



## Consolidated Business Results for the Fiscal Year Ended December 2017 (Jan.– Dec. 2017)

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February 9, 2018  
FULLCAST HOLDINGS CO., LTD. (4848)

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- In this document, the “Short-Term Operational Support Business” is referred to as “Short-Term”, and the “Sales Support Business”, which mentioned as below, is referred to as “Sales” in some parts.
- 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 ended December 2017 and its new inclusion within the scope of consolidation, also with its subsidiaries. Since there are no comparable results for new business segment in previous fiscal year, no year-on-year comparison is made and only the aggregate results for the fiscal year ended December 2017 have been disclosed.
- Of the Company’s consolidated subsidiaries, in the third quarter, F-PLAIN Corporation and its subsidiaries changed their settlement date to December 31; therefore, the settlement date is the same as the consolidated account settlement date. Financial statements were prepared based on a provisional settlement conducted by F-PLAIN Corporation and its subsidiaries as of the consolidated settlement date; therefore, this change does not have any impact on financial statements. Additionally, in the fourth quarter, Dimension Pockets Co., Ltd. changed its settlement date to December 31; therefore, the settlement date is the same as the consolidated account settlement date. As a result of this change, the consolidated fiscal year under review corresponds to the 14-month period from November 1, 2016 to December 31, 2017. This change only has a minimal impact on financial statements. The final day of the business year of other consolidated subsidiaries are all match to the consolidated account settlement date.
- In this document, names of services are written in an abbreviated form; “Part-Time Worker Placement” service is referred to as “Placement” and “Part-Time Worker Payroll Management”, “My Number Management” and “Year-End Tax Adjustment Management” services are referred to as “Management” in the Short-Term Operational Support Business, which were launched along with the implementation of the Revised Worker Dispatching Act on October 1, 2012. 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.”



# **FY2017**

# **Summary of Business Performance**

## ● Consolidated business performance exceeds revised full-year earnings forecast driven by mainstay business

- Consolidated earnings exceeded the revised full-year earnings forecast for the fiscal year ended December 2017 (announced on August 4, 2017) for **net sales (102.4%), operating income (110.6%) and ordinary income (109.6%)** mainly due to growth seen in the “Placement” and “Management” services, which are mainstay services within the “Short-Term Operational Support Business”, one of the Group’s mainstay businesses, and because SG&A expenses came in under the revised earnings forecast.
- **Net income attributable to Fullcast Holdings Co., Ltd. was 109.8% of the target** in the revised full-year earnings forecast for the fiscal year ended December 2017, driven mainly by an increase in ordinary income.

## ● Seek to achieve new record high profits(\*) in the fiscal year ending December 2018

- We endeavor to achieve new record high profits(\*) in the fiscal year ending December 2018 by growing the Group’s mainstay “Short-Term Operational Support Business”.

\* Previous “record high profits” reflects operating income of 4,720 million yen recorded in the fiscal year ended September 2006.

**FY2017**

**Consolidated Business Highlights  
(Jan. – Dec. 2017)**

# Consolidated: FY2017 Comparison vs. Revised Earnings Forecast

- ✓ Consolidated earnings exceeded the revised full-year earnings forecast for the fiscal year ended December 2017 (announced on August 4, 2017) for **net sales (102.4%)**, **operating income (110.6%)** and **ordinary income (109.6%)** mainly due to growth seen in the “Placement” and “Management” services, which are mainstay services within the “Short-Term Operational Support Business”, one of the Group’s mainstay businesses, and because SG&A expenses came in under the revised earnings forecast.
- ✓ **Net income attributable to Fullcast Holdings Co., Ltd. was 109.8% of the target** in the revised full-year earnings forecast for the fiscal year ended December 2017, driven mainly by an increase in ordinary income.

(Million yen)

	FY2017 Revised Business Forecast	FY2017 Results	Difference	Achievement rate
Net sales	31,300	32,066	766	102.4%
Gross profit	12,331	12,682	351	102.8%
Operating income	4,000	4,424	424	110.6%
Ordinary income	4,020	4,406	386	109.6%
Net income attributable to Fullcast Holdings Co., Ltd.	2,727	2,994	267	109.8%
Net income per share (yen)	71.8	78.9	7.0	109.8%
(Reference)				
ROE	27.7%	29.8%	–	2.2PT
Adjusted net income (*1)	2,991	3,261	270	109.0%
Adjusted net income per share (yen) (*2)	78.8	85.9	7.1	109.0%
Adjusted ROE (*3)	30.3%	32.5%	–	2.2PT

\*1 “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.

\*2 “Adjusted net income per share (yen)” refers to net income per share calculated based on “adjusted net income.”

\*3 “Adjusted ROE” refers to ROE calculated based on “adjusted net income.”

# Consolidated: FY2017 Comparison vs. Revised Earnings Forecast (Segment Sales)

✓ We achieved the targets in the revised full-year business forecast for each segment, which lead to consolidated net sales exceeding the earning forecast for FY2017.

(Million yen)

		FY2017 Revised Business Forecast	FY2017 Results	Difference	Achievement rate
Short-Term Operational Support Business	Net sales	25,961	26,555	593	102.3%
	Placement	4,587	4,755	168	103.7%
	Management	2,786	2,857	71	102.5%
	Dispatching	15,293	15,662	370	102.4%
	Outsourcing	3,296	3,281	(15)	99.5%
Sales Support Business	Net sales	3,447	3,596	150	104.3%
Security, Other Businesses	Net sales	1,892	1,915	22	101.2%
Consolidated	Net sales	31,300	32,066	766	102.4%

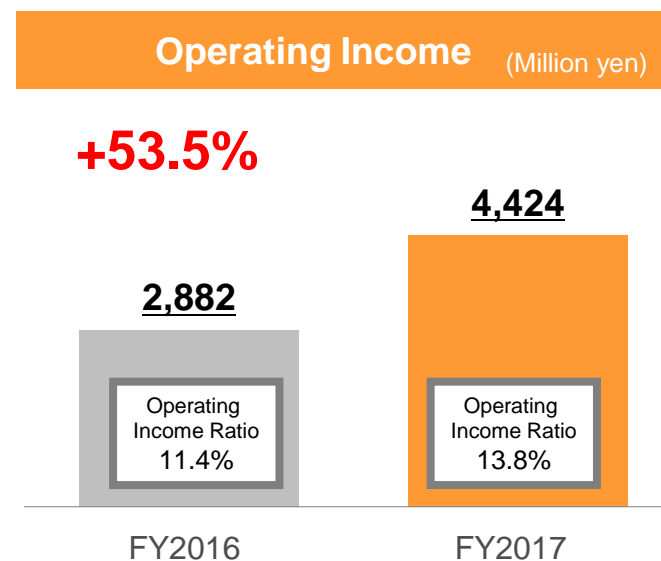
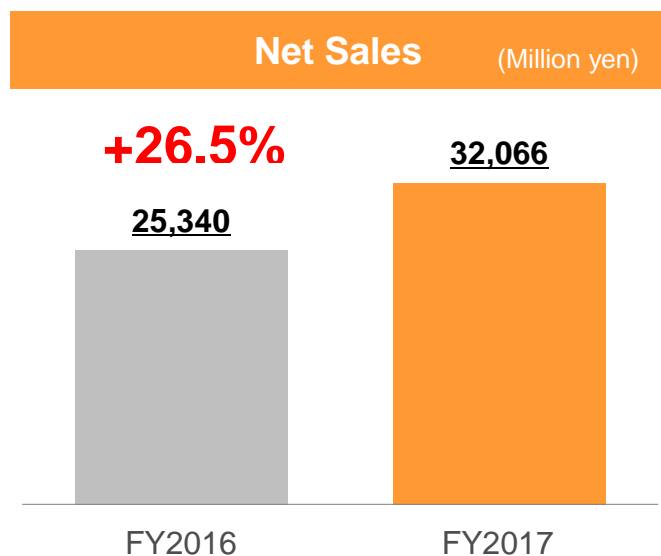
# Consolidated: FY2017 Year-on-Year Comparison

## Factors behind the change in Net Sales

- ✓ Consolidated net sales **increased by 26.5%** year-on-year, primarily attributed to increased sales of the “Placement” and “Management” services, which are mainstay services within the “Short-Term Operational Support Business”, and the inclusion of the business performance of F-PLAIN Corporation and its subsidiaries following its conversion to a consolidated subsidiary.

## Factors behind the change in Operating Income

- ✓ Consolidated operating income **rose by 53.5%** year-on-year and operating income ratio **increased by 2.4PT** due to higher sales.





# Consolidated: FY2017 Year-on-Year Comparison

- ✓ Ordinary income **increased 46.8%** year-on-year because of growth in operating income, and despite a year-on-year drop in equity accounting method profits arising from the conversion of F-PLAIN Corporation into a consolidated subsidiary.
- ✓ Net income attributable to Fullcast Holdings Co., Ltd. **increased 18.4%** year-on-year, due mainly to an increase in operating income and 167 million yen of gain on step acquisitions (\*) posted as extraordinary income accompanying the acquisition of the shares of F-PLAIN Corporation during the first quarter of the fiscal year ended December 2017, and despite an increase in corporate, resident and business taxes accompanying the exhausting of losses carried forward in the first half and 48 million yen in extraordinary losses following the impairment of goodwill and plant, property and equipment from certain business units of F-PLAIN Corporation during the third quarter of the fiscal year ended December 2017.

	(Million yen)			
	FY2016	FY2017	Difference	Rate of change
Net sales	25,340	32,066	6,726	26.5%
Gross profit	9,258	12,682	3,424	37.0%
SG&A expenses	6,376	8,258	1,882	29.5%
Operating income	2,882	4,424	1,542	53.5%
Operating income ratio	11.4%	13.8	—	2.4PT
Ordinary income	3,001	4,406	1,405	46.8%
Net income attributable to Fullcast Holdings Co., Ltd.	2,529	2,994	465	18.4%

	FY2016	FY2017	Rate of change
Gross profit per 1 yen of personnel costs (yen)	2.5	2.7	11.1%

✓ Gross profit per 1 yen of personnel costs **increased 11.1%** year-on-year to **2.7 yen** as a result of improvements in productivity for the entire Group.

➤ “Gross profit per 1 yen of personnel costs” appears rounded off to the second decimal place.

\* “Gain on step acquisitions” represents a gain not accompanying a transfer of cash that occurred because the revised market value of the existing equity interest exceeding the book value when turning F-PLAIN Corporation from an affiliate under the equity method to a consolidated subsidiary.

# **FY2017 Segment Highlights**

## **Short-Term Operational Support Business Earnings**

### **(Jan.– Dec. 2017)**

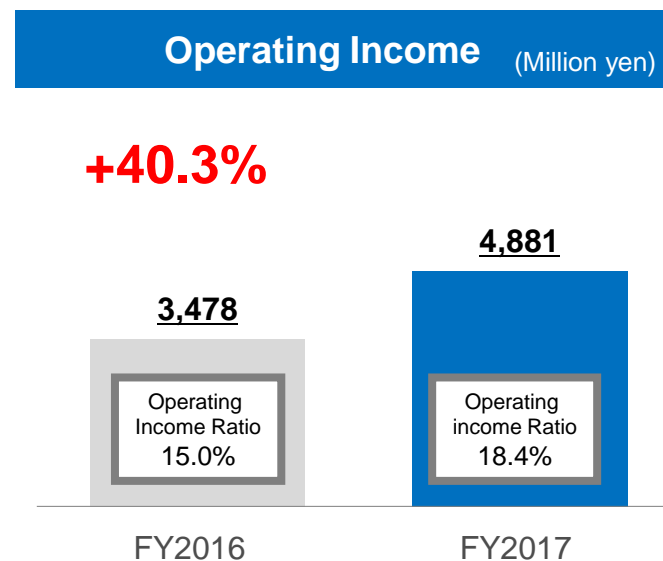
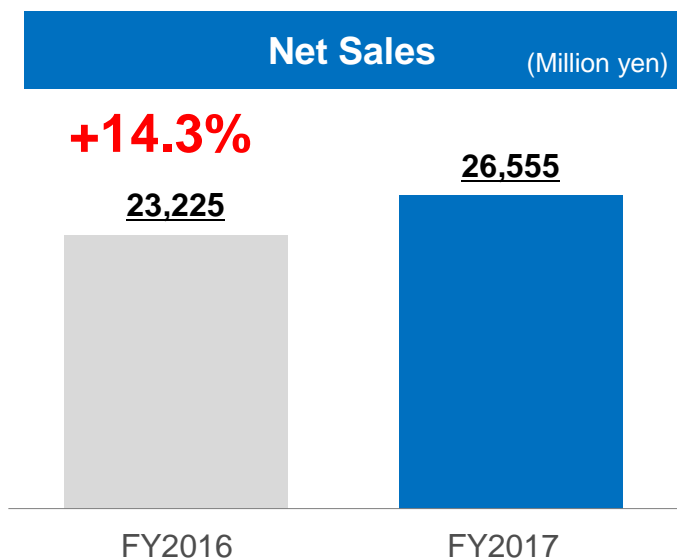
# Short-Term: FY2017 Year-on-Year Comparison

## Factors behind the change in Net Sales

- ✓ Net sales of the “Short-Term Operational Support Business” **increased 14.3%** year-on-year, driven mainly by growth in the mainstay “Placement” and “Management” services as we continued to secure our human resources supply capabilities in response to firm demand from client companies for short-term human resources throughout the year.

## Factors behind the change in Operating Income

- ✓ Operating income **rose 40.3%** year-on-year, outpacing the growth rate of 23.4% from the previous year, and the operating income ratio **increased 3.4PT** due mainly to the increase in net sales and restrained SG&A expense ratio.



# Short-Term: FY2017 Year-on-Year Comparison (by Service Category)

	(Million yen)			
	FY2016	FY2017	Difference	Rate of change
Net sales	23,225	26,555	3,330	14.3%
Placement	3,783	4,755	972	25.7%
Management	2,400	2,857	456	19.0%
Dispatching	13,856	15,662	1,806	13.0%
Outsourcing	3,185	3,281	96	3.0%
Gross profit	8,873	10,616	1,743	19.6%
Placement	3,621	4,586	965	26.7%
Management	2,389	2,831	442	18.5%
Dispatching	2,183	2,518	336	15.4%
Outsourcing	681	681	1	0.1%

✓ We were able to grow the mainstay “Placement” and “Management” services as we secured our human resources supply capabilities in response to the growing number of client companies and their needs for short-term human resources throughout the year.

	FY2016	FY2017	Difference	Rate of change
Number of customers	15,236	20,670	5,434	35.7%
Number of new customers	4,974	6,953	1,979	39.8%

✓ Besides the growth in our mainstay services, “Dispatching” service also grew steadily, driven by our response to the long-term human resource needs of client companies

- “Management” services includes the total of “Part-Time worker Payroll Management,” “My Number Management” and “Year-End Tax Adjustment Management” services.
- The results of Fullcast Senior Works Co., Ltd., which began operations on March 1, 2017, have been included in overall results from the first quarter.
- The results of Fullcast Porter Co., Ltd., which began operations on July 1, 2017, have been included in overall results from the third quarter.
- “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., Work & Smile Co., Ltd., and Fullcast Senior Works Co., Ltd., Fullcast Porter Co., Ltd. as well as the short-term operational support business of Fullcast Advance Co., Ltd.
- Numerical data represent reference figures. This data has not been audited by the accounting auditor.



# FY2017 Segment Highlights

## Sales Support Business Earnings (Jan.– Dec. 2017)

- 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 ended December 2017 and its new inclusion within the scope of consolidation, also with its subsidiaries. Since there are no comparable results for new business segment in previous fiscal year, no year-on-year comparison is made and only the aggregate results for the fiscal year ended December 2017 have been disclosed.
- In the third quarter, F-PLAIN Corporation and its subsidiaries changed their settlement date to December 31, therefore settlement date is same as the consolidated account settlement date. Financial statements were prepared based on a provisional settlement conducted by F-PLAIN Corporation and its subsidiaries as of the consolidated settlement date; therefore, this change does not have any impact on financial statements.

# Sales: FY2017 Results

## Net Sales

- ✓ Net sales totaled **3,596 million yen** as a result of the continued success of measures to expand the dealer network for the mainstay Internet service subscription business throughout the fiscal year.

## Operating Income

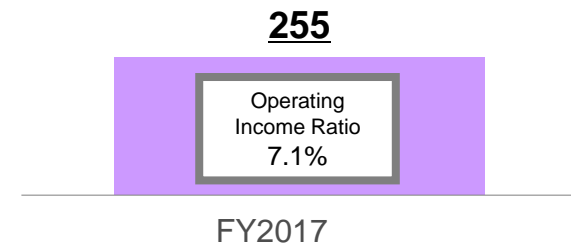
- ✓ Operating income totaled **255 million yen** because net sales outpaced the revised earnings forecast, and despite goodwill amortization resulting from the acquisition of the shares of F-PLAIN Corporation booked as SG&A expenses for this segment.

- The “Sales Support Business” segment is mainly comprised of the “call center”, “online”, “alliance” and “entertainment” businesses.
- The “call center”, “online” and “alliance” businesses each involve the sale of Internet Access.
- Only results for the fiscal year ended December 2017 are presented here because results from previous fiscal years are not disclosed.

### Net Sales (Million yen)



### Operating Income (Million yen)



# FY2017 Segment Highlights

## Security, Other Businesses Earnings

### (Jan.– Dec. 2017)

- Dimension Pockets Co., Ltd., which belongs to the “Security, Other Businesses”, changed its settlement date to December 31 in the fourth quarter; therefore, the settlement date is now the same as the consolidated account settlement date. As a result of this change, the consolidated fiscal year under review corresponds to the 14-month period from November 1, 2016 to December 31, 2017. This change only has a minimal impact on consolidated financial statements.

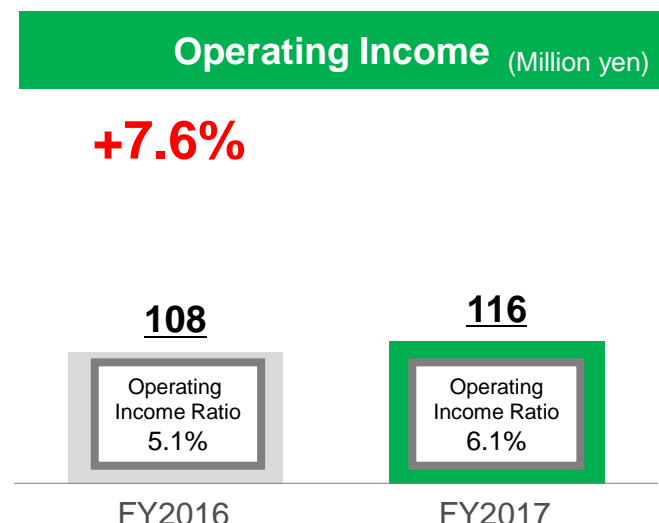
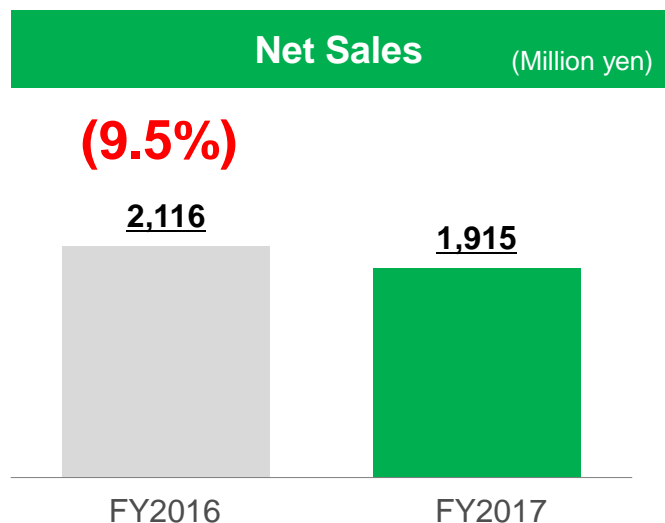
# Security, Other: FY2017 Year-on-Year Comparison

## Factors behind the change in Net Sales

- ✓ Net sales fell 9.5% year-on-year due mainly to a decline in the number of temporary security bidding projects compared to the previous year.

## Factors behind the change in Operating Income

- ✓ Operating income rose 7.6% over the previous year, and the operating income ratio increased 1.0PT, due to mainly by an improvement in the gross margin in the security business, which is the main business of this segment, driven by securing temporary security projects with high profit margin.





# FY2017 Summary

# Business Targets and Strategy for the Fiscal Year Ended December 2017

## Business Targets for the Fiscal Year Ended December 2017

### ● Realize increased profit 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 Ended 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

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

- In order to support the diverse working style needs of staff, we have continuously revised our dedicated portal site for staff and developed access routes so that it is easier for job seekers to find the work they are looking for.
- We have worked to encourage the registration of staff registered with each group company with an appropriate group company depending on the age, attributes, and needs of the job seekers.
- We have worked to improve the operational efficiency of the entire Group by utilizing our network of business locations nationwide that is the strength of Fullcast Co., Ltd. to develop a system in which Fullcast Co., Ltd. is entrusted to conduct registration briefings from each group company.

## Strategy 2: Business Expansion through Growth of New Brands and Launch of New Services

### ● Deployment of new brands

Top Spot Co., Ltd. - Shizuoka (July), Fukuoka (Aug.), Kobe (Sept.)

Work & Smile Co., Ltd. - Osaka (Feb.)

- We will work to secure new staff and new client companies by expanding our brand portfolio in addition to Fullcast.

### ● New companies (New services)

Fullcast Senior Works Co., Ltd. (Mar.)

- Fullcast Senior Works Co., Ltd. seeks to expand the Short-Term Operational Support Business through job placement support for seniors, identifying a new workforce segment and providing them to client companies.

Fullcast Porter Co., Ltd. (Jul.)

- Fullcast Porter Co., Ltd. focuses on human resource services for transportation companies, especially drivers where there is a shortage of workers.

### ● M&A (new services)

F-PLAIN Corporation (Jan.)

- F-PLAIN Corporation was consolidated (78.2% controlling interest) after being an affiliate under the equity method (23.8% ownership stake).
- Its call center business has a high affinity with the human resource services and BPO services provided in the Group's mainstay "Short-Term Operational Support Business". We will seek to reinforce its future growth strategy, facilitate the mutual use of management resources, further stabilize the management foundation, and grow future profits.

BOD Co., Ltd. (Dec.)

- BOD Co., Ltd. is a wholly-owned subsidiary of Hikari Tsushin, Inc. (9435). We acquired a majority interest (51%) in BOD Co., Ltd., which provides BPO services.
- To expand BPO services and further raise the efficiencies of BPO services that both companies have provided.

## 1. Reason for share acquisition

- To expand BPO services and further raise the efficiencies of BPO services that both companies provide.

## 2. About BOD Co., Ltd.

(1) Name	BOD Co., Ltd.
(2) Address	2-49-7 Minami-Ikebukuro, Toshima-ku, Tokyo
(3) Name and title of representative	Daizen Tanaka, Representative Director
(4) Business lines	Data entry, order management contracting, credit screening agency services, invoice agency and processing services, payment management operations, order management, bookkeeping and accounting contracting
(5) Paid-in capital	20 million yen
(6) Established	January 23, 2017
(7) Major shareholders and ownership stake	(Prior to transaction) Gyomubu Co., Ltd. (wholly-owned subsidiary of Hikari Tsushin, Inc.) 100% (After transaction) Fullcast Holdings Co., Ltd. 51%, Hikari Tsushin, Inc. 49%
(8) Relationship between the Company and BOD	No prior capital, personnel, or business relationships
(9) Net sales	Approx. 2,000 million yen
(10) Network	Ikebukuro, Sendai, Osaka, Hiroshima, Takamatsu

## 3. Timeline

(1) Board resolution	December 15, 2017
(2) Contract signing	December 20, 2017
(3) Transfer of shares	January 4, 2018

## 4. Future outlook

- The acquisition of shares of BOD Co., Ltd. will not have an impact on Fullcast's consolidated earnings for the fiscal year ended December 2017.
- The full-year earnings outlook for BOD Co., Ltd. in the fiscal year ending December 2018 has been included in the FY2018 Business Forecasts (see page 28).

## Strategy 3: Expand BPO business

### ● Initiative 1: Fine tuning of “My Number Management” service

- Compared with the fiscal year ended December 2016 when the service was commenced, the need of clients has shifted from My Number “Gathering” to “Maintenance & Management.”
- We maintained a high contract renewal rate (98%) by fine tuning our services and providing high value-added services aimed at improving customer satisfaction.

### ● Initiative 2: Full-scale roll-out of “Year-End Adjustment Management” service

- In the first half of the fiscal year ended December 2017, we booked profit related to the “Year-End Adjustment Management” service that was commenced from October 2016.
- We rolled out the service fully in the second half of fiscal year ended December 2017 (profits to be booked in the first half of the fiscal year ending December 2018).

### ● Initiative 3: Launched the “Resident Tax Update Admin Work Management” service

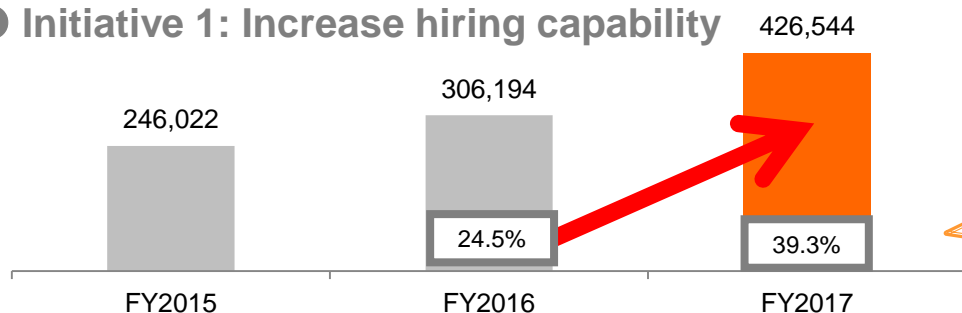
- In May 2017, we launched the “Resident Tax Update Admin Work Management” service in which we conduct complex administrative work for update resident tax records that must be carried out by the HR departments of client companies every year.

### ● Initiative 4: Consolidation of BOD Co., Ltd.

- See page 21.

# Ongoing Initiatives

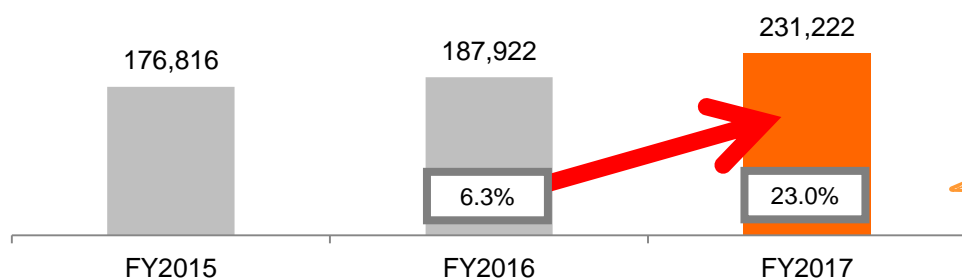
## ● Initiative 1: Increase hiring capability



✓ The number of new hires rose 39.3% year-on-year to 426,544 people, exceeding the previous year's growth rate of 24.5%, due mainly to improvement in the adoption efficiency of the web registration service arising from changes to the allocation of investments in recruitment expenses and fortification of our own media using SEO measures.

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

## ● Initiative 2: Increase the number operating workers



✓ The number of operating workers rose 23.0% to 231,222 people, exceeding the previous year's growth rate of 6.3%, thanks to the implementation of assignment promotion activities to continuously improve usability, and other measures.

➤ The "number of operating workers" is the total number of unique individuals working at Fullcast Co., Ltd., Top Spot Co., Ltd., Work & Smile Co., Ltd. and Fullcast Senior Works Co., Ltd., Fullcast Porter 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.

## ● Initiative 3: Branding

➤ We produced TV commercials for regional viewers, utilized famous personalities, and supported sports activities in order to enhance corporate branding.

## ● Initiative 4: Open new offices

➤ We opened a total of 16 new offices.

Fullcast Co., Ltd.:	Shiga Pref. Hikone (Feb. 1), Oita Pref. Oita (Feb. 1), Toyama Pref. Toyama (Feb. 6), Aomori Pref. Aomori (Feb. 13), Fukushima Pref. Fukushima (Sept. 1), Nagano Pref. Saku, Karuizawa (Sep. 1), Wakayama Pref. Wakayama (Sep. 1), Tokushima Pref. Tokushima (Sep. 1), Nagasaki Pref. Nagasaki (Sep. 1), Chiba Pref. Narita (Sep. 15)
Top Spot Co. Ltd.:	Shizuoka Pref. Shizuoka (Jul. 25), Fukuoka Pref. Fukuoka (Aug. 1), Hyogo Pref. Kobe (Sep. 1)
Work & Smile Co., Ltd.:	Osaka Pref. Osaka (Feb. 1)
Fullcast Senior Works Co., Ltd.:	Head Office (Tokyo Pref. Ueno) (Mar. 1)
Fullcast Porter Co., Ltd.:	Head Office (Tokyo Pref. Shinjuku) (Jul. 1)

# FY2018 Business Targets and Strategy



## Business Targets for the Fiscal Year Ending December 2018

- **Achieve record high profits** by reinforcing Group synergies and further increasing productivity

\* “Record high profits” indicates operating income of 4,720 million yen recorded in the fiscal year ended September 2006.

## Business Strategy for the Fiscal Year Ending December 2018

Strategy 1: Improve recruitment efficiency and staff operation rate

Strategy 2: Further strengthen Group synergies

Strategy 3: Expand BPO business and launch new services

## ● Improve recruitment efficiency and staff operation rate

- We seek to increase the registration rate of recruitment media and increase the operating rates of registered workers by continuously improving usability, reviewing allocation of investments in recruitment spending and enhancing staff satisfaction.
- We will enhance our media by further reinforcing SEO measures.

## ● Further strengthen Group synergies

- We will systemize the sharing of project information between operating companies to maximize staff operating rates.
- We will consolidate administrative work from our sales offices at dedicated BPO departments within our Group to raise operating efficiencies and enhance productivity Group-wide.

## ● Expand BPO business and launch new services

- We will launch the “Employee Payroll” service in which we will carry out employee wage calculation work on behalf of client companies.
- We are preparing to introduce the “Hiring Management” service in which we will carry out hiring related work on behalf of client companies to help streamline their hiring operations.
- We will expand the service menu of newly consolidated BOD Co., Ltd. to include Fullcast clients.

# FY2018 Business Forecasts

# FY2018 Business Forecasts

- ✓ By working to strengthen synergies within our Group and to promote development of new applications for existing businesses, we will increase revenues by boosting sales across the entire Fullcast Group. We will also continue efforts to enhance productivity by streamlining operations Group-wide. Consequently, we will fulfill our target for the fiscal year ending December 2018 of “Achieving record high profits (\*1) by reinforcing Group synergies and further increasing productivity.”
- ✓ By continuing to implement operations in a manner that pays due attention to capital efficiency, we aim to raise ROE based on adjusted net income to over 20%.
- ✓ Even through ordinary income in the earnings forecast increased 15.3% compared to the previous year, the reason why the growth rate of net income attributable to Fullcast Holdings was restrained to lower growth of 6.4% is rise in the effective tax amount due to the elimination of the loss carried forward from the previous year.

(Million yen)

	FY2018 Business Forecasts for 1st Half	FY2018 Business Forecasts for Full Year	FY2017 Actual Results for Full Year	Rate of Change (Full Year)
Net sales	17,700	37,000	32,066	15.4%
Gross profit	7,760	16,014	12,682	26.3%
Operating income	2,310	5,000	4,424	13.0%
Ordinary income	2,340	5,080	4,406	15.3%
Net income attributable to Fullcast Holdings Co., Ltd.	1,425	3,185	2,994	6.4%
Net income per share (yen)	—	84.7	78.9	7.4%
(Reference)				
ROE	—	27.5%	29.8%	(2.4PT)
Adjusted net income (*2)	—	3,259	3,261	(0.0%)
Adjusted net income per share (yen) (*3)	—	86.7	85.9	0.9%
Adjusted ROE (*4)	—	28.1%	32.5%	(4.4PT)

\*1 “Record high profits” indicates operating income of 4,720 million yen recorded in the fiscal year ended September 2006.

\*2 “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.

\*3 “Adjusted net income per share (yen)” refers to net income per share calculated based on “adjusted net income.”

\*4 “Adjusted ROE” refers to ROE calculated based on “adjusted net income.”

# FY2018 Business Forecasts by Segment and Service Category

- ✓ “Management” services conventionally presented in the Short-term Operational Support Business will be changed to “BPO” services from the fiscal year ending December 2018.
- ✓ Plan to achieve higher operating income by focusing on growing our “placement” and “BPO” services, which are the core services in short-term operational support business segment.

(Million yen)

		FY2018 Business Forecasts for Full Year	FY2017 Actual Results for Full Year	Rate of Change
Short-Term Operational Support Business	Net sales	31,313	26,555	17.9%
	Placement	5,452	4,755	14.7%
	BPO	5,377 (*)	2,857	88.2%
	Dispatching	17,270	15,662	10.3%
	Outsourcing	3,214	3,281	(2.0%)
Sales Support Business	Net sales	3,662	3,596	1.8%
Security, Other Businesses	Net sales	2,026	1,915	5.8%

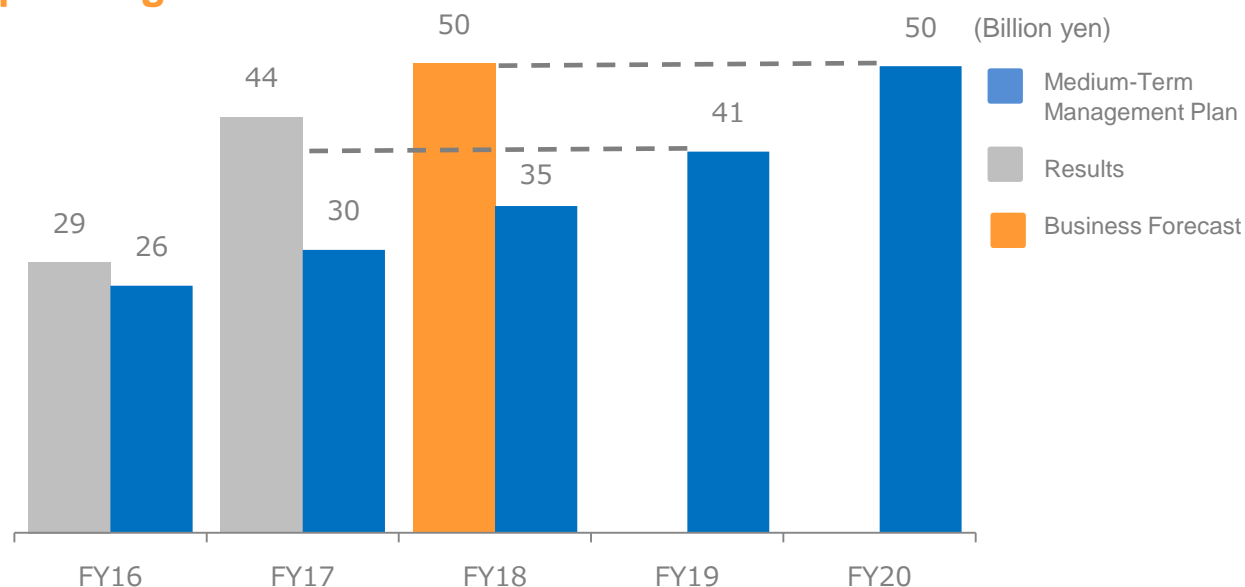
\* We acquired shares of BOD Co., Ltd. on January 4, 2018, making it a consolidated subsidiary (share of voting rights: 51.0%). The earnings forecast for the fiscal year ending December 2018 includes BOD's earnings forecast within the “BPO” service of the Short-term Operational Support Business.

# Progress of Medium-Term Management Plan (MTP)



# Progress of Medium-Term Management Plan (FY16–20)

## Operating income



- ✓ Each of the main KPIs of operating income, number of operating workers, and gross profit per 1 yen of personnel costs were achieved in the fiscal year ended December 2017, the second year of the MTP.
- ✓ In particular, operating income growth is progressing roughly two years ahead of schedule, driven by the Short-Term Operational Support Business, the core business of our Group.
- ✓ Taking into account the above factors, our earnings forecast for the fiscal year ending December 2018 contains a goal to achieve new record high profits(\*), which is also a target within the MTP.

## Number of operating workers

(People)

	FY16	FY17	FY18	FY19	FY20
Plan	191,000	205,800	222,500	239,300	257,400
Results	187,922	231,222	—	—	—

## Gross profit per 1 yen of personnel costs

	FY16	FY17	FY18	FY19	FY20
Plan	2.4 yen	2.5 yen	2.7 yen	2.8 yen	2.8 yen
Results	2.5 yen	2.7 yen	—	—	—

- 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 number of operating workers for the fiscal year ended December 2017 represents the unique number of workers employed in services other than “Management” services in the Short-Term Operational Support Business of Fullcast Co., Ltd., Top Spot Co., Ltd., Work & Smile Co., Ltd., Fullcast Senior Works Co., Ltd., Fullcast Porter Co., Ltd., and Fullcast Advanced Co, Ltd..

\* “Record high profits” represent operating income of 4,720 million yen recorded in the fiscal year ended September 2006.

# Dividends and Dividend Forecasts for FY2018



# Dividend of Surplus and Share Repurchase Program

- ✓ We passed a resolution during the Board of Directors meeting held on February 9, 2018 to pay 14 yen per share dividend from retained earnings and repurchase shares.

## ■ Dividend details

	Amount determined	Most recent dividend forecast (Announced on Aug.4, 2017)	Actual Results for Full Year (FY12/17)	Previous term results (FY12/16)
Record date	Dec. 31, 2017	Dec. 31, 2017	—	—
Amount available for distribution	4,033 million yen	—	—	—
Dividend per share	14 yen	13 yen	26 yen	21 yen
Total amount of dividends	530 million yen	—	985 million yen	805 million yen
Effective date	Mar. 9, 2018	—	—	—
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	340,000 shares (cap)	682 million yen (cap)	Feb. 13, 2018 to Mar. 23, 2018

## ■ Total Return Ratio

	FY 12/17	Previous term results (FY 12/16)
Total return ratio versus adjusted net income	51.1%	50.4%

For this fiscal year, a dividend of 26 yen per share, an increase of 5 yen from the previous year and 1 yen increase 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 14 yen per share will be offered and share repurchases totaling up to 682 million yen will be conducted. As a result, the total return ratio versus adjusted net income for the fiscal year ended December 2017 will be 51.1%.

# Dividends in the Coming Fiscal Year

## ■ Dividend Forecast

	End of Q2 (Interim Dividend)	Year-End (Year-end Dividend)	Total
Record date	June 30, 2018	Dec. 31, 2018	—
Dividend per share	14 yen	14 yen	28 yen
Previous term results (FY 12/17)	12 yen	14 yen	26 yen

## ■ Policy for Next-Term Dividends

In order to continue to realize 20% adjusted ROE (\*1), we will firmly maintain our target of a 50% total return ratio relative to adjusted net income (\*2) as part of our shareholders return policy. In order to efficiently 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 14 yen per share and a year-end dividend of 14 yen per share, for a total annual dividend of 28 yen per share, an increase of 2 yen from the previous year.

\*1 "Adjusted ROE" refers to ROE calculated based on "adjusted net income."

\*2 "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" is used as the based for calculating the total return ratio.

### ■ 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 (\*) and 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.

\* "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" is used as the based for calculating the total return ratio and ROE.

# 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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