



FULLCAST HOLDINGS CO., LTD.

**FULLCAST**  
**HLDGS.**

Consolidated Business Results  
for the Fiscal Year Ended December 2016  
(January 2016 – December 2016)

**February 10, 2017**

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- In this document, Short-term operational support business, one of the segments, is referred to as “Short-term” in some parts.
- Accompanying the acquisition of the shares of Dimension Pockets Co., Ltd. during the third quarter of the current fiscal year 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.
- Of the Company’s consolidated subsidiaries, the account settlement date of Dimension Pockets Co., Ltd. is January 31. Consolidated financial statements were prepared based on a provisional settlement conducted on the consolidated account settlement date. The final day of the business year of other consolidated subsidiaries all match the consolidated account settlement date.
- In this document, names of services are written in an abbreviated form; “Part-time worker placement” service as well as “Part-time worker payroll management” and “My Number management” services in the Short-term operational support business, which were launched along with the implementation of the Revised Worker Dispatching Act on October 1, 2012, are referred to as “Placement” and “Management,” respectively.  
In addition, “long-term dispatching” services with a contract period of 31 days or longer, which has been conducted after the implementation of the Revised Worker Dispatching Act, is referred to as “Dispatching.”

# **Consolidated Business Highlights for the FY12/16 (Jan. – Dec. 2016)**

## 【Consolidated】 FY2016 Performance vs. Earnings Forecast

- ✓ The results for the fiscal year ended December 2016 show that net sales and gross profit were largely on par with forecasts because of solid results from core “placement” and “management” services and better-than-expected growth achieved by meeting the needs of customers who prefer “dispatching” and “outsourcing” services in the short-term operational support business.
- ✓ Due to initiatives to raise productivity, SG&A expenses were kept below the original forecast, and as a result operating income was higher than originally forecast.

(Million yen)

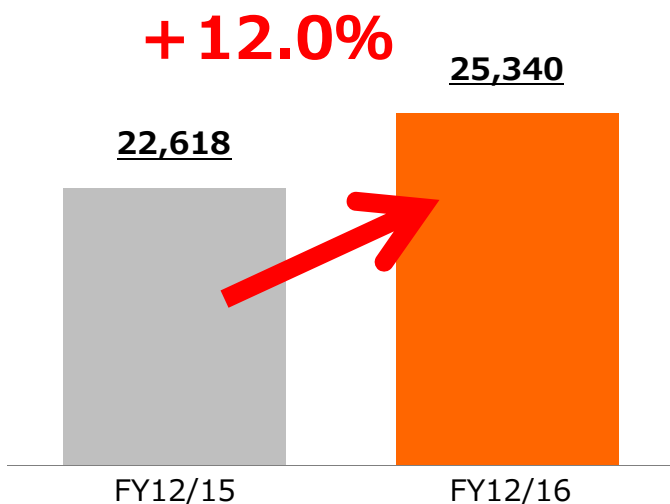
|   | FY12/16<br>Business<br>Forecasts | FY12/16<br>Results | Difference | Achievement Percentage |
|---|----------------------------------|--------------------|------------|------------------------|
| Net sales   | 24,650                           | 25,340             | 691        | 102.8%                 |
| Gross profit  | 9,420                            | 9,258              | (163)      | 98.3%                  |
| Operating income  | 2,630                            | 2,882              | 252        | 109.6%                 |
| Ordinary income   | 2,630                            | 3,001              | 371        | 114.1%                 |
| Net income attributable to<br>Fullcast Holdings Co., Ltd. | 2,054                            | 2,529              | 475        | 123.1%                 |
| Net income per share (yen)                                | 53.4                             | 65.9               | 12.6       | 123.5%                 |
| (Reference)   |                                  |                    |            |                        |
| ROE   | 25.3%                            | 30.2%              | 4.9pt      | —                      |
| Adjusted Net income                                       | 2,178                            | 2,585              | 407        | 118.7%                 |
| Adjusted Net income per share (yen)                       | 56.6                             | 67.4               | 10.8       | 119.1%                 |
| Adjusted ROE  | 26.8%                            | 30.9%              | 4.1pt      | —                      |

\* Adjusted Net Income refers to net income excluding the influence of income taxes-deferred arising from recording of deferred tax assets for deduction of loss carried forward.

\* Adjusted Net income per share (yen) refers to net income per share calculated based on adjusted Net income.

\* Adjusted ROE refers to ROE calculated based on adjusted Net income.

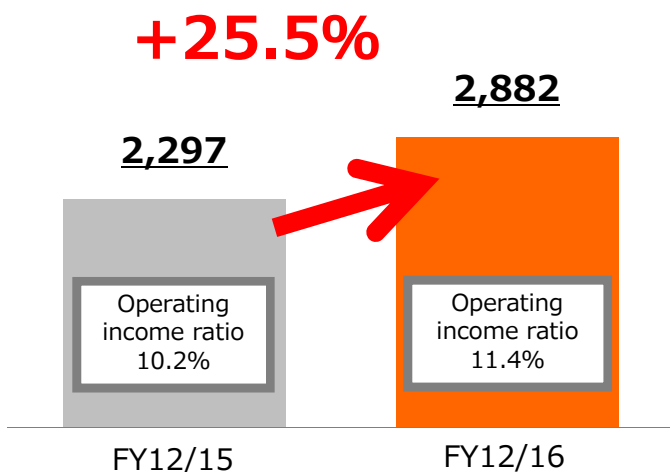
**Net Sales** (Million yen)



【 Factors behind the change in Net Sales】

- ✓ In the short-term segment, not only did we succeed in growing the “Placement” and “Management” core services, from Q2 onwards there was also steady growth in “Dispatching” and “Outsourcing”. As a result, overall net sales in this segment **increased by 12.0%** year on year.

**Operating Income** (Million yen)



【Factors behind the change in Operating Income】

- ✓ Operating income **rose 25.5%** year on year due to the effects of increased sales.
- ✓ Operating income ratio **increased 1.2pts** as SG&A expenses were restrained due to higher sales and efforts to improve productivity.

# 【Consolidated】 FY2016 Year-on-Year Comparison

## ■ FY12/16 Year-on-Year Comparison

(Million yen)

|  | FY12/15 | FY12/16 | Difference | Rate of Change |
|--|---------|---------|------------|----------------|
| Net sales  | 22,618  | 25,340  | 2,722      | 12.0%          |
| Gross profit   | 8,256   | 9,258   | 1,002      | 12.1%          |
| SG&A expenses  | 5,959   | 6,376   | 417        | 7.0%           |
| Operating income                                       | 2,297   | 2,882   | 586        | 25.5%          |
| Operating income ratio                                 | 10.2%   | 11.4%   | —          | —              |
| Ordinary income  | 2,168   | 3,001   | 833        | 38.4%          |
| Net income attributable to Fullcast Holdings Co., Ltd. | 1,765   | 2,529   | 764        | 43.3%          |

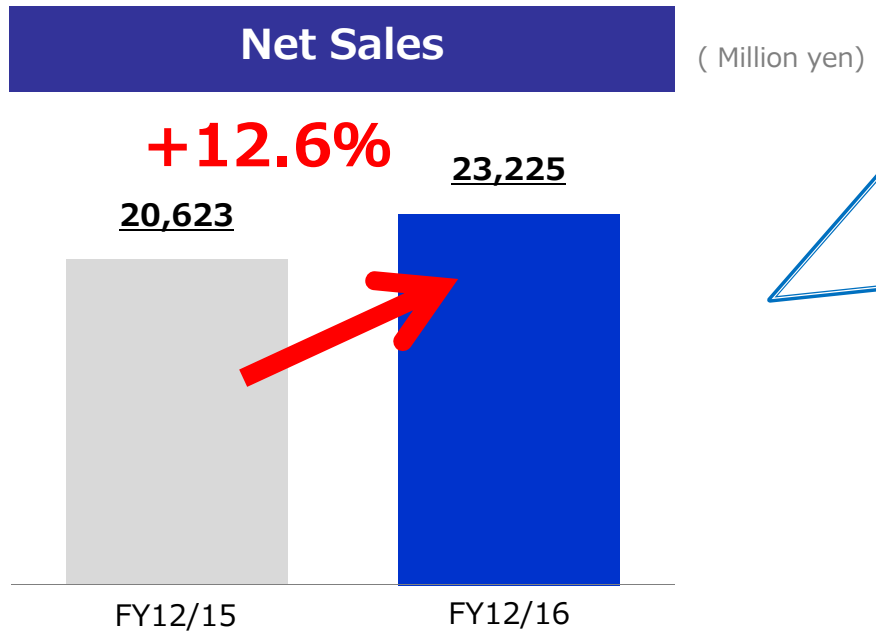
- ✓ Ordinary income increased 38.4% year on year because of the increase in equity in net income.
- ✓ Net income attributable to Fullcast Holdings Co., Ltd. increased 43.3% year on year because of the decrease in corporation tax due to a decline in tax burden following the consolidated tax payment system, and the booking of deferred tax assets related to retirement benefit obligations mainly due to changes in tax effect classification.

# FY12/16

## Short-Term Operational Support Business Earnings (Jan. – Dec. 2016)

- Starting from this year's year-end consolidated business results, the way in which net sales by service and gross profit by service are aggregated for the short-term operational support business has been adjusted. The previous year's performance has therefore also been retroactively adjusted using the new aggregation method.

# [Short-Term] FY2016 Year-on-Year Comparison

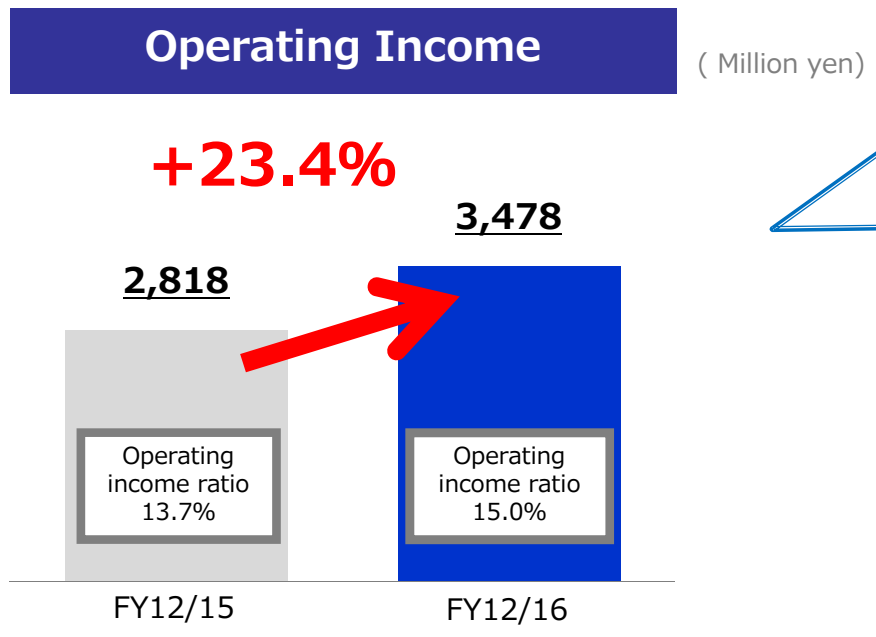


### [Factors behind the change in Net Sales]

- ✓ Sales **increased 12.6%** year on year owing to efforts focused on increasing the number of customers and steady growth realized across all services within the short-term operational support business.

■ FY12/16 number of customers and new customers

|                         | FY12/15 | FY12/16 | Difference | Rate of Change |
|-------------------------|---------|---------|------------|----------------|
| Number of customers     | 12,428  | 15,236  | 2,808      | 22.6%          |
| Number of new customers | 3,472   | 4,974   | 1,502      | 43.3%          |



### [Factors behind the change in Operating Income]

- ✓ The increase in net sales **boosted operating income 23.4%** year on year.
- ✓ The operating income ratio **rose by 1.3pts** due to restraint in SG&A expenses, along with efforts to increase productivity through hiring of part-time workers and changes in daily operations.

➤ "Number of customers" is calculated as the simple sum of the number of service-specific unique clients (i.e. businesses) for the "placement", "management", "dispatching" and "outsourcing" services of Fullcast Co., Ltd., Top Spot Co., Ltd., and Work & Smile Co., Ltd., as well as the short-term operational support business of Fullcast Advance Co., Ltd.



## ■ Year-on-Year Comparison by Service Category

(Million yen)

|              | FY12/15 | FY12/16 | Difference | Rate of Change |
|--------------|---------|---------|------------|----------------|
| Net sales    | 20,623  | 23,225  | 2,602      | 12.6%          |
| Placement    | 3,455   | 3,783   | 328        | 9.5%           |
| Management   | 2,028   | 2,400   | 372        | 18.3%          |
| Dispatching  | 12,530  | 13,856  | 1,326      | 10.6%          |
| Outsourcing  | 2,610   | 3,185   | 575        | 22.0%          |
| Gross profit | 7,914   | 8,873   | 960        | 12.1%          |
| Placement    | 3,325   | 3,621   | 296        | 8.9%           |
| Management   | 2,026   | 2,389   | 363        | 17.9%          |
| Dispatching  | 2,044   | 2,183   | 139        | 6.8%           |
| Outsourcing  | 518     | 681     | 162        | 31.3%          |

✓ Both mainstay “placement” and “management” services grew by focusing on growing the number of customers.

✓ The launch of the “My Number management” services boosted “management” services.

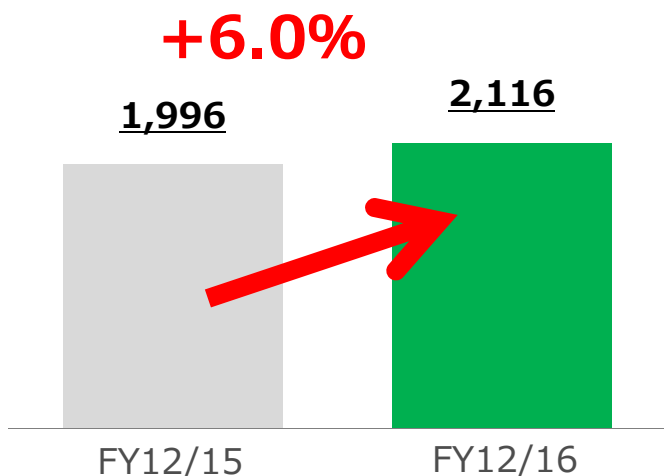
✓ “Outsourcing” services grew, on the back of orders won for short-term sales promotion operations and store inventory related work. “Dispatching” services also grew since we were able to meet the customers’ long-term human resources needs.

- Sort-term “management” services includes the total of “payroll management” and the “My Number management service.”
- Starting from this year’s year-end consolidated business results, the way in which net sales by service and gross profit by service are aggregated for the short-term operational support business has been adjusted. The previous year’s performance has therefore also been retroactively adjusted using the new aggregation method.
- Numerical data represent reference figures. This data has not been audited by the accounting auditor.

# FY12/16 Security, Other Businesses Earnings (Jan. –Dec. 2016)

- Accompanying the acquisition of the shares of Dimension Pockets Co., Ltd. during the third quarter of the current fiscal year 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.
- Of the Company’s consolidated subsidiaries, the account settlement date of Dimension Pockets Co., Ltd. is January 31. Consolidated financial statements were prepared based on a provisional settlement conducted on the consolidated account settlement date. The final day of the business year of other consolidated subsidiaries all match the consolidated account settlement date.

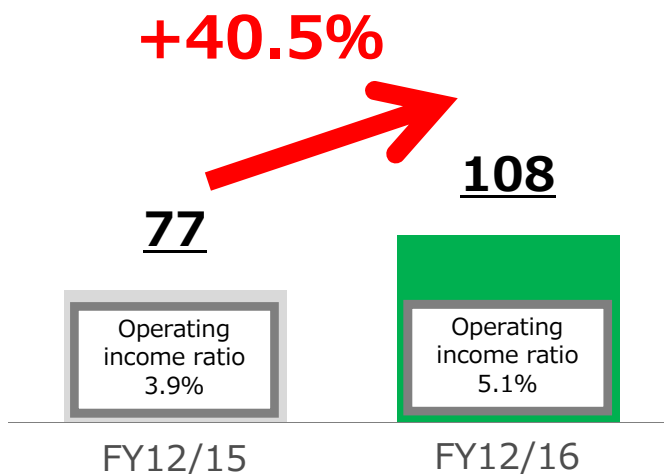
### Net sales (Million yen)



**【Factors behind the change in Net Sales】**

- ✓ Thanks to an increase in the number of temporary security projects secured over the course of the year, net sales **rose by 6.0%** year on year.

### Operating Income (Million yen)



**【Factors behind the change in Operating Income】**

- ✓ Despite the one-time amortization of goodwill accompanying the acquisition of shares of Dimensional Pockets Co. Ltd. (14 million yen) during the third quarter, operating income for the segment **increased 40.5%** year on year due to the higher sales.
- ✓ As the profit and loss of Dimensional Pockets Co., Ltd. for the period August to October 2016 was included in the consolidated results for this year, the overall impact on segment-specific performance was limited.

# Summary for the Fiscal Year Ended December 2016

## Business Targets for the Fiscal Year Ended December 2016

### ● Increase profits by expanding core services and improving productivity

- Increase earnings of the Fullcast Group with a focus upon the core “placement” and “management” services, and increase profitability by improving operational efficiencies and by raising productivity of the entire Group .

## Business Strategy for the Fiscal Year Ended December 2016

Strategy 1) Increase hiring capacity and expand the number of operating workers

Strategy 2) Continue opening new offices and establish new companies

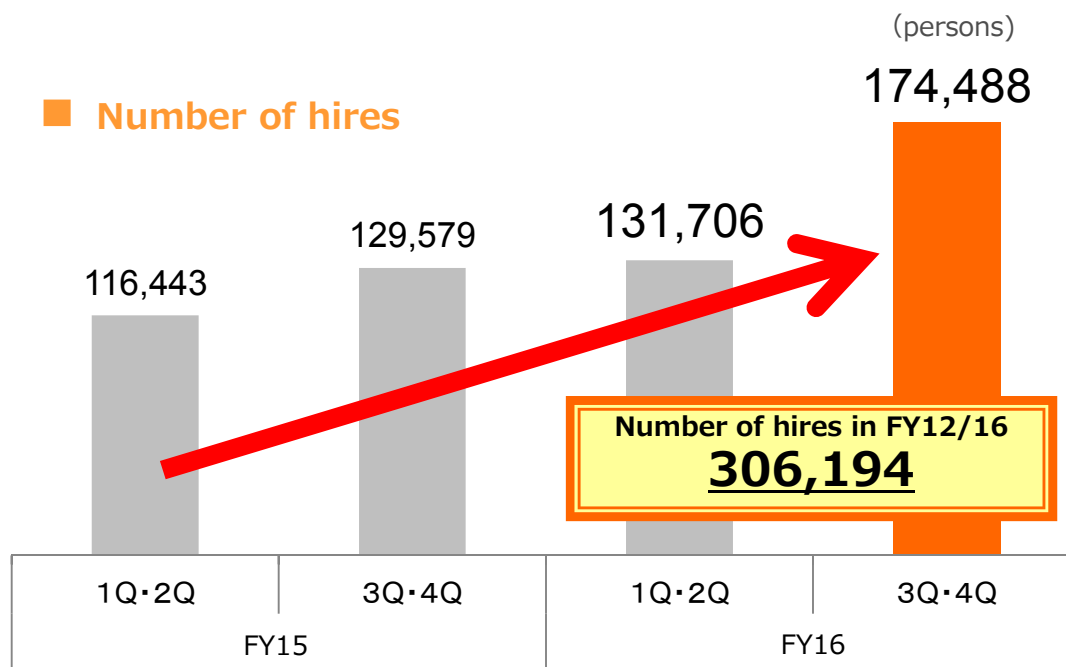
Strategy 3) Strengthen BPO business

Initiatives 1) Increasing the number of hiring ads placed, and strengthening online registration services

With the aim of strengthening recruitment, recruitment budgets were increased within the scope permitted by earnings forecasts; besides increasing the number of hiring ads placed with recruitment media, the channels for accessing online registration services were also strengthened.

|                     | FY12/15 | FY12/16 | Difference | Rate of change |
|---------------------|---------|---------|------------|----------------|
| Recruitment expense | 397     | 470     | 73         | 18.3%          |

Number of hires



As a result of the recruitment expense increased by 18.3% year on year to 470 million yen, the effectiveness of the online recruitment service was enhanced, with the number of new hires rising by 24.5% year on year to 306,194; as the forecast was more or less met, we were able to ensure an adequate supply of staff.

The "number of hires" is the sum total of the number of hires at Fullcast Co., Ltd., Top Spot Co., Ltd., and Work & Smile Co., Ltd., as well as the number of hires in the short-term operational support business at Fullcast Advance Co., Ltd.

□ Initiatives 2) Re-examine activities to promote utilization of registered staff

- We made changes to activities to promote utilization of registered staff not working, which had been carried out previously by each office, by switching to a centrally managed system run by the head office. Deploying this system into company-wide efforts make them more efficient.
- By making improvements to the functionality and user interface of Cast Portal\*, we have been able to provide effective support for job-seekers, helping them to secure the kind of work they want more smoothly.

\*The Company established Cast Portal, a portal site on our corporate website for job seekers.

■ Number of Operating Workers

|                             | (persons) |         |            |                |
|-----------------------------|-----------|---------|------------|----------------|
|                             | FY12/15   | FY12/16 | Difference | Rate of Change |
| Number of operating workers | 176,816   | 187,922 | 11,106     | 6.3%           |

✓ Thanks to the implementation of assignment promotion activities, the number of operating workers rose to 187,922.

- The “number of operating workers” is the total number of unique individuals working at Fullcast Co., Ltd., Top Spot Co., Ltd., and Work & Smile Co., Ltd., as well as in the short-term operational support business at Fullcast Advance Co., Ltd., excluding those working in the “management” service area.

□ Initiatives 3) Broadcasting of TV commercials

- Broadcasting of TV commercials began in the Kanto area and the Kansai area starting from November 26, 2016, with the aim of strengthening the Company’s brand image and also of increasing the number of new registrants.

## □ Initiatives 1) Continuously open new offices

- Opened 14 sales offices (4 in 1<sup>st</sup> half and 10 in 2<sup>nd</sup> half) in medium-sized cities where considerable market growth is expected.
- With 8 offices being closed or merged into other offices due to the greater use of online registration, the total number of offices as of December 31, 2016 was 122 sites.

### ■ New offices Opened in FY12/16

|                  | H1 | H2 | Total |
|------------------|----|----|-------|
| New offices      | 4  | 10 | 14    |
| Closed or merged | -3 | -5 | -8    |

#### ■ Fullcast Co., Ltd

<1<sup>st</sup> half>  
 Yokkaichi Sales Dept. (Aichi Pref.)  
 Tsukuba Sales Dept. (Ibaraki Pref.)  
 <2<sup>nd</sup> half>  
 Asahikawa Sales Dept. (Hokkaido Pref.)  
 Morioka Sales Dept. (Iwate Pref.)  
 Iwaki Sales Dept. (Fukushima Pref.)  
 Kofu Sales Dept. (Yamanashi Pref.)  
 Fukui Sales Dept. (Fukui Pref.)  
 Matsuyama Sales Dept. (Ehime Pref.)

#### ■ Top Spot Co., Ltd.

<1<sup>st</sup> half>  
 Keiji Sales Dept. (Kyoto Pref.)  
 Ibaraki Sales Dept. (Ibaraki Pref.)  
 <2<sup>nd</sup> half>  
 Tokai Sales Dept. (Aichi Pref.)  
 Tochigi Sales Dept. (Tochigi Pref.)  
 Gunma Sales Dept. (Gunma Pref.)

#### ■ Work & Smile Co., Ltd.

<2<sup>nd</sup> half>  
 Kanto Sales Dept. (Tokyo)



## □ Initiatives 2) Establish new companies

- Strengthened group synergies in staff hiring and sales activities and established Work & Smile Co., Ltd. to expand the short-term operational support business, with this new company commencing business activities on July 1, 2016.
- On November 1, 2016, Fullcast Senior Works Co., Ltd. – a new employment services company specializing in senior citizen – was established. The new company is expected to begin operations on March 1, 2017.



**Based on the previous year's results, this initiatives will be addressed as an ongoing issue going forward.**

### ■ Work & Smile Co., Ltd.



Name: Work & Smile Co., Ltd.  
Paid-in capital: 80 million yen  
Business lines: Human resources services

### ■ Fullcast Senior Works Co., Ltd.



Name: Fullcast Senior Works Co., Ltd.  
Paid-in capital : 80 million yen  
Business lines: Human resources services, focused on senior citizens



A new company, Fullcast Senior Works Co. Ltd., has been established with the aim of helping to expand the short-term operational support business by providing support to help senior citizens secure employment, thereby actualizing latent labor power and making it available for client companies.

## □ Initiatives 3) Consolidation of subsidiary

- We acquired the shares of F-PLAIN Corporation, an affiliate under the equity method (as of December 31, 2016; 23.8% of voting rights), on January 26, 2017, making it a consolidated subsidiary (78.2% of voting rights).



Name : F-PLAIN Corporation  
Paid-in Capital : 680.94 million yen  
Business lines : Call center business, etc.



The call center business that is the core business of F-PLAIN Corporation has a high degree of affinity with the Fullcast Group's core staffing services and BPO related services within the short-term operational support business. By making it a consolidated subsidiary, we will aim to reinforce future growth strategy under a robust capital relationship, facilitate the mutual utilization of each other's management resources, further stabilize our management foundation, and increase profits going forward.

### □ Initiatives) Provision of new BPO services

- In the development of new clients for “placement” services, focusing sales efforts on the packaging of “placement” services with “management” services has contributed to the growth of “management” services.
- In January 2016, we launched “My Number management” service. Right from the early stages, this service has secured more clients than originally anticipated, and has thus contributed to the growth of “management” services within the Short-term operational support business segment.
- The provision of “year-end adjustment management” service as a new BPO service began in last quarter of FY 12/16. This new service is expected to start making a contribution to sales revenue in the next fiscal year.



**By making effective use of sales contact points at the corporate headquarters administration divisions of client companies to which we have provided “payment management” or “My Number management” services, besides making it possible to provide “year-end adjustment management” service, we have also been able to develop a solid customer base for the rollout of further new BPO services in the future.**

# **Business Targets and Strategy for the Fiscal Year Ending December 2017**

## Business Targets for the Fiscal Year Ending December 2017

- Realize increased profits through deployment of the Group's collective strengths and improved productivity
  - By working to strengthen synergy within the group and to intensify development of existing businesses, increase sales revenue by boosting sales across the Fullcast Group, focusing in particular on the "placement" and "management" services that constitute main services offerings; also achieve an increase in earnings by continuing to improve operational efficiency throughout the group and enhancing productivity.

## Business Strategy for the Fiscal Year Ending December 2017

**Strategy 1) Enhance productivity through the strengthening of synergy within the group**

**Strategy 2) Expansion of business through the growth of new brands and launch of new services**

**Strategy 3) Expand BPO business**

## ● Enhance productivity through the strengthening of synergy within the group

- Meet the need to accommodate staff with different work-styles by facilitating and utilizing systems for simultaneous cross-registration of staff across Group companies and for recruit information sharing
- Build a framework for meetings clients' needs on a group-wide basis by strengthening sales-related coordination between Group companies
- Enhance operational efficiency and boost productivity by responding to the needs of both staff and client companies on a group-wide basis

## ● Expansion of business through the growth of new brands and launch of new services

- Secure new staff and new client companies by developing new brands in addition to the existing Fullcast brand, thereby realizing a further strengthening of group synergy in terms of both staff recruitment and sales activities
- Expand the network of business locations of our new company Work & Smile Co., Ltd. (which is focused on the Short-term operational support business) in the Kansai area
- Develop a new human resource services business focused on senior employment through the commencement of business operations by Fullcast Senior Works Co., Ltd. on March 1, 2017, with the aim of further expanding our Short-term operational support business
- The Company will seek out mutual utilization of management resources between newly consolidated F-PLAIN Corporation and the Group.

## ● Expand BPO business

- Further enhancing "My Number Management" service to provide client companies with a range of service offerings characterized by even higher value-added
- Work to expand sales and boost revenue from the new "year-end adjustment management" service that was launched in October 2016
- Strive to expand BPO business through the launch of new BPO services oriented more closely towards customer needs, such as "employee payroll management" service, etc.

# Business Forecasts for the Fiscal Year Ending December 2017

- ✓ By working to strengthen synergy within the group and to intensify development of existing businesses, increase sales revenue by boosting sales across the Fullcast Group, focusing in particularly on the “placement” and “management” services that constitute main service offerings; by continuing to improve operational efficiency throughout the group and enhancing productivity, achieve target of FY2017 “Realizing increased earnings through intensive development of existing businesses and productivity enhancement”
- ✓ By continuing to implement operations in a manner that pays due attention to capital efficiency, we aim to raise ROE calculated based on adjusted net income to over 20%
- ✓ Even through ordinary income in the earnings forecast increased compared to the previous fiscal year, but adjustments net income and profit attributable to Fullcast Holdings Co., Ltd. both declined is because the loss that could be carried forward from the previous fiscal year is expected to be fully used up during the fiscal year ending December 2017 and the adjustment for corporate and other taxes had a negative impact on profit and loss due to the fact that the effective tax amount will increase and the reversal of deferred tax assets associated with the elimination of the loss carried forward.

|  | FY12/17<br>Business Forecasts<br>for 1st Half | FY12/17<br>Business Forecasts<br>for Full Year | FY12/16<br>Actual Results<br>For Full Year | Rate of change<br>(%)<br>( Full Year ) |
|--|---|--|--|--|
|  | (Million yen)                                 |  |  |  |
| Net sales  | 14,323  | 30,000   | 25,340                                     | 18.4%                                  |
| Gross profit   | 5,559   | 11,592   | 9,258                                      | 25.2%                                  |
| Operating income                                       | 1,452   | 3,230  | 2,882                                      | 12.1%                                  |
| Ordinary income  | 1,489   | 3,300  | 3,001                                      | 10.0%                                  |
| Net income attributable to Fullcast Holdings Co., Ltd. | 921   | 2,123  | 2,529                                      | (16.0)%                                |
| Net income per share (yen)                             | —   | 56.1   | 65.9                                       | (14.9)%                                |
| (Reference)  |   |  |  |  |
| ROE  | —   | 22.2%  | 30.2%                                      | (8.1)pt                                |
| Adjusted net Income                                    | —   | 2,391  | 2,585                                      | (7.5)%                                 |
| Adjusted net income per share                          | —   | 63.2   | 67.4                                       | (6.3)%                                 |
| Adjusted ROE   | —   | 25.0%  | 30.9%                                      | (5.9)pt                                |

\*Adjusted net income refers to net income attributable to Fullcast Holdings Co., Ltd. excluding the influence of income taxes-deferred arising from recording of deferred tax assets for deduction of loss carried forward.

\*Adjusted net income per Share (yen) refers to net income per share calculated based on adjusted net income.

\*Adjusted ROE refers to ROE calculated based on adjusted net income.

\*The Company acquired the shares of F-PLAIN Corporation, an affiliate under the equity method (as of December 31, 2016; 23.8% of voting rights), on January 26, 2017, making it a consolidated subsidiary(78.2% of voting rights) from the fiscal year ending December 2017. At the same time, the earnings forecast for the fiscal year ending December 2017 takes into account the earnings forecasts of F-PLAIN Corporation and it's wholly owned subsidiary M's Line Co., Ltd.

- ✓ Plan to achieve an increase in operating income by focusing on growing our “placement” and “management” services, which are the core services in short-term operational support business segment.

(Million yen)

|   |             | FY12/17<br>Business Forecasts | FY12/16<br>Actual Results | Rate of change<br>(%) |
|---|-------------|-------------------------------|---------------------------|-----------------------|
| Short-term<br>Operational Support<br>Business | Net sales   | 24,956                        | 23,225                    | 7.5%                  |
|   | Placement   | 4,186                         | 3,783                     | 10.6%                 |
|   | Management  | 2,635                         | 2,400                     | 9.8%                  |
|   | Dispatching | 14,758                        | 13,856                    | 6.5%                  |
|   | Outsourcing | 3,377                         | 3,185                     | 6.0%                  |
| Security, Other<br>Business                   | Net sales   | 5,045                         | 2,116                     | 138.4%                |
| Consolidated                                  | Net sales   | 30,000                        | 25,340                    | 18.4%                 |

\*The Company acquired the shares of F-PLAIN Corporation, an affiliate under the equity method (as of December 31, 2016; 23.8% of voting rights), on January 26, 2017, making it a consolidated subsidiary (78.2% of voting rights) from the fiscal year ending December 2017. At the same time, the earnings forecast for the fiscal year ending December 2017 takes into account the earnings forecasts of F-PLAIN Corporation and its wholly owned subsidiary M's Line Co., Ltd.

\*For the business forecast for each segment and service category for the fiscal year ending December 2017, the earnings forecasts of the two newly consolidated companies have been included in the “Security, other businesses” segment. Additionally, the Company will carefully examine the need and pros and cons of making changes to the classification method of the Group’s business segment attributed to the consolidation of new companies.



# Progress of Medium-Term Management Plan (MTP)

## ■ Progress of MTP

(billion yen)

|           |   | FY12/16 Plan | FY12/16 Actual Results | Achievement Percentage | FY12/20 Goal |
|-----------|---|--------------|------------------------|------------------------|--------------|
| Net sales | Consolidated                                    | 24.6         | 25.3                   | 102.8%                 | 34.3         |
|           | I . Short-Term Operational Support Business     | 22.5         | 23.2                   | 103.0%                 | 30.3         |
|           | (Placement)                                     | 4.2          | 3.8                    | 90.7%                  | 5.7          |
|           | (Management)                                    | 2.5          | 2.4                    | 94.5%                  | 3.4          |
|           | (Dispatching)                                   | 13.1         | 13.9                   | 105.8%                 | 18.2         |
|           | (Outsourcing)                                   | 2.7          | 3.2                    | 116.7%                 | 3.1          |
|           | II . Security Business                          | 2.1          | 2.1                    | 100.0%                 | 2.5          |
|           | III . New Business Ventures & Global Business   | —            | 0                      | —                      | 1.5          |
| Targets   | Operating income                                | 2.6          | 2.9                    | 109.6%                 | 5.0          |
|           | Number of operating workers                     | 191,900      | 187,922                | 97.9%                  | 257,400      |
|           | Gross profit per 1 yen of personnel costs (yen) | 2.4          | 2.5                    | 104.4%                 | 2.8          |

✓ The targets for the first year of the MTP (i.e. FY 12/16) have, for the most part, been achieved.

✓ As a result of responding to the needs of customers focused on our “dispatching” and “outsourcing” services, the number of instances of dispatch per worker increased, despite a failure to reach the target number of operating workers, resulting in the targets for consolidated net sales and consolidated operating income being achieved

✓ Although the planned target for the fiscal year ending December 2017 was revised, the assumptions for achieving the targets of the final fiscal year of MTP remain unchanged at present, and therefore, the Company has decided to leave the planned targets for each individual fiscal year unchanged.

- Within the net sales total for the Security, other businesses segment, sales deriving from Dimension Pockets Co., Ltd. have been booked under “New Business Ventures & Global Business”
- The target figures in the MTP for operating workers represent the number of unique persons engaged in service provision other than the “Management” services provided by Fullcast Co., Ltd. and Top Spot Co., Ltd.
- The net sales figures given for individual service segments are provided for reference purposes only; these data have not been audited by an audit corporation.

# Dividends and Dividend Forecasts for the Fiscal Year Ending December 2017

- ✓ We have passed a resolution during the Board of Directors meeting held on February 10, 2017 to pay 11 yen per share dividend from retained earnings and repurchase shares.

## ■ Dividend details

|                                   | Amount determined | Most recent dividend forecast<br>(Announced on Nov.11, 2016) | Actual Results for Full year results<br>(FY12/16) | Previous term results<br>(FY12/15) |
|-----------------------------------|-------------------|--|---|------------------------------------|
| Record date                       | Dec. 31, 2016     | Dec. 31, 2016  | —   | —                                  |
| Amount available for distribution | 3,131 million yen | —  | —   | —                                  |
| Dividend per share                | 11 yen            | 10 yen   | 21 yen  | 18 yen                             |
| Total amount of dividends         | 422 million yen   | —  | 805 million yen                                   | 693 million yen                    |
| Effective date                    | Mar. 10, 2017     | —  | —   | —                                  |
| Resources for dividend            | Retained earnings | —  | Retained earnings                                 | Retained earnings                  |

## ■ Share Repurchase Program

| Type of stock   | Max. number of shares to acquire | Total value of repurchases | Period                         |
|-----------------|----------------------------------|----------------------------|--------------------------------|
| Ordinary shares | 574,200 (cap)                    | 498 million yen (cap)      | Feb. 13, 2017 to Mar. 23, 2017 |

## ■ Total Return Ratio

|   | FY 12/16 | Previous term results(FY12/15) |
|---|----------|--------------------------------|
| Total return ratio versus adjusted net income | 50.4%    | 53.4%                          |

For this fiscal year, a dividend of 21 yen per share, an increase of 3 yen from the previous year and 1 yen from forecast, will be paid, based on the concept of achieving a total return ratio of 50% related adjusted net income. At the end of the fiscal year, a dividend of 11 yen per share will be offered and share repurchases totaling value up to 498 million yen will be conducted. As a result, the total return ratio versus adjusted net income for FY 12/16 will be 50.4%.

## ■ Dividend Forecast

|                                    | End of Q2<br>(Interim Dividend) | Year-End<br>(Year-end Dividend) | Total  |
|------------------------------------|---------------------------------|---------------------------------|--------|
| Record date                        | Jun. 30, 2017                   | Dec. 31, 2017                   | —      |
| Dividend per share                 | 12 yen                          | 12 yen                          | 24 yen |
| Previous term results<br>(FY12/16) | 10 yen                          | 11 yen                          | 21 yen |

## ■ Policy for Next-Term Dividends

In order to continue to realize 20% adjusted ROE, we will firmly maintain the target of a 50% total return ratio related adjusted net income as part of our shareholders return policy. In order to carry out agile returns of profit, at the current point in time we have the option of offering a dividend and repurchasing shares. We forecast a dividend range that includes an interim dividend of 12 yen per share and a year-end dividend of 12 yen per share, for a total annual dividend of 24 yen per share, an increase of 3 yen from the previous year.

\*"Adjusted net income" represents net income excluding the effects of income taxes—deferred associated with the booking of deferred tax assets within the loss carried forward. "Adjusted net income" is used as the based for calculating the total return ratio.

\*Adjusted ROE represents ROE calculated based on adjusted net income.

\*"Adjusted net income" used as the basis for calculating the total return ratio in the dividend forecast will be calculated the same as "net income attributable to Fullcast Holdings Co., Ltd."

## ■ Basic Stance on Capital Policy

The Fullcast Group maintains a basic policy of maximizing capital efficiency and securing financial soundness to achieve sustained improvement in corporate value.

- ✓ Maintaining a total return ratio of 50 % relative to adjusted net income (\*1,\*2) targeted at providing returns to shareholders as an indicator to support sustained improvement in corporate value and to maximize capital efficiency.
- ✓ Our goal for enhancing corporate value is to maintain an ROE of 20% or greater relative to adjusted net income.
- ✓ We will maintain a maximum D/E ratio of 0.5x in order to enhance corporate value and to maintain financial soundness.

\*1 "Adjusted net income" represents net income excluding the effects of income taxes—deferred associated with the booking of deferred tax assets within the loss carried forward. "Adjusted net income" is used as the based for calculating the total return ratio and ROE.

\*2 Net income shown for FY12/16 and beyond is the same as "Net income attributable to Fullcast Holdings."

# Providing the **best place** for people to bring out **their best.**



ADR (American Depositary Receipts) Program:

Program Type: Sponsored Level 1

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

Symbol: FULCY  
Depository: The Bank of New York Mellon

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