



May 8, 2015

Consolidated Financial Results Announcement for the First Quarter of the Fiscal Year Ending December 2015 [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): May 14, 2015
Date of commencements of divided payments (Planned): -
Preparation of supplementary references regarding financial 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, 2015 (January 1, 2015 – March 31, 2015)

(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 FY12/15) March 31, 2015	5,046	10.1	409	64.3	340	33.7	259	12.8
(1Q FY12/14) March 31, 2014	4,582	14.3	249	—	255	—	230	425.3

(Note) Comprehensive income:

As of March 31, 2015: 261 million yen (14.0%) As of March 31, 2014: 229 million yen (218.3%)

	Net income per share	Diluted net income per share
	Yen	Yen
(1Q FY12/15) March 31, 2015	6.73	—
(1Q FY12/14) March 31, 2014	5.97	—

(2) Consolidated financial conditions

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
(End 1Q FY12/15) March 31, 2015	9,823	6,323	64.4
FY12/14 End	10,551	6,678	63.3

(Reference) Equity: As of March 31, 2015: 6,323 million yen

As of December 31, 2014: 6,678 million yen

2. Dividend status

	Dividend per share (yen)				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual
FY12/14	—	0.00	—	16.00	16.00
FY12/15	—				
FY12/15 Forecast		8.00	—	10.00	18.00

(Note) Revision of the expected dividends in the first quarter under review: None

3. Consolidated Business Forecasts for the Fiscal Year Ending December 31, 2015 (January 1, 2015 – December 31, 2015)

(Comparisons (%) are made against the corresponding period in the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	10,710	13.5	820	23.1	848	20.0	550	-1.0	14.29
Full year	22,400	11.0	2,000	24.0	2,031	23.3	1,717	28.5	44.61

(Note) Revision of consolidated business forecasts in the first quarter under review: None

* Notes

- (1) Important changes of subsidiaries during the current first quarter: None
(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: None
- (3) Changes in accounting principles, accounting estimates, and re-presentation of changes
 - 1) Changes in accounting policies associated with the revision of accounting principles and others: Yes
 - 2) Changes in accounting policies other than mentioned in 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Re-presentation of changes: None
- (4) Number of shares issued (common stock)

1) Number of shares issued at term end (including treasury stock)	1Q FY12/15	38,486,400	FY12/14	38,486,400
2) Number of treasury stock at the term end	1Q FY12/15	—	FY12/14	—
3) Average number of shares outstanding during the term under review	1Q FY12/15	38,486,400	1Q FY12/14	38,486,400

* Presentation concerning implementation status of quarterly review procedures

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

* Explanation about the proper use of financial business forecast and other important notes

Of all plans, business forecast, 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 judgments 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 actual financial results may vary widely from our business forecast 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) damages to infrastructure arising from disasters including earthquakes, and (3) changes in the relevant laws, including the Labor Standards Act and the Worker Dispatching Act, and in interpretations of these Acts. However, the factors that affect our financial results are not limited to only these. Furthermore, please note that we may choose not to reexamine our business forecasts in response to new data, future events or other factors. For assumptions underlying our business forecasts and related issues, please refer to Page 3 "1-(3) Qualitative Information Concerning Consolidated Business Forecasts" of the "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, the Japanese economy continued to gradually recover due to improvements in corporate earnings and the employment situation. Going forward, the economy is expected to gradually recover on the back of declines in oil prices and implementation of various economic stimulus measures amidst continued improvements in employment and income conditions. At the same time, uncertainties continue to cloud the economic horizon as slowing growth in overseas economies could negatively impact the Japanese economy.

With regard to the operating environment surrounding the human resources services, the employment environment has been improving on the back of rising job offers-to-applicants ratio and decreasing unemployment rates. In the future, the operating environment is expected to continue to improve along with a recovery in overall economic activity.

Against this backdrop, the Fullcast Group implemented group management activities to establish a solid business foundation to achieve sustained growth. We also strengthened our marketing system with a goal of increasing the number of customers for our main “part-time worker placement” and “part-time worker payroll management” services. In addition, we strengthened our capacity to supply human resources through continued opening of worker registration centers to improve convenience of those who wish to register with our Company.

We recorded net sales of 5,046 million yen (up 10.1% year on year), on the back of an expansion in “part-time payroll management” services in the short-term operational support business through our strategic investment in marketing resources, in addition to the broadening of dispatching services due to increases in customer numbers.

In terms of profits, we recorded operating income of 409 million yen (up 64.3% year on year), due to the higher revenues led by the short-term operational support business and to the restraint in selling, general and administrative expenses through enhancement of productivity. Ordinary income rose to 340 million yen (up 33.7% year on year), despite the recording of a 65 million yen loss from share of loss of entities accounted for using equity method under non-operating expenses arising from a loss recorded by as F-PLAIN Corporation, an equity accounting method held affiliate, during the period due to a loss on the sale of shares of its subsidiary.

During the first quarter, net income of 259 million yen (up 12.8% year on year) was recorded. This performance is attributed to the increase in revenues, and extraordinary income of 47 million yen for gains on sales of investment securities in the quarter under review. At the same time, we recorded 106 million yen in income taxes-current due in part to the disappearance of losses carried forward for Fullcast Co., Ltd, a subsidiary.

The results for each of our business segments are as follows.

1) Short-term operational support business

We recorded net sales of 4,576 million yen (up 11.0% year on year) on the back of an expansion in “part-time payroll management” services through our strategic investment in marketing resources, in addition to the broadening of dispatching services due to increases in customer numbers.

In terms of profits, operating income increased to 526 million yen (up 27.7 % year on year) due to an increase in revenue and restraint of selling, general and administrative expenses through productivity enhancement.

2) Security business

Net sales increased to 470 million yen (up 2.6% year on year), due mainly to increases in the manned long-term security business. On the other hand, operating income decreased by 4 million yen year on year to 17 million yen (down 18.4% year on year), due to a rise in training expenses arising from new recruits in the security business and increased hiring in preparation for large projects to start from April 2015 onwards.

(2) Qualitative Information Concerning Consolidated Financial Position

Assets, liabilities and net assets

At the end of the first quarter, total assets decreased by 728 million yen from the end of the previous fiscal year to 9,823 million yen. Equity decreased by 355 to 6,323 million yen (for an equity ratio of 64.4%), and net assets declined by 355 to 6,323 million yen.

Details of major changes in assets and liabilities are described as follows.

With regard to assets, current assets decreased by 766 million yen from the end of the previous fiscal year to 8,455 million yen. This decrease is attributed to a decline in cash and deposits of 1,007 to 5,277 million yen due to payment of year-end dividends for the previous fiscal year ended December 2014, and final payment of income and consumption taxes. At the same time, other current assets increased by 243 to 412 million yen, due primarily to an increase in accounts receivable-other of 205 to 223 million yen in anticipation of refund of withholding income taxes related to dividends from subsidiaries for the current fiscal year.

Noncurrent assets increased by 38 million yen from the end of the previous fiscal year to 1,368 million yen. This increase is attributed mainly to a rise in other property, plant and equipment of 89 to 91 million yen primarily arising from an increase in construction in progress from 89 million yen to 90 million yen. At the same time, other investments and other assets decreased by 62 to 741 million yen, mainly due to declines in investment securities of 82 to 385 million yen arising from the transfer of investment securities owned by the Company and losses arising from the sale of subsidiary shares of F-PLAIN Corporation, an equity accounting method held affiliate.

With regard to liabilities, current liabilities decreased by 380 million yen from the end of the previous fiscal year to 3,079 million yen. This is mainly attributed to decreases in income taxes payable of 329 to 102 million yen and in consumption tax payable of 354 to 334 million yen due to their final payment, and declines in accrued expenses of 79 to 577 million yen. At the same time, other current liabilities increased by 202 to 362 million yen, primarily due to increases in provision for bonuses of 64 to 65 million yen, accounts payable-other of 87 to 606 million yen, and deposits received for withholding income taxes of 317 to 332 million yen, while deposits received for social insurance contributions decreased by 108 million yen to 1 million yen.

Noncurrent liabilities increased by 7 million yen from the end of the previous fiscal year to 421 million yen, mainly due to an increase in net defined benefit liability of 6 to 365 million yen.

(3) Qualitative Information Concerning Consolidated Business Forecasts

Regarding our earnings forecasts for the full fiscal year ending December 2015, earnings on a consolidated basis for the quarter under review remained in line with our plans overall, led by the short-term operational support business.

Fullcast Holdings Co., Ltd. (4848) Financial Statement and Results for the First Quarter of the Term Ending December 2015 Accordingly, we maintain our outstanding earnings forecasts for the fiscal year ending December 2015 (aggregate second quarter and the full year), which were announced on February 13, 2015.

2. Matters Concerning Summary Information (Notes)

Changes in accounting principles, accounting estimates, and re-presentation of changes

(Change in Accounting Policy)

“Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012, hereinafter referred to as the “Accounting Standard”) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012, hereinafter the “Guidance”) were applied from the first quarter under review concerning the provisions stipulated in the main texts of Section 35 of the Accounting Standard and Section 67 of the Guidance, the calculation method for retirement benefit obligations and current service costs was changed, the method of attributing the expected amount of retirement benefits from the constant sum for each period to the calculated payment, and the method of deciding discount rates from the one based on the remaining work years to the one using a single weighted average discount rate based on the duration.

There is no impact from this change on liability for net defined benefit liability and retained earnings at the beginning of the first quarter under review. In addition, there is no impact on operating income, ordinary income, income before income taxes or minority interests for first quarter under review.

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

	(Million yen)	
	FY12/14 end (December 31, 2014)	1Q FY12/15 end (March 31, 2015)
ASSETS		
Current assets		
Cash and deposits	6,284	5,277
Notes and accounts receivable-trade	2,581	2,570
Merchandise	2	14
Supplies	19	42
Deferred tax assets	185	160
Other	170	412
Allowance for doubtful accounts	-19	-20
Total current assets	9,221	8,455
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	116	115
Tools, furniture and fixtures, net	126	121
Other, net	2	91
Total property, plant and equipment	245	328
Intangible assets		
Other	322	341
Total intangible assets	322	341
Investments and other assets		
Other	803	741
Allowance for doubtful accounts	-40	-42
Total investments and other assets	763	699
Total noncurrent assets	1,330	1,368
Total assets	10,551	9,823

(Million yen)

	FY12/14 end (December 31, 2014)	1Q FY12/15 end (March 31, 2015)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	4	33
Short-term loans payable	1,000	1,000
Accounts payable-other	519	606
Accrued expenses	656	577
Income taxes payable	431	102
Accrued consumption taxes	688	334
Provision for bonuses	1	65
Other	159	362
Total current liabilities	3,459	3,079
Noncurrent liabilities		
Net defined benefit liability	359	365
Other	55	55
Total noncurrent liabilities	414	421
Total liabilities	3,873	3,500
NET ASSETS		
Shareholders' equity		
Capital stock	2,780	2,780
Capital surplus	2,006	2,006
Retained earnings	1,886	1,529
Total shareholders' equity	6,672	6,315
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6	8
Total accumulated other comprehensive income	6	8
Total net assets	6,678	6,323
Total liabilities and net assets	10,551	9,823

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

	(Million yen)	
	1Q FY12/14 (From January 1, 2014 To March 31, 2014)	1Q FY12/15 (From January 1, 2015 To March 31, 2015)
Net sales	4,582	5,046
Cost of sales	2,987	3,225
Gross profit	1,595	1,821
Selling, general and administrative expenses	1,346	1,412
Operating income	249	409
Non-operating income		
Share of profit of entities accounted for using equity method	9	—
Reversal of accounts payable	3	1
Other	4	3
Total non-operating income	16	4
Non-operating expenses		
Interest expenses	2	2
Damage compensation expenses	1	1
Settlement package	6	1
Share of loss of entities accounted for using equity method	—	65
Other	2	4
Total non-operating expenses	11	73
Ordinary income	255	340
Extraordinary income		
Gain on sales of investment securities	—	47
Other	0	—
Total extraordinary income	0	47
Extraordinary loss		
Other	0	0
Total extraordinary losses	0	0
Income before income taxes and minority interests	254	387
Income taxes-current	34	106
Income taxes-deferred	-10	23
Total income taxes	25	128
Income before minority interests	230	259
Net income	230	259

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

	(Million yen)	
	1Q FY12/14 (From January 1, 2014 To March 31, 2014)	1Q FY12/15 (From January 1, 2015 To March 31, 2015)
Income before minority interests	230	259
Other comprehensive income		
Valuation difference on available-for-sale securities	1	2
Share of other comprehensive income of entities accounted for using equity method	-1	—
Total other comprehensive income	-1	2
Comprehensive income	229	261
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	229	261
Comprehensive income attributable to minority interests	—	—

(3) Notes on Quarterly Consolidated Financial Statements

(Concerning Notes about Going Concern Assumption)

Not applicable.

(Concerning Significant Change of Shareholders' Equity)

Not applicable.

(Segment Information and Others)

First Quarter of the Previous Fiscal Year (From January 1, 2014 to March 31, 2014)

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

(Million 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	4,123	459	4,582	—	4,582
Inter-segment sales or transfers	0	—	0	-0	—
Total	4,124	459	4,582	-0	4,582
Segment income or loss (-)	412	21	433	-184	249

Notes 1. 0 million yen in intersegment eliminations and -184 million yen in company-wide expenses not allocated to any specific reporting segment are included in the -184 million yen segment income adjustment amount. Company-wide expenses are mainly general administrative expenses that do not belong to any specific reporting segment.

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

First Quarter of the Current Fiscal Year (From January 1, 2015 to March 31, 2015)

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

(Million 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	4,576	470	5,046	—	5,046
Inter-segment sales or transfers	—	—	—	—	—
Total	4,576	470	5,046	—	5,046
Segment income or loss (-)	526	17	543	-134	409

Notes 1. 1 million yen in intersegment eliminations and -135 million yen in company-wide expenses not allocated to any specific reporting segment are included in the -134 million yen segment income adjustment amount. Company-wide expenses are mainly general administrative expenses that do not belong to any specific reporting segment.

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