

## Consolidated Financial Results Announcement for the First Quarter of the Fiscal Year Ending December 2013 [Japanese Standards]

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 Stock exchange listing: First Section of the Tokyo Stock Exchange  
 Stock code: 4848  
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 Date of submission of quarterly report (Planned): May 15, 2013  
 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 First Quarter of the Fiscal Year Ending December 31, 2013 (January 1, 2013 – March 31, 2013)

#### (1) Consolidated business results

(% = year-over-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
(1Q FY12/13) March 31, 2013	4,010	-	-41	-	-16	-	44	-
(1Q FY12/12) December 31, 2011	8,480	-14.8	470	-28.3	475	-27.3	453	-22.3

Note: 1. Comprehensive income:

As of March 31, 2013: 72 million yen (-%) As of December 31, 2011: 454 million yen (69.4%)

2. Because the fiscal year end has been changed (from September 30 to December 31), the first quarter of the fiscal year ending December 31, 2013 covers different months of the year (January through March) than those of the first quarter of the fiscal year ended December 31, 2012 (October through December). Therefore, comparisons to the same quarter in the previous year are not shown for the current first quarter.

	Net income per share	Diluted net income per share
	Yen	Yen
(1Q FY12/13) March 31, 2013	113.66	-
(1Q FY12/12) December 31, 2011	1,176.40	-

#### (2) Consolidated financial conditions

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
(End 1Q FY12/13) March 31, 2013	8,607	5,474	63.6
(End FY12/12) December 31, 2012	8,236	5,402	65.6

(Reference) Equity:

As of March 31, 2013: 5,474 million yen As of December 31, 2012: 5,402 million yen

### 2. Dividend Status

	Dividend per share (yen)					
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	End of FY	Annual
(FY12/12) Fiscal year ended December 2012	-	-	0.00	-	0.00	0.00
(FY12/13) Fiscal year ending December 2013	-					
(FY12/13) Fiscal year ending December 2013 (forecast)		0.00	-		0.00	0.00

- (Note) 1. Revision of the expected dividends in the third quarter under review: No
2. From the fiscal year ended December 31, 2012, the Company changed its accounting period to end on December 31 of every year from September 30 of every year., the transitional term ending December 31, 2012 was an irregular period of 15 months.

### 3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2013 (January 1, 2013 – December 31, 2013)

(% = year-over-year change)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	9,364	–	139	–	195	–	142	–	368.96
Full year	20,658	–	765	–	876	–	592	–	1,535.61

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

2. As the fiscal year ended December 2012 covers 15 months due to the change of the accounting period, change from the previous year and the same quarter of the previous year is not shown above.

#### \*Noted items

(1) Important changes of subsidiaries during the current quarter: No

(Changes in specific subsidiaries involving the scope of consolidation)

(2) Application of special accounting treatment to the creation 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.: No

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

3) Changes in accounting estimation: No

4) Re-presentation of changes: No

(4) Number of shares issued (common stock)

- 1) Number of shares issued at term end (including treasury stock)
- 2) Number of treasury stock at the term end
- 3) Average number of shares outstanding during the term under review

1Q FY12/13	395,964	FY12/12	395,964
1Q FY12/13	11,100	FY12/12	11,100
1Q FY12/13	384,864	1Q FY12/12	384,864

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

These quarterly financial results are not subject to quarterly review procedures based upon the Financial Instruments and Exchange Act, and at the point in time when these financial quarterly results were disclosed, review procedures 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.

Therefore we warn against relying solely upon these outlooks in assessing our business results, corporate value, and other factors. Please also be informed that our 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 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.

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 our 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 the first quarter under review, improvements in parts of the Japanese economy appeared on the back of recovery in economic activities arising from reconstruction demand in the wake of the Great East Japan Earthquake, rises in equity prices due to optimism surrounding economic stimulus measures of the new administration, improvements in profits of large enterprises due to the weaker yen, and overall improvement in the outlook for the economic future. Going forward, the economy is expected to gradually recovery due to improvements in sentiment and export conditions, and the effects of economic stimulus measures. Nevertheless, clouds of uncertainty remained on the economic horizon due to concerns over fiscal problems in Europe and slowing economic growth in emerging countries. With regards to the operating environment surrounding human resource services, the situation remains difficult but we anticipate improvements based on continued recovery in the job offers-to-applicants ratio and declines in unemployment.

Against this backdrop during the first quarter, the Fullcast Group implemented group management strategies to establish business foundations for its new services including the part-time worker placement and part-time worker payroll management services, which were launched along with the implementation of the Revised Worker Dispatching Act on October 1, 2012.

While we recorded stagnant sales in our new part-time worker placement services, favorable sales growth in our new part-time worker payroll management service and existing long-term dispatching service allowed us to record consolidated net sales of 4,010 million yen.

In terms of profits, we recorded a consolidated operating and ordinary losses of 41 and 16 million yen respectively due primarily to stagnant sales of part-time worker placement. However, we were able to limit the margin of losses by realizing improvements in productivity from ongoing efforts to reduce personnel costs through improvements in operations, cut recruiting costs through promotion of effective recruiting activities, and restrain selling, general and administrative expenses.

During the first quarter, we recorded a consolidated quarterly net income of 44 million yen, partly due to proceeds from sales of investment securities booked as extraordinary income.

We changed our fiscal year end from September 30 to December 31 during the previous fiscal year. Accordingly, we do not provide year-over-year comparisons for the period under review, as the first quarter of fiscal year ending December 2013 covers different months (January to March) than those (October to December) in the first quarter of fiscal year ended December 2012.

Results for our business segments are as follows.

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

We recorded net sales of 3,566 million yen during the first quarter due mainly to steady increases in sales of our new part-time worker payroll management service and existing long-term dispatching service, despite stagnant sales of our new part-time worker placement service.

Despite lower sales, we recorded operating income of 86 million yen due to reductions in personnel costs arising from improvements in productivity from ongoing efforts to improve operational efficiency and cuts in recruiting

costs made possible by promotion of effective recruiting activities.

2) Security business

We recorded net sales of 444 million yen due to cancellation and termination of some contracts with large client companies during the fiscal year ended December 2012. In terms of profits, we were able to record an operating income of 22 million yen due to improvements in gross margins and restraint in selling, general and administrative expenses .

**(2) Qualitative Information Concerning Consolidated Financial Position**

1) Assets, liabilities and net assets

At the end of this first quarter, total assets rose by 371 million yen from the end of the previous fiscal year to 8,607 million yen. Equity increased by 72 million yen to 5,474 million yen (Equity ratio of 63.6%) and net assets grew by 72 million yen to 5,474 million yen.

Major changes in assets and liabilities are described as follows.

With regard to assets, current assets increased by 435 million yen from the end of the previous fiscal year to 7,365 million yen due mainly to increases in cash and deposits, and merchandise of 515 and 12 million yen to 4,667 and 15 million yen respectively. At the same time, notes and accounts receivable-trade decreased by 84 million yen to 2,164 million yen, and others decreased by 8 million yen to 536 million yen due mainly to a fall in current portion of long-term loans receivable by 120 million yen to 0 yen and an increase in accounts receivable-other by 99 million yen to 272 million yen.

Noncurrent assets decreased by 64 million yen from the end of the previous fiscal year to 1,242 million yen. The main factors influencing this decline included a decline of 43 million yen in other investments and other assets to 506 million yen due to a decrease in long-term loans payable by 75 million yen to 0 yen and an increase in investment securities of 24 million yen to 218 million yen, and declines in tools, furniture and fixtures (net) of 11 million yen to 144 million yen, other intangible assets of 7 million yen to 432 million yen, and buildings and structures (net) of 5 million yen to 139 million yen.

With regards to liabilities, current liabilities increased by 282 million yen from the end of the previous fiscal year to 2,809 million yen. Factors influencing this increase included increases in other items in current liabilities of 264 million yen to 390 million yen, provision for bonuses of 42 million yen to 64 million yen, notes and accounts payable-trade of 21 million yen to 28 million yen, and income taxes payable of 4 million yen to 19 million yen. At the same time, accounts payable-other and accrued expenses declined by 38 and 11 million yen to 778 and 530 million yen respectively.

Noncurrent liabilities increased by 17 million yen from the end of the previous fiscal year to 324 million yen due to growth in provision for retirement benefits and other accounts of 15 and 2 million yen to 267 and 57 million yen respectively.

**(3) Qualitative Information Concerning Consolidated Earning Forecasts**

Regarding consolidated earnings forecast for the fiscal year ending December 2013, results for the quarter under review were basically in line with expectations due to the solid performance of the security business, and despite weakness in the short-term operational support business. As a result, we have not changed our forecasts for consolidated earnings for first half and full year of the fiscal year ending December 2013 announced on February 15, 2013.

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheet

	(Millions of yen)	
	FY12/12 end (December 31, 2012)	1Q FY12/13 end (March 31, 2013)
<b>ASSETS</b>		
Current assets		
Cash and deposits	4,152	4,667
Notes and accounts receivable-trade	2,248	2,164
Merchandise	4	15
Supplies	11	13
Other	544	536
Allowance for doubtful accounts	-28	-30
Total current assets	6,930	7,365
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	144	139
Tools, furniture and fixtures, net	154	144
Other, net	1	2
Total property, plant and equipment	299	284
Intangible assets		
Goodwill	49	46
Other	439	432
Total intangible assets	487	477
Investments and other assets		
Other	548	506
Allowance for doubtful accounts	-28	-25
Total investments and other assets	520	481
Total noncurrent assets	1,306	1,242
Total assets	8,236	8,607



	(Millions of yen)	
	FY12/12 end (December 31, 2012)	1Q FY12/13 end (March 31, 2013)
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable-trade	7	28
Short-term loans payable	1,000	1,000
Accounts payable-other	816	778
Accrued expenses	541	530
Income taxes payable	16	19
Provision for bonuses	22	64
Other	126	390
Total current liabilities	2,527	2,809
Noncurrent liabilities		
Provision for retirement benefits	252	267
Other	55	57
Total noncurrent liabilities	307	324
Total liabilities	2,834	3,133
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	2,780	2,780
Capital surplus	2,013	2,013
Retained earnings	3,348	3,392
Treasury stock	-2,747	-2,747
Total shareholders' equity	5,395	5,439
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7	36
Total accumulated other comprehensive income	7	36
Total net assets	5,402	5,474
Total liabilities and net assets	8,236	8,607

**(2) Quarterly Consolidated Profit and Loss Statement and Consolidated Comprehensive Income Statement****Quarterly Consolidated Profit and Loss Statement****[First Quarter Period of the Current Fiscal Year]**

(Millions of yen)

	1Q FY12/12 (October 1, 2011 to December 31, 2011)	1Q FY12/13 (January 1, 2013 to March 31, 2013)
Net sales	8,480	4,010
Cost of sales	6,634	2,777
Gross profit	1,845	1,233
Selling, general and administrative expenses	1,375	1,274
Operating income (loss)	470	-41
Non-operating income		
Dividends income	0	-
Equity in earnings of affiliates	4	8
Reversal of accounts payable	6	8
Other	22	14
Total non-operating income	32	31
Non-operating expenses		
Interest expenses	8	2
Provision of allowance for doubtful accounts	0	-1
Damage compensation expenses	4	1
Other	15	3
Total non-operating expenses	27	5
Ordinary income (loss)	475	-16
Extraordinary income		
Gain on sales of investment securities	-	58
Gain on change in equity	26	-
Other	0	0
Total extraordinary income	26	58
Extraordinary loss		
Loss on sales of investment securities	-	1
Loss on abolishment of retirement benefit plan	2	-
Other	1	0
Total extraordinary losses	3	1
Income before income taxes and minority interests	498	40
Income taxes-current	26	18
Income taxes-deferred	19	-21
Total income taxes	45	-3
Income before minority interests	453	44
Net income	453	44

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

	(Millions of yen)	
	1Q FY12/12 (October 1, 2011 to December 31, 2011)	1Q FY12/13 (January 1, 2013 to March 31, 2013)
Income before minority interests	453	44
Other comprehensive income		
Valuation difference on available-for-sale securities	-0	5
Share of other comprehensive income of associates accounted for using equity method	1	24
Total other comprehensive income	1	28
Comprehensive income	454	72
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	454	72
Comprehensive income attributable to minority interests	-	-

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

Not applicable.

**(4) Segment Information and Others**

First quarter of the previous fiscal year (From October 1, 2011 to December 31, 2011)

## 1. Information concerning sales, profits and losses for each reporting segment

(Millions of yen)

	Reporting Segment		Total	Adjustment amount *1	Quarterly consolidated profit and loss statement amount *2
	Short-term operational support business	Security business			
Net sales					
Sales to external customers	7,905	575	8,480	–	8,480
Inter-segment sales or transfers	2	0	2	-2	–
Total	7,907	575	8,482	-2	8,480
Segment income or loss (-)	584	28	612	-142	470

Notes: 1. 5 million yen in intersegment eliminations and -147 million yen in company wide expenses not allocated to any reporting segment are included in the -142 million yen segment income adjustment amount. Company wide 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 statements.

First quarter of the current fiscal year (from January 1, 2013 to March 31, 2013)

## 1. Information concerning sales, profits and losses for each reporting segment

(Millions of yen)

	Reporting Segment		Total	Adjustment amount *1	Quarterly consolidated profit and loss statement amount *2
	Short-term operational support business	Security business			
Net sales					
Sales to external customers	3,566	444	4,010	–	4,010
Inter-segment sales or transfers	1	–	1	-1	–
Total	3,567	444	4,010	-1	4,010
Segment income or loss (-)	86	22	108	-149	-41

Notes: 1. 1 million yen in intersegment eliminations and -149 million yen in company wide expenses not allocated to any reporting segment are included in the -149 million yen segment income adjustment amount. Company wide 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 statements.

## 2. Changes in Reporting Segments

Along with the implementation of the Revised Worker Dispatching Act in October 2012, the short-term dispatching service in the short-term operational support business has been shifted to new services of “part-time worker placement” and “part-time worker payroll management.”

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

Not applicable.