

# **FULLCAST HOLDINGS**

## **Consolidated Business Results for the Fiscal Year Ended December 2013**

**February 14, 2014**

# Agenda

- ◆ **Consolidated Business Highlights for the Fiscal Year Ended December 2013  
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- ◆ **Consolidated Business Highlights for the 4<sup>th</sup> Quarter of the Fiscal Year Ended December 2013  
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- ◆ **Consolidated Business Highlights for the Fiscal Year Ended December 2013  
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## FY12/13 Consolidated Earnings Results: Earnings (vs. Revised Business Forecasts)

For the fiscal year ended December 2013, 338 million yen in consolidated operating income was recorded, which is within the range of our revised forecasts.

Unit: Million yen

	<b>Operating income</b>
<b>Result (A)</b>	<b>338</b>
<b>Revised Forecast (B)</b> (Announced on November 8, 2013)	<b>323 ~ 533</b>
<b>Difference (A-B)</b>	<b>15 ~ -195</b>
<b>Rate of Change (%)</b>	<b>4.5 ~ -36.6</b>

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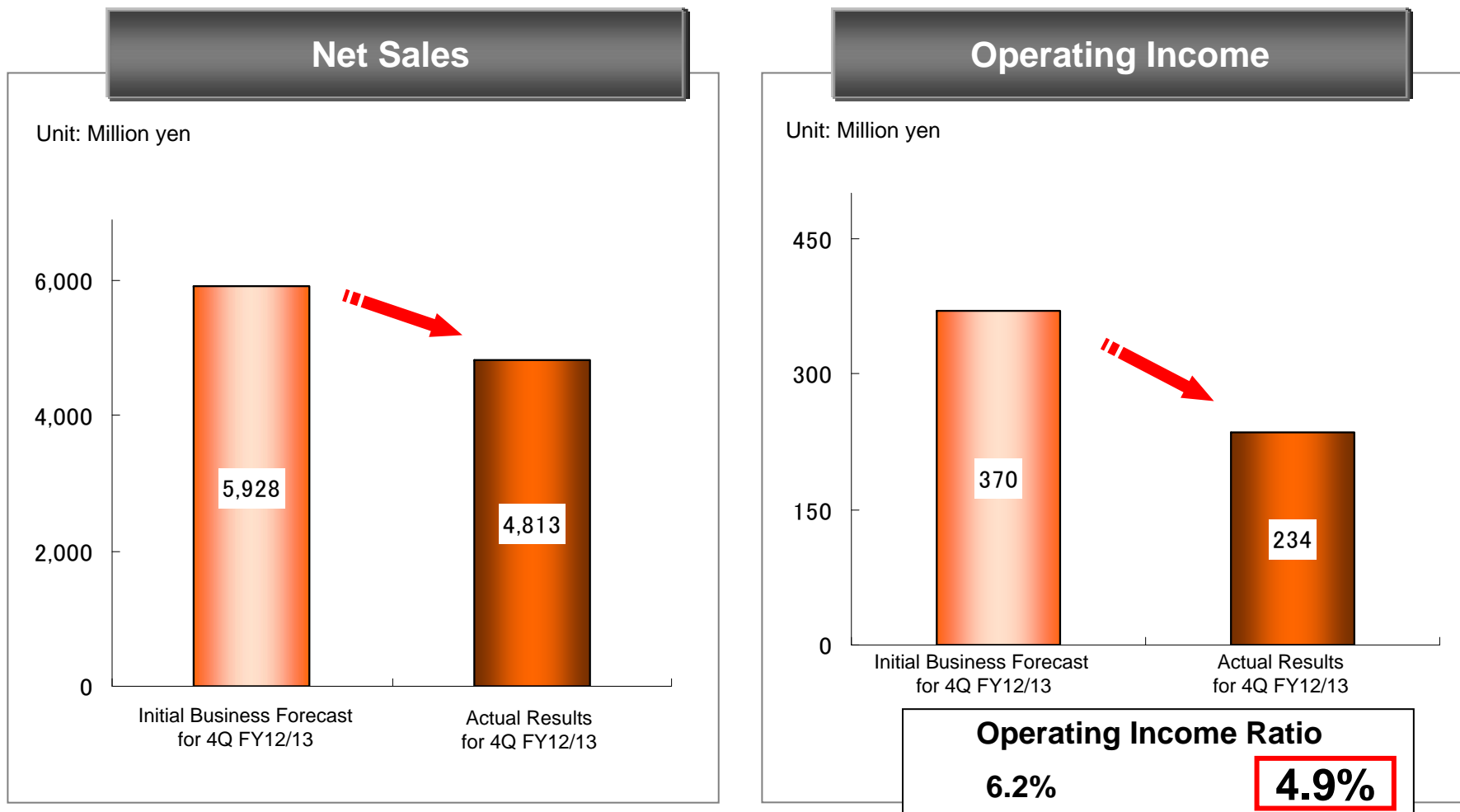
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# FY12/13 Business Results: Comparisons

- Fullcast Holdings has changed its fiscal year end from September 30 to December 31 effective from FY12/12. Accordingly, we do not provide year-over-year comparisons as the fiscal year ended in December 31, 2013 covers different months (January to December) from those (October to December) in the corresponding fourth quarter of fiscal year ended in December 31, 2012.
- We have implemented a different service structure from that of the same period in the previous fiscal year (January – December 2012) with new services including part-time worker placement and part-time worker payroll management service in our short-term operational support business along with the implementation of the Revised Worker Dispatching Act from October 1, 2012. As a result, we do not provide comparisons with the same period in the previous fiscal year.
- For the above reasons, we compare the results for the first through third quarters of FY12/13 with our initial forecasts made at the start of the fiscal year. While we announced revisions to our full-year forecasts on November 8, 2013, we base the comparison of our results with our initial forecasts and not the revised forecasts as we did during the previous quarter because we have announced an expected range of consolidated operating income in the revision.

# 4Q FY12/13 Consolidated Earnings Results: Earnings (vs. Initial Business Forecast)

In comparison with our initial forecasts, net sales fell short of estimates by 1,115 million yen, due mainly to slower than expected progress in achieving planned sales of the short-term operational support business. Despite the shortfall of 136 million yen from the initial business forecast, ongoing efforts from the third quarter to improve efficiency through systematization and other initiatives to review operations, reduce recruiting costs through greater efficiency in recruiting efforts, and increase operational efficiency helped to limit the drop in profits allowed operating income during the fourth quarter to increase from the previous quarter.

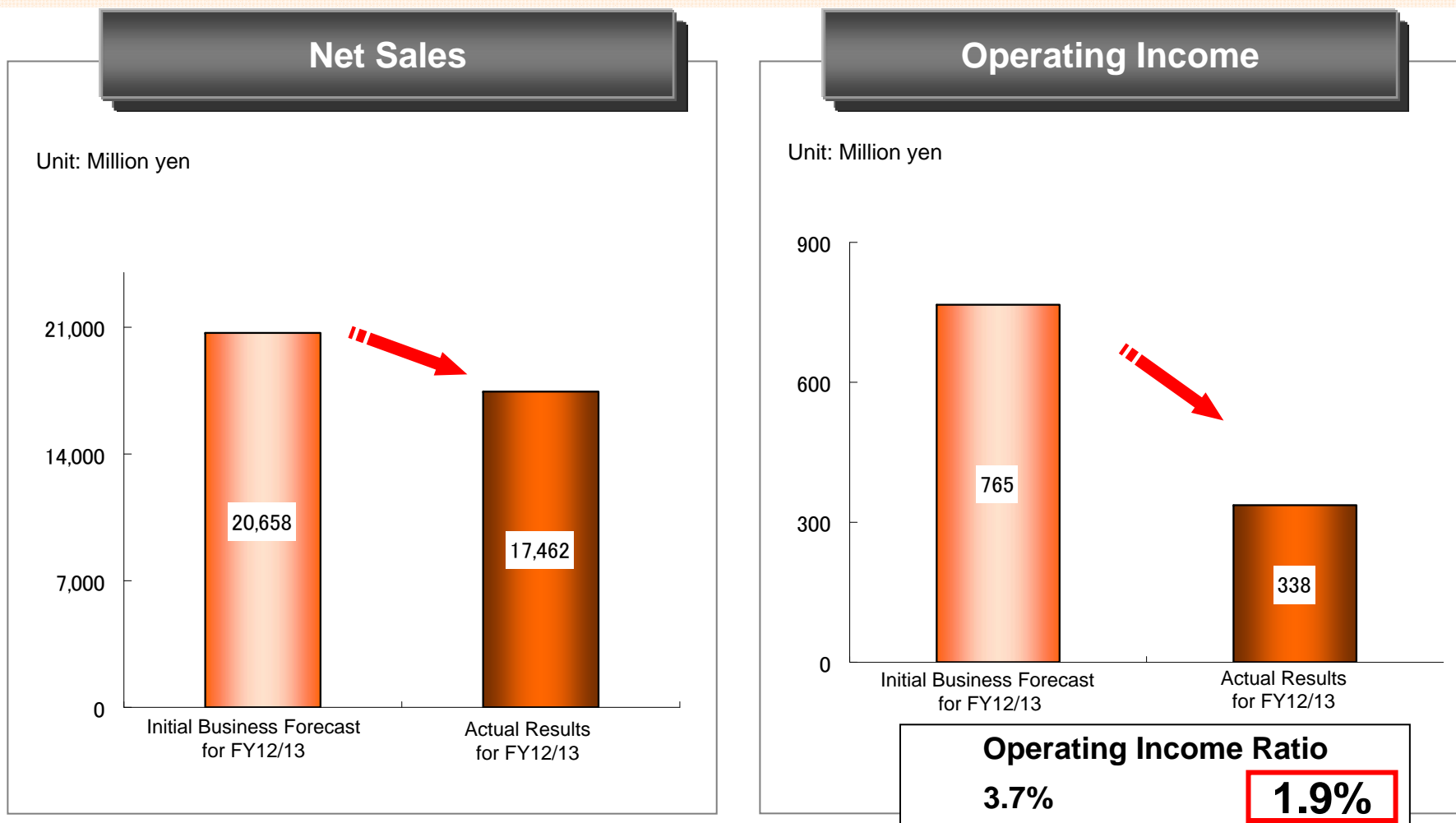


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# FY12/13 Consolidated Earnings Results: Earnings (vs. Initial Business Forecast)

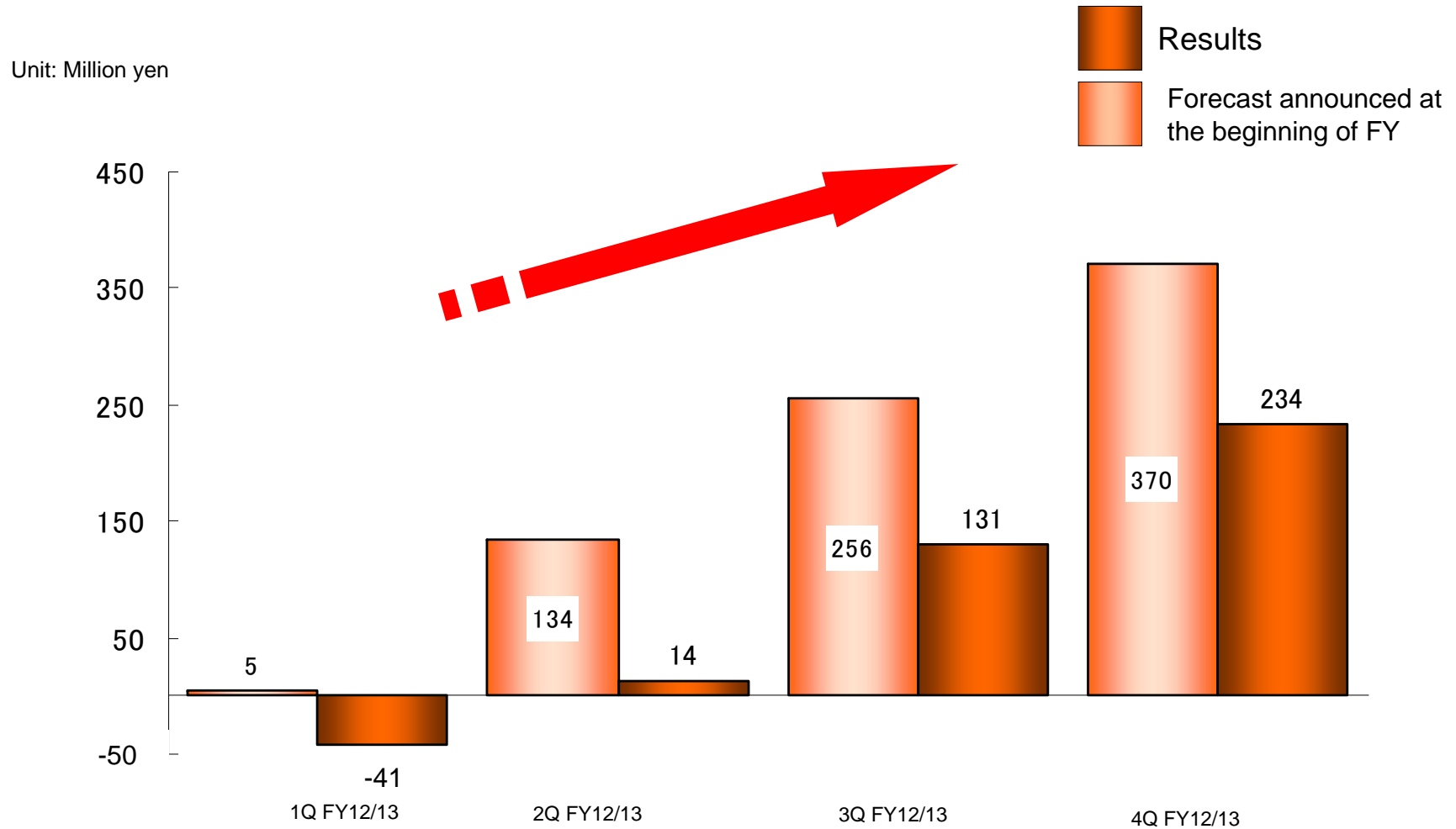
Compared with initial business forecasts, net sales fell short of estimates by 3,196 million yen, due mainly to slower than expected progress in achieving planned sales of the short-term operational support business. Operating income also fell below our initial forecast by 427 million yen, but ongoing efforts to improve efficiency through systematization and other initiatives to review operations, reduce recruiting costs through greater efficiency in recruiting efforts, and increase operational efficiency helped to limit the drop in profits and allowed the margin of profit at the operating income level to grow after the launch of our new services. However, these efforts could not completely offset the negative impact of the shortfall in sales of the short-term operational support business.





# FY12/13 Quarterly Consolidated Earnings Results (vs. Initial Business Forecasts)

Although we were not able to achieve our initial business forecasts, operating income steadily improved in every quarter and was basically only one quarter behind forecasts.

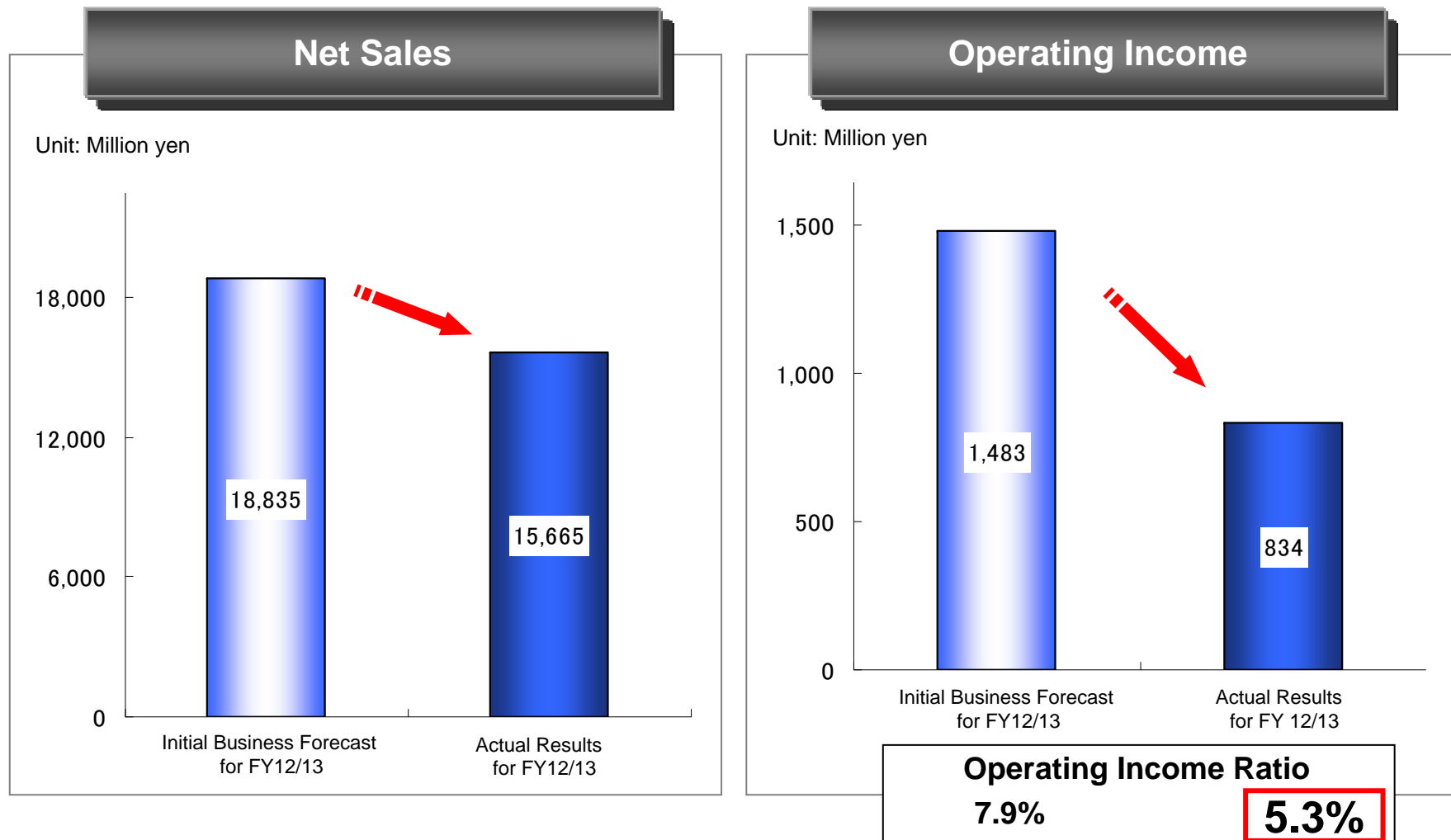


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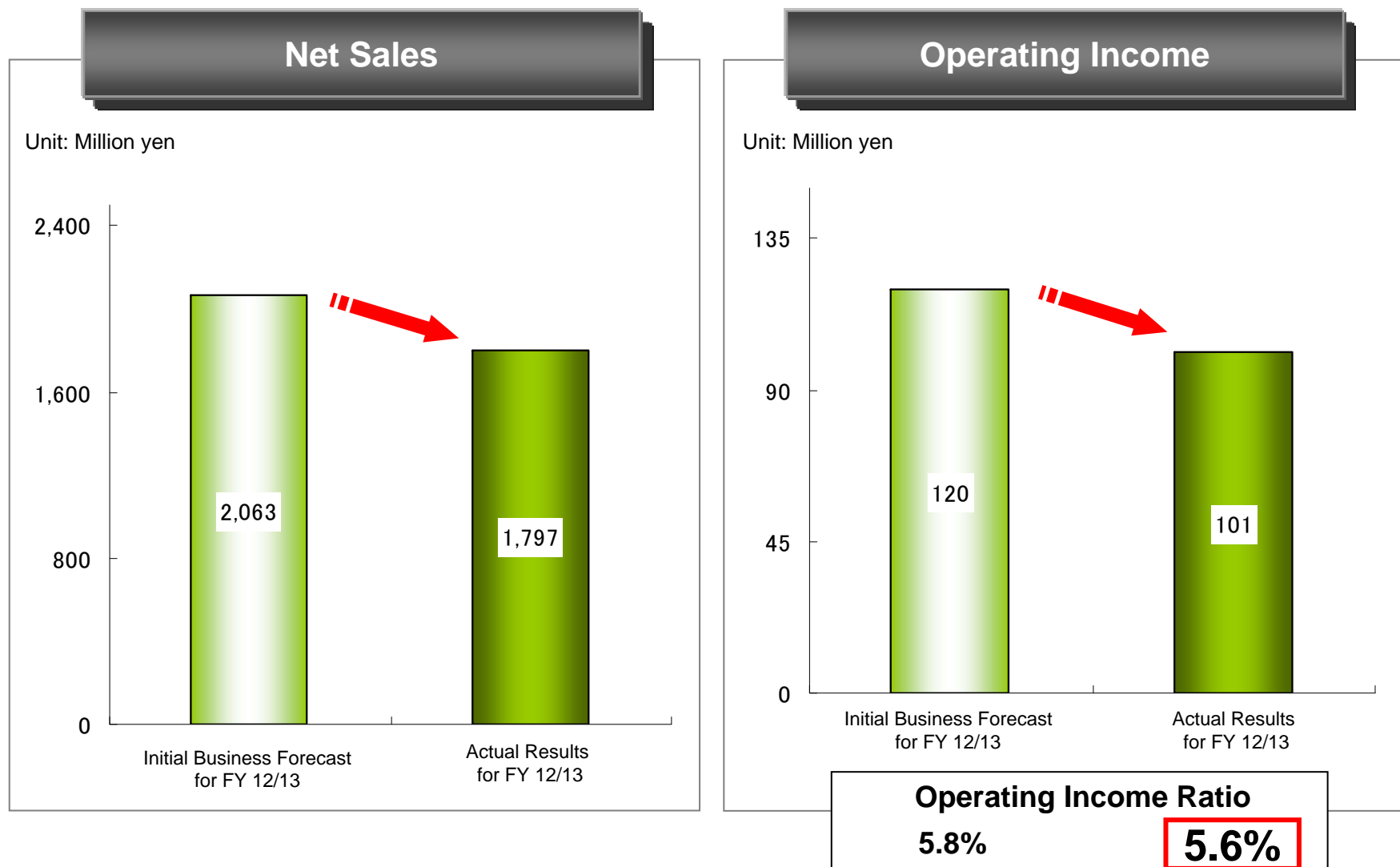
# FY12/13 Short-Term Operational Support Business: Earnings (vs. Initial Business Forecast)

Full year net sales and operating income fell short of our initial business forecasts by 3,170 and 648 million yen respectively due to the same factors as those cited for our consolidated results.



# FY12/13 Security Business: Earnings (vs. Initial Business Forecast)

Net sales fell short of our initial business forecast by 267 million yen due to the inability to acquire temporary business and new manned long-term security work orders as planned throughout the fiscal year . At the same time, operating income fell below our initial business forecast by 19 million yen as the lower sales could not be offset despite our ongoing efforts throughout the fiscal year to restrain selling, general and administrative expenses.



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## Business Target for the Fiscal Year Ending December 2014

- **Promote wider market penetration of our new services**

## Business Strategy for the Fiscal Year Ending December 2014

- **Raise the quality of our new services**
- **Secure job seekers in the peak season**

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# Business Forecasts for the Fiscal Year Ending December 2014

With the implementation of the Revised Worker Dispatching Act on October 1, 2012, we implemented changes in our operations to replace the short-term dispatching business with new services including the “part-time worker placement” and “part-time worker payroll management services” in the “short-term operational support business,” which is the main business of our Group. Regarding disclosure methods for FY12/14 full year business forecasts, we have adopted a potential range for operating income because the relatively short track record of only one year since the launch of our new services makes it difficult to arrive at accurate forecasts.

Unit: Million yen

Forecasts	Operating Income
First half of the fiscal year ending Dec. 2014 (from Jan. 1 to Jun. 30, 2014)	159 ~ 220
Full fiscal year ending Dec. 2014 (from Jan. 1 to Dec. 31, 2014)	705 ~ 851

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# Dividend of Surplus

We have passed a resolution during the board of directors meeting held on February 14, 2013 to pay 14 yen per share dividend from retained earnings.

## Details of Dividend

		Most recent dividend forecast (Announced on Nov. 8, 2013)	Previous term results (Fiscal year ended Dec. 2012)
Record date	Dec. 31, 2013	Dec. 31, 2013	Dec. 31, 2012
Dividend per share	14 yen	0 yen	0 yen
Total amount of dividends	539 million yen	—	—
Effective date	Mar. 14, 2014	—	—
Resources for dividend	Retained earnings	—	—

## Fundamental Policy for Allocation of Profits

With regards to allocation of profits, Fullcast Holdings Co., Ltd. maintains a fundamental policy of allocating profits in accordance with our business performance. At the same time, we consider both dividends paid from retained earnings and treasury stock purchases as alternative means of returning profits to shareholders and take capital efficiency into consideration based upon our outlook for future earnings and profit growth. Going forward, we endeavor to improve shareholder returns by establishing a new target for total return ratio - the sum of dividends and purchase of treasury stock - of 50%.

## Dividends in the Coming Fiscal Year

**While Fullcast Holdings Co., Ltd. seeks to maintain its goal of achieving high levels of shareholder returns during the coming fiscal year, we have decided against announcing forecasts for dividends due to uncertainties including the outlook for our earnings and the influence of the Revised Worker Dispatching Act upon our business. However we plan to announce our dividend plans later when we have a clearer view of both our business and earnings environment.**

## “Contributing to enhancing Japan’s competitiveness as a human resource services company.”



BNY MELLON  
DEPOSITARY RECEIPTS

ADR (American Depositary Receipts) Program:  
Program Type: Sponsored Level 1  
Exchange Ratio with Underlying Stock: 1 ADR = 1 Underlying Stock  
CUSIP Code: 35968P100  
Symbol: FULCY  
Depositary: The Bank of New York Mellon

101 Barclay Street, New York, NY 10286, U.S.A.  
TEL: (212) 815-2077  
U.S. Toll Free: (888) 269-2377 (888-BNY-ADRS)  
Web Site: [http://www.adrbny.com/dr\\_profile.jsp?cusip=35968P100](http://www.adrbny.com/dr_profile.jsp?cusip=35968P100)

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