224	1,076
Allowance for doubtful accounts	-235	-62
Total current assets	26,441	10,157
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures	999	204
Accumulated depreciation	*1 -361	*1 -88
Buildings and structures, net	638	116
Machinery and vehicles	33	4
Accumulated depreciation	*1 -26	*1 -3
Machinery and vehicles, net	6	1
Tools, furniture and fixtures	1,681	676
Accumulated depreciation	*1 -1,194	*1 -529
Tools, furniture and fixtures, net	487	147
Land	793	—
Construction suspense account	3	—
Total property, plant and equipment	1,927	263
Intangible assets:		
Software	1,021	398
Goodwill	3,035	39
Other	108	27
Total intangible assets	4,165	464
Investments and other assets		
Investment securities	*2 1,187	*2 855
Long-term loans receivable	8	1
Insurance funds	647	254
Guarantee deposits	1,979	1,038
Deferred tax assets	180	14
Other	352	145
Allowance for doubtful accounts	-189	-119
Total investments and other assets	4,165	2,187
Total noncurrent assets	10,257	2,914
Total assets	36,697	13,072

	(Million yen)	
	Consolidated accounting period for the previous fiscal year (September 30, 2008)	Consolidated accounting period for the current fiscal year (September 30, 2009)
Current liabilities		
Notes and accounts payable-trade	1,407	210
Short-term loans payable	8,144	3,011
Current portion of long-term loans payable	2,867	2,012
Accounts payable-other	1,945	1,837
Accrued expenses	2,649	706
Income taxes payable	532	100
Deferred tax liabilities	3	2
Provision for bonuses	1,409	290
Allowance for cancellation adjustments	205	91
Other	562	173
Total current liabilities	19,723	8,432
Noncurrent liabilities		
Long-term loans payable	5,237	2,400
Deferred tax liabilities	1	10
Provision for retirement benefits	553	495
Other	215	10
Total noncurrent liabilities	6,005	2,915
<u>Total liabilities</u>	<u>25,728</u>	<u>11,347</u>
NET ASSETS		
Shareholders' equity		
Capital stock	3,464	3,741
Capital surplus	2,906	3,183
Retained earnings	3,978	-2,893
Treasury stock	-2,747	-2,747
Total shareholders' equity	7,601	1,284
Valuation and translation adjustments		
Valuation difference on available-for-sale	-28	8
Total valuation and translation adjustments	-28	8
Minority interests	3,396	432
Total net assets	10,969	1,724
<u>Total Liabilities And Net Assets</u>	<u>36,697</u>	<u>13,072</u>

(2) Consolidated Profit and Loss Statement

	(Million yen)	
	Consolidated accounting period for the previous fiscal year (From October 1, 2007 To September 30, 2008)	Consolidated accounting period for the current fiscal year (From October 1, 2008 To September 30, 2009)
Net sales	98,989	57,293
Cost of sales	74,561	44,454
Gross profit	24,429	12,840
Selling, general and administrative expenses		
Salaries and bonuses	6,795	4,677
Other salaries	2,305	796
Legal welfare expenses	1,144	774
Provision for bonuses	602	133
Retirement benefit expenses	260	189
Communication expenses	778	474
Advertising expenses	292	218
Traveling and transportation expenses	968	543
Rents	2,216	1,688
Depreciation	663	523
Recruitment expense	1,770	269
Provision of allowance for doubtful accounts	239	156
Amortization of goodwill	374	190
Other	4,376	2,894
Total selling, general and administrative	22,782	13,522
Operating income	1,647	-682
Non-operating income		
Interest income	26	8
Dividends income	—	45
Real estate rent	164	166
Gain on equity method investments	76	56
Other	210	113
Total non-operating income	476	389
Non-operating expenses		
Interest expenses	242	215
Rent cost of real estate	142	164
Stock issuance cost	1	4
Equity in losses of affiliates	20	70
Other	188	179
Total non-operating expenses	593	632
Ordinary income	1,530	-925

	(Million yen)	
	Consolidated accounting period for the previous fiscal year (From October 1, 2007 To September 30, 2008)	Consolidated accounting period for the current fiscal year (From October 1, 2008 To September 30, 2009)
Extraordinary income		
Gain on sales of noncurrent assets	*1 4	*1 203
Gain on sales of investment securities	123	1
Gain on sales of subsidiaries and affiliates'	8	625
Reversal of allowance for doubtful accounts	53	41
Gain on transfer of business	—	2
Government subsidy received	—	340
Total extraordinary income	189	1,211
Extraordinary loss		
Loss on sales of noncurrent assets	*2 2	*2 106
Loss on retirement of noncurrent assets	*3 106	*3 101
Loss on sales of investment securities	—	13
Loss on sales of stocks of subsidiaries and	—	1,218
Loss on valuation of investment securities	276	60
Loss on insurance cancellation	—	68
Loss on change of share-holding ratio	*4 0	*4 —
Penalty	*5 33	*5 —
Impairment loss	*6 1,397	*6 1,101
Loss on closing of stores	*7 204	*7 650
Expenses for withdrawal from training base	*8 32	*8 4
Head office transfer cost	*9 236	*9 293
Social insurance contributions in prior years	76	—
Special retirement expenses	*10 —	*10 586
Allowance for employment adjustment	—	469
Loss on loan write-off	*11 —	*11 950
Loss on the transfer of receivables	*12 —	*12 950
Cancellation loss of dormitory	—	107
Total extraordinary losses	2,361	6,676
Loss before income taxes and minority interests	-642	-6,390
Income taxes-current	880	297
Refund of income taxes	—	-120
Income taxes-deferred	844	566
Total income taxes	1,724	743
Minority interests in income (loss)	77	-263
Net loss	-2,443	-6,870

(3) Consolidated Statements of Shareholders' Equity

	(Million yen)	
	Consolidated accounting period for the previous fiscal year (From October 1, 2007 To September 30, 2008)	Consolidated accounting period for the current fiscal year (From October 1, 2008 To September 30, 2009)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	3,464	3,464
Changes of items during the period		
Issuance of new shares	—	277
Total changes of items during the period	—	277
Balance at the end of current period	3,464	3,741
Capital surplus		
Balance at the end of previous period	2,906	2,906
Changes of items during the period		
Issuance of new shares	—	277
Total changes of items during the period	—	277
Balance at the end of current period	2,906	3,183
Retained earnings		
Balance at the end of previous period	6,679	3,978
Changes of items during the period		
Dividends from surplus	-265	—
Change of scope of equity method	7	—
Net loss	-2,443	-6,870
Total changes of items during the period	-2,701	-6,870
Balance at the end of current period	3,978	-2,893
Treasury stock		
Balance at the end of previous period	-2,747	-2,747
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	-2,747	-2,747
Total shareholders' equity		
Balance at the end of previous period	10,302	7,601
Changes of items during the period		
Issuance of new shares	—	553
Dividends from surplus	-265	—
Change of scope of equity method	7	—
Net loss	-2,443	-6,870
Total changes of items during the period	-2,701	-6,317
Balance at the end of current period	7,601	1,284

	(Million yen)	
	Consolidated accounting period for the previous fiscal year (From October 1, 2007 To September 30, 2008)	Consolidated accounting period for the current fiscal year (From October 1, 2008 To September 30, 2009)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	-15	-28
Changes of items during the period		
Net changes of items other than shareholders' equity	-13	36
Total changes of items during the period	-13	36
Balance at the end of current period	-28	8
Total valuation and translation adjustments		
Balance at the end of previous period	-15	-28
Changes of items during the period		
Net changes of items other than shareholders' equity	-13	36
Total changes of items during the period	-13	36
Balance at the end of current period	-28	8
Minority interests		
Balance at the end of previous period	3,355	3,396
Changes of items during the period		
Net changes of items other than shareholders' equity	41	-2,964
Total changes of items during the period	41	-2,964
Balance at the end of current period	3,396	432
Total net assets		
Balance at the end of previous period	13,642	10,969
Changes of items during the period		
Issuance of new shares	—	553
Dividends from surplus	-265	—
Change of scope of equity method	7	—
Net loss	-2,443	-6,870
Net changes of items other than shareholders' equity	28	-2,928
Total changes of items during the period	-2,673	-9,245
Balance at the end of current period	10,969	1,724

(4) Consolidated Cash Flows Statement

(Million yen)

	Consolidated accounting period for the previous fiscal year (From October 1, 2007 To September 30, 2008)	Consolidated accounting period for the current fiscal year (From October 1, 2008 To September 30, 2009)
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	-642	-6,390
Depreciation and amortization	772	542
Increase (decrease) in allowance for doubtful accounts	30	83
Increase (decrease) in provision for bonuses	14	-659
Increase (decrease) in provision for retirement benefits	87	-19
Increase (decrease) in allowance for cancellation adjustments	205	-114
Interest and dividends income	-58	-54
Interest expenses	242	215
Loss (gain) on sales of noncurrent assets	-3	-97
Loss on retirement of noncurrent assets	106	101
Loss (gain) on transfer of business	—	-2
Loss on loan write-off	—	950
Loss on the transfer of receivables	—	950
Bad debts expenses	56	21
Loss (gain) on sales of investment securities	-123	12
Loss (gain) on sales of stocks of subsidiaries and affiliates	-8	594
Loss (gain) on valuation of investment securities	276	60
Stock issuance cost	1	4
Amortization of goodwill	382	190
Equity in (earnings) losses of affiliates	20	70
Loss on change of share-holding ratio	0	—
Impairment loss	1,397	1,101
Decrease (increase) in notes and accounts receivable-trade	-733	4,196
Decrease (increase) in inventories	-197	24
Increase (decrease) in notes and accounts payable-trade	-1,141	-57
Increase (decrease) in accrued expenses	-169	-1,358
Decrease (increase) in insurance funds	-33	394
Decrease (increase) in accounts receivable-other	-27	-223
Increase (decrease) in accrued consumption taxes	-1,293	598
Other, net	346	676
Subtotal	-493	1,809
Interest and dividends income received	58	54
Interest expenses paid	-250	-216
Income taxes paid	-1,534	-737
Income taxes refund	598	491
Net cash provided by (used in) operating activities	-1,621	1,401

(Million yen)

	Consolidated accounting period for the previous fiscal year (From October 1, 2007 To September 30, 2008)	Consolidated accounting period for the current fiscal year (From October 1, 2008 To September 30, 2009)
Net cash provided by (used in) investing activities		
Payments into time deposits	-1	—
Proceeds from withdrawal of time deposits	11	—
Purchase of property, plant and equipment	-416	-97
Proceeds from sales of property, plant and equipment	14	959
Purchase of intangible assets	-294	-103
Proceeds from redemption of securities	100	—
Purchase of investment securities	-125	-1
Proceeds from sales of investment securities	242	121
Proceeds from collection on equity in investment securities	3	—
Payments of loans receivable	-440	-2
Collection of loans receivable	447	6
Proceeds from sales of investments in subsidiaries resulting in	*2 —	*2 1,462
Payments for sales of investments in subsidiaries resulting in change	*2 —	*2 -792
Proceeds from transfer of business	—	19
Payments for transfer of business	-418	—
Other, net	10	—
Net cash provided by (used in) investing activities	-867	1,573
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	3,132	-4,833
Proceeds from long-term loans payable	200	—
Repayment of long-term loans payable	-3,333	-3,667
Redemption of bonds	-100	—
Proceeds from issuance of common stock	—	553
Proceeds from stock issuance to minority shareholders	51	32
Cash dividends paid	-266	-2
Cash dividends paid to minority shareholders	-83	-14
Other, net	—	-4
Net cash provided by (used in) financing activities	-399	-7,937
Effect of exchange rate change on cash and cash equivalents	0	—
Net increase (decrease) in cash and cash equivalents	-2,887	-4,963
Cash and cash equivalents at beginning of period	12,764	9,878
Cash and cash equivalents at end of period	*1 9,878	*1 4,914

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

Consolidated accounting period for the previous fiscal year (From October 1, 2007 To September 30, 2008)	Consolidated accounting period for the current fiscal year (From October 1, 2008 To September 30, 2009)
<p>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.</p> <p>Under these circumstances, there is a substantial doubt about the going concern assumption.</p> <p>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.</p> <p>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.</p> <p>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 described above.</p>	<p>The operating environment surrounding our Company remains difficult with the sharp slowing in the Japanese economy and labor market, compounded by the cease order levied against Fullcast by the Tokyo Labor Bureau. Consequently during the year under review our consolidated sales declined by a large 42.1% year-over-year and we incurred an operating loss of ¥682 million. Against this backdrop and as of the announcement of the current fiscal year, we are in negotiations with financial institutions to revise the terms of our loans.</p> <p>With these conditions in mind, we recognize the uncertainty associated with the going concern assumption assigned to our Company.</p> <p>And in order to resolve these conditions, we seek to quickly restore stability to our management through sales, general and administrative cost reductions, rationalization of management including consolidation of subsidiary offices and reductions in staff numbers of our Group. Furthermore we will promote a strategy of selection and concentration on key business segments, use capital raised through the sale of subsidiaries' shares to repay debt and to be used as working capital, and implement a third party issuance of new shares to improve our financial position. By implementing these measures we seek to fortify our management base while giving the highest priority to compliance.</p> <p>Our Group believes that through the implementation of the various measures mentioned above we can normalize operating conditions and allay concerns over our Company due to the attachment of the going concern assumption. However at the current point in time we recognize the uncertainty surrounding our ability to achieve our earnings projections.</p> <p>Given the above factors, we will create our financial statements given the assumption of our standing as a going concern, but the uncertainties arising from our status as a going concern are not reflected in our financial statements.</p>

(6) Significant Accounting Policies in the Preparation of the Consolidated Financial Statements**1. Matters concerning the scope of consolidation**

Consolidated	Fullcast Co., Ltd.	Fullcast Technology Co., Ltd.
subsidiaries: 8	Top Spot Co., Ltd.	Fullcast Marketing Co., Ltd.
	Fullcast Advance Co., Ltd.	Marketing Square Co., Ltd.
	Nisso Co., Ltd.	Telecom Marketing Co., Ltd.

(Notes) 1. Because we sold all shares of Asia Pacific System Research Co., Ltd. on November 18, 2008, we removed it from the scope of our consolidated accounts effective from October 1, 2008. Furthermore we also removed the three consolidated subsidiaries of this company from the scope of our consolidation as of the same date.

2. The consolidated subsidiaries Casting Bank Co., Ltd. and Job Choice Tokai Co., Ltd., were merged effective February 1, 2009, and Oneday Job Style Co., Ltd. was merged effective May 1, 2009 with Fullcast Co. Ltd.

3. Because we sold all shares of Info-P Co., Ltd. on March 16, 2009, it from the scope of our consolidated accounts effective from March 31, 2009.

4. Because we sold all shares of Fullcast Finance Co., Ltd. on May 8, 2009, it from the scope of our consolidated accounts effective from April 1, 2009.

5. Because we sold all shares of Fullcast Factory Co., Ltd. on June 1, 2009, it from the scope of our consolidated accounts effective from June 1, 2009.

6. Because we sold all shares of Fullcast Central Co., Ltd. on June 12, 2009, it from the scope of our consolidated accounts effective from June 1, 2009.

7. Because we sold all shares of Net it works, Inc. on August 3, 2009, it from the scope of our consolidated accounts effective from August 1, 2009.

2. Matters concerning the application of the equity method

(1) Affiliate accounted for by the equity method

One company: Fullcast Drive Co., Ltd.

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

ICS Research, Inc. has been excluded from non-equity-method affiliates as the Company sold all shares in Asia Pacific System Research Co., Ltd. on November 18, 2008.

(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

The fiscal year end of our consolidated subsidiaries coincides with our own consolidated fiscal year end.

4. Matters concerning significant accounting policies

(Application of the Accounting Standard for Measurement of Inventories)

The "Accounting Standard for Measurement of Inventories" (Accounting Standards Board of Japan (ASBJ) Statement No. 9 on July 5, 2006) is applied from the current consolidated fiscal year, and the valuation standard has been changed from the cost method to the lower-of-cost-or-market method (a method of writing down the book value based on a fall in profitability). This application does not have an impact on profits and losses.

(Application of the Accounting Standard for Lease Transactions)

The "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13 (originally issued by the First Panel of Corporate Accounting Council (CAC) on June 17, 1993 and revised by the ASBJ on March 30, 2007)) and the "Guidance on the Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16 (originally issued

by the Japanese Institute of Certified Public Accountants (JICPA) on January 18, 1994 and revised by the ASBJ on March 30, 2007)) are applied from the current consolidated fiscal year. Also, for the method of depreciating leased assets of finance leases other than those in which ownership rights of the leased property are deemed to transfer to the lessee, the straight-line method is used with useful life being the lease period and the residual value being zero. These applications do not have an impact on profits and losses.

For finance leases other than those in which ownership rights of the leased property are deemed to transfer to the lessee whose date of commencing the lease transaction is before the first fiscal year of application, an accounting method similar to that used for ordinary rental transactions continues to be used.

The disclosure of accounting standards other than the Accounting Standard for Measurement of Inventories and the Accounting Standard for Lease Transactions above is omitted, as there are no material changes from the description in the most recent securities report (submitted on December 22, 2008).

Reclassification

(Consolidated balance sheet)

In accordance with “The terminology and language used in the design and creation of financial statements has been revised by the Cabinet Ministry” (August 7, 2008, Cabinet Ministry Order Number 50) so that the terms “inventories in the previous fiscal year are considered to be “goods,” “unfinished products,” and “stored products.” Furthermore “inventories” at the end of the previous fiscal year which include “goods,” unfinished products,” and “stored products” were ¥125 million, ¥678 million, and ¥78 million.

(Consolidated profit and loss statement)

During the previous fiscal year “others” as a portion of non-operating income included “dividends received” and were itemized because they exceeded 10% of non-operating income.

Furthermore during the previous fiscal year “dividends received” as a portion of non-operating income totaled ¥32 million.

(7) Notes on Consolidated Financial Statements

Notes on consolidated balance sheet

(Million yen)

Consolidated accounting period for the previous fiscal year (September 30, 2008)	Consolidated accounting period for the current fiscal year (September 30, 2009)																						
<p>*1. Accumulated depreciation includes accumulated impairment losses.</p> <p>*2. Non-consolidated subsidiary and affiliate stock includes the following:</p> <table> <tr> <td>Investment securities</td><td>87</td></tr> </table> <p>3. 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:</p> <table> <tr> <td>Loan commitment</td><td>1,205</td></tr> <tr> <td>Lending</td><td>912</td></tr> <tr> <td>Balance</td><td>293</td></tr> </table> <p>4. 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:</p> <table> <tr> <td>Limit of overdraft account</td><td>10,580</td></tr> <tr> <td>Borrowing</td><td>7,314</td></tr> <tr> <td>Balance</td><td>3,266</td></tr> </table>	Investment securities	87	Loan commitment	1,205	Lending	912	Balance	293	Limit of overdraft account	10,580	Borrowing	7,314	Balance	3,266	<p>*1. Accumulated depreciation includes accumulated impairment losses.</p> <p>*2 The following figure reflects affiliated companies.</p> <table> <tr> <td>Investment securities</td><td>13</td></tr> </table> <p>3. _____</p> <p>4. The Company and four of its 1 consolidated subsidiary signed an agreement for overdraft with 3 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:</p> <table> <tr> <td>Limit of overdraft account</td><td>1,647</td></tr> <tr> <td>Borrowing</td><td>1,117</td></tr> <tr> <td>Balance</td><td>530</td></tr> </table>	Investment securities	13	Limit of overdraft account	1,647	Borrowing	1,117	Balance	530
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Limit of overdraft account	1,647																						
Borrowing	1,117																						
Balance	530																						

Notes on consolidated profit and loss statement

(Million yen)

Consolidated accounting period for the previous fiscal year (From October 1, 2007 To September 30, 2008)		Consolidated accounting period for the current fiscal year (From October 1, 2008 To September 30, 2009)			
*1. Significant components of gain on sales of fixed assets		*1. Significant components of gain on sales of fixed assets			
Machinery and vehicles	4	Buildings and structures	20		
Furniture and fixtures	0	Machinery and vehicles	0		
Total	4	Furniture and fixtures	1		
		Land	183		
		Total	203		
*2. Significant components of loss on sales of fixed assets		*2. Significant components of loss on sales of fixed assets			
Furniture and fixtures	2	Buildings and structures	19		
		Furniture and fixtures	14		
		Land	73		
		Total	106		
*3. Significant components of loss on disposal of fixed assets		*3. Significant components of loss on disposal of fixed assets			
Buildings and structures	11	Buildings and structures	14		
Machinery and vehicles	0	Machinery and vehicles	0		
Furniture and fixtures	48	Furniture and fixtures	24		
Software	46	Software	63		
Total	106	Total	101		
*4. Loss on change in equity resulted from the exercise of stock options at a consolidated subsidiary, Fullcast Technology Co., Ltd.		*4. _____			
*5. The penalty was primarily an exit-penalty on the change of transfer agent by the Company.		*5. _____			
*6. The details of the impairment loss are as follows.		*6. The details of the impairment loss are as follows.			
(1) Main assets for which an impairment loss was recognized		(1) Main assets for which an impairment loss was recognized			
Use	Type	Place			
Business property in Other Business	Buildings and structures	Minato-ku, Tokyo	Business property in Office Business		
	Furniture and fixtures			Furniture and fixtures	
	Software			Software	
	Others (intangible fixed assets)				
Business property in Factory Business	Buildings and structures	Kohoku-ku, Yokohama-shi	Business property in Other Business		
	Machinery and vehicles			Furniture and fixtures	
	Furniture and fixtures			Software	
	Software				
	Leased assets				
Business know-how	Goodwill	Shibuya-ku, Tokyo	Business know-how	Goodwill	Shibuya-ku, Tokyo
Business know-how	Goodwill	Toshima-ku, Tokyo	Excess Earning Power	Goodwill	Osaka, Osaka-Fu
Excess Earning Power	Goodwill	Minato-ku, Tokyo			
Excess Earning Power	Goodwill	Shibuya-ku, Tokyo			
Excess Earning Power	Goodwill	Toshima-ku, Tokyo			

Consolidated accounting period for the previous fiscal year (From October 1, 2007 To September 30, 2008)	Consolidated accounting period for the current fiscal year (From October 1, 2008 To September 30, 2009)																						
<p>(2) Background to the recognition of the impairment loss</p> <p>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.</p> <p>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.</p> <p>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).</p>	<p>(2) Background to the recognition of the impairment loss</p> <p>The main system of our consolidated subsidiary Fullcast Co., Ltd. (Shibuya, Tokyo) used in its office business and other business divisions and listed as a fixed asset, was subject to impairment accounting because it would be of no further use to the Company.</p> <p>Because the operating cash flow of other business division of our consolidated subsidiary Fullcast Advance, which had continued to be negative, was not expected to turn positive in the future, impairment accounting principles were used.</p> <p>We implemented impairment accounting due to our outlook for the inability to use the marketing know-how of Fullcast Technology (Shibuya, Tokyo).</p> <p>Furthermore impairment accounting was implemented for Fullcast Marketing (Osaka, Osaka-Fu) due to the outlook for its inability to generate earnings.</p>																						
<p>(3) Amount of impairment loss</p> <table> <tr> <td>Buildings and structures</td><td>6</td></tr> <tr> <td>Machinery and vehicles</td><td>6</td></tr> <tr> <td>Furniture and fixtures</td><td>24</td></tr> <tr> <td>Software</td><td>10</td></tr> <tr> <td>Others (intangible fixed assets)</td><td>3</td></tr> <tr> <td>Goodwill</td><td>1,285</td></tr> <tr> <td>Leased assets</td><td>63</td></tr> </table>	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	<p>(3) Amount of impairment loss</p> <table> <tr> <td>Buildings and structures</td><td>18</td></tr> <tr> <td>Furniture and fixtures</td><td>13</td></tr> <tr> <td>Software</td><td>58</td></tr> <tr> <td>Goodwill</td><td>1,012</td></tr> </table>	Buildings and structures	18	Furniture and fixtures	13	Software	58	Goodwill	1,012
Buildings and structures	6																						
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Leased assets	63																						
Buildings and structures	18																						
Furniture and fixtures	13																						
Software	58																						
Goodwill	1,012																						
<p>(4) Grouping method of assets</p> <p>To apply accounting for the impairment of fixed assets, the Group classified assets in accordance with the classification of business segments.</p>	<p>(4) Grouping method of assets</p> <p>To apply accounting for the impairment of fixed assets, the Group classified assets in accordance with the classification of business segments.</p>																						
<p>(5) Calculation of collectible amount</p> <p>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.</p>	<p>(5) Calculation of collectible amount</p> <p>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.</p>																						
<p>*7. 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.</p>	<p>*7. 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.</p>																						
<p>*8. 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.</p>	<p>*8. 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.</p>																						
<p>*9. Expenses for the relocation of head offices represent a loss mainly associated with the relocation of our head office, consisting of make-good costs, loss on retirement of fixed assets, and other costs.</p>	<p>*9. The headquarter relocation expense was due primarily to the move of our consolidated subsidiaries Fullcast Co. and Fullcast Technology, and includes refurbishment expenses and losses on liquidation of fixed assets.</p>																						
<p>*10. _____</p>	<p>*10. Special retirement fees are comprised primarily of retirement fees paid in the voluntary retirement program implemented at our consolidated subsidiaries of Fullcast and Fullcast Technology.</p>																						
<p>*11. _____</p>	<p>*11. Debt waivers are losses arising from sales of Fullcast Factory and Fullcast Central to third parties.</p>																						
<p>*12. _____</p>	<p>*12. Transfer of debt are losses arising from the sale of Fullcast Finance to a third party.</p>																						

Notes on consolidated statement of changes in net assets

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.

Fiscal year ended September 2009 (October 1, 2008 to September 30, 2009)

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	120,000	—	395,964
Total	275,964	120,000	—	395,964
Treasury stock				
Common stock (shares)	11,100	—	—	11,100
Total	11,100	—	—	11,100

(Overview of Reasons for Changes)

Details of the increased number of shares are as follows.

Third party placement: 120,000 shares

2. Matters concerning stock acquisition rights

There are no relevant matters.

3. Matters concerning dividend

(1) Dividend payments

There are no relevant matters.

(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)

Consolidated accounting period for the previous fiscal year (From October 1, 2007 To September 30, 2008)	Consolidated accounting period for the current fiscal year (From October 1, 2008 To September 30, 2009)																																																								
<p>*1. Reconciliation of the consolidated balance sheet items to cash and cash equivalents in the consolidated cash flows statements</p> <table> <tr> <td>Cash and deposits</td><td>9,878</td></tr> <tr> <td>Fixed deposits with original maturities of over 3 months</td><td>-100</td></tr> <tr> <td>Money management funds</td><td>100</td></tr> <tr> <td>Cash and cash equivalents</td><td>9,878</td></tr> </table>	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	<p>*1. Reconciliation of the consolidated balance sheet items to cash and cash equivalents in the consolidated cash flows statements</p> <table> <tr> <td>Cash and deposits</td><td>4,914</td></tr> <tr> <td>Cash and cash equivalents</td><td>4,914</td></tr> </table>	Cash and deposits	4,914	Cash and cash equivalents	4,914																																												
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*2. _____	<p>*2. Assets and liabilities of subsidiaries removed from scope of consolidation due to share sale.</p> <p>The income derived from the liquidation of Asia Pacific System Research and its three consolidated subsidiaries and its liabilities and assets from their removal the scope of consolidation are listed below.</p> <table> <tr> <td>Current assets</td><td>5,689</td></tr> <tr> <td>Fixed assets</td><td>486</td></tr> <tr> <td>Goodwill</td><td>1,397</td></tr> <tr> <td>Current liabilities</td><td>-1,048</td></tr> <tr> <td>Fixed liabilities</td><td>-28</td></tr> <tr> <td>Minority interest</td><td>-2,132</td></tr> <tr> <td>Sale of affiliated company shares</td><td>-837</td></tr> <tr> <td>Sale of shares (Excluding sales commissions)</td><td>3,527</td></tr> <tr> <td>Cash and equivalents</td><td>-3,894</td></tr> <tr> <td>Income derived from liquidation (- = loss)</td><td>-368</td></tr> </table> <p>The income derived from the liquidation of Info-P and its liabilities and assets from their removal the scope of consolidation are listed below.</p> <table> <tr> <td>Current assets</td><td>756</td></tr> <tr> <td>Fixed assets</td><td>170</td></tr> <tr> <td>Current liabilities</td><td>-578</td></tr> <tr> <td>Fixed liabilities</td><td>-208</td></tr> <tr> <td>Sale of affiliated company shares</td><td>-87</td></tr> <tr> <td>Sale of shares (Excluding sales commission)</td><td>53</td></tr> <tr> <td>Redemption of loan extended</td><td>400</td></tr> <tr> <td>Cash and equivalents</td><td>-350</td></tr> <tr> <td>Income derived from liquidation (- = loss)</td><td>103</td></tr> </table> <p>The income derived from the liquidation of Fullcast Finance and its liabilities and assets from their removal the scope of consolidation are listed below.</p> <table> <tr> <td>Current assets</td><td>1,462</td></tr> <tr> <td>Fixed assets</td><td>50</td></tr> <tr> <td>Current liabilities</td><td>-1,412</td></tr> <tr> <td>Fixed liabilities</td><td>-8</td></tr> <tr> <td>Sale of affiliated company shares</td><td>-94</td></tr> <tr> <td>Sale of shares (Excluding sales commission)</td><td>-2</td></tr> <tr> <td>Redemption of loan extended</td><td>450</td></tr> <tr> <td>Cash and equivalents</td><td>-190</td></tr> <tr> <td>Income derived from liquidation (- = loss)</td><td>258</td></tr> </table>	Current assets	5,689	Fixed assets	486	Goodwill	1,397	Current liabilities	-1,048	Fixed liabilities	-28	Minority interest	-2,132	Sale of affiliated company shares	-837	Sale of shares (Excluding sales commissions)	3,527	Cash and equivalents	-3,894	Income derived from liquidation (- = loss)	-368	Current assets	756	Fixed assets	170	Current liabilities	-578	Fixed liabilities	-208	Sale of affiliated company shares	-87	Sale of shares (Excluding sales commission)	53	Redemption of loan extended	400	Cash and equivalents	-350	Income derived from liquidation (- = loss)	103	Current assets	1,462	Fixed assets	50	Current liabilities	-1,412	Fixed liabilities	-8	Sale of affiliated company shares	-94	Sale of shares (Excluding sales commission)	-2	Redemption of loan extended	450	Cash and equivalents	-190	Income derived from liquidation (- = loss)	258
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(Million yen)

Consolidated accounting period for the previous fiscal year (From October 1, 2007 To September 30, 2008)	Consolidated accounting period for the current fiscal year (From October 1, 2008 To September 30, 2009)
	<p>The income derived from the liquidation of Fullcast Factory and its liabilities and assets from their removal the scope of consolidation are listed below.</p> <p>Current assets 1,257</p> <p>Fixed assets 127</p> <p>Current liabilities -1,185</p> <p>Sale of affiliated company shares -201</p> <hr/> <p>Sale of shares (Excluding sales commissions) -1</p> <p>Redemption of loan extended 440</p> <p>Cash and equivalents -590</p> <hr/> <p>Income derived from liquidation (- = loss) -152</p> <p>The income derived from the liquidation of Fullcast Central and its liabilities and assets from their removal the scope of consolidation are listed below.</p> <p>Current assets 265</p> <p>Fixed assets 228</p> <p>Current liabilities -747</p> <p>Fixed liabilities -43</p> <p>Sale of affiliated company shares 295</p> <hr/> <p>Sale of shares (Excluding sales commissions) -2</p> <p>Disbursement of contribution to the company -190</p> <p>Cash and equivalents -80</p> <hr/> <p>Income derived from liquidation (- = loss) -272</p> <p>The income derived from the liquidation of Net it works and its liabilities and assets from their removal the scope of consolidation are listed below.</p> <p>Current assets 2,555</p> <p>Fixed assets 569</p> <p>Goodwill 374</p> <p>Current liabilities -1,105</p> <p>Fixed liabilities -166</p> <p>Minority shareholdings -606</p> <p>Sale of affiliated company shares 330</p> <hr/> <p>Sale of shares (Excluding sales commissions) 1,951</p> <p>Cash and equivalents -849</p> <hr/> <p>Income derived from liquidation (- = loss) 1,102</p>

Securities

Previous consolidated fiscal year

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	—	—

Consolidated fiscal year under review

1. Securities with market quotations classified as “Other” (as of September 30 2009) (Million yen)

Security	Acquisition cost	Carrying value	Unrealized gain/loss
Carrying value exceeds acquisition cost			
(1) Equity securities	73	93	20
(2) Debt securities			
JGBs and municipal bonds	—	—	—
Corporate bonds	—	—	—
Other bonds	—	—	—
(3) Other securities	—	—	—
Subtotal	73	93	20
Carrying value does not exceed acquisition cost			
(1) Equity securities	—	—	—
(2) Debt securities			
JGBs and municipal bonds	—	—	—
Corporate bonds	—	—	—
Other bonds	—	—	—
(3) Other securities	—	—	—
Subtotal	—	—	—
Total	73	93	20

(Note) For the “Acquisition cost” in the table, the amount after the write-off is written.
The amount of the write-off is 2 million yen (for equity securities).

2. Other securities sold during the consolidated fiscal year (October 1, 2008 – September 30, 2009)

(Million yen)

Selling price	Total profit on sale	Total loss on sale
221	1	13

3. Securities without market quotations classified as “Other” (as of September 30, 2009)

(Million yen)

	Carrying value
Subsidiary and affiliate stock	
Affiliate stock	13
Other securities	
Securities without market quotations	748

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

Write-off: 55 million yen (unlisted equity securities)

Notes on retirement benefits

(Million yen)

Consolidated accounting period for the previous fiscal year (From October 1, 2007 To September 30, 2008)	Consolidated accounting period for the current fiscal year (From October 1, 2008 To September 30, 2009)																								
<p>1. Summary of the retirement benefit scheme adopted</p> <p>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.</p> <p>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).</p> <p>Matters concerning the multiemployer pension plan in which the amount of required contributions is accounted for as retirement benefit expenses are as follows.</p>	<p>1. Summary of the retirement benefit scheme adopted</p> <p>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.</p> <p>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).</p> <p>Moreover because of the large number of people accepting our voluntary retirement program, we have adopted "accounting methods for retirement benefit system" (corporate accounting standards application policy number 1) to part of our retirement system which are completed.</p> <p>Matters associated with the multiemployer pension plan in which the amount of required contributions is accounted for as retirement benefit expenses are as follows.</p>																								
<p>(1) Matters concerning the funded status of the overall plan (as of March 31, 2008)</p> <table> <tr> <td>Pension assets</td><td>42,299</td></tr> <tr> <td>Benefit obligation based on the calculation of pension financial position</td><td>53,621</td></tr> <tr> <td>Difference</td><td>-11,322</td></tr> </table>	Pension assets	42,299	Benefit obligation based on the calculation of pension financial position	53,621	Difference	-11,322	<p>(1) Matters concerning the funded status of the overall plan (as of March 31, 2009)</p> <table> <tr> <td>Pension assets</td><td>31,887</td></tr> <tr> <td>Benefit obligation based on the calculation of pension financial position</td><td>54,224</td></tr> <tr> <td>Difference</td><td>-22,337</td></tr> </table>	Pension assets	31,887	Benefit obligation based on the calculation of pension financial position	54,224	Difference	-22,337												
Pension assets	42,299																								
Benefit obligation based on the calculation of pension financial position	53,621																								
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Pension assets	31,887																								
Benefit obligation based on the calculation of pension financial position	54,224																								
Difference	-22,337																								
<p>(2) The ratio of contribution of the Company Group to the overall plan (From April 1, 2007 to March 31, 2008)</p> <p>2.22%</p>	<p>(2) The ratio of contribution of the Company Group to the overall plan (From April 1, 2008 to March 31, 2009)</p> <p>0.11%</p>																								
<p>(3) Supplementary explanation</p> <p>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.</p> <p>The ratio in (2) above is not the same as the ratio of actual obligation of the Company Group.</p>	<p>(3) Supplementary explanation</p> <p>The main factor for the difference in (1) above is the balance of prior service costs of 12,609 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 20 years and zero month.</p> <p>The ratio in (2) above is not the same as the ratio of actual obligation of the Company Group.</p>																								
<p>2. Matters concerning retirement benefit obligation (as of September 30, 2008)</p> <table> <tr> <td>a. Retirement benefit obligation</td><td>-664</td></tr> <tr> <td>b. Pension assets</td><td>129</td></tr> <tr> <td>c. Non-accumulated retirement benefit obligation (a + b)</td><td>-535</td></tr> <tr> <td>d. Prepaid pension cost</td><td>4</td></tr> <tr> <td>e. Unconfirmed computational differential</td><td>-14</td></tr> <tr> <td>f. Retirement benefit allowance (c - d + e)</td><td>-553</td></tr> </table>	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	<p>2. Matters concerning retirement benefit obligation (as of September 30, 2008)</p> <table> <tr> <td>a. Retirement benefit obligation</td><td>-583</td></tr> <tr> <td>b. Pension assets</td><td>92</td></tr> <tr> <td>c. Non-accumulated retirement benefit obligation (a + b)</td><td>-491</td></tr> <tr> <td>d. Prepaid pension cost</td><td>5</td></tr> <tr> <td>e. Unconfirmed computational differential</td><td>1</td></tr> <tr> <td>f. Retirement benefit allowance (c - d + e)</td><td>-495</td></tr> </table>	a. Retirement benefit obligation	-583	b. Pension assets	92	c. Non-accumulated retirement benefit obligation (a + b)	-491	d. Prepaid pension cost	5	e. Unconfirmed computational differential	1	f. Retirement benefit allowance (c - d + e)	-495
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b. Pension assets	129																								
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(Million yen)

Consolidated accounting period for the previous fiscal year (From October 1, 2007 To September 30, 2008)	Consolidated accounting period for the current fiscal year (From October 1, 2008 To September 30, 2009)																												
3. Matters concerning retirement benefit expenses <table> <tr> <td>a. Service cost</td><td>237</td></tr> <tr> <td>b. Interest cost</td><td>9</td></tr> <tr> <td>c. Expected return on plan assets</td><td>-1</td></tr> <tr> <td>d. Cost to dispose of computational differentials</td><td>-4</td></tr> <tr> <td>e. Contribution to employees' pension fund</td><td>58</td></tr> <tr> <td>f. Retirement benefit expenses</td><td>300</td></tr> <tr> <td>(a + b + c + d + e)</td><td></td></tr> </table>	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	300	(a + b + c + d + e)		3. Matters concerning retirement benefit expenses <table> <tr> <td>a. Service cost</td><td>213</td></tr> <tr> <td>b. Interest cost</td><td>10</td></tr> <tr> <td>c. Expected return on plan assets</td><td>-1</td></tr> <tr> <td>d. Cost to dispose of computational differentials</td><td>13</td></tr> <tr> <td>e. Contribution to employees' pension fund</td><td>6</td></tr> <tr> <td>f. Retirement benefit expenses</td><td>243</td></tr> <tr> <td>(a + b + c + d + e)</td><td></td></tr> </table> <p>(Note) Aside from the retirement benefit fees listed above are ¥586 million booked as extraordinary loss.</p>	a. Service cost	213	b. Interest cost	10	c. Expected return on plan assets	-1	d. Cost to dispose of computational differentials	13	e. Contribution to employees' pension fund	6	f. Retirement benefit expenses	243	(a + b + c + d + e)	
a. Service cost	237																												
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(a + b + c + d + e)																													
4. Matters concerning the basis of calculation of retirement benefit obligation, etc. <table> <tr> <td>a. Distribution of estimated retirement benefits during term</td><td>Fixed amount standards during term</td></tr> <tr> <td>b. Discount rate</td><td>Mainly 2.1%</td></tr> <tr> <td>c. Expected rate of return on plan assets</td><td>1.5%</td></tr> <tr> <td>d. Number of years to dispose of computational differentials</td><td>Mainly 1 year</td></tr> </table> <p>(Additional Information)</p> <p>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.</p>	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. <table> <tr> <td>a. Distribution of estimated retirement benefits during term</td><td>Fixed amount standards during term</td></tr> <tr> <td>b. Discount rate</td><td>Mainly 2.1%</td></tr> <tr> <td>c. Expected rate of return on plan assets</td><td>1.5%</td></tr> <tr> <td>d. Number of years to dispose of computational differentials</td><td>Mainly 1 year</td></tr> </table>	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												
a. Distribution of estimated retirement benefits during term	Fixed amount standards during term																												
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c. Expected rate of return on plan assets	1.5%																												
d. Number of years to dispose of computational differentials	Mainly 1 year																												

Notes on tax effect accounting

(Million yen)

Consolidated accounting period for the previous fiscal year (September 30, 2008)		Consolidated accounting period for the current fiscal year (September 30, 2009)	
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	147	Allowance for bad debts and bad debt loss	46
Allowance for retirement benefits	225	Allowance for retirement benefits	202
Allowance for bonuses	589	Allowance for bonuses	120
Allowance for cancellation adjustments	83	Allowance for cancellation adjustments	37
Excess of allowance for depreciation	27	Head office transfer cost	90
Unrealized profit on fixed assets	35	Special retirement expenses	55
Loss from revaluation of investment securities	123	Loss from revaluation of investment securities	34
Loss carryforward	1,286	Loss carryforward	3,460
Accrued enterprise taxes	37	Accrued enterprise taxes	8
Accrued social insurance premiums	102	Accrued social insurance premiums	14
Accrued office taxes	22	Accrued office taxes	11
Loss on impairment of fixed assets	98	Loss on impairment of fixed assets	185
Other	156	Other	141
Subtotal of deferred tax asset	2,930	Subtotal of deferred tax asset	4,405
Valuation reserve	-2,023	Valuation reserve	-4,377
Total deferred tax asset	907	Total deferred tax asset	29
Deferred tax liability		Deferred tax liability	
Revaluation differentials of other securities	-4	Revaluation differentials of other securities	-8
Subtotal of deferred tax liability	-4	Other	-4
Net deferred tax asset	903	Subtotal of deferred tax liability	-12
		Net deferred tax asset	17
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.		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.		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, 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:

- The company's business activities are divided as given below for the purpose of internal management.
- Business segments
 - Spot Business: Short-term employee dispatching services, short-term contractual workers services
 - Factory Business: Staffing services for production line work, contracted-out services for production line work
 - Technology Business: Engineer dispatching services, human resources contracting of technical staff, data communication services
 - Office Business: Clerical manpower dispatching, clerical work contracting
 - Other Business: Restaurant and bar management, security services, advertising agency services, etc.
- 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.
- 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 million yen. They were primarily made up of long-term investment assets (investment securities) and assets involved in the administrative department.
- As set out 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.

Consolidated fiscal year under review (October 1, 2008 – September 30, 2009)

(Million yen)

	Spot Business	Factory Business	Technology Business	Office Business	Other Business	Total	Elimination or company total	Consolidated
I. Net sales and operating income								
Net sales								
(1) Sales to external customers	20,619	6,662	14,074	11,245	4,693	57,293	—	57,293
(2) Inter-segment sales or transfers	98	3	10	23	8	141	(141)	—
Total	20,717	6,664	14,084	11,268	4,701	57,434	(141)	57,293
Operating expenses	21,082	7,064	13,399	11,312	4,638	57,495	480	57,975
Operating income or loss (-)	-365	-399	685	-44	63	-61	(622)	-682
II. Assets, allowance for depreciation and capital expenditure								
Assets	3,973	—	2,429	2,138	489	9,029	4,043	13,072
Allowance for depreciation	358	14	178	65	45	661	(1)	659
Loss on impairment of fixed assets	—	—	344	736	21	1,101	—	1,101
Capital expenditure	73	5	70	45	8	201	(1)	200

Notes:

- The company's business activities are divided as given below for the purpose of internal management.
- Business segments
 - Spot Business: Short-term employee dispatching services, short-term contractual workers services
 - Factory Business: Staffing services for production line work, contracted-out services for production line work
 - Technology Business: Engineer dispatching services, human resources contracting of technical staff, data communication services
 - Office Business: Clerical manpower dispatching, clerical work contracting
 - Other Business: Restaurant and bar management, security services, advertising agency services, etc.
- 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 995 million yen. It is mainly expenses associated with the administrative departments of the parent company's head office, such as Accounting.
- 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 7,576 million yen. They were primarily made up of long-term investment assets (investment securities) and assets involved in the administrative department.

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, 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.

Consolidated fiscal year under review (October 1, 2008 – September 30, 2009)

Transactions Shares or Unallocated

(Corporate Break Up)

During the board of director's meeting held on July 28, 2008 and the extraordinary shareholders' meeting held on September 29, 2008 it was determined that our company would be divided into the worker dispatch and job placement businesses and transition to a holding company structure.

1. Overview of the objective of the transactions, naming of the combined company, legal format of the combined company, and naming and description of the businesses to be conducted.

- (1) Name and description of the relevant businesses

Business name: We call the worker dispatch business, job placement business

Business description: Short term personnel disaptach, contracted work, job placement

- (2) Combined company legal format

Our consolidated subsidiary Fullcast Co., Ltd. (Name changed from Fullcast HR Research as of October 1, 2008) is the continuing company.

- (3) Combined company name

Divided company: Fullcast Holdings Co., Ltd.

Continuing company: Fullcast Co., Ltd.

- (4) Transactions objective, overview

Along with the transition to a holding company, we have separated the Group decision making process from divisional duty execution responsibilities. We will also pursue strict adherence to corporate governance and a quick decision making process in our management strategy and strategy implementation in order to fortify our competitive standing. Each of our Group businesses will endeavor to respond quickly and accurately to changes in our operating environment. We will also flexibly restructure our Group to firmly establish our Group as the leading comprehensive outsourcing services group, while maintaining the appropriate balance between our different business segments.

2. Overview of Accounting Method Used

The accounting treatment of "transactions under common control" is applied based on the "Accounting Standard for Business Combinations" (Business Accounting Council, October 31, 2003), the "Accounting Standard for Business Divestitures" (Accounting Standards Board Statement No. 7 published on December 27, 2005) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (Accounting Standards Board Guidance No. 10 published on November 15, 2007).

(Merger)

The subsidiaries merged into Fullcast include Job Choice Tokai Co., Ltd. and Casting Bank Co., Ltd. on February 1, 2009, and Oneday Job Style Co., Ltd. on May 1, 2009. Because these mergers and absorptions were conducted between our consolidated subsidiaries, their impact to transactions with each other were not noted due to the fact that our parent company exercised control over all these companies prior to their merger.

Per share information

Consolidated accounting period for the previous fiscal year (From October 1, 2007 To September 30, 2008)		Consolidated accounting period for the current fiscal year (From October 1, 2008 To September 30, 2009)	
Shareholders' equity per share	28,591.84 yen	Shareholders' equity per share	3,357.40 yen
Net income per share	9,222.68 yen	Net income per share	21,288.47 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	Consolidated accounting period for the previous fiscal year (From October 1, 2007 To September 30, 2008)	Consolidated accounting period for the current fiscal year (From October 1, 2008 To September 30, 2009)
Net income (net loss) (million yen)	2,443	6,870
Net income (basic) (million yen)	2,443	6,870
Net income not available to common stock (million yen)	—	—
Average number of common stock outstanding during the period (shares)	264,864	322,727
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.	<p>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)</p> <p>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)</p> <p>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 September 29, 2008, there are no potential shares at the end of the term.</p>	

Subsequent events

Previous consolidated fiscal year (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 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. and transferred all shares of Asia Pacific System Research Co., Ltd. on November 18, 2008

(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) Number of shares tendered, Tender amount, and Percentage of shares held after the tender
 - (i) Number of shares tendered 5,507,400 shares
 - (ii) Tender amount 3,580 million yen
 - (iii) Percentage of shares held after the tender 0 %

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, was not affected by this business suspension order.

The period of suspension expired on November 9, 2008.

Consolidated fiscal year under review (October 1, 2008 – September 30, 2009)

1. Marketable Securities Submitted as Collateral

We decided in our board of directors meeting held on October 22, 2009 to submit marketable securities as collateral to ensure we have stable access to short term debts from the four banks we transact with.

(1) Objective of the Collateral Provided

Use as collateral to ensure we have stable access to short term debt from the four banks we transact with.

(2) Type and Value of Assets Submitted as Collateral

- i) Assets Submitted as Collateral: Shares of affiliated companies
- ii) Value of Assets Submitted as Collateral: ¥534 million

2. Reduce Value of Capital and Capital Reserves and Disposal of Retained Earnings

During our board of directors meeting held on November 13, 2009, we decided to reduce the value of our capital and capital reserves and dispose retained earnings, which we expect to receive approval in our regularly scheduled general shareholders' meeting held on December 22, 2009 to be implemented on January 31, 2010.

(1) Objective of Reduction in Our Capital and Capital Reserves and Disposal of Retained Earnings

In order to eliminate our large aggregated losses, we will respond flexibly and quickly in our capital strategy.

(2) Method of Reductions in Our Capital, Capital Reserves and Disposal of Retained Earnings

The reduction in common stock and capital reserve based on the provisions in Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act is transferred to other capital surplus and then appropriated to the coverage of the deficit based on the provisions in Article 452 of the Companies Act.

(3) Amount of Reduction in Capital, Capital Reserves

(i) Amount of Reduction in Capital

Total capital was reduced by ¥960,820,000 from ¥3,740,820,000 to ¥2,780,000,000.

(ii) Amount of Reduction in Capital Reserves

Total capital reserves were reduced ¥1,176,720,000 to ¥0.

(4) Schedule

November 13, 2009	Board of Directors resolution date
December 22, 2009	Ordinary General Meeting of Shareholders resolution date (schedule)
December 25, 2009	Public peremptory notice date for creditors' objections (schedule)
January 25, 2010	Final deadline for creditors' objections (schedule)
January 31, 2010	Effectuation date (schedule)

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)	
	Previous Fiscal Year (September 30, 2008)	Current Fiscal Year (September 30, 2009)
Assets		
Current assets		
Cash and deposits	1,414	2,536
Notes receivable-trade	1	—
Accounts receivable-trade	3,379	—
Merchandise	5	—
Supplies	40	20
Prepaid expenses	*1 197	*1 9
Short-term loans receivable to subsidiaries	4,092	1,144
Accounts receivable-other	*1 71	*1 78
Income taxes receivable	342	195
Other	*1 278	*1 17
Allowance for doubtful accounts	-24	-7
Total current assets	9,795	3,992
Noncurrent assets		
Property, plant and equipment		
Buildings	507	0
Accumulated depreciation	-184	-0
Buildings, net	323	0
Structures	1	—
Accumulated depreciation	-0	—
Structures, net	1	—
Vehicles	2	—
Accumulated depreciation	-2	—
Vehicles, net	0	—
Tools, furniture and fixtures	704	6
Accumulated depreciation	-496	-3
Tools, furniture and fixtures, net	208	3
Land	606	—
Total property, plant and equipment	1,139	3
Intangible assets		
Telephone subscription right	20	0
Software	681	41
Other	6	5
Total intangible assets	707	47
Investments and other assets		
Investment securities	843	824
Stocks of subsidiaries and affiliates	9,720	2,653
Investments in capital	0	0
Claims provable in bankruptcy,	19	—
Long-term prepaid expenses	63	0
Guarantee deposits	*1 574	*1 21
Insurance funds	573	32
Membership	2	2
Other	4	—
Allowance for doubtful accounts	-19	—
Total investments and other assets	11,778	3,532
Total noncurrent assets	13,624	3,582
Total assets	23,419	7,573

	(Million yen)	
	Previous Fiscal Year (September 30, 2008)	Current Fiscal Year (September 30, 2009)
Liabilities		
Current liabilities		
Accounts payable-trade	20	—
Short-term loans payable	7,450	*2 3,011
Short-term loans payable to subsidiaries and affiliates	203	108
Current portion of long-term loans payable	2,747	1,920
Accounts payable-other	909	67
Accrued expenses	464	16
Income taxes payable	114	5
Accrued consumption taxes	—	27
Advances received	14	—
Deposits received	41	3
Unearned revenue	9	4
Provision for bonuses	312	—
Other	54	—
Total current liabilities	12,340	5,160
Noncurrent liabilities		
Long-term loans payable	5,070	2,350
Long-term guarantee deposited	29	3
Deferred tax liabilities	0	8
Provision for retirement benefits	250	—
Other	2	—
Total noncurrent liabilities	5,351	2,361
Total liabilities	17,691	7,521
Net assets		
Shareholders' equity		
Capital stock	3,464	3,741
Capital surplus		
Legal capital surplus	900	1,177
Other capital surplus	2,006	—
Total capital surpluses	2,906	1,177
Retained earnings		
Other retained earnings		
General reserve	500	—
Retained earnings brought forward	1,606	-2,130
Total earned surpluses	2,106	-2,130
Treasury stock	-2,747	-2,747
Total shareholders' equity	5,730	41
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-2	11
Total valuation and translation adjustments	-2	11
Total net assets	5,728	52
Total liabilities and net assets	23,419	7,573

(2) Profit and Loss Statement

	(Million yen)	
	Previous Fiscal Year (From Oct. 1, 2007 To Sep. 30, 2008)	Current Fiscal Year (From Oct. 1, 2008 To Sep. 30, 2009)
Net sales	30,820	
Operating revenue		
Consulting fee income	—	1,234
Dividends from subsidiaries and affiliates	—	957
Total operating revenue	—	2,191
Cost of sales	21,228	
Gross profit	9,591	
Selling, general and administrative expenses		
Salaries and bonuses	2,405	—
Other salaries	1,585	—
Legal welfare expenses	514	—
Provision for bonuses	304	—
Retirement benefit expenses	130	—
Communication expenses	372	—
Advertising expenses	151	—
Traveling and transportation expenses	401	—
Rents	884	—
Depreciation	413	—
Recruitment expense	591	—
Provision of allowance for doubtful accounts	15	—
Other	1,480	—
Total selling, general and administrative expenses	9,245	—
Operating expenses		
Directors' compensations	—	111
Salaries and bonuses	—	63
Commission fee	—	349
Consulting expenses	—	61
Depreciation	—	17
Other	—	85
Total operating expenses	—	686
Operating income	346	1,505
Non-operating income		
Interest income	77	49
Dividends income	1,793	44
Real estate rent	207	41
Other	197	27
Total non-operating income	2,275	162
Non-operating expenses		
Interest expenses	225	201
Amortization of software	22	—
Rent cost of real estate	173	21
Stock issuance cost	—	4
Other	101	10
Total non-operating expenses	521	236
Ordinary income	2,100	1,430

	(Million yen)	
	Previous Fiscal Year (From Oct. 1, 2007 To Sep. 30, 2008)	Current Fiscal Year (From Oct. 1, 2008 To Sep. 30, 2009)
Extraordinary income		
Gain on sales of noncurrent assets	1	203
Gain on sales of investment securities	120	—
Gain on sales of subsidiaries and affiliates' stocks	1	637
Reversal of allowance for doubtful accounts	—	6
Total extraordinary income	123	845
Extraordinary loss		
Loss on sales of noncurrent assets	2	92
Loss on retirement of noncurrent assets	44	4
Loss on sales of investment securities	—	13
Loss on sales of stocks of subsidiaries and affiliates	—	1,159
Loss on valuation of investment securities	273	5
Loss on valuation of stocks of subsidiaries and affiliates	1,943	1,019
Penalty	19	—
Loss on insurance cancellation	—	77
Loss on closing of stores	188	—
Head office transfer cost	117	7
Social insurance contributions in prior years	38	—
Loss on loan write-off	—	950
Loss on the transfer of receivables	—	950
Total extraordinary losses	2,624	4,277
Loss before income taxes	-401	-2,001
Income taxes-current	98	1
Income taxes-deferred	971	—
Total income taxes	1,069	1
Net loss	-1,470	-2,002

(3) Statements of Equity

	(Million yen)	
	Previous Fiscal Year (From Oct. 1, 2007 To Sep. 30, 2008)	Current Fiscal Year (From Oct. 1, 2008 To Sep. 30, 2009)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	3,464	3,464
Changes of items during the period		
Issuance of new shares	—	277
Total changes of items during the period	—	277
Balance at the end of current period	3,464	3,741
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	2,705	900
Changes of items during the period		
Issuance of new shares	—	277
Transfer to other capital surplus from legal capital	-1,805	—
Total changes of items during the period	-1,805	277
Balance at the end of current period	900	1,177
Other capital surplus		
Balance at the end of previous period	201	2,006
Changes of items during the period		
Decrease by corporate division-split-off type	—	-2,006
Transfer to other capital surplus from legal capital	1,805	—
Total changes of items during the period	1,805	-2,006
Balance at the end of current period	2,006	—
Total capital surplus		
Balance at the end of previous period	2,906	2,906
Changes of items during the period		
Decrease by corporate division-split-off type	—	-2,006
Issuance of new shares	—	277
Transfer to other capital surplus from legal capital	—	—
Total changes of items during the period	—	-1,729
Balance at the end of current period	2,906	1,177
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	13	—
Changes of items during the period		
Transfer to other capital surplus from legal capital	-13	—
Total changes of items during the period	-13	—
Balance at the end of current period	—	—
Other retained earnings		
General reserve		
Balance at the end of previous period	500	500
Changes of items during the period		
Decrease by corporate division-split-off type	—	-500
Total changes of items during the period	—	-500
Balance at the end of current period	500	—
Retained earnings brought forward		
Balance at the end of previous period	3,328	1,606
Changes of items during the period		
Decrease by corporate division-split-off type	—	-1,734
Dividends from surplus	-265	—
Transfer to other capital surplus from legal	13	—
Net loss	-1,470	-2,002
Total changes of items during the period	-1,722	-3,736
Balance at the end of current period	1,606	-2,130

	(Million yen)	
	Previous Fiscal Year (From Oct. 1, 2007 To Sep. 30, 2008)	Current Fiscal Year (From Oct. 1, 2008 To Sep. 30, 2009)
Total retained earnings		
Balance at the end of previous period	3,841	2,106
Changes of items during the period		
Decrease by corporate division-split-off type	—	-2,234
Dividends from surplus	-265	—
Transfer to other capital surplus from legal capital	—	—
Net loss	-1,470	-2,002
Total changes of items during the period	-1,735	-4,236
Balance at the end of current period	2,106	-2,130
Treasury stock		
Balance at the end of previous period	-2,747	-2,747
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	-2,747	-2,747
Total shareholders' equity		
Balance at the end of previous period	7,464	5,730
Changes of items during the period		
Decrease by corporate division-split-off type	—	-4,240
Issuance of new shares	—	553
Dividends from surplus	-265	—
Net loss	-1,470	-2,002
Total changes of items during the period	-1,735	-5,689
Balance at the end of current period	5,730	41
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	0	-2
Changes of items during the period		
Net changes of items other than shareholders' equity	-2	13
Total changes of items during the period	-2	13
Balance at the end of current period	-2	11
Total valuation and translation adjustments		
Balance at the end of previous period	0	-2
Changes of items during the period		
Net changes of items other than shareholders' equity	-2	13
Total changes of items during the period	-2	13
Balance at the end of current period	-2	11
Total net assets		
Balance at the end of previous period	7,464	5,728
Changes of items during the period		
Decrease by corporate division-split-off type	—	-4,240
Issuance of new shares	—	553
Dividends from surplus	-265	—
Net loss	-1,470	-2,002
Net changes of items other than shareholders' equity	-2	13
Total changes of items during the period	-1,737	-5,676
Balance at the end of current period	5,728	52

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

Fiscal year ended September 2008 (October 1, 2007 to September 30, 2008)	Fiscal year ended September 2009 (October 1, 2008 to September 30, 2009)
<p>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.</p> <p>Under these circumstances, there is a substantial doubt about the going concern assumption.</p> <p>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.</p> <p>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.</p> <p>Therefore, these non-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 described above.</p>	<p>The operating environment surrounding our Company remains difficult with the sharp slowing in the Japanese economy and labor market, compounded by the cease order levied against Fullcast by the Tokyo Labor Bureau. Consequently during the year under review our consolidated sales declined by a large 42.1% year-over-year and we incurred an operating loss of ¥682 million. Against this backdrop and as of the announcement of our earnings results, we are in negotiations with financial institutions to revise the terms of our loans.</p> <p>With these conditions in mind, we recognize the uncertainty associated with the going concern assumption assigned to our Company.</p> <p>And in order to resolve these conditions, we seek to quickly restore stability to our management through sales, general and administrative cost reductions, rationalization of management including consolidation of subsidiary offices and reductions in staff numbers of our Group. Furthermore we will promote a strategy of selection and concentration on key business segments, use capital raised through the sale of subsidiaries' shares to repay debt and to be used as working capital, and implement a third party issuance of new shares to improve our financial position. By implementing these measures we seek to fortify our management base while giving the highest priority to compliance.</p> <p>Our Group believes that through the implementation of the various measures mentioned above we can normalize operating conditions and allay concerns over our Company due to the attachment of the going concern assumption. However at the current point in time we recognize the uncertainty surrounding our ability to achieve our earnings projections.</p> <p>Given the above factors, we will create our financial statements given the assumption of our standing as a going concern, but the uncertainties arising from our status as a going concern are not reflected in our financial statements.</p>

(5) Notes on Non-consolidated Financial Statements

(Change in Presentation Method)

On October 1, 2008 we divided our Company and transitioned to a holding company structure. As a result of this this division of our Company, we also changed our name to Fullcast Holdings Co., Ltd. and we have transferred all of the worker dispatch and job introduction businesses to our fully owned subsidiary Fullcast Co., Ltd. (Formerly Fullcast HR Research Co., Ltd.).

For this reason, our Company will receive management guidance fees and dividends, to be called “operating revenues” from affiliated companies effective from our group companies as of the day we transitioned to a holding company structure, and will also accrue corresponding expenses to be called “operating expenses.”

Notes on balance sheet

(Million yen)

As of September 30, 2008	As of September 30, 2009
*1. _____	*1. The liabilities extended of affiliated companies outside the scope of our itemization are ¥87 million, and exceeds 1% of the total of our assets.
2. 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:	2. The Company signed an agreement for overdraft with two 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	Limit of overdraft account 1,117
Borrowing 6,850	Borrowing 1,117
Balance 2,300	Balance —

Notes on profit and loss statement

(Million yen)

Fiscal year ended September 2008 (October 1, 2007 to September 30, 2008)	Fiscal year ended September 2009 (October 1, 2008 to September 30, 2009)
<p>*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.</p>	<p>*1. Various items which fall outside the scope of our itemized accounts are as follows. Management guidance fees 1,234 Commissions paid 307 Interest received 46 Real estate rent fees 27</p>
<p>*2. Significant components of gain on sales of fixed assets Vehicles 1 Furniture and fixtures 0 Total 1</p>	<p>*2. Significant components of gain on sales of fixed assets Land 183 Buildings 20 Furniture and fixtures 0 Total 203</p>
<p>*3. Significant components of loss on sales of fixed assets Furniture and fixtures 2</p>	<p>*3. Significant components of loss on sales of fixed assets Land 73 Buildings 19 Total 92</p>
<p>*4. Significant components of loss on disposal of fixed assets Buildings 5 Vehicles 0 Furniture and fixtures 39 Total 44</p>	<p>*4. Significant components of loss on disposal of fixed assets Furniture and fixtures 0 Software 4 Total 4</p>
<p>*5. Penalty on a change in the contract period of management consignment contract.</p>	<p>*5. _____</p>
<p>*6. 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.</p>	<p>*6. _____</p>
<p>*7. _____</p>	<p>*7. Losses from debt waivers arising from the sale of shares to third parties of consolidated subsidiaries Fullcast Factory and Fullcast Central are the losses resulting from the waiver of debt extended to these companies.</p>
<p>*8. _____</p>	<p>*8. Losses from debt transfer arising from the sale of shares to third parties of consolidated subsidiaries Fullcast Finance are the losses resulting from the transfer of debt extended to this company.</p>
<p>9. Amount of depreciation Tangible fixed assets 168 Intangible fixed assets 278</p>	<p>9. Amount of depreciation Tangible fixed assets 198,512百万円 10 Intangible fixed assets 56,796百万円 6</p>

Notes on statement of changes shareholders' equity

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

Fiscal year ended September 2009 (October 1, 2008 to September 30, 2009)

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 2008 (October 1, 2007 to 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

Fiscal year ended September 2009 (October 1, 2008 to September 30, 2009)

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

Category	Carrying value	Market quotation	Unrealized gain/loss
(1) Subsidiary stocks	534	723	189
(2) Affiliate stocks	—	—	—
Total	534	723	189