



May 12, 2017

Consolidated Financial Results Announcement for the First Quarter of the Fiscal Year Ending December 2017 [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>
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 Date of submission of quarterly report (Planned): May 12, 2017
 Date of commencements of divided payments (Planned): -
 Preparation of supplementary references regarding financial results: Yes (Shown on our homepage)
 Briefing for quarterly results: No

(Figures are rounded to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 2017 (January 1, 2017 – March 31, 2017)

(1) Consolidated business results

(% = year-over-year change)

	Net sales		Operating income		Ordinary income		Quarterly net income attributable to Fullcast Holdings Co., Ltd.	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
(1Q FY12/17) March 31, 2017	7,230	26.2	878	69.2	882	50.1	711	47.9
(1Q FY12/16) March 31, 2016	5,731	13.6	519	26.8	587	72.6	481	85.4

(Note) Comprehensive income:

As of March 31, 2017: 731 million yen (53.6%) As of March 31, 2016: 476 million yen (82.1%)

	Net income per share	Diluted net income per share
	Yen	Yen
(1Q FY12/17) March 31, 2017	18.61	-
(1Q FY12/16) March 31, 2016	12.51	-

(2) Consolidated financial conditions

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
(End 1Q FY12/17) March 31, 2017	14,343	9,412	62.8
FY12/16 End	13,272	9,272	69.3

(Reference) Equity: As of March 31, 2017: 9,011 million yen

As of December 31, 2016: 9,200 million yen

2. Dividend status

	Dividend per share (Yen)				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual
FY12/16	-	10.00	-	11.00	21.00
FY12/17	-				
FY12/17 Forecast		12.00	-	12.00	24.00

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

3. Consolidated Business Forecasts for the Fiscal Year Ending December 2017 (January 1, 2017– December 31, 2017)

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

	Net sales		Operating income		Ordinary income		Net income attributable to Fullcast Holdings Co., Ltd.		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	14,323	19.2	1,452	17.9	1,489	11.1	921	(14.8)	24.27
Full year	30,000	18.4	3,230	12.1	3,300	10.0	2,123	(16.0)	56.09

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

* Notes

- (1) Important changes of subsidiaries during the current first quarter: Yes
(Changes in specific subsidiaries involving changes in the scope of consolidation)
Added: 1 company (company name) F-PLAIN Corporation, Removed: - company
- (2) Application of special accounting treatment to the production of quarterly consolidated financial statements: None
- (3) Changes in accounting principles, accounting estimates, and re-presentation of changes
 - 1) Changes in accounting policies associated with the revision of accounting principles and others: None
 - 2) Changes in accounting policies other than mentioned in 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Re-presentation of changes: None
- (4) Number of shares issued (common stock)

1) Number of shares issued at term end (including treasury stock)	1Q FY12/17	38,486,400	FY12/16	38,486,400
2) Number of treasury stock at the term end	1Q FY12/17	601,900	FY12/16	148,500
3) Average number of shares outstanding during the term under review	1Q FY12/17	38,203,434	1Q FY12/16	38,432,841

* Quarterly Financial Results are not subject to quarterly reviews.

* 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 4 "1-(3) Qualitative Information Concerning Consolidated Business Forecasts" of the "Appendix."

<Table of Contents of Appendix>

1.	Qualitative Information Concerning Performance for the Current Quarter.....	2
	(1) Qualitative Information Concerning Consolidated Operating Results.....	2
	(2) Qualitative Information Concerning Consolidated Financial Position.....	4
	(3) Qualitative Information Concerning Consolidated Business Forecasts.....	4
2.	Quarterly Consolidated Financial Statements and Primary Notes.....	5
	(1) Quarterly Consolidated Balance Sheet.....	5
	(2) Quarterly Consolidated Profit and Loss Statement and Quarterly Consolidated Comprehensive Income Statement.....	7
	(3) Notes on Quarterly Consolidated Financial Statements.....	9
	(Concerning Notes about Going Concern Assumption).....	9
	(Concerning Significant Change of Shareholders' Equity).....	9
	(Important Changes of Subsidiaries During the Current First Quarter)	9
	(Segment Information and Others).....	9
	(Major Subsequent Events).....	11

1. Qualitative Information Concerning Performance for the Current Quarter

(1) Qualitative Information Concerning Consolidated Operating Results

During the first quarter under review, Japan's economy delayed recovery in some parts. Against the backdrop of flat consumer prices, personal consumption continued to show signs of recovery, and corporate profits and employment conditions improved on the back of the Government's economic and monetary stimulus measures, pointing to continued gradual economic recovery within Japan. Economic conditions are expected to continue to improve steadily in the future based on continued improvements in employment and income conditions, as well as the effects of various government stimulus policies. However, uncertainties surrounding the impact of government policies, the outlook for economies of emerging countries in China and other parts of Asia, the effects of America's monetary policy normalization efforts; and continued risks of downward pressures from potential volatility in financial and capital markets continue to cloud the economic horizon,

With regards to the operating environment surrounding the staffing service industry, the job offers-to-applicants ratio sluggish recovery, the number of new job offers increased and the unemployment rate has fallen for 82 consecutive months. Consequently, the future outlook points to further improvements in the employment situation based upon the outlook for continued gradual improvement in the employment environment.

Against this backdrop, the Fullcast Group implemented group management activities with the goal of "Realize increased profitability through deployment of the Group's collective strength and improved productivity" during the consolidated first quarter under review. In particular, marketing activities were implemented with an emphasis on boosting overall profitability of the Fullcast Group and focused on the mainstay "Part-Time Worker Placement" (hereinafter referred to as "Placement") and "Part-Time Worker Payroll Management" services, as well as the "My Number Management" service and "Year-End Tax Adjustment Management" service (hereinafter referred to as "Management"). In addition, efforts are being made to create a structure for realizing higher profits by increasing productivity and promoting operational efficiencies across the entire Fullcast Group.

Consolidated net sales increased 26.2% year on year to 7,230 million yen. This sales growth was primarily attributed to strong sales growth realized in the "Placement", the mainstay service within the "Short-Term Operational Support Business", and to the consolidation of F-PLAIN Corporation and subsequent inclusion of the profits of F-PLAIN Corporation and its subsidiary M's Line Co., Ltd.

In terms of profits, consolidated operating income increased 69.2% year on year to 878 million yen on the back of the higher sales derived from the "Short-Term Operational Support Business" and Group-wide initiatives to improve productivity, in addition to efforts to reduce SG&A expenses ratio mainly personnel expenses.

Consolidated ordinary income increased 50.1% year on year to 882 million yen on the back of the higher operating income, and despite a year-on-year drop in share of profit of entities accounted for using equity method accompanying the acquisition of the shares of F-PLAIN Corporation.

Quarterly net income attributable to Fullcast Holdings Co., Ltd. increased 47.9% year on year to 711 million yen, because of a 167 million yen of gain on step acquisitions posted as extraordinary income accompanying the acquisition of the shares of F-PLAIN Corporation.

The Group acquired the shares of F-PLAIN Corporation on January 26, 2017 and subsequently made F-PLAIN Corporation and its subsidiary M's Line Co., Ltd. consolidated subsidiaries.

Of the Company's consolidated subsidiaries, the account settlement date for Dimension Pockets Co., Ltd. is January 31,

Fullcast Holdings Co., Ltd. (4848) Financial Statement and Results for the First Quarter of the Term Ending December 2017 and the account settlement dates for F-PLAIN Corporation and its subsidiary M's Line Co., Ltd. are September 30. Consolidated financial statements were prepared based on a provisional settlement conducted on the consolidated account settlement date. The final days of the business year of other consolidated subsidiaries all match the consolidated account settlement date.

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

The name of the "Security Business" segment was changed to "Security, Other Businesses" due to the acquisition of shares of Dimension Pockets Co., Ltd. in the third quarter of the fiscal year ended December 2016 and the subsequent inclusion of this company in the scope consolidation.

A new reporting segment called "Sales Support Business" has been created accompanying the acquisition of the shares of F-PLAIN Corporation during the first quarter of fiscal year ending December 2017 and its new inclusion within the scope of consolidation, also with its subsidiary M's Line Co., Ltd.

1) Short-Term Operational Support Business

Net sales of the "Short-Term Operational Support Business" increased 13.1% year on year to 5,859 million yen, driven mainly by growth in the mainstay "Placement" services due corresponding to the strong personnel needs of client companies.

In terms of profits, operating income rose 52.6% year on year to 1,028 million yen due to increase in net sales and reduce in SG&A expenses ratio, mainly reducing the personnel expenses ratio, as continuing increase productivity through the hiring of part-time workers, and making changes to daily operations.

2) Sales Support Business

Net sales of the "Sales Support Business" totaled 855 million yen from revenue related to the sale of Internet Access, which is the main business of the companies comprising the "Sales Support Business", F-PLAIN Corporation and M's Line Co., Ltd.

In terms of profits, operating income totaled 19 million yen because of goodwill amortization resulting from the acquisition of the shares of F-PLAIN Corporation, and because the first quarter of fiscal year ending December 2017 represents the slowest quarter of the fiscal year for both F-PLAIN Corporation and M's Line Co., Ltd.

The "Sales Support Business" is a new reported segment introduced from the first quarter of the fiscal year ending December 2017. Therefore, a result of year-on-year changes are not available.

3) Security, Other Businesses

Net sales of the "Security, Other Businesses" segment fell 6.5% year on year to 516 million yen due to mainly a decline in the number of temporary security projects compared to the previous year.

In terms of profits, the "Security, Other Businesses" operating income was able to grow segment operating income 21.6% year on year to 32 million yen due to successful efforts to reduce SG&A expenses, including personnel expenses and recruitment expenses, and despite the impact of the falls in net sales by the Security Business.

(2) Qualitative Information Concerning Consolidated Financial Position

Assets, liabilities and net assets

At the end of the first quarter, total assets increased by 1,071 million yen from the end of the previous fiscal year to 14,343 million yen. Equity decreased by 189 million yen to 9,011 million yen (An equity ratio of 62.8%), and net assets increased by 140 million yen to 9,412 million yen.

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

With regard to assets, current assets rose by 444 million yen from the end of the previous fiscal year to 11,320 million yen. This increase is attributed mainly to a decline in cash and deposits of 551 million yen to 6,412 million yen due to the payment of the year-end dividend for the fiscal year ended December 2016, acquisition of treasury stock, and payment of corporate income taxes and consumption taxes, which offset an increase in notes and accounts receivable-trade of 625 million yen to 3,732 million yen and other current assets of 395 million yen to 872 million yen due mainly to a rise in accounts receivable-other of 311 million yen to 575 million yen due to anticipated growth in refund of income taxes.

Noncurrent assets rose by 627 million yen from the end of the previous fiscal year to 3,023 million yen. This increase is mainly attributed to goodwill totaling 617 million yen following 617 million yen of goodwill posted from the acquisition of the shares of F-PLAIN Corporation.

With regard to liabilities, current liabilities rose by 686 million yen from the end of the previous fiscal year to 4,115 million yen. This increase is attributed mainly to declines in accounts payable-other of 91 million yen to 709 million yen and in accrued consumption taxes of 132 million yen to 452 million yen, which offset a rise in accounts payable - other of 283 million yen to 871 million yen, an increase in allowance for subscription cancellations of 241 million yen to 241 million yen, an increase in current liabilities other of 332 million yen to 576 million yen, caused mainly by a decrease in social insurance premium deposits of 138 million yen to 1 million yen, despite withholding income tax deposits increasing 438 million yen to 485 million yen.

Noncurrent liabilities rose by 245 million yen from the end of the previous fiscal year to 817 million yen. This increase is due mainly to a rise in other noncurrent liabilities of 239 million yen to 379 million yen caused by increase in long-term loans payable of 195 million yen to 267 million yen and in deferred tax assets of 29 million yen to 35 million yen accompanying inclusion of F-PLAIN Corporation within the scope of consolidation.

(3) Qualitative Information Concerning Consolidated Business Forecasts

With regard to consolidated earnings forecasts for the fiscal year ending December 2017, the first quarter of the fiscal year ending December 2017 business performance indicates that operating income, ordinary income and quarterly net income attributable to Fullcast Holdings Co., Ltd. driven by the favorable conditions in the “Short-Term Operational Support Business” outpaced forecasts. Although quarterly net income attributable to Fullcast Holdings Co., Ltd. achieved 77.2% of its forecast for the first half, it remains unclear whether this is a level that requires revisions to outstanding earnings forecasts. Therefore, no revisions have been made to the consolidated earnings forecasts (first half and full-year) for the fiscal year ending December 2017 released on February 10, 2017 as of today.

2. Quarterly Consolidated Financial Statements and Primary Notes**(1) Quarterly Consolidated Balance Sheet**

	(Million yen)	
	FY12/16 end (December 31, 2016)	1Q FY12/17 end (March 31, 2017)
ASSETS		
Current assets		
Cash and deposits	6,963	6,412
Notes and accounts receivable-trade	3,107	3,732
Merchandise	5	13
Supplies	10	16
Deferred tax assets	332	289
Other	476	872
Allowance for doubtful accounts	(17)	(13)
Total current assets	10,875	11,320
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	346	360
Tools, furniture and fixtures, net	209	208
Land	257	257
Other, net	34	34
Total property, plant and equipment	846	858
Intangible assets		
Goodwill	-	617
Other	354	340
Total intangible assets	354	957
Investments and other assets		
Other	1,201	1,210
Allowance for doubtful accounts	(6)	(2)
Total investments and other assets	1,196	1,208
Total noncurrent assets	2,396	3,023
Total assets	13,272	14,343

	(Million yen)	
	FY12/16 end (December 31, 2016)	1Q FY12/17 end (March 31, 2017)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	8	26
Short-term loans payable	1,008	1,001
Accounts payable-other	589	871
Accrued expenses	799	709
Income taxes payable	194	140
Accrued consumption taxes	585	452
Provision for bonuses	1	98
Allowance for subscription cancellations	-	241
Other	244	576
Total current liabilities	3,428	4,115
Noncurrent liabilities		
Net defined benefit liability	432	438
Other	140	379
Total noncurrent liabilities	572	817
Total liabilities	4,000	4,931
NET ASSETS		
Shareholders' equity		
Capital stock	2,780	2,780
Capital surplus	2,006	2,006
Retained earnings	4,488	4,777
Treasury stock	(100)	(598)
Total shareholders' equity	9,174	8,965
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	27	46
Total accumulated other comprehensive income	27	46
Non-controlling interests	71	400
Total net assets	9,272	9,412
Total liabilities and net assets	13,272	14,343

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

	(Million yen)	
	1Q FY12/16 (From January 1, 2016 to March 31, 2016)	1Q FY12/17 (From January 1, 2017 to March 31, 2017)
Net sales	5,731	7,230
Cost of sales	3,626	4,374
Gross profit	2,105	2,856
Selling, general and administrative expenses	1,586	1,979
Operating income	519	878
Non-operating income		
Share of profit of entities accounted for using equity method	74	5
Commission fee	-	6
Other	3	11
Total non-operating income	77	23
Non-operating expenses		
Interest expenses	2	2
Damage compensation expenses	0	2
Settlement package	2	5
Other	4	9
Total non-operating expenses	8	19
Ordinary income	587	882
Extraordinary income		
Gain on step acquisitions	-	167
Total extraordinary income	-	167
Extraordinary loss		
Loss on valuation of investment securities	-	5
Loss on retirement of noncurrent assets	0	4
Other	1	-
Total extraordinary losses	1	9
Income before income taxes and minority interests	587	1,039
Income taxes-current	88	199
Income taxes-deferred	18	135
Total income taxes	106	334
Net income	481	706
Quarterly net loss attributable to non-controlling interests	-	(5)
Quarterly net income attributable to Fullcast Holdings Co., Ltd.	481	711

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

	(Million yen)	
	1Q FY12/16 (From January 1, 2016 to March 31, 2016)	1Q FY12/17 (From January 1, 2017 to March 31, 2017)
Net income	481	706
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	35
Share of other comprehensive income of entities accounted for using equity method	(3)	(10)
Total other comprehensive income	(5)	25
Quarterly comprehensive income	476	731
(Breakdown)		
Quarterly comprehensive income attributable to Fullcast Holdings Co., Ltd.	476	731
Quarterly comprehensive income attributable to non-controlling interests	-	0

(3) Notes on Quarterly Consolidated Financial Statements

(Concerning Notes about Going Concern Assumption)

There are no relevant matters

(Concerning Significant Change of Shareholders' Equity)

There are no relevant matters

(Important Changes of Subsidiaries during the Current First Quarter)

F-PLAIN Corporation, whose shares were acquired by the Company, was made into a consolidated subsidiary from its previous status as an affiliate under the equity method for inclusion from the first quarter of the fiscal year ending December 2017. Additionally, F-PLAIN Corporation corresponds to a specified subsidiary because its paid-in capital amount is equivalent to more than one-tenth of the Company's paid-in capital amount.

(Segment Information and Others)

First Quarter of the Previous Fiscal Year (From January 1, 2016 to March 31, 2016)

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

(Million yen)

	Reporting Segment		Total	Adjustment amount *1	Quarterly consolidated profit and loss statement amount*2
	Short-Term Operational Support Business	Security, Other Businesses			
Net sales					
Sales to external customers	5,179	552	5,731	-	5,731
Inter-segment sales or transfers	0	-	0	(0)	-
Total	5,179	552	5,731	(0)	5,731
Segment income or loss (-)	674	27	700	(181)	519

Notes 1. 0 million yen in intersegment eliminations and (182) million yen in company-wide expenses not allocated to any specific reporting segment are included in the (181) million yen segment income adjustment amount. Company-wide expenses are mainly general administrative expenses that do not belong to any specific reporting segment.

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

First Quarter of the Current Fiscal Year (From January 1, 2017 to March 31, 2017)

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

(Million yen)

	Reporting Segment			Total	Adjustment amount *1	Quarterly consolidated profit and loss statement amount*2
	Short-Term Operational Support Business	Sales Support Business	Security, Other Businesses			
Net sales						
Sales to external customers	5,859	855	516	7,230	-	7,230
Inter-segment sales or transfers	0	-	-	0	(0)	-
Total	5,859	855	516	7,230	(0)	7,230
Segment income or loss (-)	1,028	19	32	1,079	(201)	878

Notes 1. (0) million yen in intersegment eliminations and (201) million yen in company-wide expenses not allocated to any specific reporting segment are included in the (201) million yen segment income adjustment amount. Company-wide expenses are mainly general administrative expenses that do not belong to any specific reporting segment.

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

2. Information relating the assets by each reporting segment

(Significant increases in assets through the acquisition of subsidiaries)

The shares of F-PLAIN Corporation were acquired and F-PLAIN Corporation and its subsidiary M's Line Co., Ltd. were newly included in the scope of consolidation in the first quarter of the fiscal year ending December 2017. Compared to the end of the previous accounting year, segment assets in the "Sales Support Business" segment increased by 2,786 million yen.

3. Matters relating changes to reporting segments, etc.

Accompanying the acquisition of the shares of Dimension Pockets Co., Ltd. during the third quarterly of the fiscal year ended December 2016 and its new inclusion in the scope of consolidation, the name of the former "Security Business" segment has been changed to the "Security, Other Businesses" segment. Note that reporting segment information for the first quarterly of the fiscal year ended December 2016 is disclosed under the name after the change.

A new reporting segment called "Sales Support Business" has been added accompanying the acquisition of the shares of F-PLAIN Corporation during the first quarterly of the fiscal year ending December 2017 and its new inclusion within the scope of consolidation, also with its subsidiary M's Line Co., Ltd.

4. Information relating to impairment loss of noncurrent assets, goodwill, etc. for each reported segment

(Significant changes in goodwill amount)

The shares of F-PLAIN Corporation were acquired and F-PLAIN Corporation and its subsidiary M's Line Co., Ltd. were newly included in the scope of consolidation in the first quarter of the fiscal year ending December 2017. The increase in goodwill attributed to the "Sales Support Business" was 660 million yen in the first quarter of the fiscal year ending December 2017.

(Major Subsequent Events)

(Granting of share Compensation-type Stock Options (Stock Acquisition Rights) to Directors)

The Company granted share Compensation-type Stock Options (Stock Acquisition Rights) as mentioned below to the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members) as well as the Directors and Corporate Auditors of the Company's wholly-owned subsidiaries based on a resolution passed at the Board of Directors Meeting held on March 24, 2017, which was approved at the 24th General Meeting of Shareholders held on the same day, pursuant to the provisions of Article 236, Article 238, and Article 240 of the Companies Act.

(1) Allotment Date of Stock Acquisition Rights

April 10, 2017

(2) Total Number of Stock Acquisition Rights to be issued

2,016 rights (Number of shares corresponding to 1 unit of Stock Acquisition Rights: 100 shares)

(3) Type and Number of Shares available under Stock Acquisition Rights

The Company's ordinary stock (common stock): 201,600 shares

(4) Eligible Persons for the Allotment of Stock Acquisition Rights, the Number of Eligible Persons and the Number of Stock Acquisition Rights to be Allotted

The Company's Directors (excluding Directors who are Audit & Supervisory Committee Members)	4 persons	960 rights
Directors of the Company's wholly-owned subsidiaries	8 persons	888 rights
Corporate Auditors of the Company's wholly-owned subsidiaries	2 persons	168 rights

(5) Payment amount for Stock Acquisition Rights

78,450 yen per each stock acquisition right (784.50 yen per share)

Payment of monetary compensation for the total payment amount of the stock acquisition rights shall be received from eligible persons and this compensation claim will be offsets with the payment obligation of the payment amount for the stock acquisition rights.

(6) Amount of Assets Required for Exercise of Stock Acquisition Rights

100 yen per each Stock Acquisition Right

(7) Period for Exercise of Stock Acquisition Rights

From April 11, 2021 to April 10, 2051

(8) Conditions for the Exercise of Stock Acquisition Rights

- i. For stock acquisition rights allotted to the Company's Directors, in principle, the person receiving the allotment of Stock Acquisition Rights must be a Director of the Company at the time the rights are exercised.
- ii. For stock acquisition rights allotted to the Directors or Corporate Auditors of the Company's wholly-owned subsidiaries, in principle, the person receiving the allotment of Stock Acquisition Rights must be a Director or Corporate Auditor of the subsidiary at the time the rights are exercised.
- iii. Of those stock acquisition rights allotted, Stock Acquisition Rights can be exercised with the exercisable amount restricted to that determined by the extent to which the operating income target is achieved for the fiscal year ending December 2020, the final year of the Company's Medium-Term Management Plan.

(Granting of share Compensation-type Stock Options (Stock Acquisition Rights) to the Employees of Subsidiaries)

The Company granted share Compensation-type Stock Options (Stock Acquisition Rights) as mentioned below to the employees of the Company's wholly-owned subsidiaries based on a resolution passed at the Board of Directors Meeting held on March 24, 2017, which was approved at the 24th General Meeting of Shareholders held on the same day, pursuant to the provisions of Article 236, Article 238, and Article 239 of the Companies Act.

(1) Allotment Date of Stock Acquisition Rights

April 10, 2017

(2) Total Number of Stock Acquisition Rights to be issued

192 rights (Number of shares corresponding to 1 unit of Stock Acquisition Rights: 100 shares)

(3) Type and Number of Shares available under the Stock Acquisition Rights

The Company's ordinary stock (common stock): 19,200 shares

(4) Eligible Persons for the Allotment of Stock Acquisition Rights, the Number of Eligible Persons and the Number of Stock Acquisition Rights to be Allotted

Employees of the Company's wholly-owned subsidiaries	8 persons	192 rights
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(5) Payment amount for Stock Acquisition Rights

The Payment of cash is not required for Stock Acquisition Rights

(6) Amount of Assets Required for Exercise of Stock Acquisition Rights

100 yen per each Stock Acquisition Right

(7) Period for Exercise of Stock Acquisition Rights

From April 11, 2021 to April 10, 2051

(8) Conditions for the Exercise of Stock Acquisition Rights

- i. In principle, person who receives an allotment of Stock Acquisition Rights must be an employee of the Company's subsidiary at the time of exercising these rights.
- ii. Of those Stock Acquisition Rights allocated, only the number of exercisable Stock Acquisition Rights determined based on the level of achievement of the operating income target for the fiscal year ending December 2020, the final year of the Medium-Term Management Plan can be exercised.