

JASDAQ
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To All Concerned Parties

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**Fullcast Co., Ltd. and the Fullcast Group Third Quarter Operating Results for
the Fiscal Year Ending September 2002**

Fullcast Co., Ltd. (“Fullcast”) released the following statement reviewing the results of business operations by the Company and the Fullcast Group during the third quarter (April 1, 2002 – June 30, 2002) of the fiscal year ending September 2002.

1. Introduction

During Fullcast’s third quarter, Japan’s economy began showing signs that the drop in exports and production had tapered off as the result of an improved external economic environment and business inventory adjustments. This led the government to issue its Monthly Economic Report for July under the headline, “While the economy continues to be in a difficult situation, movements of an incipient recovery can be seen in some areas” (July 11, 2002). On the other hand, conditions remain impossible to predict as the environment concerning employment and income, including a persistent high unemployment rate, remains severe. For Fullcast as well,

the environment remained challenging in light of circumstances in the manufacturing and distribution industries.

2. Fullcast Group's operating results for the third quarter

(1) Fullcast Group's operating results by major segment

(Spot Business)

In the manufacturing industry, the trend to push beyond mere cost cutting measures and aggressively utilize outsourcing to increase operating efficiency that was noted in the first and second quarters continued during the third quarter. In response to this tendency, Fullcast enhanced marketing capabilities in order to rapidly and accurately perceive customers' needs as the leading company in the short-term contracting business, by reviewing its office development program and sales organization. The Company simultaneously implemented spot contracting business quality improvements. Fullcast also viewed expansion of market share as a management priority, and increased the number of orders obtained by adjusting to market levels fees the Company had strategically set at high levels.

Despite these efforts, Fullcast was unable to increase net sales above the level of the third quarter in the prior fiscal year because of increasingly severe competition in the Kanto region and a drop in orders related to warehouse work.

During the Company's third quarter, Fullcast and Fullcast Lady established two new offices and closed two existing offices. As of the end June 2002, the Company had 51 spot business offices throughout Japan.

(Factory Business)

During the third quarter, the Company continued its first and second quarter policy of emphasizing maintenance of market share. By responding promptly and exactly to customers' needs, Fullcast succeeded in expanding its Factory Business net sales. With regard to Fullcast Central Co., Ltd. in particular, a new business started during the third quarter, the Company established five offices and steadily achieved sales growth in line with initial projections. During the quarter Fullcast Factory reviewed its office organization, adding one office and closing three offices to finish the

quarter with 16 offices. As a result, the Company increased the number of Factory Business offices from 18 at the end of March to 21 offices as of the end of June 2002.

(Technical Business)

Companies in the manufacturing industry are among the Fullcast Group's major customers. Despite the growing number of manufacturing customers that have adjusted inventory levels and improved operating efficiency, Fullcast found it difficult to increase the number of orders received compared to the same quarter of the prior fiscal year, because the manufacturing industry overall has slashed capital investment compared to the prior year's level. As of the end of June, Fullcast had 423 technical employees, and achieved an operating ratio of 91.7% for June. As of the end of June, the Company had assigned approximately 32 of its 50 newest employees, a progress ratio of 64% compared with the initial plan level.

(2) Third quarter consolidated net sales

Segment information by type of business

Third quarter (From April 1, 2002 through June 30, 2002)

(Unit: thousand yen; rounded down)

	Spot Business	Factory Business	Technical Business	Other Businesses	Total	Eliminations and corporate	Consolidated
Net sales and operating profit (loss)							
Net sales							
(1) Net sales to outside customers	3,776,918	1,564,146	810,100	249,497	6,400,663	—	6,400,663
(2) Net sales or net transfers among business segments	92,498	14,736	4,698	23,737	135,671	– 135,671	—
Total	3,869,417	1,578,883	814,799	273,234	6,536,334	– 135,671	6,400,663
Operating expenses	3,564,385	1,549,713	850,900	292,380	6,257,379	– 35,957	6,221,422
Operating profit (loss)	305,032	29,169	– 36,101	– 19,145	278,954	– 99,713	179,241

Prior fiscal year third quarter (From April 1, 2001 through June 30, 2001)

(Unit: thousand yen; rounded down)

	Spot Business	Factory Business	Technical Business	Other Businesses	Total	Eliminations and corporate	Consolidated
Net sales and operating profit (loss)							
Net sales							
(1) Net sales to outside customers	3,962,983	925,751	793,139	196,313	5,877,187	—	5,877,187
(2) Net sales or net transfers among business segments	27,877	34	5,721	26,511	60,145	– 60,145	—
Total	3,990,861	924,785	798,861	222,824	5,937,332	– 60,145	5,877,187
Operating expenses	3,515,161	865,991	807,954	301,919	5,491,026	78,301	5,569,327
Operating profit (loss)	475,700	58,794	– 9,093	– 79,094	446,306	– 138,447	307,859

Notes: 1. Figures shown above do not include consumption and other taxes.

2. Business classifications are based on classifications used for internal management.

3. Segments by type of business

(1) Spot Business: Temporary contractual services, dispatch of temporary staff

(2) Factory Business: Contracting for production line work

(3) Technical Business: HR contracting of technical staff, engineer dispatching services

(4) Other Businesses: Telecommunications-related services, other

4. The above figures are unaudited.

(Reference) Third quarter segment information by type of business (Nine-month cumulative total)

Third quarter (From October 1, 2001 through June 30, 2002)

(Unit: thousand yen; rounded down)

	Spot Business	Factory Business	Technical Business	Other Businesses	Total	Eliminations and corporate	Consolidated
Net sales and operating profit (loss)							
Net sales							
(1) Net sales to outside customers	11,965,145	3,825,607	2,388,308	560,094	18,739,156	—	18,739,156
(2) Net sales or net transfers among business segments	287,162	27,462	14,828	268,999	598,452	- 598,452	—
Total	12,252,307	3,853,069	2,403,136	829,094	19,337,608	- 598,452	18,739,156
Operating expenses	10,973,966	3,797,793	2,455,394	880,569	18,107,723	- 339,326	17,768,397
Operating profit (loss)	1,278,340	55,276	- 52,257	- 51,474	1,229,885	- 259,125	970,759

Prior fiscal year third quarter (From October 1, 2000 through June 30, 2001)

(Unit: thousand yen; rounded down)

	Spot Business	Factory Business	Technical Business	Other Businesses	Total	Eliminations and corporate	Consolidated
Net sales and operating profit (loss)							
Net sales							
(1) Net sales to outside customers	13,059,833	2,461,324	2,282,004	456,260	18,259,423	—	18,259,423
(2) Net sales or net transfers among business segments	88,481	13,888	18,866	195,306	316,542	- 316,542	—
Total	13,148,314	2,475,213	2,300,871	651,566	18,575,966	- 316,542	18,259,423
Operating expenses	11,287,064	2,340,463	2,194,031	764,837	16,586,397	133,189	16,719,587
Operating profit (loss)	1,861,250	134,749	106,840	- 113,271	1,989,568	- 449,732	1,539,836

Notes: 1. Figures shown above do not include consumption and other taxes.

2. Business classifications are based on classifications used for internal management.

3. Segments by type of business

(1) Spot Business: Temporary contractual services, dispatch of temporary staff

(2) Factory Business: Contracting for production line work

(3) Technical Business: HR contracting of technical staff, engineer dispatching services

(4) Other Businesses: Telecommunications-related services, other

4. The above figures are unaudited.

(3) Third quarter Consolidated Statements of Income

(Unit: Thousand yen; rounded down)

Period Item	Third quarter, fiscal year ending September 2002 (April 1, 2002 – June 30, 2002) (A)			Third quarter, fiscal year ending September 2001 (April 1, 2001 – June 30, 2001) (B)			Change compared to same period of the prior fiscal year		
	Amount	Percent		Amount	Percent		Amount (A) – (B)	Percent change	
I Net sales		6,400,663	100.0		5,877,187	100.0		523,476	8.9%
II Cost of sales		4,552,456	71.1		3,906,059	66.5		646,396	16.5
Gross Profit		1,848,207	28.9		1,971,127	33.5		- 122,920	- 6.2
III Selling, general and administrative expenses		1,668,966	26.1		1,663,268	28.3		5,697	- 0.3
Operating income		179,241	2.8		307,859	5.2		- 128,617	- 41.8
IV Other income									
1. Interest and dividend income	7,676			279			7,397		
2. Rental income	27,921			35,622			- 7,700		
3. Profit on sale of marketable securities	812			9,166			- 8,354		
4. Profit on investment in anonymous partnerships	12,236			-			12,236		
5. Other	14,520	63,168	1.0	30,781	75,849	1.3	- 16,260	- 12,680	- 16.7
V Other expenses									
1. Interest expense	19,188			32,841			- 13,652		
2. Amortization of software	15,000			12,500			2,499		
3. Other	95,377	129,566	2.0	63,726	109,067	1.8	- 52,548	20,498	18.8
Income from continuing operations		112,843	1.8		274,641	4.7		- 161,797	- 58.9

Notes 1. Extraordinary income and loss and other items necessary to calculate net income have been omitted from the Consolidated Statements of Income shown above.

2. The percent change shown in the column showing the change compared to the same period of the prior fiscal year was calculated as follows.

$$\text{Percent change} = \frac{(\text{A}) \text{ Operating results for Q3 of current fiscal year} - (\text{B}) \text{ Operating results for Q3 of prior fiscal year}}{(\text{B}) \text{ Operating results for Q3 of prior fiscal year}} \times 100$$

3. Figures shown above are unaudited

(Reference) Third quarter Consolidated Statements of Income (Nine-month cumulative total)

(Unit: Thousand yen; rounded down)

Period Item	Third quarter, fiscal year ending September 2002 (October 1, 2001 – June 30, 2002) (A)		Third quarter, fiscal year ending September 2001 (October 1, 2000 – June 30, 2001) (B)		Change compared to same period of the prior fiscal year				
	Amount	Percent	Amount	Percent	Amount (A) – (B)	Percent change			
I Net sales		18,739,156	100.0		18,259,423	100.0		479,732	2.6%
II Cost of sales		12,946,054	69.1		11,977,627	65.6		968,427	8.1
Gross Profit		5,793,101	30.9		6,281,796	34.4		– 488,695	– 7.9
III Selling, general and administrative expenses		4,822,342	25.7		4,741,960	26.0		80,381	1.7
Operating income		970,759	5.2		1,539,836	8.4		– 569,076	– 37.0
IV Other income									
1. Interest and dividend income	20,101			2,537				17,564	
2. Rental income	91,830			112,123				– 20,293	
3. Profit on investment in anonymous partnerships	32,789			–				32,789	
4. Other	44,218	188,940	1.0	82,143	196,804	1.1	– 37,924	– 7,864	– 4.0
V Other expenses									
1. Interest expense	61,790			95,357				– 33,566	
2. Amortization of software	45,000			40,000				4,999	
3. Loss on investments accounted for using the equity method	2,776			51,332				– 48,555	
4. Other	123,162	232,729	1.2	93,943	280,632	1.5	– 54,979	– 47,902	– 17.1
Income from continuing operations		926,969	5.0		1,456,007	8.0		– 529,038	– 36.3

Notes 1. Extraordinary income and loss and other items necessary to calculate net income have been omitted from the Consolidated Statements of Income shown above.

2. The percent change shown in the column showing the change compared to the same period of the prior fiscal year was calculated as follows.

$$\text{Percent change} = \frac{(\text{A}) \text{ Operating results for Q3 of current fiscal year} - (\text{B}) \text{ Operating results for Q3 of prior fiscal year}}{(\text{B}) \text{ Operating results for Q3 of prior fiscal year}} \times 100$$

3. Figures shown above are unaudited

3. Third Quarter Operating Results (Non-consolidated)

(1) Third Quarter Company Statements of Income

(Unit: Thousand yen; rounded down)

Period Item	Third quarter, fiscal year ending September 2002 (April 1, 2002 – June 30, 2002) (A)			Third quarter, fiscal year ending September 2001 (April 1, 2001 – June 30, 2001) (B)			Change compared to same period of the prior fiscal year		
	Amount	Percent		Amount	Percent		Amount (A) – (B)	Percent change	
I Net sales		3,426,170	100.0		3,530,255	100.0		- 104,084	- 3.0%
II Cost of sales		2,303,276	67.2		2,205,797	62.5		97,478	4.4
Gross Profit		1,122,894	32.8		1,324,457	37.5		- 201,563	- 15.2
III Selling, general and administrative expenses		984,525	28.7		1,116,748	31.6		- 132,223	- 11.8
Operating income		138,368	4.0		207,708	5.9		- 69,340	- 33.4
IV Other income									
1. Interest and dividend income	9,713			535			9,178		
2. Rental income	41,040			45,914			- 4,874		
3. Profit on sale of marketable securities	812			9,166			- 8,354		
4. Profit on investment in anonymous partnerships	12,236			-			12,236		
5. Other	8,177	71,980	2.1	33,634	89,251	2.5	- 25,457	- 17,270	- 19.4
V Other expenses									
1. Interest expense	18,035			26,984			- 8,949		
2. Amortization of software	15,000			12,500			2,499		
3. Other	9,368	42,404	1.2	65,870	105,355	3.0	- 56,501	- 62,950	- 59.6
Income from continuing operations		167,945	5.0		191,605	5.4		- 23,659	- 12.4

Notes 1. Extraordinary income and loss and other items necessary to calculate net income have been omitted from the Consolidated Statements of Income shown above.

2. The percent change shown in the column showing the change compared to the same period of the prior fiscal year was calculated as follows.

$$\text{Percent change} = \frac{(\text{A}) \text{ Operating results for Q3 of current fiscal year} - (\text{B}) \text{ Operating results for Q3 of prior fiscal year}}{(\text{B}) \text{ Operating results for Q3 of prior fiscal year}} \times 100$$

3. Figures shown above are unaudited

(Reference) Third quarter Company Statements of Income (Nine-month cumulative total)

(Unit: Thousand yen; rounded down)

Item	Third quarter, fiscal year ending September 2002 (October 1, 2001 – June 30, 2002) (A)		Third quarter, fiscal year ending September 2001 (October 1, 2000 – June 30, 2001) (B)		Change compared to same period of the prior fiscal year				
	Amount	Percent	Amount	Percent	Amount (A) – (B)	Percent change			
I Net sales		10,874,197	100.0		11,754,426	100.0		- 880,229	- 7.5%
II Cost of sales		7,162,228	65.9		7,420,097	63.1		- 257,868	- 3.5
Gross Profit		3,711,968	34.1		4,334,329	36.9		- 622,360	- 14.4
III Selling, general and administrative expenses		2,952,057	27.1		3,283,876	27.9		- 331,818	- 10.1
Operating income		759,910	7.0		1,050,452	9.0		- 290,542	- 27.7
IV Other income									
1. Interest and dividend income	23,680			3,191			20,489		
2. Rental income	130,079			134,776			- 4,697		
3. Profit on investment in anonymous partnerships	32,789			-			32,789		
4. Other	27,931	214,481	1.9	76,400	214,368	1.8	- 48,468	113	0.1
V Other expenses									
1. Interest expense	57,414			87,204			- 29,789		
2. Amortization of software	45,000			40,000			4,999		
3. Other	31,772	134,186	1.2	110,214	237,418	2.0	- 78,442	- 103,232	- 43.5
Income from continuing operations		840,205	7.7		1,027,402	8.8		- 187,197	- 18.2

Notes 1. Extraordinary income and loss and other items necessary to calculate net income have been omitted from the Consolidated Statements of Income shown above.

2. The percent change shown in the column showing the change compared to the same period of the prior fiscal year was calculated as follows.

$$\text{Percent change} = \frac{(\text{A}) \text{ Operating results for Q3 of current fiscal year} - (\text{B}) \text{ Operating results for Q3 of prior fiscal year}}{(\text{B}) \text{ Operating results for Q3 of prior fiscal year}} \times 100$$

3. Figures shown above are unaudited

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