May 10, 2004

Summary of Individual Financial Statements for the First Half of the Fiscal Year Ending September 30, 2004

Company name:	Fullcast Co., Ltd.
Stock code:	4848
Stock Exchange listing:	Second Section of the Tokyo Stock Exchange
Address:	Tokyo
URL:	http://www.fullcast.co.jp
President and CEO:	Takehito Hirano
Contact:	Yutaka Kubo, Corporate Executive Officer in charge of management strategy
Telephone:	+81-3-3780-9507
Board meeting for approving:	May 10, 2004
Interim dividend system:	Available
Date of paying an interim dividend:	June 8, 2004
Revised unit stock system:	None

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

(1) Business results

	Net sales		Operating income		Ordinary income	
	Millions of yen	YoY change (%)	Millions of yen	YoY change (%)	Millions of yen	YoY change (%)
First half ended March 2004	13,603	20.3	1,157	34.6	1,192	24.7
First half ended March 2003	11,303	51.8	859	38.3	956	42.3
Year ended September 2003	22,302	—	1,608	—	1,783	—

	Net income for the first half		Net income per share for the first half
	Millions of yen	%	Yen
First half ended March 2004	692	66.3	5,181.06
First half ended March 2003	416	69.0	9,550.20
Year ended September 2003	914	—	20,928.55

Notes:

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

(2) State of dividends

	Annual dividends per share	
	First half	At end of the period
	Yen	Yen
First half ended March 2004	1,000.00	—
First half ended March 2003	1,000.00	—
Year ended September 2003	—	5,000.00

Note: Breakdown of the dividend at end of the first half ended March 31, 2004
Commemorative dividend ¥
Bonus dividend ¥

(3) Financial condition

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
First half ended March 2004	13,638	9,451	69.3	69,865.66
First half ended March 2003	13,375	7,793	58.3	178,038.91
Year ended September 2003	12,368	8,325	67.3	189,510.38

Notes: 1. Number of stocks issued at end of the period
As of March 31, 2004: 135,282 shares
As of March 31, 2003: 43,774 shares
As of September 30, 2003: 43,929 shares
2. Number of treasury stocks at end of the period
As of March 31, 2004: 2,700 shares
As of March 31, 2003: 900 shares
As of September 30, 2003: 900 shares

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

	Net sales	Ordinary income	Net income	Annual dividends per share	
				At end of the period	
	Millions of yen	Millions of yen	Millions of yen	Yen	Yen
Full year	27,000	2,100	1,100	500.00	1,500.00

Reference: Estimated net income per common share for the full year: 4,077.08 yen

Note: Figures stated above a rounded down to the nearest million yen.
Estimated earnings per share for the fiscal year ending September 30, 2004 (full year) is calculated based on the average number of shares outstanding during the fiscal year after common stocks were split.
The above-mentioned forecast is based on the assumptions and other relevant factors discussed in the *"Outlook for the Next Fiscal Year"* on page 9. Also, please refer to pages 24 and 25.

1. Financial Statements for the First Half

(1) Balance Sheet for the First Half

(Thousands of yen)

			As of March 31, 2004			As of March 31, 2003			As of September 30, 2003		
			Amount		%	Amount		%	Amount		%
	Assets										
I	Current assets										
1	Cash and deposits			2,429,163			1,701,059			3,264,966	
2	Trade notes			17,628			6,446			9,489	
3	Accounts receivable			3,634,559			3,113,706			2,828,503	
4	Securities			798,681			897,171			801,233	
5	Inventories			28,994			25,017			23,765	
6	Short-term loans receivable			1,297,261			1,338,798			454,532	
7	Other current assets			351,391			268,112			288,569	
	Allowance for doubtful accounts			(50,832)			(59,329)			(51,222)	
	Total current assets			8,506,847	62.4		7,290,983	54.5		7,619,926	61.6
II	Fixed assets										
1	Tangible fixed assets										
(1)	Buildings	*1	564,827			661,189			552,195		
	Accumulated depreciation		140,652	424,174		142,773	518,416		123,227	428,967	
(2)	Automotive equipment		14,932			15,279			16,563		
	Accumulated depreciation		6,672	8,259		4,996	10,282		7,368	9,195	
(3)	Furniture and fixtures		359,889			313,479			325,031		
	Accumulated depreciation		214,631	145,257		150,938	162,540		180,786	144,244	
(4)	Land	*1		606,469			2,343,411			606,469	
(5)	Constriction in progress			—			2,570			9,720	
	Total tangible fixed assets			1,184,161	8.7		3,037,221	22.7		1,198,597	9.7
2	Intangible fixed assets										
(1)	Software			880,832			460,285			852,738	
(2)	Software in progress			—			256,899			—	
(3)	Telephone subscription right			24,808			24,808			24,808	
	Total intangible fixed assets			905,641	6.6		741,993	5.6		877,547	7.1
3	Investment and other assets										
(1)	Investment securities			1,536,527			983,763			1,123,900	
(2)	Insurance reserve fund			900,505			696,043			787,939	
(3)	Other			620,671			644,746			791,931	
	Allowance for doubtful accounts			(16,009)			(19,769)			(30,869)	
	Total investment and other assets			3,041,695	22.3		2,304,784	17.2		2,672,902	21.6
	Total fixed assets			5,131,497	37.6		6,084,000	45.5		4,749,046	38.4
III	Deferred assets										
1	Discount on bond			—			33			16	
	Total deferred assets			—	—		33	0.0		16	0.0
	Total assets			13,638,344	100.0		13,375,016	100.0		12,368,989	100.0

(Thousands of yen)

			As of March 31, 2004			As of March 31, 2003			As of September 30, 2003		
			Amount		%	Amount		%	Amount		%
	Liabilities										
I	Current liabilities										
1	Accounts payable trade			22,970			52,371			34,924	
2	Short-term borrowings	*1		1,300,000			2,160,000			900,000	
3	Current portion of long-term debt	*1		75,568			445,570			85,558	
4	Accounts payable-other			1,009,915			945,997			649,670	
5	Income taxes payable			530,000			552,303			674,052	
6	Accrued bonuses			163,374			187,705			161,123	
7	Common stock preemptive right			—			3,975			3,510	
8	Other current liabilities			418,972			524,176			922,501	
	Total current liabilities			3,520,800	25.8		4,872,098	36.4		3,431,340	27.7
II	Fixed liabilities										
1	Long-term debt	*1		285,552			361,120			323,336	
2	Allowance for employee retirement benefits			156,105			139,449			144,217	
3	Other fixed liabilities			224,320			208,872			145,092	
	Total fixed liabilities			665,978	4.9		709,442	5.3		612,646	5.0
	Total liabilities			4,186,778	30.7		5,581,541	41.7		4,043,987	32.7
	Shareholders' equity										
I	Common stock			3,464,100	25.4		3,266,100	24.4		3,289,350	26.6
II	Capital surplus										
1	Capital reserve		2,692,718			2,490,758			2,514,473		
	Total capital surplus			2,692,718	19.7		2,490,758	18.6		2,514,473	20.3
III	Retained surplus										
1	Legal reserve of earned surplus		13,020			13,020			13,020		
2	Voluntary reserve										
	(1) Contingent reserve		500,000			500,000			500,000		
	Total voluntary reserve		500,000			500,000			500,000		
3	Unappropriated retained earning at the end of the term		2,874,144			1,902,783			2,357,684		
	Total earned surplus			3,387,164	24.8		2,415,803	18.1		2,870,704	23.2
IV	Net unrealized holding gains on securities			288,550	2.1		1,780	0.0		31,440	0.3
V	Treasury stock			(380,966)	(2.7)		(380,966)	(2.8)		(380,966)	(3.1)
	Total shareholder's equity			9,451,566	69.3		7,793,475	58.3		8,325,001	67.3
	Total liabilities and shareholders' equity			13,638,344	100.0		13,375,016	100.0		12,368,989	100.0

(2) Profit and Loss Statement for the First Half

(Thousands of yen)

	October 1, 2003 to March 31, 2004			October 1, 2002 to March 31, 2003			October 1, 2002 to September 30, 2003		
	Amount		%	Amount		%	Amount		%
I Net sales		13,603,420	100.0		11,303,604	100.0		22,302,927	100.0
II Cost of sales		9,302,485	68.4		7,593,038	67.2		15,031,613	67.4
Gross profit		4,300,934	31.6		3,710,565	32.8		7,271,314	32.6
III Selling, general and administrative expenses		3,143,748	23.1		2,850,666	25.2		5,663,294	25.4
Operating income		1,157,186	8.5		859,899	7.6		1,608,019	7.2
IV Non-operating income									
1 Interest income	10,306			24,944			51,209		
2 Rental income	74,729			81,136			127,083		
3 Other	70,250	155,286	1.1	52,094	158,175	1.4	132,569	310,861	1.4
V Non-operating expenses									
1 Interest expense	15,789			33,257			48,089		
2 Amortization of software	4,262			4,999			10,000		
3 Transferred from allowance for bad debts	2,212			—			—		
4 Other	97,215	119,480	0.9	23,205	61,462	0.5	77,535	135,625	0.6
Ordinary income		1,192,993	8.7		956,611	8.5		1,783,256	8.0
VI Extraordinary income									
1 Gain on sale of fixed assets *1	—			3,700			109,486		
2 Gain on sale of investment securities	29,161			284			30,686		
3 Reversal of allowances for doubtful accounts	8,863			2,943			10,645		
4 Life insurance surrendered value	—	38,025	0.3	5,084	12,011	0.1	5,794	156,613	0.7
VII Extraordinary loss									
1 Loss on disposal of fixed assets *2	1,548			2,857			3,761		
2 Loss on sale of investment securities	314			3,225			3,318		
3 Loss on valuation of investment securities	413			48,574			50,230		
4 Loss on insurance cancellation	6,277			—			—		
5 Penalty *3	—			16,001			16,001		
6 Loss on relocation of the head office *4	—	8,552	0.1	—	70,659	0.6	57,957	131,268	0.6
Net income before taxes for the current term		1,222,465	8.9		897,964	8.0		1,808,600	8.1
Current income taxes	530,518			552,409			969,303		
Deferred income taxes	(228)	530,290	3.9	(70,662)	481,747	4.3	(75,595)	893,708	4.0
Net income		692,175	5.0		416,217	3.7		914,891	4.1
Differentials from disposal of treasury stock		—			46,938			46,938	

	October 1, 2003 to March 31, 2004		October 1, 2002 to March 31, 2003		October 1, 2002 to September 30, 2003	
	Amount	**%**	Amount	%	Amount	%
Balance brought forward	**2,181,968**		1,242,224		1,242,224	
Unappropriated earned surplus from stock split	**—**		291,280		291,280	
Amount of interim dividends	**—**		—		43,774	
Unappropriated earned surplus for the current term	**2,874,144**		1,902,783		2,357,684	

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

Item	Oct. 1, 2003 – Mar. 31, 2004	Oct. 1, 2002 – Mar. 31, 2003	Oct. 1, 2002 – Sep. 30, 2003
1. Standards for valuing securities and the valuation method	(1) Shares in subsidiaries and affiliated companies Cost accounting method through the moving average method (2) Other securities *Securities with market quotations* Market value method based upon market quotations, etc. as of the first half balance sheet date. (Unrealized holding gain or loss is included in shareholders' equity. The cost of securities sold is determined by the weighted-average method.) *Securities without market quotations* Securities without market quotations are stated at cost, cost being determined by the weighted-average method.	(1) Shares in subsidiaries and affiliated companies Same as on the left. (2) Other securities *Securities with market quotations* Market value method based upon market quotations, etc. as of the first half balance sheet date. (Unrealized holding gain or loss is included in shareholders' equity. The cost of securities sold is determined by the weighted-average method.) Embedded derivatives: Since it is not possible to measure embedded derivatives separately from their respective hybrid host contracts on the financial reporting date, entire contracts are treated as financial instruments and changes in their fair value are reported in net profit or loss. *Securities without market quotations* Same as on the left.	(1) Shares in subsidiaries and affiliated companies Same as on the left. (2) Other securities *Securities with market quotations* Market value method based upon market quotations, etc. as of the date of account settlement. (Unrealized holding gain or loss is included in shareholders' equity. The cost of securities sold is determined by the weighted-average method.) Embedded derivatives: Since it is not possible to measure embedded derivatives separately from their respective hybrid host contracts on the financial reporting date, entire contracts are treated as financial instruments and changes in their fair value are reported in net profit or loss. *Securities without market quotations* Same as on the left.
2. Standards for valuing derivatives, etc. and the valuation method	Derivatives Market value method.	Derivatives Same as on the left.	Derivatives Same as on the left.
3. Standards for valuing inventory and the valuation method	(1) Supplies Supplies are stated at cost determined primarily by the first-in-first-out method. (2) Raw materials —	(1) Supplies Same as on the left. (2) Raw materials Raw materials are stated at cost determined primarily by the first-in-first-out method.	(1) Supplies Same as on the left. (2) Raw materials —

Item	Oct. 1, 2003 – Mar. 31, 2004	Oct. 1, 2002 – Mar. 31, 2003	Oct. 1, 2002 – Sep. 30, 2003
4. The method of depreciating fixed assets	(1) Tangible fixed assets Declining-balance method Depreciation on buildings (excluding furniture and fixtures) acquired on or after April 1, 1998 is computed using the straight-line method. The useful life of principal assets is as follows: Buildings 3-56 years Automotive equipment 2-6 years Furniture and fixtures 3-10 years (2) Intangible fixed assets The development costs of software intended for internal use are amortized over an expected useful life of 3-5 years by the straight-line method.	(1) Tangible fixed assets Same as on the left. The useful life of principal assets is as follows: Buildings 2-56 years Automotive equipment 2-6 years Furniture and fixtures 3-19 years (2) Intangible fixed assets Same as on the left.	(1) Tangible fixed assets Same as on the left. The useful life of principal assets is as follows: Buildings 2-56 years Automotive equipment 2-6 years Furniture and fixtures 3-19 years (2) Intangible fixed assets Same as on the left.
5. Standards for deferred assets	(1) New stock issue expenses Expensed as accrued. (2) Discount on bond Discount on bond is amortized using the straight-line method in accordance with the provisions of the Commercial Code of Japan.	(1) New stock issue expenses Same as on the left. (2) Discount on bond Same as on the left.	(1) New stock issue expenses Same as on the left. (2) Discount on bond Same as on the left.
6. Recognition of allowances	(1) Allowance for doubtful accounts To prepare for credit losses on accounts receivable and loans receivable etc., allowances equal to the estimated amount of uncollectible receivables are provided for general receivables based on the historical write-off ratio, and bad receivables based on case-by-case determination of collectibility. (2) Accrued bonuses As a means of providing for bonus obligations, the Company designates in the reserve account an amount accrued for the first half among the estimated amount for the fiscal year.	(1) Allowance for doubtful accounts Same as on the left. (2) Accrued bonuses Same as on the left.	(1) Allowance for doubtful accounts Same as on the left. (2) Accrued bonuses As a means of providing for bonus obligations, the Company designates in the reserve account an estimated amount based on the actual bonus expense for the accounting period.

Item	Oct. 1, 2003 – Mar. 31, 2004	Oct. 1, 2002 – Mar. 31, 2003	Oct. 1, 2002 – Sep. 30, 2003
	(3) Allowance for retirement benefits To provide for accrued employees' retirement benefits, the Company provides an allowance in the amount deemed to have accrued at the end of the first half based on projected benefit obligations and pension assets at the end of the first half. Actuarial differences are primarily amortized in the fiscal year in which they are recognized.	(2) Accrued bonuses Same as on the left.	(3) Allowance for retirement benefits To provide for accrued employees' retirement benefits, the Company provides an allowance in the amount deemed to have accrued at the end of the fiscal year based on projected benefit obligations and pension assets at the end of the fiscal year. Actuarial differences are primarily amortized in the fiscal year in which they are recognized.
7. Accounting for leases	Finance leases other than those which are deemed to transfer the ownership of the leased assets to the lessees Accounted for by the method similar to that applicable to ordinary operating leases.	Finance leases other than those which are deemed to transfer the ownership of the leased assets to the lessees Same as on the left.	Finance leases other than those which are deemed to transfer the ownership of the leased assets to the lessees Same as on the left.
8. Accounting for major hedges	(1) Hedge accounting method The company applies the deferred accounting method. Interest rate swap transactions that qualify for special treatment under Note 14 of the "Opinion Concerning Establishment of Accounting Standards for Financial Instruments" are accounted for by the short-cut method. (2) Hedge method and transactions The hedge method and risk hedge are as follows: *Hedge method:* Interest rate swap *Risk hedged:* Interests on borrowings (3) Hedging policy The Company uses hedge transactions to reduce interest rate risk. The responsible division executes all the derivative transactions the company enters into. Internal audit executive checks the procedures and ascertains the adequacy of individual derivative transactions.	(1) Hedge accounting method Same as on the left. (2) Hedge method and transactions Same as on the left. (3) Hedging policy Same as on the left.	(1) Hedge accounting method Same as on the left. (2) Hedge method and transactions Same as on the left. (3) Hedging policy Same as on the left.

Item	Oct. 1, 2003 – Mar. 31, 2004	Oct. 1, 2002 – Mar. 31, 2003	Oct. 1, 2002 – Sep. 30, 2003
	(4) Evaluation of hedge effectiveness Interest rate swap transactions In principle, the Company assesses the effectiveness of individual hedge transactions at the end of consolidated fiscal year (including interim period). The Company does not assess the effectiveness of a hedge transaction if there is a high correlation (principal, interest rate, period etc.) and high degree of effectiveness between the hedging instrument and the risk hedged	(4) Evaluation of hedge effectiveness Interest rate swap transactions Same as on the left.	(4) Evaluation of hedge effectiveness Interest rate swap transactions Same as on the left.
9. Other significant accounting policies in the preparation of financial statements	Accounting for consumption taxes All amounts stated are exclusive of national consumption tax and local consumption tax.	Accounting for consumption taxes Same as on the left.	Accounting for consumption taxes Same as on the left.

Reclassifications

Item	October 1, 2003 – March 31, 2004	October 1, 2002 – March 31, 2003
Securities	—	"Securities," reported as a component of "Other" in current assets on the balance sheet at the end of the first half of the previous fiscal year, is reclassified and listed separately as from the first half of the current consolidated fiscal year, given that the amount of "Securities" exceeds 5% of the total assets. The "Securities" at the end of the first half of the previous consolidated fiscal year was ¥499,777 thousand.
Insurance reserve fund	—	"Insurance reserve fund," reported as a component of "Other" in "Investment and other assets" under fixed assets on the balance sheet at the end of the first half of the previous fiscal year, is reclassified and listed separately as from the first half of the current consolidated fiscal year, given that the amount of "Insurance reserve fund" exceeds 5% of the total assets. The "Insurance reserve fund" at the end of the first half of the previous consolidated fiscal year was ¥530,863 thousand.

Supplementary Information

October 1, 2003 – March 31, 2004	October 1, 2002 – March 31, 2003	October 1, 2002 – September 30, 2003
—	(Accounting for treasury stock and reduction of legal reserves) Effective the first half of the current fiscal year, the Company has adopted the new accounting standards for treasury stock and reduction of legal reserves (Financial Accounting Standard No. 1, Accounting Standard for Treasury Stock and Reduction of Legal Reserves, Business Accounting Deliberation Council, February 21, 2002). The effect of this change on profit/loss is insignificant. (First half balance sheet) "Capital reserve," reported as an independent item until the prior term, is reported as a component of "Capital surplus" from the current term due to revision to rules and regulations for financial statements. "Legal reserve of earned surplus," reported as an independent item until the prior term, is reported as a component of "Earned surplus" from the current term due to revision to rules and regulations for financial statements. "Voluntary reserve," reported as a component of "Other surplus" until the prior term, is reported as a component of "Earned surplus" from the current term due to revision to rules and regulations for financial statements. "Unappropriated earned surplus for the current term," reported as a component of "Other surplus" until the prior term, is reported as a component of "Earned surplus" from the current term due to revision to rules and regulations for financial statements.	—

Notes on Financial Statements

Notes on balance sheet for the first half

(Thousands of yen)

As of March 31, 2004	As of March 31, 2003	As of September 30, 2003
*1. Assets pledged as collateral Assets pledged as collateral were as follows: Buildings 237,933 Land 606,469 Total 844,402 Liabilities corresponding to assets pledged as collateral: Short-term borrowings 650,000 Long-term debt 361,120 [Current portion of long-term debt] [75,568] Total 1,011,120	*1. Assets pledged as collateral Assets pledged as collateral were as follows: Buildings 248,481 Land 606,469 Total 854,950 Liabilities corresponding to assets pledged as collateral: Short-term borrowings 1,440,000 Long-term debt 806,690 [Current portion of long-term debt] [445,570] Total 2,246,690	*1. Assets pledged as collateral Assets pledged as collateral were as follows: Buildings 243,091 Land 606,469 Total 849,560 Liabilities corresponding to assets pledged as collateral: Short-term borrowings 500,000 Long-term debt 408,894 [Current portion of long-term debt] [85,558] Total 908,894
*2. Guarantee obligation The Company guaranteed loans taken out by the following affiliated company from financial institutions. Fullcast Technology Co., Ltd. 29,870	*2. Guarantee obligation The Company guaranteed loans taken out by the following affiliated companies from financial institutions. Fullcast Office Support Co., Ltd. 33,328 Fullcast Technology Co., Ltd. 118,802	*2. Guarantee obligation The Company guaranteed loans taken out by the following affiliated companies from financial institutions. Fullcast Office Support Co., Ltd. 16,660 Fullcast Technology Co., Ltd. 63,336
*3. In order to raise operating capital efficiently, the Company signed an overdraft agreement with 8 banks. The balance of borrowing executed under the overdraft agreement at the end of the first half of the current consolidated fiscal year is as follows: Limit of overdraft 6,000,000 Amount borrowed 1,200,000 Balance 4,800,000	*3. —	*3. In order to raise operating capital efficiently, the Company signed an overdraft agreement with 7 banks. The balance of borrowing executed under the overdraft agreement at the end of the current consolidated fiscal year is as follows: Limit of overdraft 3,250,000 Amount borrowed 800,000 Balance 2,450,000

Notes on profit and loss statement for first half

(Thousands of yen)

Oct. 1, 2003 – Mar. 31, 2004	Oct. 1, 2002 – Mar. 31, 2003	Oct. 1, 2002 – Sep. 30, 2003
*1. —	*1. Significant components of gain on sale of fixed assets Automotive equipment 666 Furniture and fixtures 3,033 Total 3,700	*1. Significant components of gain on sale of fixed assets Automotive equipment 666 Furniture and fixtures 3,033 Land 105,786 Total 109,486
*2. Significant components of loss on disposal of fixed assets Buildings 115 Automotive equipment 398 Furniture and fixtures 1,034 Total 1,548	*2. Significant components of loss on disposal of fixed assets Furniture and fixtures 2,857	*2. Significant components of loss on disposal of fixed assets Furniture and fixtures 3,761
*3. —	*3. Penalty on lump-sum advance repayment of debt	*3. Penalty on lump-sum advance repayment of debt
*4. —	*4. —	*4. The expenses incurred in relocating the head office include the cost incurred in returning to the original condition, the labor cost and loss on retirement of fixed assets. The details of the loss on retirement of fixed assets, included as a component of the expenses incurred in relocating the head office, are as given below: Buildings 18,303
*5. Amount of depreciation Tangible fixed assets 55,666 Intangible fixed assets 77,150	*5. Amount of depreciation Tangible fixed assets 52,789 Intangible fixed assets 74,221	*5. Amount of depreciation Tangible fixed assets 110,545 Intangible fixed assets 150,444

Notes to Securities

There were no securities with market quotations during the first half of the current consolidated fiscal year, the first half of the previous consolidated fiscal year and the previous consolidated fiscal year among equity securities in the Company’s subsidiaries and affiliates.

Per Share Information

The Company draws up financial statements for the first half of the current fiscal year; thus, per share information is left out.

Subsequent Events

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

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

(2) Summary of the stock split
As of May 20, 2004, the Company will split common shares on a two-for-one-stock-split basis according to the following:
a. Number of shares to be increased through the stock split
Common stock: 137,982 share
b. How to split up
The number of shares owned by stockholders listed/recorded on the final list of shareholders and substantial shareholders as of March 31, 2004 will be split on a basis of two-for-one stock split.
c. The initial date of reckoning stock dividends
April 1, 2004</td>
<td>—</td>
<td>1. Stock split
In accordance with the decision by the Company’s board of directors on September 8, 2003, it floated new stock through stock split as given below:

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

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

<table>
<tr><th>11th</th><th>10th</th></tr>
<tr><td colspan="2">Shareholders’ equity per share</td></tr>
<tr><td>¥63,170.12</td><td>¥54,200.77</td></tr>
<tr><td colspan="2">Net income per share (basic)</td></tr>
<tr><td>¥6,976.18</td><td>¥1,868.49</td></tr>
<tr><td colspan="2">Net income per share (diluted)</td></tr>
<tr><td>¥6,911.20</td><td>¥1,847.57</td></tr>
</table>
</td>
</tr>
</table>

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

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

(2) Date of equity swap
June 1, 2004

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

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

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

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

Details of stock acquisition rights:

(1) Type of shares
Common stock of the Company

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

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

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

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

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