

FULLCAST HOLDINGS CO., LTD.

The logo for Fullcast Holdings Co., Ltd. features the word "FULLCAST" in a large, bold, black sans-serif font with a small orange circle above the "i". Below it, "HLDGS." is written in a smaller, bold, black sans-serif font. The logo is flanked by two horizontal bars: a solid orange bar on the left and a bar on the right that is orange on top and yellow on the bottom.

# FULLCAST HLDGS.

Consolidated Business Results  
for the First Half of the Fiscal Year Ending  
December 2015  
(January 2015 – June 2015)

**August 7, 2015**

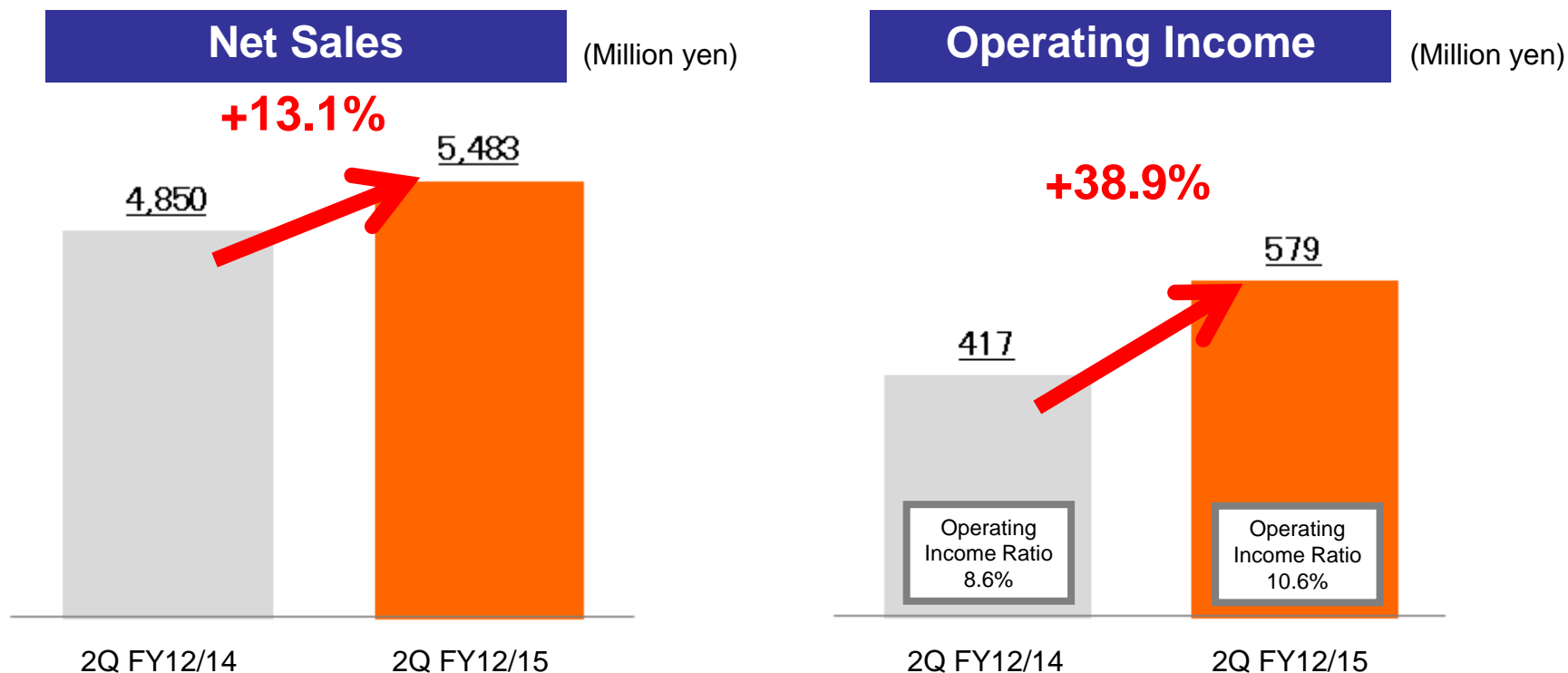
# Agenda

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\*In this document, short-term operational support business, one of the segments, is referred to as “Short-Term” in some parts.

**Consolidated Business Highlights  
for the 2nd Quarter of the Fiscal Year  
Ending December 2015  
(Apr. – Jun. 2015)**

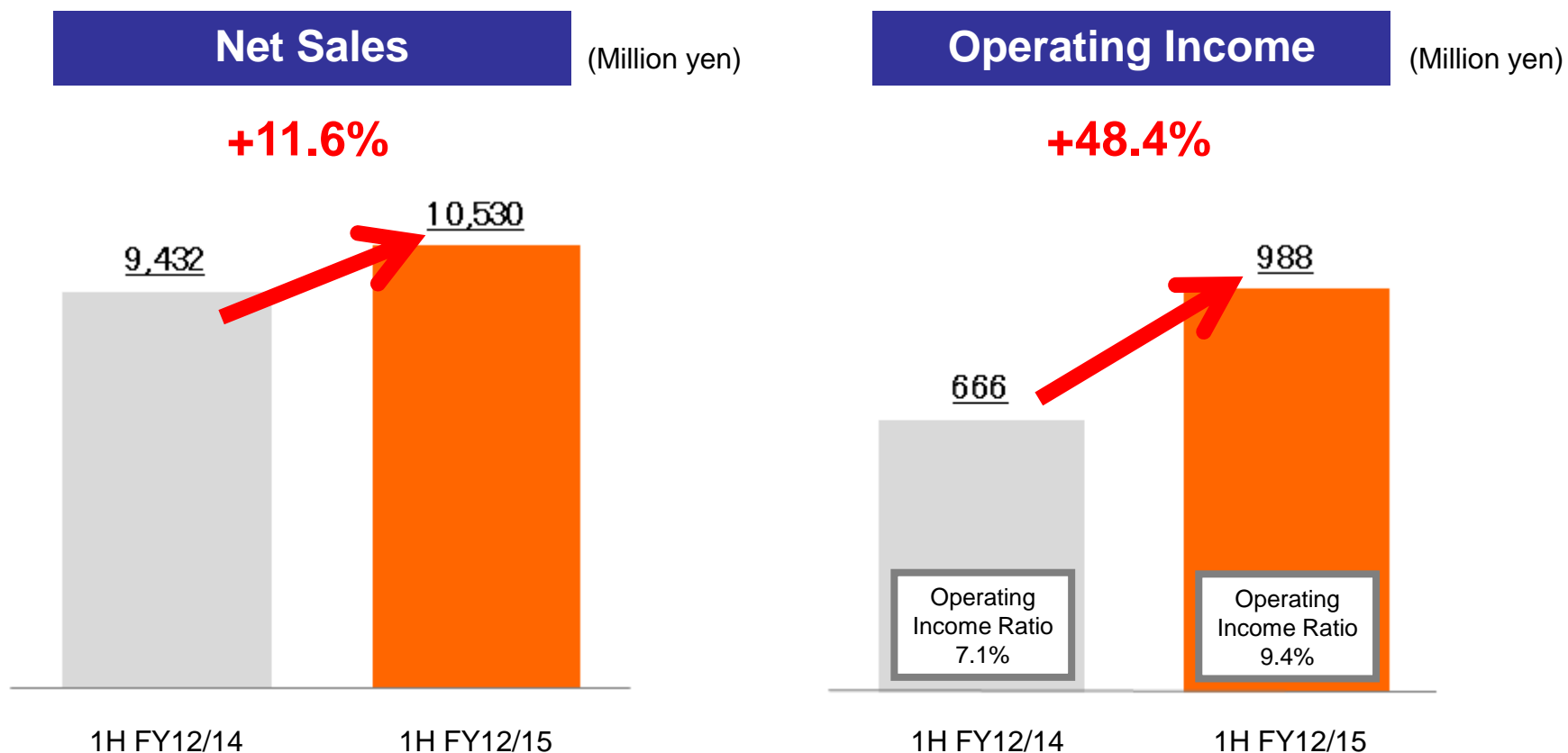
- ✓ Both net sales and operating income increased year on year due to an expansion in management services in particular in the short-term operational support business through strategic investment in marketing resources in our main placement and management services, aimed at increasing the number of customers and broadening the breadth of dispatching services through increases in customer numbers.
- ✓ Operating income ratio improved through our continued efforts to improve operational efficiency for our Group and to restrain selling, general and administrative expenses through enhanced productivity as a whole on the back of increases in net sales.



\*In this document, names of services are written in an abbreviated form; “part-time worker placement” and “part-time worker payroll management” services in short-term operational support business—which were launched along with the implementation of the Revised Worker Dispatching Act on October 1, 2012—are referred to as “Placement” and “Management,” respectively. In addition, “long-term dispatching” service with a contract period of 31 days or longer, which has been continued after the implementation of the Revised Worker Dispatching Act, is referred to as “Dispatching.”

**Consolidated Business Highlights  
for the First Half of the Fiscal Year  
Ending December 2015  
(Jan. – Jun. 2015)**

- ✓ Both net sales and operating income increased year on year due to an expansion in management services in particular in the short-term operational support business due to our efforts to increase the number of customers, accompanied by a broadening of dispatching services.
- ✓ Operating income ratio improved due to restraint in selling, general and administrative expenses through enhanced productivity.



- ✓ With the increase in net sales of 11.6% year on year, gross profit and operating incomes rose by 16.2% and 48.4% respectively.
- ✓ Net income increased by only 15.1% year on year because we recorded a 52 million yen share in loss from affiliates accounted for using equity method under non-operating expenses, a 47 million yen gain on sales of investment securities under extraordinary income, and 291 million yen income taxes-current.

(Million yen)

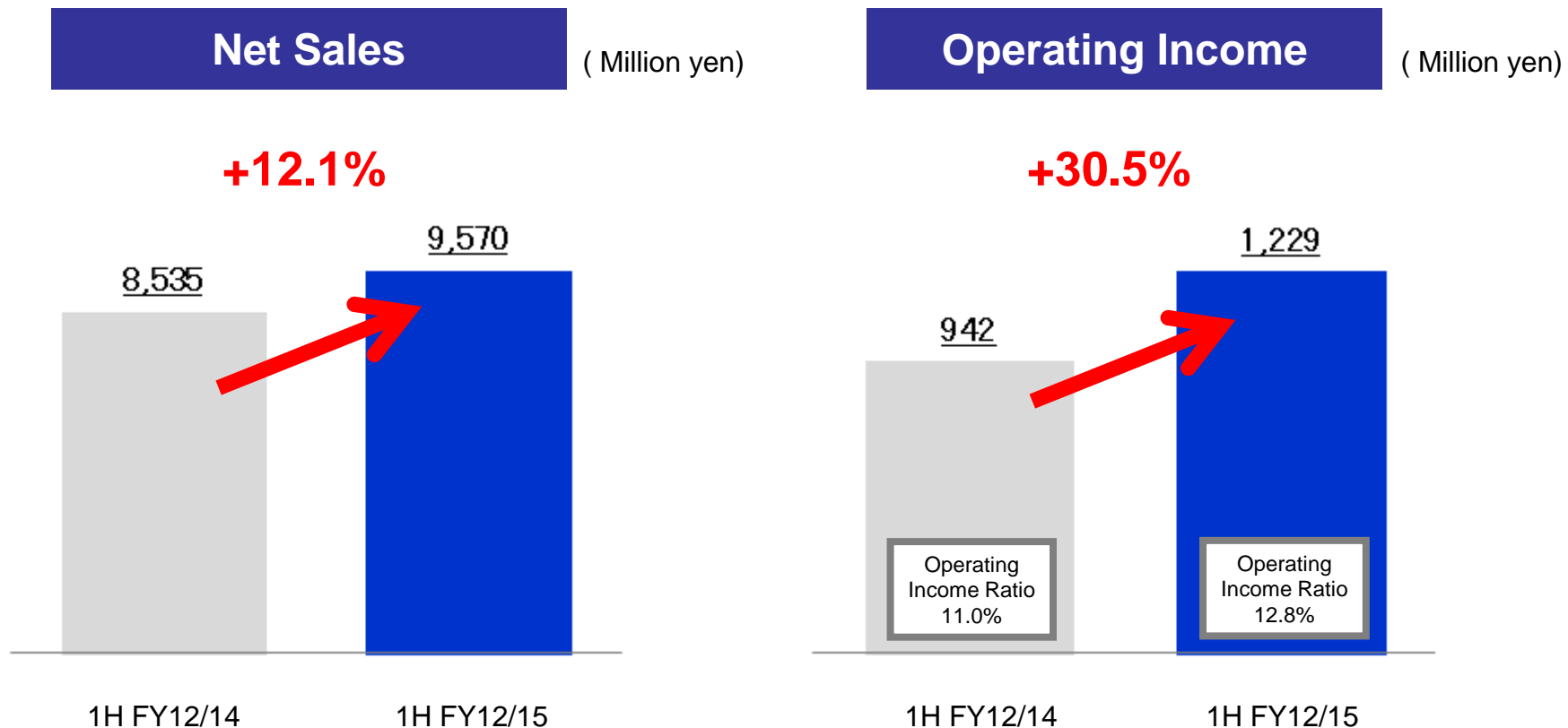
	1H FY12/14	1H FY12/15	Difference	Rate of change
Net sales	9,432	10,530	1,097	11.6%
Gross profit	3,295	3,829	534	16.2%
Selling, general & administrative expenses	2,629	2,841	211	8.0%
Operating income	666	988	322	48.4%
Operating income ratio	7.1%	9.4%	-	-
Ordinary income	706	929	222	31.5%
Net income	556	639	84	15.1%

**First Half FY2015  
Short-Term Operational Support Business  
Earnings  
(Jan. – Jun. 2015)**

\*In this document, short-term operational support business, one of the segments, is referred to as “Short-Term” in some parts.



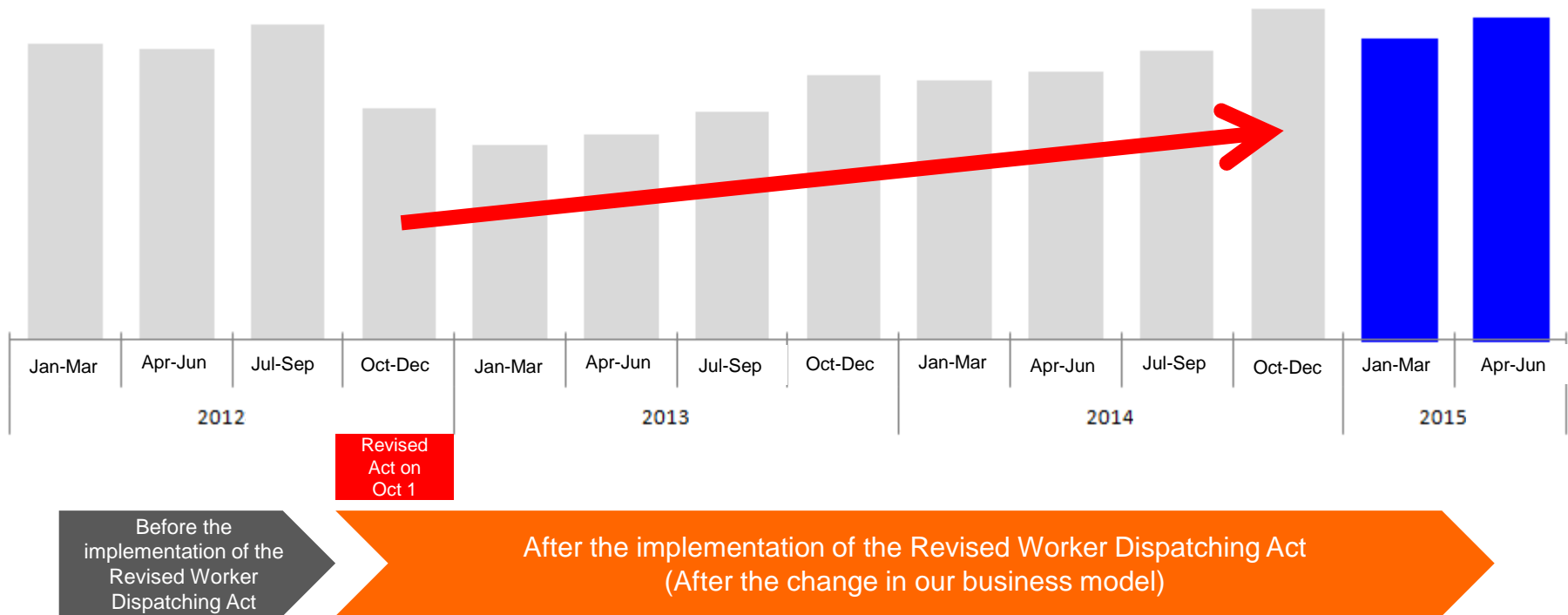
- ✓ For the same reasons as for those behind consolidated results, both net sales and operating income increased year on year.



✓ Continuing from the first quarter, we achieved a record high number of matching of workers to jobs, even compared with data from before the change in our business model.

Accumulated total number  
of matched workers  
Jan-Jun 2012  
1,423,554

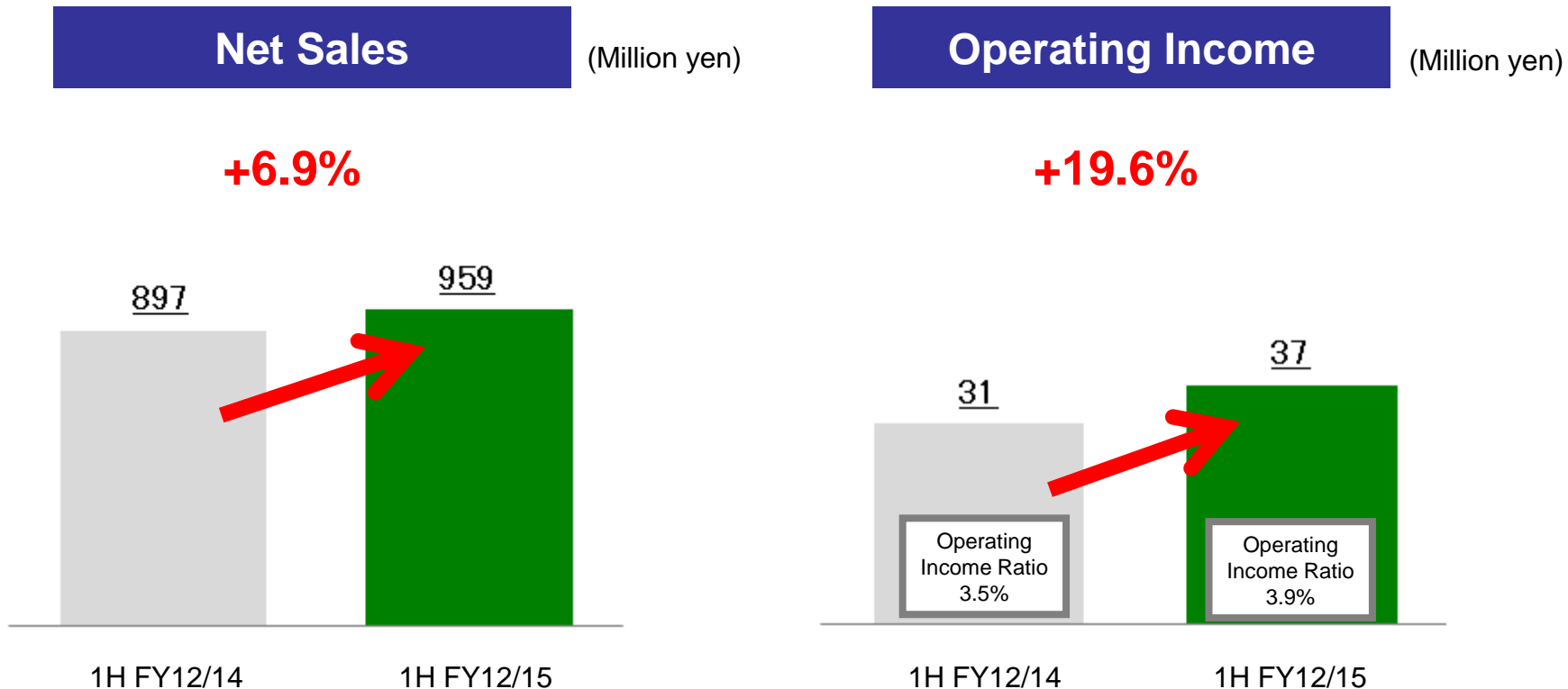
Accumulated total number  
of matched workers  
Jan-Jun 2015  
1,508,521



\*The above figures aggregate the numbers of matching of workers to jobs in the short-term operational support business (excluding management) of Fullcast Co., Ltd. and Top Spot Co., Ltd.

**First Half FY2015  
Security Business Earnings  
(Jan. – Jun. 2015)**

- ✓ Net sales increased year-on-year due to a rise in long-term manned security business.
- ✓ While operating income declined during the first quarter due to increase in staffing for ad hoc security projects, year on year growth was recorded in the full first half under review due to the increase in net sales and restraint in selling, general and administrative expenses — mainly labor expenses.



## **Progress in Strategy Implementation**

**Business Strategy (1)** Increase the Number of Customers for  
“Placement” and “Management” Services

**Business Strategy (2)** Strengthen Capacity to Supply Human  
Resources

**Business Strategy (3)** Continued Store Openings in Areas without  
Previously Lacking Marketing Functions

## **Business Strategy (1)** Increase the Number of Customers for “Placement” and “Management” Services

✓ We have strengthened our internal sales structure in preparation for efforts to increase the number of customers for placement and management.

After the introduction of our services, we initially consolidated the sales teams for the management service in our head office, and conducted sales activities focused upon promoting better customer understanding of our management services.



Starting from the beginning of FY2015, we implemented reviews of our sales structure to enable marketing offices throughout Japan to engage in sales activities by diffuse the marketing approach of the management service at each of our marketing offices.

- Separated sales teams into the planning sections and marketing divisions
- Divided the marketing division into two groups responsible for Tokyo and Osaka

✓ Number of customers increased 26.7% year on year.

		1H FY2014	1H FY2015	Difference	Rate of Change
Number of customers	Total	6,483	8,212	1,729	26.7%

\*Simply added the number of customers for each office that is unique to each service (Placement, Management, Dispatching, and Onsite Subcontracting) in the short-term operational support business of Fullcast Co., Ltd. and Top Spot Co., Ltd.

## **Business Strategy (2)** Strengthen Capacity to Supply Human Resources

### ■ Improve efficiency of recruitment

- ✓ Launched website worker registration service.

Improved convenience by launching an online service to allow completion of staff registration for those who live in areas where we do not hold registration briefings, or who do not have the time to come to registration centers, the venue for briefings.

### ■ Continued opening of registration centers

#### **New registration center in the first half**

Fullcast Co., Ltd.

Opened in February: Kakogawa (Hyogo)

Opened in March: Kamata (Tokyo)

Opened in April: Matsudo (Chiba)

### ■ Improve the brand recognition of the Fullcast Group

- ✓ We have strengthened information dissemination to improve the brand recognition of our Group through media coverage of Fullcast's advertorials and survey results of registered staff.

Advertorials: 6 (of which survey results: 2), Media coverage: 21 times

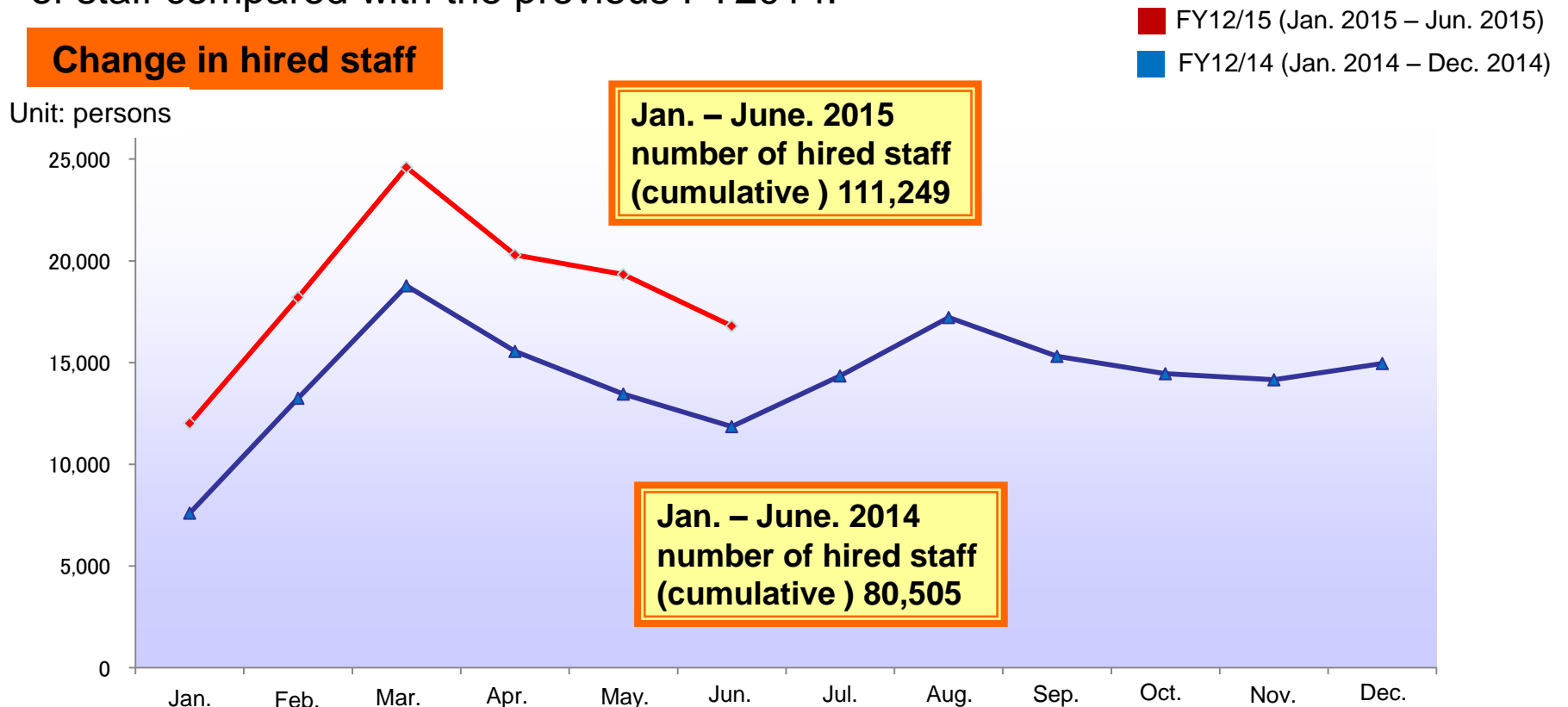
(See <http://www.fullcastholdings.co.jp/index.html>)



## Business Strategy (2) Strengthen Capacity to Supply Human Resources

✓ We strengthened our ability to supply human resources by increasing our hiring of staff compared with the previous FY2014.

### Change in hired staff



The numbers of hired staff for the short-term operational support business of Fullcast Co., Ltd. and Top Spot Co., Ltd. are added.

## **Business Strategy (3)** Continued Store Openings in Areas without Previously Lacking Marketing Functions

- ✓ Two marketing stores were opened in medium sized cities with attractive market potential.

We expanded our sales network to acquire new customers by newly opening marketing stores.

\*While having operated primarily in and around Tokyo as a community-based brand, Top Spot Co., Ltd. opened an store in Umeda, Osaka (Japan's second largest city) as a first step to expand sales channels into western Japan.

First half: Opened new marketing stores

- Opened in February
- Fullcast Co., Ltd.  
Kumamoto (Kumamoto)  
Koriyama (Fukushima)

Second half: Planned opening of new stores

- Opened in July
  - Opening in September (Planned)
- Top Spot Co., Ltd.  
Umeda (Osaka)
- Fullcast Co., Ltd.  
Kumagaya (Saitama)  
Kisarazu (Chiba)  
Numazu (Shizuoka)  
Fukuyama (Hiroshima)

**Progress in Business Forecasts  
for the Fiscal Year  
Ending December 2015**

- ✓ Net sales and gross income were basically in line with forecasts, as the main services in the short-term operational support business trended favorably.
- ✓ Operating income exceeded forecasts, mainly due to restraint in labor expenses through improved productivity

(Million yen)

	1H FY12/15 (Jan. to Jun.) (Actual)	1H FY12/15 (Jan. to Jun.) (Business forecasts)	Progress Rate
Net sales	10,530	10,710	98.3%
Gross profit	3,829	3,890	98.4%
Selling, general & administrative expenses	2,841	3,070	92.5%
Operating income	988	820	120.5%
Operating income ratio	9.4%	7.7%	-
Ordinary income	929	848	109.5%
Net income	639	550	116.3%

# Progress in Business Forecasts

## For the Fiscal Year Ending December 2015

✓ Business forecasts remain unchanged currently, as results for the first half of 2015 showed steady progress in achievement of business forecasts.

(Million yen)

	1H FY12/15 (Jan. to Jun.) (Actual)	FY12/15 (Jan. to Jun.) (Business forecasts)	Progress ratio
Net sales	10,530	22,400	47.0%
Gross profit	3,829	8,270	46.3%
Selling, general & administrative expenses	2,841	6,270	45.3%
Operating income	988	2,000	49.4%
Operating income ratio	9.4%	8.9%	-
Ordinary income	929	2,031	45.7%
Net income	640	1,717	37.2%

## Interim Dividends

## Fundamental Policy for Allocation of Earnings

- ✓ We maintain 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 growth.
- ✓ We strive to enhance returns of profits to shareholders, targeting a total return ratio of 50% including dividends and purchase of treasury shares.
- ✓ Net income for the base of calculating total return ratio is net income excluding the influence of income taxes-deferred arising from the recording of deferred tax assets for loss carried forward (hereinafter referred to as the “Adjusted Net Income”). Adjusted net income is used because we have losses carried forward due to losses incurred in the past.  
Consequently, our net income varies substantially due to the recording of deferred tax assets for loss carried forward based on tax effect accounting. Since tax effect accounting is determined by forecasts and estimates for future events, deferred tax assets may vary substantially with changes in future.

# Dividend Paid from Surplus

✓ We passed a resolution during the board of directors meeting held on August 7, 2015 to pay an 8 yen per share dividend from retained earnings.

	Amount determined	Most recent dividend forecast (Announced on Feb. 13, 2015)	Previous term results (Interim dividend for FY2014)
Record date	Jun. 30, 2015	Jun. 30, 2015	Jun. 30, 2014
Funds available for distribution	1,518 million yen	-	-
Dividend per share	8 yen	8 yen	0 yen
Total amount of dividends	308 million yen	-	-
Effective date	Sep. 4, 2015	-	-
Resources for dividend	Retained earnings	-	-

As with the most recent forecast of dividend (announced on February 13, 2015), we will pay out an interim dividend (8 yen per share). Additionally, we plan to pay 10 yen per share as a year-end dividend, as with the most recent forecast for dividends and based upon the goal of achieving a total return ratio of 50% to the “adjusted net income.”

\*For the payout of interim dividends, we conducted a temporary account closing with the record date of March 31, 2015 to include the profit for the first quarter of FY2015 (January 1, 2015 – March 31, 2015) in the funds available for distribution.



## Expansion of Services for Client Companies and Registered Staff

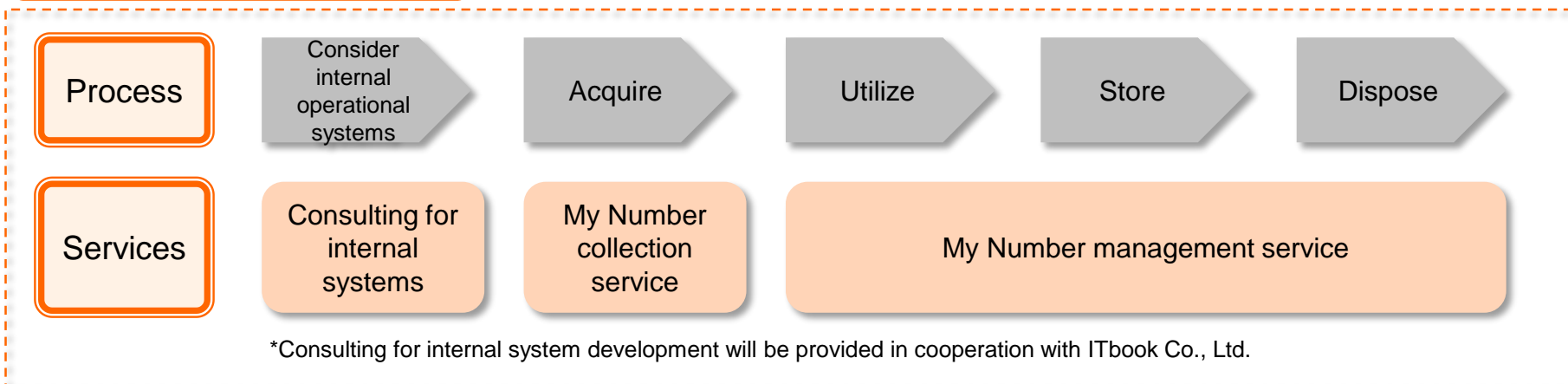
✓ New services are planned to be launched to enhance services for client companies.

■ The “My Number Management Service” is planned to be launched in January (Through business alliance with **ITbook Co., Ltd.**: April)

We will manage complicated operations for My Number, mainly for part-time workers employed at individual companies. At the same time, we will provide services for information security in consideration of all possible events.

We are making preparations to provide all-inclusive administrative management services to manage wage calculations, My Number related administration, and governmental procedures, not only for part-time workers but also all employees.

## Servicing Scheme



➔ By increasing contact points with customers through the provision of new services, we will strive to further expand opportunities for our main placement and management services. At the same time, we will endeavor to make the new “My Number Management Service” profitable.

- ✓ A new service was launched for registered staff through our business alliance.

## Expansion of services for registered staff

■ We will launch services responding to the area of large-scale outsourcing (Alliance with **S-Pool, Inc.:** June).

For large-scale outsourcing operations consigned to S-Pool, Inc., our group will supply staff, thereby providing new working opportunities for the registered staff of our Group.

■ We started providing registered staff with the “kakuyasu-denwa (discount telephone) F” application that can reduce charges for telephone calls (Alliance with **Snets Co., Ltd.:** June)

As part of the fringe benefits for registered staff, we started providing the “kakuyasu-denwa (discount telephone) F” application that reduces charges for telephone calls.

■ To support the smooth start of work by registered staff, we will promote the introduction of “Teachme Biz,” a manual preparation/sharing tool (Alliance with **Studist Corporation:** July).

Distributed in advance, this image driven manual will facilitate smooth start for work. Displaying information such as the route to the work place and work flow of the day, it will eliminate uncertainties for the registered staff before starting work.

➔ Going forward, we will continue improving staff satisfaction by reflecting the requests and opinions of registered staff, and enhancing the convenience of the service infrastructure and fringe benefits we offer them through active alliances with external services providers.

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



**ADR (American Depositary Receipts) Program:**

**Program Type: Sponsored Level 1**

**Exchange Ratio with Underlying Stock: 1ADR = 1 Underlying Stock**  
**CUSIP Code: 35968P100**

**Symbol: FULCY**

**Depository: The Bank of New York Mellon**

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