

## Consolidated Financial Results Announcement for the Third Quarter of the Term Ending December 2012 [Japanese Standards] (Consolidated)

Company name: Fullcast Holdings Co., Ltd.  
 Stock exchange listing: First Section of the Tokyo Stock Exchange  
 Stock code: 4848  
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 Date of submission of quarterly report (Planned): August 14, 2012  
 Date of commencements of divided payments (planned):-  
 Preparation of supplementary references regarding quarterly results: Yes (Shown on our homepage)  
 Briefing for quarterly results: No

(Figures are rounded to the nearest million yen.)

### 1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending December 31, 2012 (October 1, 2011 – June 30, 2012)

#### (1) Consolidated business results (aggregate)

(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	%
For the third quarter ended								
June 30, 2012	24,107	-9.5	1,438	18.9	1,504	34.1	1,324	-14.0
June 30, 2011	26,644	-0.3	1,209	98.7	1,122	107.5	1,539	—

Note: Comprehensive income:

As of June 30, 2012: 1,327 million yen (-6.0%) As of June 30, 2011: 1,413 million yen (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
For the third quarter ended		
June 30, 2012	3,439.61	-
June 30, 2011	3,998.31	-

#### (2) Consolidated financial conditions

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of			
June 30, 2012	8,919	5,259	59.0
September 30, 2011	8,747	3,931	44.9

(Reference) Equity:

As of June 30, 2012: 5,259 million yen As of September 30, 2011: 3,931 million yen

### 2. Dividend Status

(Base date)	Dividend per share (yen)					
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	End of FY	Annual
Fiscal year ended September 2011	—	0.00	—	—	0.00	0.00
Fiscal year ending December 2012	—	—	0.00	—	—	—
Fiscal year ending December 2012 (forecast)	—	—	—	—	0.00	0.00

(Note) 1. Revision of the expected dividends in the third quarter under review: No

2. The company changed its accounting period to the year through December 31 every year from the year through September 30 every year. As a result, the transitional term ending December 31, 2012 irregularly has 15 months.

### 3. Forecast for Consolidated Financial Results for the Year Ending December 31, 2012 (October 1, 2011 – December 31, 2012)

(Percentage figures denote the increase or decrease from the previous period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fourth quarter (aggregate)	32,874	-4.2	1,803	17.1	1,822	23.1	1,534	-28.4	3,985.82
Full year	41,576	—	2,335	—	2,357	—	1,945	—	5,053.73

(Note) 1. Revision of the consolidated forecast in the third quarter under review: No

2. The fiscal year ending December 2012 is a transitional one for the change of accounting period. As a result, the forecast of its full year is for 15 months (October 1, 2011 – December 31, 2012); therefore, change from the previous period is not shown above.

#### \*Noted items

(1) Important changes of subsidiaries during the current quarterly consolidated aggregate period: No

(Changes in specific subsidiaries involving changes in the scope of consolidation)

(2) Application of special accounting treatment to the production of quarterly consolidated financial statements: No

(3) Changes in accounting principles, accounting estimation, and re-presentation of changes

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

2) Change in accounting policy other than 1) above: No

3) Changes in accounting estimation: Yes

4) Re-presentation of changes: No

(Note) The Company has changed its depreciation method since the third quarter, which falls under the “cases where changes in accounting principles are difficult to distinguish from those in accounting estimation.” For details, please refer to “(3) Changes in Accounting Principles, Accounting Estimation, and Re-Presentation of Changes” in “2. Summary Information (Noted items)” in the “Appendix” on page 5.

(4) Number of shares issued (common stock)

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

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

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

As of June 30, 2012:	395,964	As of September 30, 2011:	395,964
As of June 30, 2012:	11,100	As of September 30, 2011:	11,100
For the third quarter of term ending December 31, 2012:	384,864	For the third quarter of term ended September 30, 2011:	384,864

#### \* Presentation concerning implementation status of quarterly review procedures

These quarterly financial results are not the subject of a quarterly review procedure based upon the Financial Instruments and Exchange Act, and at the point in time when these financial quarterly results were disclosed, review procedures for quarterly financial statements based on the Financial Instruments and Exchange Act were not yet completed.

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

Of all plans, forecasts, strategies and other information provided within this document, those which are not historical facts are future outlooks based upon certain conditions and our management’s judgment based upon currently available data.

We therefore warn against relying solely on these outlooks in assessing our business results, corporate value, and other factors. Please also be informed that actual financial results may vary widely from our forecasts due to various factors.

Important factors that may have an impact upon our actual financial results include: (1) The economic and the financial conditions surrounding our Company and changes in the employment situation, (2) Damage to infrastructure arising from disasters including earthquakes, and (3) Changes in the relevant acts, including the Labor Standards Act and the Worker Dispatching Act, and in interpretations thereof. However, these factors that affect our financial results are not limited to only these.

Furthermore, please bear in mind that notwithstanding new data, future events, or any other results whatsoever, we may choose not to reexamine our forecasts.

For the assumptions underlying business forecasts and related issues, please see Page 3, “1-(3) Qualitative Information

Concerning Consolidated Forecast” of “Appendix.”

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## 1. Qualitative Information Concerning Performance for the Current Quarter

### (1) Qualitative Information Concerning Consolidated Operating Results

During this third consolidated aggregate quarter, the Japanese economy was gradually recovering as a whole, mainly due to reconstruction demand after the Great East Japan Earthquake as well as increasingly firm private consumption, although difficulties remained. Going forward, there will continue to be downside risks for the Japanese economy due to concern about the slowing down of global economic activity stemming from the European sovereign debt crisis, restrictions on electric power supply, the impact of deflation and so forth. Nonetheless, the economy is expected to show a movement of steady recovery—with the backdrop of reconstruction-related demand after the Earthquake, among other factors—as public investment and business investment are forecast to continue to increase. At the same time, housing investment is expected to be on a trend toward recovery. In the environment surrounding human resource services, the overall situation remained severe as companies were still feeling the employment surplus, although gradual improvement has been seen in some sectors: for example, economic indicators such as the jobs-to-applicants ratio and the overall unemployment rate were on an improving trend.

Under such conditions, our Group strove to strengthen our business base by carrying out Group operations with the goal of further improving productivity centered on our “short-term operational support business,” which is our original business, during the consolidated aggregate third quarter.

Consolidated net sales of 24,107 million yen (a 9.5% decrease compared to the same period in the previous year) were recorded, due to the earnings of some subsidiaries which were removed from the scope of consolidation in the previous consolidated fiscal year.

In terms of profits, a consolidated operating income of 1,438 million yen (an 18.9% increase compared to the same period in the previous year) and consolidated ordinary income of 1,504 million yen (a 34.1% increase compared to the same period in the previous year) were recorded, due to the removal of sales support business—which was in deficit in the aggregate third quarter of the previous fiscal year—from the consolidation scope, and earnings growth in the short-term operational support business in the current third quarter.

We recorded a consolidated quarterly net income of 1,324 million yen (a 14.0% decrease compared to the same period in the previous year), mainly due to the extraordinary profit from a gain on the change in equity of 26 million yen in the current consolidated first quarter, although we recorded total income taxes of 199 million yen. The decrease from the same period in the previous year was mainly caused by the gain on sales of subsidiaries and affiliates' stocks of 522 million yen recorded in the aggregate third quarter of the previous fiscal year.

Results for each segment were as follows.

#### 1) Short-term operational support business

Net sales of 22,515 million yen (a 13.9% increase compared to the same period in the previous year) were recorded in the consolidated aggregate third quarter, due to the continued effects in the sales strategy of increasing the number of active client companies and the efforts to raise the asking unit prices which started in November 2011.

In terms of profits, an operating income of 1,733 million yen (a 21.5% increase over the same period in the previous year) was recorded in the consolidated aggregate third quarter, owing to a restraint on costs of sales and

general administration.

## 2) Security business

In the consolidated aggregate third quarter, while net sales for the security business were down to 1,592 million yen (a 5.7% decrease from the same period in the previous year), in terms of profits, operating income increased to 89 million yen (a 210.8% increase over the same period in the previous year) due to the effects of restructuring efforts at the end of the fiscal year ended September 2011, including revision of sales strategy, consolidation and closing of offices, and personnel reduction.

## (2) Qualitative Information Concerning Consolidated Financial Position

### 1) Assets, Liabilities and Net Assets

At the end of this consolidated third quarter, total assets stood at 8,919 million yen, representing an increase of 171 million yen from the end of the previous fiscal year. Equity increased by 1,327 million yen to 5,259 million yen (the equity ratio was 59.0%), and net assets increased by 1,327 million yen to 5,259 million yen.

Major fluctuations in the assets and liabilities sections were as follows.

In the assets section, current assets increased by 12 million yen from the end of the previous consolidated fiscal year, to 7,513 million yen. This was mainly due to notes and accounts receivable-trade increasing by 196 million yen to 3,775 million yen, while cash and deposits were down by 147 million yen to 3,181 million yen and other items in current assets decreased by 40 million yen to 570 million yen.

Noncurrent assets increased by 159 million yen from the end of the previous fiscal year, to 1,405 million yen. This was mainly due to intangible noncurrent assets increasing by 162 million yen to 350 million yen, with property, plant, and equipment decreasing by 18 million yen to 311 million yen.

In the liabilities section, current liabilities decreased by 1,168 million yen from the end of the previous fiscal year, to 3,376 million yen. This was mainly due to the decreases by 687 million yen of short-term loans payable to 1,094 million yen and by 670 million yen of long-term loans payable within one year to 0 yen, while accounts payable increased by 18 million yen to 1,236 million yen and accrued expenses increasing by 145 million yen to 648 million yen.

Noncurrent liabilities increased by 12 million yen from the end of the previous fiscal year, to 284 million yen. This was mainly due to provision for retirement benefits increasing by 10 million yen to 224 million yen.

## (3) Qualitative Information Concerning Consolidated Forecast

Regarding full-year consolidated earnings forecasts for the year to December 2012, while there is some contrast in each segment in the current quarter, because progress is generally within the range of plans on the level of overall consolidation, no changes have been made from the consolidated earnings forecasts for the year ending December 2012 (the full year) that were announced on November 11, 2011.

It should be noted that the impact of the revised Worker Dispatching Act—which was issued on April 6, 2012—is not taken into account in the earnings forecasts for the full fiscal year ending December 2012. As the Revised Act is expected to be implemented in October 2012 and specific impacts of the Act are yet to be determined, we will report

immediately on any necessary changes in earnings forecasts in the future.

## **2. Summary (Noted items) and Other Information**

### **(1) Significant Changes in Subsidiaries in this quarterly consolidated aggregate accounting period**

Not applicable.

### **(2) Application of Special Accounting Treatment to the Production of Quarterly Consolidated Financial Statements**

Not applicable.

### **(3) Changes in Accounting Principles, Accounting Estimation, and Re-presentation of Changes**

(Changes in accounting principles which are difficult to distinguish from those in accounting estimation)

Following the revision of the Corporation Tax Act, the Company changed its depreciation method to one based on the revised Corporation Tax Act for property, plant, and equipment acquired on and after April 1, 2012, starting from the consolidated third quarter.

The impact of the above cha

nge on the financial statements of the consolidated aggregate third quarter is minimal.

### **(4) Additional Information**

(Application of accounting standards and the like to accounting changes and error corrections)

For accounting changes and error corrections in the past to take place, since the start of this first quarterly consolidated accounting period, we have been applying the "Accounting Standard for Accounting Changes and Error Corrections (Accounting Standards Board of Japan Statement No. 24, December 4, 2009)" and the "Guidance on Accounting Standards for Accounting Changes and Error Corrections (ASBJ Guidance No. 24, December 4, 2009)."



**3. Quarterly Consolidated Financial Statements****(1) Quarterly Consolidated Balance Sheet**

	(Million yen)	
	End of consolidated accounting period for the previous fiscal year (September 30, 2011)	End of consolidated accounting period for the current third quarter under review (June 30, 2012)
<b>ASSETS</b>		
Current assets		
Cash and deposits	3,328	3,181
Notes and accounts receivable-trade	3,579	3,775
Merchandise	10	11
Supplies	7	9
Other	610	570
Allowance for doubtful accounts	-32	-33
Total current assets	7,501	7,513
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	158	141
Tools, furniture and fixtures, net	155	170
Other, net	16	0
Total property, plant and equipment	329	311
Intangible assets		
Goodwill	—	54
Other	187	295
Total intangible assets	187	350
Investments and other assets		
Guarantee deposits	230	226
Other	551	546
Allowance for doubtful accounts	-52	-27
Total investments and other assets	730	745
Total noncurrent assets	1,247	1,405
Total assets	8,747	8,919

	(Million yen)	
	End of consolidated accounting period for the previous fiscal year (September 30, 2011)	End of consolidated accounting period for the current third quarter under review (June 30, 2012)
<b><u>LIABILITIES</u></b>		
Current liabilities		
Notes and accounts payable-trade	46	47
Short-term loans payable	1,781	1,094
Current portion of long-term loans payable	670	—
Accounts payable-other	1,219	1,236
Accrued expenses	502	648
Income taxes payable	127	74
Provision for bonuses	93	70
Other	106	207
Total current liabilities	4,544	3,376
Noncurrent liabilities		
Provision for retirement benefits	213	224
Other	59	61
Total noncurrent liabilities	272	284
Total liabilities	4,816	3,660
<b><u>NET ASSETS</u></b>		
Shareholders' equity		
Capital stock	2,780	2,780
Capital surplus	2,013	2,013
Retained earnings	1,921	3,245
Treasury stock	-2,747	-2,747
Total shareholders' equity	3,968	5,292
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-36	-33
Total accumulated other comprehensive income	-36	-33
Total net assets	3,931	5,259
Total liabilities and net assets	8,747	8,919

**(2) Quarterly Consolidated Profit and Loss Statement and Consolidated Comprehensive Income Statement****Quarterly Consolidated Profit and Loss Statement**

[Aggregate Third Quarter Period of the Current Consolidated Fiscal Year]

	(Million yen)	
	Aggregate third quarter period of the previous consolidated fiscal year (From October 1, 2010 To June 30, 2011)	Aggregate third quarter period of the current consolidated fiscal year (From October 1, 2011 To June 30, 2012)
Net sales	26,644	24,107
Cost of sales	20,349	18,679
Gross profit	6,296	5,428
Selling, general and administrative expenses	5,087	3,990
Operating income	1,209	1,438
Non-operating income		
Dividends income	1	1
Real estate rent	3	9
Equity in earnings of affiliates	—	45
Reversal of accounts payable	15	21
Trademark fee income	—	19
Other	57	38
Total non-operating income	75	132
Non-operating expenses		
Interest expenses	59	16
Rent cost of real estate	3	9
Equity in losses of affiliates	75	—
Other	24	40
Total non-operating expenses	162	66
Ordinary income	1,122	1,504
Extraordinary income		
Gain on sales of subsidiaries and affiliates' stocks	522	—
Gain on sales of investment securities	22	—
Reversal of allowance for doubtful accounts	5	—
Gain on change in equity	94	26
Government subsidy received	26	—
Gain on reversal of business structure improvement expenses	42	—
Other	0	0
Total extraordinary income	711	26
Extraordinary loss		
Loss on retirement of noncurrent assets	22	4
Impairment loss	18	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	15	—
Special retirement expenses	17	—
Allowance for employment adjustment	38	—
Loss on disaster	85	—
Loss on abolishment of retirement benefit plan	—	2
Other	1	0
Total extraordinary losses	197	7
Income before income taxes and minority interests	1,635	1,523
Income taxes-current	104	112
Income taxes-deferred	88	87
Total income taxes	192	199
Income before minority interests	1,443	1,324

Minority interests in loss	-95	—
Net income	1,539	1,324

**Quarterly Consolidated Comprehensive Income Statement****[Aggregate Third Quarter Period of the Current Consolidated Fiscal Year]**

(Million yen)

	Aggregate third quarter period of the previous consolidated fiscal year (From October 1, 2010 To June 30, 2011)	Aggregate third quarter period of the current consolidated fiscal year (From October 1, 2011 To June 30, 2012)
Income before minority interests	1,443	1,324
Other comprehensive income		
Valuation difference on available-for-sale securities	-39	2
Share of other comprehensive income of associates accounted for using equity method	8	1
Total other comprehensive income	-31	4
Comprehensive income	1,413	1,327
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,536	1,327
Comprehensive income attributable to minority interests	-123	—

**(3) Concerning Notes About Going Concern Assumption**

Not applicable.

**(4) Segment Information and Others**

## 1. Information Concerning Sales, Profits and Losses for Each Reporting Segment

Third quarterly aggregate period of the previous consolidated fiscal year

(from October 1, 2010 to June 30, 2011)

(Million yen)

	Reporting Segment				Total	Adjustment amount *1	Consolidated quarterly income statement amount *2
	Short-term operational support business	Sales support business	Technician dispatch business	Security business			
Net sales							
Sales to external customers	19,761	2,001	3,195	1,688	26,644	—	26,644
Inter-segment sales or transfers	3	39	13	1	56	-56	—
Total	19,764	2,039	3,208	1,690	26,700	-56	26,644
Segment income or loss (-)	1,426	-36	108	29	1,527	-318	1,209

Notes: 1. 50 million yen in intersegment eliminations and -368 million yen in corporate expenses not allocated to any reporting segment are included in the -318 million yen segment income adjustment amount. Corporate expenses are mainly general administrative expenses that do not belong to any reporting segment.

2. Segment income or loss (-) is adjusted with operating income as listed in quarterly consolidated profit and loss statement.

Third quarterly aggregate period of the current consolidated fiscal year

(from October 1, 2011 to June 30, 2012)

(Million yen)

	Reporting Segment		Total	Adjustment amount *1	Consolidated quarterly income statement amount *2
	Short-term operational support business	Security business			
Net sales					
Sales to external customers	22,515	1,592	24,107	—	24,107
Inter-segment sales or transfers	—	0	0	-0	—
Total	22,515	1,592	24,107	-0	24,107
Segment income or loss (-)	1,733	89	1,822	-385	1,438

Notes: 1. 11 million yen in intersegment eliminations and -396 million yen in corporate expenses not allocated to any reporting segment are included in the -385 million yen segment income adjustment amount. Corporate expenses are mainly general administrative expenses that do not belong to any reporting segment.

2. Segment income or loss (-) is adjusted with operating income as listed in consolidated quarterly statements of income.

## 2. Changes in Reporting Segments, etc.

(1) During the previous third quarter consolidated accounting period, partial stocks of Fullcast Marketing Co., Ltd., which was a consolidated subsidiary engaged in sales support business segment, were assigned to a third party, and they also allocated new stocks to a third party. As a result, Fullcast Marketing Co., Ltd. became an equity method affiliate. In addition, Telecom Marketing Co., Ltd., East Communication Inc., and EKO-SYSTEM Inc., which are

subsidiaries of Fullcast Marketing Co., Ltd., were eliminated from the consolidation scope.

All stocks of Fullcast Technology Co., Ltd. (currently YUME TECHNOLOGY CO., LTD.) were assigned to a third party, so it was eliminated from the consolidation scope, and we withdrew from the technician dispatch business.

As a result, the reporting segments from the first quarterly aggregate period of the current consolidated fiscal year consist of the short-term operational support business and the security business, while the reporting segments for the third quarterly aggregate period of the previous consolidated fiscal year consisted of the short-term operational support business, the sales support business, the technician dispatch business, and the security business.

(2) As indicated in “Changes in accounting principles which are difficult to distinguish from those in accounting estimation,” following the revision of the Corporation Tax Act, the Company changed its depreciation method to one based on the revised Corporation Tax Act for property, plant, and equipment acquired on and after April 1, 2012, starting from the consolidated aggregate third quarter. Accordingly, the depreciation method of the reporting segments was changed to the one based on the revised Corporation Tax Act.

The impact of the above change on the segment information for the consolidated aggregate third quarter is minimal.

### 3. Information by Reporting Segment on Impairment Loss on Noncurrent Assets and on Goodwill, etc.

(Important change in the amount of goodwill)

In the short-term operational support business segment, the Company acquired all the stocks of the OtetsudaiNetworks Inc. and included it in the consolidation scope. Due to this event, the amount of goodwill increased by 57 million yen in the consolidated aggregate third quarter.

### **(5) Concerning Significant Change of Shareholders' Equity**

Not applicable.