February 12, 2016

Consolidated Financial Results Announcement for the Fiscal Year Ended December 31, 2015
[Japanese Standards] (Consolidated)

Company name: Fullcast Holdings Co., Ltd.
Stock exchange listing: First Section of the Tokyo Stock Exchange
Stock code: 4848
URL: http://www.fullcastholdings.co.jp
Representative: Kazuki Sakamaki, President, Representative Director and CEO
Contact: Yasuomi Tomotake, General Manager of the Accounting and Finance Department
Telephone: +81-3-4530-4830
Date of Annual General Meeting of Shareholders (Planned): March 25, 2016
Date of submission of annual securities report (Planned): March 28, 2016
Date of dividend payments (Planned): March 11, 2016
Preparation of supplementary references regarding financial results: Yes (shown on our homepage)
Briefing for financial results: Yes (For institutional investors and security analysts)

(Figures are rounded to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2015
(January 1 – December 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	%
FY12/15	22,618	12.1	2,297	42.4	2,168	31.6	1,765	32.1
FY12/14	20,175	15.5	1,613	377.3	1,647	185.2	1,336	178.2

(Note) Comprehensive income
FY12/15: 1,776 million yen (33.3%) FY12/14: 1,333 million yen (176.6%)

	Net income per share	Diluted net income per share	ROE	Ratio of ordinary income to total capital	Ratio of operating income to sales
	Yen	Yen	%	%	%
FY12/15	45.85	—	24.8	19.6	10.2
FY12/14	34.70	—	21.3	17.2	8.0

(Reference) Investment profit and loss on equity method
FY12/15: -110 million yen FY12/14: 46 million yen

(2) Consolidated financial conditions

	Total assets	Net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
FY12/15 End	11,622	7,530	64.8	195.65
FY12/14 End	10,551	6,678	63.3	173.51

(Reference) Equity: As of December 31, 2015: 7,530 million yen As of December 31, 2014: 6,678 million yen

(3) Consolidated cash flow

	Net cash provided by (used in)			Cash and cash equivalents at the end of period
	Operating activities	Investing activities	Financing activities	
	Million yen	Million yen	Million yen	Million yen
FY12/15	1,339	-296	-921	6,406
FY12/14	2,209	-154	-535	6,284

2. Dividend Status

	Dividend per share (yen)					Total dividend (annual) (million yen)	Payout ratio (consolidated) (%)	Dividend on equity ratio (consolidated) (%)
	End of Q1	End of Q2	End of Q3	End of FY	Annual			
FY12/14	–	0.00	–	16.00	16.00	616	46.1	9.8
FY12/15	–	8.00	–	10.00	18.00	693	39.3	9.8
FY12/16 Forecast	–	10.00	–	10.00	20.00		37.5	

(Note1) For matters relating to our dividends, please refer to "(3) Fundamental Policy for Allocation of Earnings and Dividends for the Current and Coming Fiscal Years" of "1. Results of Operations" in the "Appendix" on page 5.

(Note2) The above dividend forecast is based on the assumption of realizing a total return ratio (The sum of dividends and treasury shares) of 50% versus adjusted net income.

3. Consolidated Business Forecasts for the Fiscal Year Ending December 31, 2016 (January 1 – December 31, 2016)

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

	Net sales		Operating income		Ordinary income		Net income attributable to parent company shareholders		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First Half	11,552	9.7	1,109	12.2	1,109	19.4	883	38.0	22.94
Full year	24,650	9.0	2,630	14.5	2,630	21.3	2,054	16.4	53.37

*** Notes**

(1) Important changes of subsidiaries during the fiscal year
(Changes in specific subsidiaries involving changes in the scope of consolidation): None

(2) Changes in accounting principles, accounting estimates, and re-presentation of changes
1) Changes in accounting policy associated with the revision of accounting principles, others: Yes
2) Change in accounting policy other than mentioned in 1) above: None
3) Changes in accounting estimates: None
4) Re-presentation of changes: None

(3) Number of shares issued (common stock)

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

Reference: Non-Consolidated Financial Results

1. Financial Results for the Fiscal Year Ended December 31, 2015
(January 1 – December 31, 2015)

(1) Business results

(Figures in percentages denote the year-on-year change)

	Operating revenue		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY12/15	3,486	52.8	1,599	286.9	1,593	288.1	1,831	274.5
FY12/14	2,281	-29.9	413	-69.9	410	-70.2	48	-63.8

	Net income per share	Diluted net income per share
	Yen	Yen
FY12/15	47.57	–
FY12/14	12.70	–

(2) Financial conditions

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY12/15 End	6,589	4,757	72.2	123.60
FY12/14 End	5,675	3,849	67.8	100.01

(Reference) Shareholders' equity: FY12/15: 4,757 million yen FY12/14: 3,849 million yen

* Presentation concerning implementation status of 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- (1) - 2) Outlook for the Coming Fiscal Year."

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1. Results of Operations

(1) Analysis of Operating Results

1) Results of Operations for the Period

Despite weakness experienced in parts of Japan's economy, it continued undergo a steady recovery during the fiscal year under review on the back of improved corporate profits supported by the Government's economic and financial stimulus programs. Despite lingering elements of uncertainty, future economic conditions are expected to continue to improve steadily in response to continued improvements in the employment and income environments and driven by the effects of various Government policies. And despite the United States' push to normalize financial policy, the ongoing risk of economic slowing in China and other emerging countries in Asia could have a negative impact upon Japan's economy.

With regards to the operating environment surrounding the staffing service industry, the job offers-to-applicants ratio and the unemployment rate continue to steadily improve. Furthermore, companies are suffering from severe labor shortages and they are adopting a more aggressive stance towards new hiring. In the future, labor shortages are expected to become even more pronounced.

Against this backdrop, the Fullcast Group promoted group management activities with the goal of establishing a business foundation to realize sustained growth, and implemented measures to reinforce its marketing structure and to further expand the number of customers using its part-time worker placement and part-time worker payroll management services during the fiscal year under review.

Consolidated net sales increased 12.1% year-on-year to 22,618 million yen. This sales growth is attributed primarily to initiatives to increase the number of customers, in addition to strong growth in both part-time worker placement and part-time worker payroll management services throughout the year, which were driven by the strategic allocation of marketing resources for these services.

In terms of profitability, consolidated operating income increased 42.4% year on year to 2,297 million yen on the back of higher sales, reduction in the SG&A ratio by 0.5% points, initiatives to improve operational efficiencies and an 8.0% year-on-year increase in gross profit per 1 yen of personnel costs.

Consolidated ordinary income increased 31.6% year on year to 2,168 million yen, because a 110 million yen loss was booked on investment held on an equity method, due mainly to losses on the sale of subsidiary shares incurred by F-Plain Corporatiom an equity method affiliate in the first quarter.

Consolidated net income rose 32.1% year on year to 1,765 million yen. This strong growth was driven by the higher sales and booking of 48 million yen in gains on the sales of investment securities realized from the transfer of investment securities held by Fullcast Holdings Co., Ltd. This helped to offset the 720 million yen of income taxes booked by the subsidiary Fullcast Co., Ltd. arising from an increase in taxable income.

Our Group considers the "sustained improvement of corporate value" as an important management objective. We will manage our business by focusing upon capital efficiency with a goal of achieving "improvements of corporate value" and realizing return on equity (ROE) in excess of our cost of capital, which reflects the expected returns by shareholders and investors from our company.

Although ROE at the end of this fiscal year was 24.8%, return on equity (hereinafter referred to as "adjusted return on equity" or "adjusted ROE") based upon net income excluding the influence of income taxes-deferred arising from recording of deferred tax assets for loss carried forward (Hereafter referred to as "adjusted net income") was 20.9%, an improvement of 1.6% points from 19.3% at the end of the previous fiscal year. We will continue our efforts to achieve adjusted ROE of 20% or higher, which is a target for "improvement of corporate value," by further improving management efficiency to strengthen profitability of our part-time worker placement and part-time worker payroll management services, and by implementing efforts to achieve total shareholder return ratio (The sum of dividends and treasury shares) of 50% relative to adjusted net income.

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

a) Short-term operational support business

Net sales of the short-term operational support business increased 12.4% year on year to 20,623 million yen. This growth is primarily attributed to an increase in the number of customers and strong growth seen in both part-time worker placement and part-time worker payroll management services throughout the year driven by the strategic allocation of marketing resources for these services.

With regards to profits, we recorded operating income of 2,818 million yen (up by 34.0% year on year) due to growth in sales of our part-time worker placement and part-time worker payroll management services, and from successful efforts to reduce selling, general and administrative margin by 0.3% points.

b) Security business

Net sales of the security business grew by 9.3% year-on-year to 1,996 million yen on the back of an increase in the number of long-term and temporary manned security projects acquired during the year. Operating income was roughly the same as the previous year at 77 million yen as priority was given to training workers and to renovating aging facilities with an eye to our Company's future growth.

2) Outlook for the Coming Fiscal Year

Along with the implementation of the Revised Worker Dispatching Act on October 1, 2012, we shifted the focus of our operations from the short-term dispatching business to the part-time worker placement and part-time worker payroll management services in our short-term operational support business, which is the main business of our Group. By growing these core services, we were able to achieve our target of "exceeding the post global financial crisis peak consolidated operating income of 1,779 million yen recorded in the fiscal year ended December 2012" when we focused exclusively on dispatching services. At the same time, we were able to make further strides in increasing profitability.

With the goal of "increasing profits through an expansion of core services and improving productivity" in the coming fiscal year, we will continue to grow sales of the Fullcast Group with a focus on the core part-time worker placement and part-time worker payroll management services, and increase profitability by improving operational efficiencies and raising productivity of our entire Group. We will also seek to achieve adjusted ROE of 20% or higher, which is an indicator of "improvement of corporate value" by promoting management strategies that focus upon capital efficiency.

Forecast for Consolidated Financial Results for the Fiscal Year Ending December 31, 2016

(January 1, 2016 – December 31, 2016)

(Million yen)

	FY12/15 Result	FY12/16 Forecast	YY Comparison
Net sales	22,618	24,650	9.0%
Operating income	2,297	2,630	14.5%
Ordinary income	2,168	2,630	21.3%
Net income	1,765	2,054	16.4%
Equity per share	45.85	53.37	16.4%

Note

1: "Net income" beginning from the fiscal year ending December 2016 has been redefined to "net income attributable to parent company shareholders."

2: Net income per share for fiscal year ending December 2016 is calculated in accordance with the following formula:

$$\text{Estimated net income per share} = \frac{\text{Forecast for net income applicable to common stock}}{\text{Estimated average number of common shares outstanding during the fiscal year ending December 31, 2016}}$$

(2) Analysis of Financial Position

1) Assets, liabilities and net assets

At the end of the current fiscal year, our total consolidated assets increased by 1,071 million yen from the end of the previous fiscal year to 11,622 million yen. At the same time, equity capital increased by 852 to 7,530 million yen (Capital adequacy ratio of 64.8%) and net assets grew by 852 to 7,530 million yen.

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

Current assets increased by 970 million yen from the end of the previous fiscal year to10,191 million yen at the end of the current term. This increase is attributed mainly to increases in cash and cash deposits of 122 to 6,406 million yen, notes and accounts receivable-trade of 331 to 2,912 million yen, deferred tax assets of 278 to 463 million yen arising from the recognition of tax effects for deduction of losses carried forward, and other current assets of 242 million yen to 412 million yen due mainly to an increase in accounts receivable-other of 212 million yen to 229 million yen.

Noncurrent assets rose by 102 million yen from the end of the previous fiscal year to 1,431 million yen. This is attributed mainly to increases in tools and equipment, software, security deposits of 133 to 260 million yen, 40 to 338 million yen, 24 to 288 million yen, and long term prepayment expense 22 to 28 million yen respectively, which contributed to an increase in investments and other assets of 20 to 88 million. At the same time, investment securities decline by 116 to 351 million yen.

Current liabilities increased by 152 million yen from the end of the previous fiscal year to 3,611 million yen at the end of the current fiscal year. This increase was due mainly to increases in accounts payable-other of 88 to 607 million yen, accrued expenses of 82 to 738 million yen, and income taxes payable of 73 to 505 million yen. At the same time, accrued consumption taxes declined by 105 to 583 million yen.

Noncurrent liabilities increased by 67 million yen from the end of the previous fiscal year to 482 million yen. This is attributed to an increase in retirement benefit liability of 63 to 422 million yen.

2) Cash flows

At the end of the current fiscal year, cash and cash equivalents (hereafter referred to as “funds”) increased by 122 million yen (Compared with a 1,521 million yen increase in the previous year) from the end of the previous fiscal year to 6,406 million yen at the end of the current fiscal year.

(Net cash from operating activities)

A net cash inflow of 1,339 million yen (2,209 million yen in funds provided in the previous year) was recorded in operating activities. The factors influencing this inflow included the booking of income before taxes and minority interests of 2,209 million yen, depreciation and amortization of 224 million yen, an increase in accrued expenses of 82 million yen, a rise in notes and accounts receivable-trade of 323 million yen and income taxes paid of 845 million yen.

(Net cash from investing activities)

A net cash outflow of 296 million yen (154 million yen in funds used in the previous year) was recorded in investing activities due mainly to expenditures for purchase of property, plant and equipment of 250 million yen and for acquisition of intangible assets of 113 million yen. Income was booked from the sale of investment securities totaling 67 million yen.

(Net cash from financing activities)

A net cash outflow of 921 million yen (535 million yen in funds used in the previous year) was recorded in financing activities due to dividend payment of 921 million yen.

(Trends in Cash Flow Indexes)

	FY12/13	FY12/14	FY12/15
Shareholders' equity (Million yen)	5,884	6,678	7,530
Shareholders' equity ratio (%)	68.4	63.3	64.8
Ratio of interest-bearing debt to cash flow (%)	154.5	47.8	45.7
Interest coverage ratio (times)	77.5	271.7	283.5
Market capitalization based equity ratio (%)	119.0	176.5	248.0

Shareholders' equity = Total net assets – Stock subscription rights – Minority interests

Shareholders' equity ratio = shareholders' equity ÷ total assets x 100

Ratio of interest-bearing debt to cash flow = Interest-bearing debt ÷ Operating cash flow (before interest and corporate taxes, etc.)

Interest coverage ratio = Operating cash flow (before interest and corporate taxes, etc.) ÷ interest paid

Market value-based equity ratio = stock market price ÷ total assets

Notes 1: Each index is calculated using consolidated financial data.

2: For operating cash flow (before interest and corporate taxes, etc.), net cash provided by operating activities from the consolidated cash flow statement (before deducting the amount of payment of interest and corporate taxes, etc.) is used.

3: All debt involving the payment of interest and stated in the consolidated balance sheet are included in interest-bearing debt.

4: For interest payment, the amount of interest paid in the consolidated profit and loss statement is used.

5. Market capitalization = Stock price at the end of the term x Number of shares outstanding at the end of the term

(3) Fundamental Policy for Allocation of Earnings and Dividends for the Current and Coming Fiscal Years

We maintain a policy of enhancing returns of profits to shareholders with a target of achieving total return ratio of 50% relative to adjusted net income (*[1])

We will implement shareholder returns with a target of achieving total return ratio of 50% relative to adjusted net income by enhancing profitability and further improving management efficiencies, in addition to offering dividends and share buybacks. This will also enable us to achieve adjusted ROE (*2) of 20% or higher, which is an indicator used for "improvement of corporate value."

During the current term, a dividend of 18 yen per share, an increase of 2 yen from the previous year, will be paid, based on the target of achieving a 50% total return ratio. At the end of the fiscal year, a dividend of 10 yen per share will be paid and share buybacks totaling up to 100 million yen will be conducted. As a result, the total return ratio for the fiscal year ended December 2015 is expected to be 53.2% or higher.

As for the dividends in the next fiscal year, we will maintain an ROE target of 20% or greater and 50% total return ratio as targets for our policy regarding returns of profits to shareholders. As part of our policy of maintaining a flexible return of profits to shareholders, we have the option to offer a dividend or stock buyback, or both at the current point in time. We forecast an interim dividend of 10 yen per share and a year-end dividend of 10 yen per share, for a total annual dividend of 20 yen per share.

Note 1: Adjusted net income refers to net income excluding the influence of income taxes-deferred arising from recording deferred tax assets for loss carried forward.

2: Adjusted ROE refers to ROE calculated based on adjusted net income.

3: "Net income" for the fiscal year ending December 2016 is "Net income attributable to parent company shareholders."

(4) Risks Associated with Our Businesses

Major potential risk factors for the Fullcast Group in the course of our business operations are described below. As part of our policy of proactive disclosure of information to investors, descriptions of risks may also include matters that do not necessarily fall under the category of business risks, but which may be regarded as important factors for investors in making investment decisions or understanding our Group's business activities. Our Group seeks to proactively identify potential business risks, prevent their occurrence and take adequate measures to address them should they appear. The following statements may contain potential risk factors which may occur in the future, and they are based on our best judgment as of the date of reporting of these financial statements.

1) Fullcast Group's Policy for Business Growth

We endeavor to raise our competitive position through strict adherence to corporate governance and by promoting speed in the strategic decision making process and in the implementation of various strategies by our management. However, should the above mentioned issues take longer than anticipated and the contribution to our earnings does not proceed as planned, our Group's earnings could be negatively affected.

Within the short-term operational support business, we are engaging in a new business model that focuses upon both part-time worker placement and part-time worker payroll management services that respond to the Revised Worker Dispatching Act implemented on October 1, 2012. And in October 2015, we launched the "My Number" management service as our newest service offering. If business earnings do not progress according to forecasts, the performance of the Fullcast Group could be adversely affected.

In addition, we maintain a policy of selling shares in affiliates or marketable securities of companies which cease to provide synergies with our Group's various businesses. Also, our Group's earnings could be profoundly affected by implementation of impairment accounting during times when market capitalization or the actual value of companies whose shares we hold deteriorate.

2) Legal Regulations

a) Changes in Legal Regulations

If the laws and other related ordinances applied to the business operations of the Fullcast Group are revised or legal interpretations modified due to changes in societal conditions surrounding the labor market, these revisions or new legal interpretations could adversely affect the business performance of the Fullcast Group. Applicable laws include the Worker Dispatching Act, Labor Standards Act, Employment Security Act, Industrial Accident Compensation Insurance Act, Health Insurance Act, Employees Pension Insurance Act, and the Act on the Use of Numbers to Identify a Specific Individual for Administrative Procedures (My Number Act).

b) Part-Time Employment Placement Business

Our Group provides paid-for employment placement business under the license of Minister of Health, Labor and Welfare and in accordance with the Employment Security Act. This license is valid for 5 years. When renewal of the license becomes necessary but is not granted because we do not meet the requirements for the license as specified in Article 31, or we fall under the category of disqualification or revocation grounds of the license as stipulated in Article 32, the subsequent inability to continue to provide our services could seriously impact the performance of our Group.

c) Worker Dispatching Service

Our Group provides worker dispatching services under the license of Minister of Health, Labor and Welfare in accordance with the Worker Dispatching Act. If our Group should become subject to disqualification, our license could be cancelled or orders to suspend or halt our operations could be issued.

With the launch of the long-term dispatch business officer certification system, our Group is committed to compliance and risk management to prevent any violation of acts and ordinances. However if licenses are cancelled or if other measures are taken, we may be prevented from providing worker dispatching services and our Group's performance could be seriously impacted.

d) Part-Time Worker Payroll Management Service

Because our Group conducts outsourced businesses independent of the contracting client company based upon an outsourcing agreement, we may become liable for damages caused by incompletion of outsourced businesses or delays in reporting. Depending upon the amount to be paid for damages, our Group's earnings could be negatively impacted if we cannot absorb these costs through increased efficiencies of our overall operations and other cost cutting measures.

e) Onsite Subcontracting Service

As an onsite subcontracting service provider based on subcontracts, our Group completes its contracted work independently and directly at the client company of said contracts. In carrying out the work involved, we follow commonly accepted practices (as defined in Notice No. 37 of 1986 by Japan's Ministry of Health, Labor and Welfare) that separates and distinguishes between the employee dispatching and the subcontracting businesses and other relevant laws and regulations.

Due to the nature of subcontracting services, we are at risk of low productivity and service failure. Therefore our Group's earnings could be negatively impacted if we cannot absorb these factors through increased efficiencies of our overall operations and other cost cutting measures.

f) Sharing of Social Insurance Contributions

There is a possibility that the prohibition of day worker dispatching of 30 days or less by the Revised Worker Dispatching Act could result in increased numbers of workers being enrolled in social insurance of long-term worker dispatch. There is also a possibility of expanded coverage of social insurance by future revisions of the law. In such cases, payments for social insurance would increase.

Moreover, if enrollment conditions are relaxed for employment insurance, the number of cases to be processed for insurance acquisition and withdrawl may increase significantly. Therefore, there is a possibility that fees for clerical work may also increase. In the event that we cannot pass along these higher costs to our customers in the form of higher prices or absorb them through increased efficiencies of our overall operations and other cost cutting measures, our Group's earnings could be negatively affected.

3) Managing the Database on Client Firms and Staff

Our Group always strives to provide staff best matched to the needs of client companies and deploy staff for clients promptly and efficiently. To facilitate this, our Group manages a database that contains information on staff work attitudes and experiences by job classification, as well as similar information regarding our clients.

To be prepared for the eventuality of a malfunction in servers, our Group makes backup databases and servers themselves are operated in redundant configuration using multiple machines in preparation for any potential problems. However, if these servers were to fail simultaneously as a result of problems such as earthquakes or other natural disasters, our Group's operations could be seriously impeded and our earnings may be negatively affected.

In the future, we expect to make investments in information technologies as needed to help differentiate our Company from our competitors in terms of costs and services offered. Deterioration in the effectiveness of these investments could contribute to reductions in their contribution to sales and earnings growth.

To appropriately manage personal information and other data, we endeavor to prevent unauthorized access, destruction, falsification or unauthorized disclosure of personal information by establishing clear handling rules, strictly controlling access rights to the system and stepping up internal inspections. However, our Group earnings could be significantly affected by potential security breaches of personal information, and our Group could lose the trust of the public and become subject o claims for damages.

4) Workplace Accidents and Transaction-Related Trouble

a) Part-Time Worker Placement Service

In the process of selecting staff members who apply for jobs, the client company may file a suit against us for breach of contract or demand other compensation in the event that our Company places a staff member who does not meet the recruitment requirements of the client company due to our negligence. Although our Group has a compliance system under which personnel in charge of legal affairs can handle various legal risks, our performance may be seriously affected by accidents depending upon their nature and the amount of money involved.

b) Employee Dispatching Service

In the event that a staff member is injured, becomes ill or dies in the course of performing business tasks or due to causes attributable to work at the dispatched workplace, our Group as an employer may become responsible to pay compensation according to the relevant laws and regulations including the Labor Standards Act and the Workers' Accident Compensation Insurance Act. (Destination business owners that are our clients bear the employer's liability in accordance with the Industrial Safety and Health Act, and are obliged to protect the safety of staff in accordance with the Civil Code.)

Our Group fortifies staff awareness of safety by promoting occupational health and safety training, as well as by providing safety equipment and bulletins for on-the-job vigilance to prevent injury and illness. To provide better worker protection, our Group maintains an insurance program to pay agreed claims as comprehensive general liability insurance. However, should an accident not covered by this insurance occur, our Group could be forced to pay damages on the grounds of neglecting its duty to secure safety and assume responsibility for any activity which is beyond the bounds of those stipulated in labor contracts.

In addition, our Group could be sued or pressured to make other payments on allegations of staff negligence, for violations of contracts with clients or for illegal activities of staff members in the course of performing business at the dispatched workplace. Although our Group maintains a compliance system under which personnel in charge of legal affairs handle various legal risks, our performance may be seriously affected by accidents depending upon their nature of the incident and the amount of money involved.

5) Securing and Retaining Employees

In order to improve employee retention, our Group implements measures to enhance employee training and to increase employee motivation. However in the future, the loss of a greater than expected number of personnel could adversely influence the various business segments of our Group.

2. Corporate Group

Our Group is expanding the "short-term operational support business" (Provision of timely short-term personnel services that respond to increases or decreases in the amount of work at corporate customers), and the "security business" (Provison of security services mainly for public facilities and corporations).

We provide descriptions of the status of affiliated companies and a diagram of our business activities as of December 31, 2015 below.

(1) Status of Affiliated Companies

Company	Location	Capital (mil. yen)	Major business activities	Voting shares (%)	Issues to be noted
(Consolidated subsidiary) Fullcast Co., Ltd. (Note 2, 4)	Shinagawa-ku, Tokyo	80	Short-term operational support business	100.0	- Sublet a part of our rented building to this company for office use. - Provide services such as management advice, business outsourcing, and system lease. - Concurrent directorates: 1 - Provide financial support: borrowing and lending operating capital
Top Spot Co., Ltd.	Shinagawa-ku, Tokyo	80	Short-term operational support business	100.0	- Provide services such as management advice, business outsourcing, and system lease. - Concurrent directorates: 1 - Provides financial support: borrowing and lending operating capital
Fullcast Advance Co., Ltd (Note 4)	Shinagawa-ku, Tokyo	50	Security business	100.0	- Sublet a part of our rented building to this company for office use. - Provide services such as management advice, business outsourcing, and system

			Short-term operational support business		lease. - Concurrent directorates: 1 - Provide financial support: borrowing and lending operating capital
Fullcast Business Support Co., Ltd.	Shinagawa-ku, Tokyo	9	Whole company	100.0	- Sublet a part of our rented building to this company for office use. - Provide services such as business outsourcing and system lease. - Provide financial support: borrowing and lending operating capital
Otetsudai Networks Inc.	Shinagawa-ku, Tokyo	30	Short-term operational support business	100.0	- Sublet a part of our rented building to this company for office use. - Provide services such as management advice, business outsourcing, and system lease. - Concurrent directorates: 1 - Provide financial support: borrowing and lending operating capital
(Equity method affiliate) F-PLAIN Corporation	Minato-ku, Tokyo	681	Agency agreement, sales agency operation	23.81	- Concurrent directorates: 1

Notes 1: The main businesses of consolidated subsidiaries are divided into the categories described in the main business activities column

2: Specified subsidiary

3: None of the companies listed above have submitted securities registration statements or securities reports.

4: Sales of Fullcast Co., Ltd. and Fullcast Advance Co., Ltd. (Excluding internal sales conducted amongst consolidated companies) account for over 10% of consolidated sales.

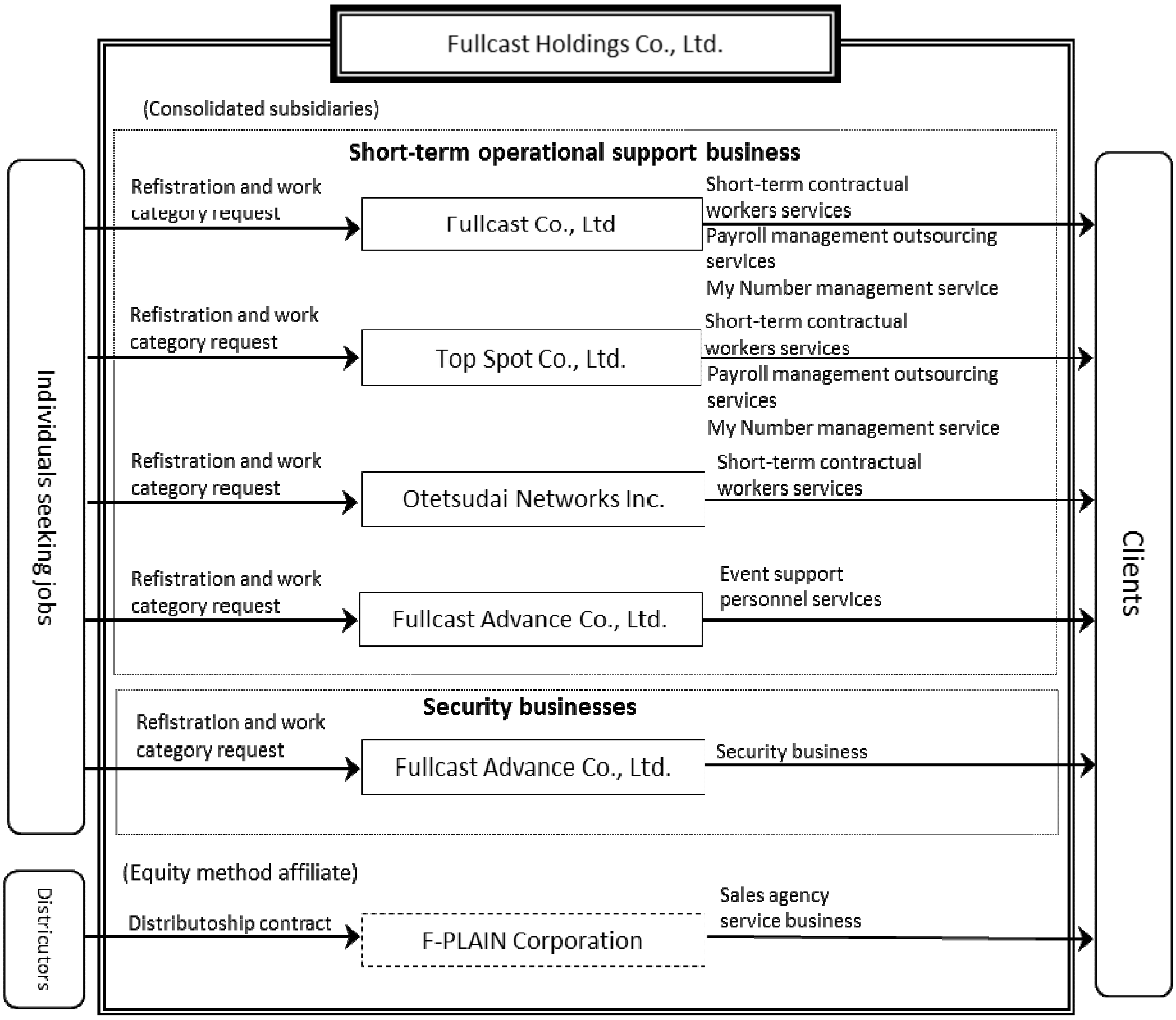
Key information about profit and loss

(Million yen)

	Fullcast Co., Ltd.	Fullcast Advance Co., Ltd.
Sales	17,736	3,698
Ordinary income	1,581	32
Net income	968	44
Net assets	2,321	429
Total assets	4,504	1,028

(2) Diagram of Business Activities

A diagram of our business activities is shown below:



Note 1: The above diagram is current as of December 31, 2015.

Note 2: is Fullcast Holdings Co., Ltd., is a consolidated subsidary, and is an equity method affiliate.

3. Management Policies

(1) Fundamental Management Policies

Our Group considers the "sustained improvement of corporate value" to be one of its most important management issues.

We manage our business by focusing upon capital efficiency and indentify ROE as target indicator to reflect "improvement of corporate value" based on the goal of realizing ROE in excess of our capital cost, which represents the expected returns by shareholders and investors from our company.

(2) Target Management Indicators

Our Group will endeavor to maximize corporate value by striking a balance between profitability and growth. At the same time, our management will endeavor maintain a solid financial standing and implement strategies that focus upon capital efficiency. Also, we maintain a goal of realizing a debt-to-equity ratio target of no more than 0.5 times to maintain appropriate debt levels that will enable us to make investments necessary to secure growth while maintaining financial soundness. The Fullcast Group also seeks to achieve adjusted ROE* of 20% or higher as a target indicator of "improvement of corporate value."

*We have losses carried forward due to losses incurred in the past. Since tax effect accounting is determined by forecasts and estimates for future events, deferred tax assets may vary substantially with future changes. Accordingly our ROE will be calculated based upon net income excluding the influence of income taxes-deferred arising from recording of deferred tax assets for loss carried forward as the "adjusted ROE," with the goal of achieving "improvement of sustainable corporate value."

(3) Medium to Long Term Management Strategies

With the highest priority assigned to compliance as the basic assumption of our management, we are working to establish an operating foundation capable of achieving sustained growth by focusing upon our "short-term operational support business" and by ensuring that our group wide corporate governance leverages the functionality of our holding company.

According to our "Medium Term Management Plan (FY2016 to 2020)" that begins in FY2016, we seek to achieve a new record high level of profits (*) by 2020, the final year of the Medium Term Management Plan, based upon the following initiatives.

(*Operating income of 4,720 million yen recorded in the fiscal year ended September 2006)

(1) As a primary initiative, we will work to further bolster the short-term operational support business and expand the security business.

(2) As a secondary initiative, we will consider new business ventures and begin preparing for global expansion.

(4) Key Management Issues

Our Group formulated the "Medium Term Management Plan" that begins in the fiscal year ending December 2016 in order to realize "improvement of corporate value."

The main management issue for the fiscal year ending December 2016, which serves as the first fiscal year of this plan, is to "increase profits by expanding core services and improving productivity".

1) Sustained Improvement of Corporate Value

As stated in (1) Fundamental Management Policies and (2) Target Management Indicators, we consider the "sustained improvement of corporate value" as one of our most important management issues. Accordingly, we will manage our businesses by focusing upon adjusted ROE through the maintenance of an appropriate level of shareholder equity while at the same time continuing to return profits to shareholders. In addition, we seek to realize further expansion of profits in the "part-time worker placement" and "part-time worker payroll management" services, which are the main businesses of our Group.

In the future, we will continue to promote rationalization as a means of fortifying our management structure, while at the same time assigning the highest priority to compliance. We also seek to further increase the confidence of all stakeholders in our Company.

2) Realization of the "Medium Term Management Plan (FY 2016 to 2020)"

In accordance with our five-year "Medium Term Management Plan (FY 2016 to 2020)" that begins in the fiscal year ending December 2016, our Group will work to realize the target "achieving new record high levels of profits in the final fiscal year of the Medium Term Management Plan."

An overview of the "Medium Term Management Plan (FY 2016 to 2020)" is presented below.

a) Term

Five year period beginning in the fiscal year ending December 2016 (fiscal year December 2016 to 2020)

b) Management philosophy and target

Management philosophy: "Providing the best place for people to bring out their best."

Target: "Achieve new record high levels of profits in the final fiscal year of the Medium Term Management Plan"

c) Numerical targets

	FY ending Dec. 2015 Results	FY ending Dec. 2020 Target	Rate of change
Operating income (Million yen)	2,300	5,000	116%
Number of operating workers(persons)	165,304	257,400	56%
Gross profit per 1 yen of personnel costs	2.4 yen	2.8 yen	20%

d) Strategy to acehieve targets of the final year of the Medium Term Management Plan

Short-term operational support business

"Increase market share while maintaning strict compliance"

・Strengthen ability to hire staff
・Strengthen business contacts with customers and organizational strengths
・Increase matching efficiencies through system automation

Security business

"Increase sales through business partnerships and actively efforts to capture orders for short-term projects"

・Capture special demand from the 2020 Tokyo Olympics
・Expand business opportunities through alliances
・Step up hiring by leveraging our corporate group's collective strengths

New business ventures and global business

"Utilize contact points with customers/staff to cultivate new business"

" First encourage active utilization of global resources as a foothold to future global expansion"

e) Main management indicators

Indicators used to realize our vision of "enhansing sustained corporate value": Maintain ROE above 20%

Indicator for shareholder returns: Total return ratio of 50%

Indicator underpining our "Basic Policy on Capital": Debt-to-equity ratio of less than 0.5x

We seek to achieve the above target indicators to realize our vision of "enhancing sustainable corporate value"

* The net income (net income after adjustments) used for ROE and Total Return Ratio excludes income taxes – deferred from the posting of deferred tax assets on losses carried forward.

3) Target for the Fiscal Year Ending December 2016

Fullcast will continue to grow earnings of its entire Group by focusing upon the core part-time worker placement and part-time worker payroll management services, by increasing profitability through improvement of operational efficiencies and by raising productivity in order to achieve the goal of "increasing profits by expanding core services and improving productivity" during fiscal year ending December 2016.

a) Increase hiring capacity and expand the number of operating workers(persons)

・Promote further use of and improve the flow from online registration to increase utilization rates of operating workers(persons) and increase our capacity to supply human resources.
・Continue to open new offices as part of our efforts to strengthen our hiring function.
・Enabling staff to simultaneously register between operating companies, increasing the number of operating workers(persons).

b) Continue opening new offices and establishing new companies

・Continue to open new offices in areas not covered by our current sales network and in areas where considerable market growth is expected
・Open between 6 and 10 offices during the fiscal year ending December 2016
・Establish new companies to engage in the short-term operational support business in a similar manner as Fullcast Co., Ltd. and Top Spot Co., Ltd., and expand this business by enhancing group synergies through staff hiring and sales activities

c) Strengthen BPO business

・Further grow part-time worker payroll management services by capturing packaged orders in conjunction with efforts to develop new customers for part-time worker placement services
・Achieve profitability in the "My Number management service" launched in October 2015
・Strengthen the BPO business to secure its position as a reliable business partner to corporate customers, and provide new services such as employee payroll, year-end tax adjustments and payroll calculation for short-term staff

4. Fundamental Principles regarding Selection of Accounting Standards

Our Group has a policy of preparing consolidated financial statements in accordance with Japanese Accounting Standards (Japanese GAAP) because of the ease of comparison with other companies and given the increased burden required to prepare consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).

Furthermore, we will continue to consider conditions in both Japan and abroad with regards to the potential implementation of IFRS.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Million yen)

	FY12/14 end (December 31, 2014)	FY12/15 end (December 31, 2015)
ASSETS		
Current assets		
Cash and deposits	6,284	6,406
Notes and accounts receivable-trade	2,581	2,912
Merchandise	2	5
Supplies	19	13
Deferred tax assets	185	463
Other	170	412
Allowance for doubtful accounts	-19	-19
Total current assets	9,221	10,191
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	285	303
Accumulated depreciation and impairment loss	-169	-196
Buildings and structures, net	116	107
Machinery equipment and vehicles	5	5
Accumulated depreciation and impairment loss	-4	-5
Machinery, equipment and vehicles, net	1	1
Tools, furniture and fixtures	462	629
Accumulated depreciation and impairment loss	-336	-369
Tools, furniture and fixtures, net	126	260
Construction in progress	1	10
Total property, plant and equipment	245	377
Intangible assets		
Software	298	338
Other	24	22
Total intangible assets	322	359
Investments and other assets		
Investment securities	467	351
Guarantee deposits	264	288
Deferred tax assets	4	2
Other	68	88
Allowance for doubtful accounts	-40	-33
Total investments and other assets	763	695
Total noncurrent assets	1,330	1,431
Total assets	10,551	11,622

(Million yen)

	FY12/14 end (December 31, 2014)	FY12/15 end (December 31, 2015)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	4	5
Short-term loans payable	1,000	1,000
Accounts payable-other	519	607
Accrued expenses	656	733
Income taxes payable	431	505
Accrued consumption taxes	688	583
Other	160	174
Total current liabilities	3,459	3,611
Noncurrent liabilities		
Net defined benefit liability	359	422
Asset retirement obligations	38	38
Deferred tax liabilities	5	7
Other	13	14
Total noncurrent liabilities	414	482
Total liabilities	3,873	4,093
NET ASSETS		
Shareholders' equity		
Capital stock	2,780	2,780
Capital surplus	2,006	2,006
Retained earnings	1,886	2,727
Total shareholders' equity	6,672	7,513
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6	17
Total accumulated other comprehensive income	6	17
Total net assets	6,678	7,530
Total liabilities and net assets	10,551	11,622

(2) Consolidated Profit and Loss Statement and Consolidated Statement of Comprehensive Income

Consolidated Profit and Loss Statement

(Million yen)

	FY12/14 (From January 1, 2014 to December 31, 2014)	FY12/15 (From January 1, 2015 to December 31, 2015)
Net sales	20,175	22,618
Cost of sales	13,152	14,363
Gross profit	7,023	8,256
Selling, general and administrative expenses		
Salaries and bonuses	1,797	1,859
Other salaries	776	920
Legal welfare expenses	365	407
Retirement benefit expenses	82	102
Communication expenses	169	187
Advertising expenses	17	39
Traveling and transportation expenses	249	270
Rents	468	524
Depreciation	170	220
Recruitment expense	312	397
Provision of allowance for doubtful accounts	3	6
Other	1,002	1,029
Total selling, general and administrative expenses	5,410	5,959
Operating income	1,613	2,297
Non-operating income		
Interest income	1	1
Dividends income	1	1
Share of profit of entities accounted for using equity method	46	-
Reversal of accounts payable	9	3
Insurance income	3	4
Other	12	10
Total non-operating income	72	20
Non-operating expenses		
Interest expenses	8	8
Damage compensation expenses	5	3
Settlement package	14	8
Equity in losses of affiliates	-	110
Other	10	19
Total non-operating expenses	37	148
Ordinary income	1,647	2,168

(Million yen)

	FY12/14 (From January 1, 2014 to December 31, 2014)	FY12/15 (From January 1, 2015 to December 31, 2015)
Extraordinary income		
Gain on sales of investment securities	-	48
Other	*1 0	*1 0
Total extraordinary income	0	48
Extraordinary loss		
Loss on retirement of noncurrent assets	*3 0	*3 6
Loss on valuation of investment securities	1	-
Other	*2 0	*2 0
Total extraordinary losses	2	6
Income before income taxes and minority interests	1,646	2,209
Income taxes-current	465	720
Income taxes-deferred	-155	-276
Total income taxes	310	445
Income before minority interests	1,336	1,765
Net income	1,336	1,765

Consolidated Statement of Comprehensive Income

(Million yen)

	FY12/14 (From January 1, 2014 to December 31, 2014)	FY12/15 (From January 1, 2015 to December 31, 2015)
Income before minority interests	1,336	1,765
Other comprehensive income		
Valuation difference on available-for-sale securities	-1	6
Share of other comprehensive income of entities accounted for using equity method	-2	5
Total other comprehensive income	* -3	* 11
Comprehensive income	1,333	1,776
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,333	1,776
Comprehensive income attributable to minority interests	-	-

(3) Consolidated Statements of Shareholders' Equity

Consolidated accounting period for the previous fiscal year (From January 1, 2014 to December 31, 2014)

(Million yen)

	Shareholders' equity				Accumulated other comprehensive income		Total net assets
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at the beginning of current period	2,780	2,006	1,089	5,875	9	9	5,884
Changes of items during the period							
Dividend of Surplus			-539	-539			-539
Net income			1,336	1,336			1,336
Net changes of items other than shareholders' equity					-3	-3	-3
Total changes of items during the period	-	-	797	797	-3	-3	794
Balance at the end of current period	2,780	2,006	1,886	6,672	6	6	6,678

Consolidated accounting period for the current fiscal year (From January 1, 2015 to December 31, 2015)

(Million yen)

	Shareholders' equity				Accumulated other comprehensive income		Total net assets
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at the beginning of current period	2,780	2,006	1,886	6,672	6	6	6,678
Changes of items during the period							
Dividend of Surplus			-924	-924			-924
Net income			1,765	1,765			1,765
Net changes of items other than shareholders' equity					11	11	11
Total changes of items during the period	-	-	841	841	11	11	852
Balance at the end of current period	2,780	2,006	2,727	7,513	17	17	7,530

(4) Consolidated Cash Flows Statement

(Million yen)

	FY12/14 (From January 1, 2014 to December 31, 2014)	FY12/15 (From January 1, 2015 to December 31, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,646	2,209
Depreciation	171	224
Increase (decrease) in allowance for doubtful accounts	-25	-7
Increase (decrease) in provision for bonuses	0	-0
Increase (decrease) in provision for retirement benefits	-314	-
Increase (decrease) in net defined benefit liability	359	63
Interest and dividends income	-2	-2
Interest expenses	8	8
Loss (gain) on sales of investment securities	-	-48
Loss (gain) on valuation of securities	1	-
Share of (profit) loss of entities accounted for using equity method	-46	110
Loss on retirement of noncurrent assets	0	2
Decrease (increase) in notes and accounts receivable-trade	-354	-323
Decrease (increase) in inventories	-4	3
Increase (decrease) in notes and accounts payable-trade	77	58
Decrease (increase) in accounts receivable-other	-7	-14
Increase (decrease) in accrued expenses	114	82
Increase (decrease) in accrued consumption taxes	546	-105
Other, net	-76	-71
Subtotal	2,094	2,189
Interest and dividends income received	2	2
Interest expenses paid	-8	-8
Income taxes paid	-120	-845
Income taxes refund	242	0
Net cash provided by (used in) operating activities	2,209	1,339
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-80	-250
Purchase of intangible assets	-73	-113
Purchase of investment securities	-0	-0
Proceeds from sales of investment securities	-	67
Other, net	0	0
Net cash provided by (used in) investing activities	-154	-296
Net cash provided by (used in) financing activities		
Cash dividends paid	-535	-921
Net cash provided by (used in) financing activities	-535	-921
Net increase (decrease) in cash and cash equivalents	1,521	122
Cash and cash equivalents at beginning of period	4,763	6,284
Cash and cash equivalents at end of period	* 6,284	* 6,406

(5) Notes on Consolidated Financial Statements

(Notes about going concern assumptions)

None applicable

(Significant Accounting Policies in the Preparation of the Consolidated Financial Statements)

1. Matters concerning the scope of consolidation

Details of all consolidated subsidiaries

Consolidated subsidiaries: 5

Name of the consolidated subsidiaries:

Fullcast Co., Ltd.
Top Spot Co., Ltd.
Fullcast Advance Co., Ltd.
Fullcast Business Support Co., Ltd.
OtetsudaiNetworks Inc.

2. Matters concerning the application of the equity accounting method

(1) Affiliates accounted for by the equity method: 1

F-PLAIN CO.LTD.

(2) Items requiring mention with regards to procedures for applying the equity method

Because companies accounted for under the equity method have different fiscal year ends, financial statements based upon provisional settlement of accounts as of the consolidated fiscal year end are used in preparing consolidated financial statements.

3. Matters concerning the fiscal year end date and other information of consolidated subsidiaries

The fiscal year end date of consolidated subsidiaries matches the fiscal year end date of the consolidated group.

(Change in Accounting Policy)

(Application of Accounting Standards for Retirement Benefits, Others)

"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, March 26, 2015, hereinafter the "Guidance") were applied during the fiscal year under review, including the provisions stipulated in the main texts of Section 35 of the Accounting Standard and Section 67 of the Guidance, and the method for calculating service costs and retirement benefit obligations was reviewed, whereby the period attribution method for retirement benefit estimates was changed from the fixed amount basis to the benefit calculation basis, and the calculation method of the discount rate was changed from one based on the average remaining service years to one using a single average weighted discount rate based on duration.

This change does not have any impact upon retained earnings and liabilities related to retirement benefits at the start of the consolidated fiscal year under review. This change also does not have any impact upon consolidated operating income, ordinary income and income before taxes of the fiscal year under review.

(Accounting standards not applied)

・Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Implementation Guidance No.26, December 28, 2015)

(1) Summary

With regards to the treatment of the recoverability of deferred tax assets, a necessary review was conducted on the following treatment following the mechanisms of the JICPA Auditing Standards Committee Report No. 66 "Audit Treatment for Determining the Recoverability of Deferred Tax Assets," whereby companies are categorized according to five categories and deferred tax assets are calculated based on each of these categories.

i. Treatment of companies that do not fulfill either of the requirements for classification from Category 1 to Category 5.

ii. Requirements for classification as Category 2 and Category 3

iii. Treatment of temporary differences in future temporary differences that cannot be scheduled for companies applicable to Category 2

iv. Treatment of concerning the reasonable estimable period of temporary differences in future pre-adjusted taxable income for companies applicable to Category 3

v. Treatment in cases where a company fulfilling the requirements of Category 4 is also applicable to Category 2 or Category 3

(2) Scheduled date of application

The application is scheduled to take place at the beginning of the fiscal year ending December 2017.

(3) Impact of the application of the accounting standard, other standards

The impact was being assessed at the time the consolidated financial statements for the current fiscal year under review were prepared.

(Changes in presentation method)

(Consolidated Profit and Loss Statement Related)

“Insurance income” included in “Other” of “Non-operating income” exceeded 1/100th of total non-operating revenue during the previous consolidated fiscal year. Therefore, “Insurance income” has been added as an accounting item starting with the current consolidated fiscal year under review. The consolidated financial statements of the previous consolidated fiscal year have been reclassified to reflect this change.

As a result, the 3 million yen shown under “Other” in “Non-operating revenue” in the consolidated profit and loss statement for the previous consolidated fiscal year has been reclassified as 3 million yen for “Insurance income.”

(Additional information)

(Application of consolidated tax payment system)

The Company and its consolidated subsidiaries obtained deemed approval for the application of the consolidated tax payment system beginning from the consolidated fiscal year starting January 1, 2016. Therefore, accounting treatment will be carried out on the assumption of the application of the consolidated tax payment system based on the “Revised Practical Solution on Tentative Treatment of Tax Effect Accounting Under Consolidated Taxation System (Part 1)” (ABSJ Practical Solution Report No. 5, January 16, 2015) and “Revised Practical Solution on Tentative Treatment of Tax Effect Accounting Under Consolidated Taxation System (Part 2)” (ABSJ Practical Solution Report No. 7, January 16, 2015).

(Notes on Consolidated Balance Sheet)

*1 The following figure reflect affiliated companies

	FY12/14 end (December 31, 2014)	FY12/15 end (December 31, 2015)
Investment securities (equities)	397 million yen	291 million yen

*2 The Company signed an agreement for overdraft with four banks to procure operating capital efficiently. The balance of borrowings involved in the agreement for overdraft at the end of this consolidated fiscal year is as follows:

	FY12/14 end (December 31, 2014)	FY12/15 end (December 31, 2015)
Limit of overdraft account	2,600 million yen	2,600 million yen
Borrowing	1,000 million yen	1,000 million yen
Balance	1,600 million yen	1,600 million yen

(Notes on Consolidated Income Statement)

*1. Significant components of gain on sales of noncurrent assets in "other" under extraordinary income:

	FY12/14 (From January 1, 2014 to December 31, 2014)	FY12/15 (From January 1, 2015 to December 31, 2015)
Tools, furniture and fixtures	0 million yen	0 million yen

*2. Significant components of loss on sales of noncurrent assets in "other" under extraordinary loss:

	FY12/14 (From January 1, 2014 to December 31, 2014)	FY12/15 (From January 1, 2015 to December 31, 2015)
Tools, furniture and fixtures	0 million yen	0 million yen

*3. Significant components of loss on retirement of noncurrent assets

	FY12/14 (From January 1, 2014 to December 31, 2014)	FY12/15 (From January 1, 2015 to December 31, 2015)
Buildings and structures	0 million yen	5 million yen
Machinery, equipment and vehicles	0 million yen	-
Tools, furniture and fixtures	0 million yen	1 million yen
Total	0 million yen	6 million yen

(Notes on Consolidated Statement of Comprehensive Income)

* Amount of modifications and tax effect in other comprehensive income

	FY12/14 (From January 1, 2014 to December 31, 2014)	FY12/15 (From January 1, 2015 to December 31, 2015)
Valuation difference on available-for-sale securities:		
Amount incurred during the current fiscal year	-1 million yen	9 million yen
Reclassification adjustment	-	-
Before tax effect adjustment	-1 million yen	9 million yen
Tax effect	0 million yen	-2 million yen
Valuation difference on available-for-sale securities	-1 million yen	6 million yen
Share of other comprehensive income of associates accounted for using equity method:		
Amount incurred in the current fiscal year	1 million yen	5 million yen
Amount of modification	-3 million yen	-
Share of other comprehensive income of associates accounted for using equity method	-2 million yen	5 million yen
Total other comprehensive income	-3 million yen	11 million yen

(Notes on Changes in Consolidated Statement of Shareholders' Equity)

Fiscal year ended December 2014 (January 1, 2014 to December 31, 2014)

1. Matters concerning the type and the number of shares issued and treasury stock

	Number of shares at the beginning of the current fiscal year	Increase in the number of shares during the fiscal year	Decrease in the number of shares during the fiscal year	Number of shares at the end of the fiscal year
Shares issued Common stock (shares)	38,486,400	-	-	38,486,400
Total	38,486,400	-	-	38,486,400

2. Matters concerning stock acquisition rights

There are no relevant matters.

3. Matters concerning dividend

(1) Dividend payments

Resolution	Type of shares	Total amount of dividend (million yen)	Dividend per share (yen)	Record date	Effective date
Feb. 14, 2014 Board of directors meeting	Common shares	539	14.00	December 31, 2013	March 14, 2014

(2) Of dividends the record date of which belongs to the fiscal year, those the effective date of which falls in or after the following fiscal year

Resolution	Type of shares	Dividend resource	Total amount of dividend (million yen)	Dividend per share (yen)	Record date	Effective date
Feb. 13, 2015 Board of directors meeting	Common shares	Retained earnings	616	16.00	December 31, 2014	March 13, 2015

Fiscal year ended December 2015 (January 1, 2015 to December 31, 2015)

1. Matters concerning the type and the number of shares issued and treasury stock

	Number of shares at the beginning of the current fiscal year	Increase in the number of shares during the fiscal year	Decrease in the number of shares during the fiscal year	Number of shares at the end of the fiscal year
Shares issued Common stock (shares)	38,486,400	-	-	38,486,400
Total	38,486,400	-	-	38,486,400

2. Matters concerning stock acquisition rights

There are no relevant matters.

3. Matters concerning dividend

(1) Dividend payments

Resolution	Type of shares	Total amount of dividend (million yen)	Dividend per share (yen)	Record date	Effective date
Feb. 13, 2015 Board of directors meeting	Common shares	616	16.00	December 31, 2014	March 13, 2015
Aug. 7, 2015 Board of directors meeting	Common shares	308	8.00	June 30, 2015	September 4, 2015

(2) Of dividends the record date of which belongs to the fiscal year, those the effective date of which falls in or after the following fiscal year

Resolution	Type of shares	Dividend source	Total amount of dividend (million yen)	Dividend per share (yen)	Record date	Effective date
Feb. 12, 2016 Board of directors meeting	Common shares	Retained earnings	385	10.00	December 31, 2015	March 11, 2016

(Notes on Consolidated Cash Flows Statement)

*1. Reconciliation of the consolidated balance sheet items to cash and cash equivalents in the consolidated cash flow statements are as follows:

	FY12/14 (From January 1 to December 31, 2014)	FY12/15 (From January 1 to December 31, 2015)
Cash and deposits	6,284 million yen	6,406 million yen
Cash and cash equivalents	6,284 million yen	6,406 million yen

(Segment Information and Others)

(Segment information)

Previous fiscal year (From January 1, 2014 to December 31, 2014)

1. Overview of reporting segments

The Company's reporting segments are business units for which financial information can be obtained independently from the Company's various structural units, and they are subject to regular examination by the board of directors to form decisions about allocations of management resources and to evaluate their performance.

Our Group has two reporting segments: 1) the short-term operational support business and 2) the security business. The short-term operational support business provides timely short-term staffing services that cater to fluctuations in client companies' workloads. The security business mainly conducts security work for public facilities and corporations.

2. Information concerning the calculation of the amount of sales, profits and losses, assets, and other items for each reporting segment

The accounting methods for each segment reported are almost the same as described in the "Significant Accounting Policies in the Preparation of the Consolidated Financial Statements." The income of each reporting segment is an amount based on its operating income. Inter-segment profits and transfers are based on market prices.

3. Information concerning the amount of sales, profits and losses, assets, and other items for each reporting segment

(Million yen)

	Reporting segment		Total	Adjustment amount	Consolidated
	Short-term operational support business	Security business			
Net sales					
Sales to external customers	18,349	1,826	20,175	-	20,175
Inter-segment sales or transfers	1	-	1	-1	-
Total	18,349	1,826	20,176	-1	20,175
Segment income or loss (-)	2,102	77	2,180	-567	1,613
Segment assets	5,110	784	5,894	4,657	10,551
Other					
Depreciation	34	1	35	136	171
Increase of property, plant and equipment and intangible assets	46	0	46	107	153

Notes 1: 1 million yen in intersegment eliminations and -568 million yen in company-wide expenses not allocated to any reporting segment are included in the -567 million yen segment income adjustment amount. Company-wide expenses are mainly general administrative expenses that do not belong to any reporting segment.

2: The profit or loss (-) of segments has been adjusted using the operating income shown in the consolidated profit and loss statement.

3: The amount of 4,657 million yen in adjustment of segment-based assets primarily consists of long-term investment assets (investment securities), assets involved in the administrative departments and other items incurred by the head office of the parent company.

4: The amount of 136 million yen for adjusting the depreciation expenses primarily consists of depreciation for the buildings, structures and software of the head office of the Company.

5: The amount of 107 million yen in adjustment for increased amount of the property, plant and equipment and intangible assets is primarily comprised of those for buildings and structures of the head office of the company and tools, furniture and fixtures, and software for a new system.

Current consolidated fiscal year (From January 1, 2015 to December 31, 2015)

1. Overview of Reporting Segments

The Company's reporting segments are business units for which financial information can be obtained independently from the Company's various structural units, and they are subject to regular examination by the board of directors to form decisions about allocations of management resources and to evaluate their performance.

Our Group has two reporting segments: 1) the short-term operational support business and 2) the security business. The short-term operational support business provides timely short-term staffing services that cater to fluctuations in client companies' workloads, and the security business mainly conducts security work for public facilities and corporations.

2. Information concerning the calculation of the amount of sales, profits and losses, assets, and other items for each reporting segment

The accounting methods for each segment reported are similar to those described in the "Significant Accounting Policies in the Preparation of the Consolidated Financial Statements." The income of each reporting segment is an amount based upon its operating income. Inter-segment profits and transfers are based on market prices.

3. Information concerning the amount of sales, profits and losses, assets, and other items for each reporting segment

(Million yen)

	Reporting segment		Total	Adjustment amount	Consolidated
	Short-term operational support business	Security business			
Net sales					
Sales to external customers	20,623	1,996	22,618	-	22,618
Inter-segment sales or transfers	-	-	-	-	-
Total	20,623	1,996	22,618	-	22,618
Segment income or loss (-)	2,818	77	2,895	-598	2,297
Segment assets	5,491	682	6,173	5,449	11,622
Other					
Depreciation	38	1	39	186	224
Increase of property, plant and equipment and intangible assets	36	0	36	327	363

Notes 1: 2 million yen in intersegment eliminations and -601 million yen in company-wide expenses not allocated to any reporting segment are included in the -598 million yen segment income adjustment amount. Company-wide expenses are mainly general administrative expenses that do not belong to any reporting segment.

2: The profit or loss (-) of the segments has been adjusted with the operating income shown in the consolidated profit and loss statement.

3: The amount of 5,449 million yen in adjustment of segment-based assets primarily consists of long-term investment assets (investment securities), assets involved in the administrative departments and other items incurred by the head office of the parent company.

4: The amount of 186 million yen for adjusting the depreciation expenses primarily consists of depreciation for the buildings, structures and software of the head office of the Company.

5: The amount of 327 million yen in adjustment for increased amount of the property, plant and equipment and intangible assets is primarily comprised of those for buildings and structures of the head office of the company and tools, furniture and fixtures, and software for a new system.

(Related Information)

Consolidated accounting period for the previous fiscal year (From January 1, 2014 to December 31, 2014)

1. Information about each product or service

Information in this section is omitted because it is similar to information disclosed in the segment information section.

2. Information for geographical regions

Information in this section is omitted, as we did not have any consolidated subsidiaries or offices located in foreign countries or regions outside of Japan.

3. Information about major customers

The information in this section is omitted, as there is no single external customer representing 10.0% or more of net sales of the consolidated income statement.

Consolidated accounting period for the current fiscal year (From January 1, 2015 to December 31, 2015)

1. Information about each product or service

Information in this section is omitted because it is similar to information disclosed in the segment information section.

2. Information for geographical regions

Information in this section is omitted, as we did not have any consolidated subsidiaries or offices located in foreign countries or regions outside of Japan.

3. Information about major customers

The information in this section is omitted, as there is no single external customer representing 10.0% or more of net sales of the consolidated income statement.

(Information concerning impairment loss on noncurrent assets for each reporting segment)

Previous consolidated fiscal year (January 1, 2014 – December 31, 2014)

There are no relevant matters.

Current consolidated fiscal year (January 1, 2015 – December 31, 2015)

There are no relevant matters.

(Information regarding the amount of amortization of goodwill and unamortized balance for each reporting segment)

Previous consolidated fiscal year (January 1, 2014 – December 31, 2014)

There are no relevant matters.

Current consolidated fiscal year (January 1, 2015 – December 31, 2015)

There are no relevant matters.

(Information concerning gain on negative goodwill for each reporting segment)

Previous consolidated fiscal year (January 1, 2014 – December 31, 2014)

There are no relevant matters.

Current consolidated fiscal year (January 1, 2015 – December 31, 2015)

There are no relevant matters.

(Per share information)

FY12/14 (From January 1to December 31, 2014)		FY12/15 (From January 1to December 31, 2015)	
Shareholders' equity per share	173.51 yen	Shareholders' equity per share	195.65 yen
Net income per share	34.70 yen	Net income per share	45.85 yen

Note: 1. Diluted net income per share for the fiscal year is not reported since there is no outstanding latent stock.

2. The basis for calculating net income per share in the fiscal year under review is as follows.

Item	FY12/14 (From January 1, 2014 to December 31, 2014)	FY12/15 (From January 1, 2015 to December 31, 2015)
Net income (million yen)	1,336	1,765
Net income [basic] (million yen)	1,336	1,765
Net income not available to common stock (million yen)	—	—
Average number of common stock outstanding during the period (shares)	38,486,400	38,486,400

(Subsequent events)

The Company passed a resolution at the Board of Directors' meeting held on February 12, 2016 regarding the acquisition of treasury stock as follows in accordance with Article 156 of the Companies Act of Japan, applied pursuant to Article 165-3 of the same act.

1. Reason
   Treasury stock will be acquired in order to provide greater returns to shareholders as well as to implement a flexible capital policy to enhance capital efficiency.
2. Type of stock: Ordinary shares
3. Number of shares to acquire: 184,500 (cap)
4. Total value of repurchases: 100million yen (cap)
5. Period: February 22, 2016 to June 23, 2016
6. Acquisition method: To be purchased on the open market of the Tokyo Stock Exchange

6. Financial Statements

(1) Balance Sheet

(Million yen)

	FY12/14 end (December 31, 2014)	FY12/15 end (December 31, 2015)
ASSETS		
Current assets		
Cash and deposits	3,635	3,846
Supplies	12	10
Prepaid expenses	54	75
Short-term loans receivable from subsidiaries and affiliates	59	63
Accounts receivable-other	621	679
Deferred tax assets	141	382
Other	22	219
Allowance for doubtful accounts	-46	-42
Total current assets	4,497	5,233
Noncurrent assets		
Property, plant and equipment		
Buildings	47	41
Tools, furniture and fixtures	90	229
Construction in progress	1	10
Total property, plant and equipment	138	280
Intangible assets		
Software	284	312
Other	2	0
Total intangible assets	286	312
Investments and other assets		
Investment securities	49	30
Stocks of subsidiaries and affiliates	642	642
Investments in capital	0	0
Guarantee deposits	60	63
Insurance funds	1	2
Long-term prepaid expenses	3	26
Total investments and other assets	755	764
Total noncurrent assets	1,178	1,356
Total assets	5,675	6,589

(Million yen)

	FY12/14 end (December 31, 2014)	FY12/15 end (December 31, 2015)
LIABILITIES		
Current liabilities		
Short-term loans payable	1,000	1,000
Accounts payable-other	129	147
Accrued expenses	233	242
Income taxes payable	64	14
Accrued consumption taxes	64	27
Deposits received	41	45
Unearned revenue	1	1
Total current liabilities	1,531	1,476
Noncurrent liabilities		
Long-term guarantee deposited	7	7
Deferred tax liabilities	4	3
Provision for retirement benefits	264	325
Asset retirement obligations	20	20
Total noncurrent liabilities	295	356
Total liabilities	1,826	1,832
Net assets		
Shareholders' equity		
Capital stock	2,780	2,780
Retained earnings		
Legal retained earnings	54	146
Other retained earnings		
Retained earnings brought forward	1,008	1,822
Total retained earnings	1,061	1,968
Total shareholders' equity	3,841	4,748
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8	8
Total valuation and translation adjustments	8	8
Total net assets	3,849	4,757
Total liabilities and net assets	5,675	6,589

(2) Profit and Loss Statement

(Million yen)

	FY12/14 (From January 1, 2014 to December 31, 2014)	FY12/15 (From January 1, 2015 to December 31, 2015)
Operating revenue		
Consulting fee income	983	1,158
Commissions from subsidiaries and affiliates	1,298	1,289
Dividends from subsidiaries and affiliates	-	1,040
Total operating revenue	2,281	3,486
Operating expenses	1,868	1,887
Operating income	413	1,599
Non-operating income		
Interest income	3	5
Dividends income	0	1
Real estate rent	15	15
Rent income on facilities	5	5
Other	2	1
Total non-operating income	24	26
Non-operating expenses		
Interest expenses	8	8
Depreciation	3	3
Rent cost of real estate	15	15
Other	2	7
Total non-operating expenses	27	32
Ordinary income	410	1,593
Extraordinary income		
Gain from sale of fixed assets	-	0
Gain on sales of investment securities	-	48
Total extraordinary income	-	48
Extraordinary loss		
Loss on retirement of noncurrent assets	0	0
Loss on valuation of investment securities	1	-
Total extraordinary losses	1	0
Income before income taxes	409	1,640
Income taxes-current	63	51
Income taxes-deferred	-142	-242
Total income taxes	-80	-190
Net income	489	1,831

(3) Statements of Shareholders' Equity

Accounting period for the previous fiscal year (From January 1, 2014 to December 31, 2014)

(Million yen)

	Shareholders' equity					Valuation and translation adjustments		
		Retained earnings						
	Capital	Legal retained earnings	Other retained earnings: Retained earnings carried forward	Total retained earnings	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	Total net assets
Balance at the beginning of current period	2,780	-	1,111	1,111	3,891	8	8	3,900
Changes of items during the period								
Dividends paid from retained earnings			-539	-539	-539			-539
Provision of retained earnings		54	-54	-	-			-
Net income			489	489	489			489
Net changes of items other than shareholders' equity						-1	-1	-1
Total changes of items during the period	-	54	-104	-50	-50	-1	-1	-51
Balance at the end of current period	2,780	54	1,008	1,061	3,841	8	8	3,849

Accounting period for the current fiscal year (From January 1, 2015 to December 31, 2015)

(Million yen)

	Shareholders' equity					Valuation and translation adjustments		Total net assets
	Capital	Retained earnings			Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
		Legal retained earnings	Other retained earnings Retained earnings carried forward	Total retained earnings				
Balance at the beginning of current period	2,780	54	1,008	1,061	3,841	8	8	3,849
Changes of items during the period								
Dividends paid from retained earnings			-924	-924	-924			-924
Provision of retained earnings		92	-92	-	-			-
Net income			1,831	1,831	1,831			1,831
Net changes of items other than shareholders' equity						1	1	1
Total changes of items during the period	-	92	815	907	907	1	1	908
Balance at the end of current period	2,780	146	1,822	1,968	4,748	8	8	4,757