



November 6, 2015

Consolidated Financial Results Announcement for the Aggregate Third Quarter of the Fiscal Year Ending December 2015 [Japanese Standards] (Consolidated)

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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): November 13, 2015
 Date of commencements of dividend 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 Aggregate Third Quarter of the Fiscal Year Ending December 31, 2015 (January 1 – September 30, 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-3Q FY12/15) September 30, 2015	16,444	12.5	1,592	48.4	1,493	34.9	1,033	25.7
(1Q-3Q FY12/14) September 30, 2014	14,614	15.5	1,073	935.4	1,107	253.7	822	152.0

(Note) Comprehensive income:

As of September 30, 2015: 1,039 million yen (26.2%) As of September 30, 2014: 823 million yen (141.4%)

	Net income per share	Diluted net income per share
	Yen	Yen
(1Q-3Q FY12/15) September 30, 2015	26.84	—
(1Q-3Q FY12/14) September 30, 2014	21.36	—

(2) Consolidated financial conditions

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
(End 3Q FY12/15) September 30, 2015	10,278	6,793	66.1
FY12/14 End	10,551	6,678	63.3

(Reference) Equity: As of September 30, 2015: 6,793 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	–	8.00	–		
FY12/15 Forecast				10.00	18.00

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

3. Consolidated Business Forecasts for the Fiscal Year Ending December 31, 2015 (January 1 – 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
Full year	22,400	11.0	2,000	24.0	2,031	23.3	1,717	28.5	44.61

(Note) Revision of the consolidated business forecast in the third quarter under review: None

* Notes

(1) Important changes of subsidiaries during the current aggregated third quarter period: None

(Changes in the scope of consolidation involving specific subsidiaries)

(2) Application of special accounting treatment in the creation of quarterly consolidated financial statements: None

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

1) Changes in accounting policy 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)

3Q FY12/15	38,486,400	FY12/14	38,486,400
2) Number of treasury stock at the term end	–	FY12/14	–
3) Average number of shares outstanding during the term under review	38,486,400	3Q 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."

<Table of Contents of Appendix>

1.	Qualitative Information Concerning Performance for the Current Quarter.....	2
	(1) Qualitative Information Concerning Consolidated Operating Results.....	2
	(2) Qualitative Information Concerning Consolidated Financial Position.....	3
	(3) Qualitative Information Concerning Consolidated Business Forecasts.....	3
2.	Matters concerning Summary Information (Notes).....	4
	Changes in accounting principles, accounting estimates, and re-presentation of changes.....	4
3.	Quarterly Consolidated Financial Statements.....	5
	(1) Quarterly Consolidated Balance Sheet.....	5
	(2) Quarterly Consolidated Profit and Loss Statement and Quarterly Consolidated Comprehensive Income Statement.....	7
	(3) Notes on Quarterly Consolidated Financial Statements.....	9
	(Concerning Notes about Going Concern Assumption).....	9
	(Concerning Significant Change of Shareholders' Equity).....	9
	(Segment Information and Others)	9

1. Qualitative Information Concerning Performance for the Current Quarter

(1) Qualitative Information Concerning Consolidated Operating Results

During the aggregate third quarter under review, the Japanese economy continued to gradually recover on the back of improvements in corporate earnings and capital investments resulting from the Government's economic and fiscal policies. However, some segments of the economy remained weak. Going forward, the economy is expected to continue to gradually recover based upon an implementation of various economic stimulus measures, and continued improvements in employment and income conditions. At the same time, uncertainties continue to cloud the economic horizon as slowing economic growth in China and other emerging countries in Asia could negatively impact the Japanese economy.

With regards 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 the overall economic activity.

Against the backdrop of these economic conditions, the Fullcast Group implemented group management activities to establish a solid business foundation and maintain sustained growth. We also strengthened our marketing structure with a goal of increasing the number of customers of our main "part-time worker placement" and "part-time worker payroll management" services.

Based upon these activities, we recorded net sales of 16,444 million yen (up 12.5% year on year) on the back of an expansion in "part-time worker placement" and "part-time worker payroll management" services in the short-term operational support business and measures to increase the number of customers.

In terms of profits, we recorded operating income of 1,592 million yen (up 48.4% year on year) due to higher revenues of the short-term operational support business and to restraint in selling, general and administrative expenses through the enhancement of productivity. Ordinary income rose to 1,493 million yen (up 34.9% year on year) despite the booking of 86 million yen losses in share of loss of entities accounted for using equity method as non-operating expense. The losses were mainly attributed to a loss booked by F-PLAIN Corporation, an equity accounting method held affiliate which incurred a loss on the sale of shares of its subsidiary in the first quarter.

During the aggregate third quarter, net income of 1,033 million yen (up 25.7% year on year) was recorded. This performance is attributed to the increase in revenues, and extraordinary income of 48 million yen as gains on sales of investment securities during the quarter. At the same time, we recorded 482 million yen in income taxes-current due in part to the increase in taxable income for the subsidiary Fullcast Co., Ltd.

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

1) Short-term operational support business

We recorded net sales of 14,991 million yen (up 12.9% year on year) on the back of strategic investments in marketing resources for our main "part-time worker placement" and "part-time worker payroll management" services. These investments are designed to increase the number of customers. With regards to profits, operating income increased to 1,960 million yen (up 34.5 % year on year) due to the higher revenues.

2) Security business

Net sales rose to 1,454 million yen (up 8.3% year on year) due mainly to increases in the manned long-term security business. While operating income declined during the first quarter due to increases in staffing for ad hoc security projects and pre-work training expenses, operating income during the aggregate third quarter rose to 60 million yen (up 16.4% year on year) due to the increase in net sales and restraint in labor and other selling, general and administrative expenses.

(2) Qualitative Information Concerning Consolidated Financial Position

Assets, liabilities and net assets

At the end of the third quarter, total assets declined by 273 million yen from the end of the previous fiscal year to 10,278 million yen. Equity increased by 115 to 6,793 million yen (for an equity ratio of 66.1%) and net assets grew by 115 to 6,793 million yen.

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

With regard to assets, current assets declined by 391 million yen from the end of the previous fiscal year to 8,830 million yen. This decline is attributed mainly to a fall in cash and deposits of 684 to 5,600 million yen arising from payment of year-end dividends for the previous fiscal year ended December 2014 and interim dividends for the current fiscal year ending December 2015, and an increase in notes and accounts receivable-trade of 80 to 2,661 million yen. At the same time, other current assets increased by 236 to 406 million yen due primarily to an increase in accounts receivable-other of 220 to 238 million yen in anticipation of a refund of income tax withholdings related to dividends from subsidiaries for the current fiscal year.

Noncurrent assets increased by 118 million yen from the end of the previous fiscal year to 1,448 million yen. This increase is attributed mainly to a rise in tools, furniture and fixtures (net) of 91 to 218 million yen and an increase in construction in progress of 72 to 73 million yen. At the same time, other investments and assets decreased by 36 to 767 million yen, mainly due to declines in investment securities of 97 to 370 million yen arising from the sales of investment securities owned by the Company and valuation losses of shares of an equity accounting method held affiliate due to investment loss recognition of the affiliate, and despite increases in long-term prepaid expenses of 23 to 29 million yen and an security deposits of 24 to 283 million yen.

With regard to liabilities, current liabilities decreased by 414 million yen from the end of the previous fiscal year to 3,045 million yen. This is attributed mainly to tax payments which caused income taxes payables and consumption tax payables to decline by 160 to 271 million yen and 314 to 374 million yen respectively.

Noncurrent liabilities increased by 26 million yen from the end of the previous fiscal year to 440 million yen, due mainly to an increase in net defined benefit liability of 23 to 382 million yen.

(3) Qualitative Information Concerning Consolidated Business Forecasts

Regarding our earnings forecasts for the full fiscal year ending December 2015, consolidated earnings for the aggregate third quarter under review remained in line with our forecasts overall. Accordingly, we maintain our outstanding earnings forecasts for the fiscal year ending December 2015, 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 the net defined benefit liability and retained earnings at the beginning of the third quarter under review. In addition, there is no impact on operating income, ordinary income, income before income taxes or minority interests for aggregate third quarter under review.

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

(Million yen)

	FY12/14 end (December 31, 2014)	3Q FY12/15 end (September 30, 2015)
ASSETS		
Current assets		
Cash and deposits	6,284	5,600
Notes and accounts receivable-trade	2,581	2,661
Merchandise	2	9
Supplies	19	13
Deferred tax assets	185	158
Other	170	406
Allowance for doubtful accounts	-19	-17
Total current assets	9,221	8,830
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	116	114
Tools, furniture and fixtures, net	126	218
Other, net	2	74
Total property, plant and equipment	245	406
Intangible assets		
Other	322	313
Total intangible assets	322	313
Investments and other assets		
Other	803	767
Allowance for doubtful accounts	-40	-38
Total investments and other assets	763	729
Total noncurrent assets	1,330	1,448
Total assets	10,551	10,278

	(Million yen)	
	FY12/14 end (December 31, 2014)	3Q FY12/15 end (September 30, 2015)
<u>LIABILITIES</u>		
Current liabilities		
Notes and accounts payable-trade	4	32
Short-term loans payable	1,000	1,000
Accounts payable-other	519	588
Accrued expenses	656	592
Income taxes payable	431	271
Accrued consumption taxes	688	374
Provision for bonuses	1	67
Other	159	120
Total current liabilities	3,459	3,045
Noncurrent liabilities		
Net defined benefit liability	359	382
Other	55	58
Total noncurrent liabilities	414	440
Total liabilities	3,873	3,485
<u>NET ASSETS</u>		
Shareholders' equity		
Capital stock	2,780	2,780
Capital surplus	2,006	2,006
Retained earnings	1,886	1,995
Total shareholders' equity	6,672	6,781
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6	12
Total accumulated other comprehensive income	6	12
Total net assets	6,678	6,793
Total liabilities and net assets	10,551	10,278

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

(Million yen)

	1Q-3Q FY12/14 (From January 1, 2014 To September 30, 2014)	1Q-3Q FY12/15 (From January 1, 2015 To September 30, 2015)
Net sales	14,614	16,444
Cost of sales	9,572	10,526
Gross profit	5,043	5,918
Selling, general and administrative expenses	3,970	4,326
Operating income	1,073	1,592
Non-operating income		
Dividends income	1	1
Share of profit of entities accounted for using equity method	39	-
Reversal of accounts payable	9	2
Other	12	10
Total non-operating income	60	13
Non-operating expenses		
Interest expenses	6	6
Damage compensation expenses	3	3
Settlement package	8	6
Share of loss of entities accounted for using equity method	-	86
Other	9	12
Total non-operating expenses	26	113
Ordinary income	1,107	1,493
Extraordinary income		
Gain on sales of investment securities	-	48
Other	0	0
Total extraordinary income	0	48
Extraordinary loss		
Loss on valuation of investment securities	1	-
Other	0	0
Total extraordinary losses	1	0
Income before income taxes and minority interests	1,106	1,540
Income taxes-current	288	482
Income taxes-deferred	-5	25
Total income taxes	284	507
Income before minority interests	822	1,033
Net income	822	1,033

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

	(Million yen)	
	1Q-3Q FY12/14 (From January 1, 2014 To September 30, 2014)	1Q-3Q FY12/15 (From January 1, 2015 To September 30, 2015)
Income before minority interests	822	1,033
Other comprehensive income		
Valuation difference on available-for-sale securities	-0	6
Share of other comprehensive income of entities accounted for using equity method	1	-
Total other comprehensive income	1	6
Comprehensive income	823	1,039
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	823	1,039
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)

Aggregate Third Quarter of the Previous Fiscal Year (From January 1, 2014 to September 30, 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	13,272	1,342	14,614	-	14,614
Inter-segment sales or transfers	0	-	0	-0	-
Total	13,272	1,342	14,615	-0	14,614
Segment income or loss (-)	1,457	52	1,508	-436	1,073

(Notes) 1. 1 million yen in intersegment eliminations and -437 million yen in company-wide expenses not allocated to any specific reporting segment are included in the -436 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.

Aggregate Third Quarter of the Current Fiscal Year (From January 1, 2015 to September 30, 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	14,991	1,454	16,444	-	16,444
Inter-segment sales or transfers	-	-	-	-	-
Total	14,991	1,454	16,444	-	16,444
Segment income or loss (-)	1,960	60	2,020	-429	1,592

(Notes) 1. 2 million yen in intersegment eliminations and -430 million yen in company-wide expenses not allocated to any specific reporting segment are included in the -429 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.