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For Immediate Release:

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(Stock code: 4848; Stock Exchange listing:
First Section of the Tokyo Stock Exchange)
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Notice Concerning Differences Between Earnings Forecast and Financial Results, Revision of the Full-Year Consolidated Earnings Forecast, Dividends from Surplus (Interim Dividend for Fiscal Year Ending December 2017) and Revision the Year-End Dividend Forecast

Fullcast Holdings Co., Ltd. announced today that there were differences in the earnings forecast announced on February 10, 2017 and financial results for the first half of the fiscal year ending December 2017 (January 1, 2017 to June 30, 2017), and have decided to revise the full-year consolidated earnings forecast as follows.

In addition, we would like to inform that the Company resolved to distribute dividends from surplus (interim dividend) with the record date of June 30, 2017 at the Board of Directors Meeting held on August 4, 2017, and we have revised the year-end dividend forecast for the fiscal year ending December 2017 as we have revised our full-year consolidated earnings forecasts.

1. Difference Between Earnings Forecast and Financial Results and Revision of the Full-Year Consolidated Earnings Forecast

1) Difference from the earnings forecast for the first half of the fiscal year ending December 2017 (January 1, 2017 to June 30, 2017)

	Net sales	Operating income	Ordinary income	Quarterly net income attributable to Fullcast Holdings Co., Ltd.	Quarterly net income per share
	million yen	million yen	million yen	million yen	yen
Previously announced projections (A)	14,323	1,452	1,489	921	24.27
Actual results (B)	15,394	2,128	2,144	1,543	40.57
Difference (B-A)	1,071	675	656	622	—
Rate of change (%)	7.5	46.5	44.0	67.5	—
Reference: 1H results for the previous fiscal year (1H of Fiscal Year Ended December 2016)	12,014	1,232	1,340	1,081	28.16

2) Revision of the full-year consolidated earnings forecast for the fiscal year ending December 2017 (January 1, 2017 to December 31, 2017)

	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
Previously announced projections(A)	30,000	3,230	3,300	2,123	56.09
Revised projections (B)	31,300	4,000	4,020	2,727	71.83
Difference (B-A)	1,300	770	720	604	—
Rate of change (%)	4.3	23.8	21.8	28.4	—
Reference: Results for the previous fiscal year (Fiscal Year Ended December 2016)	25,340	2,882	3,001	2,529	65.92

3) Reasons for the difference and revision

For the earning results for the consolidated first half of the fiscal year ending December 2017, net sales, operating income and ordinary income exceeded earnings forecasts for the first half of the fiscal year ending December 2017 by 7.5%, 46.5%, and 44.0% respectively due primarily to higher sales of the mainstay services of “Placement” and “Management” services within the “Short-Term Operational Support Business”, and successful efforts to reduce SG&A expenses, mainly consisting of personnel expenses.

In addition, quarterly net income attributable to Fullcast Holdings Co., Ltd. exceeded forecasts by 67.5% due mainly to exceeds in ordinary income, also 167 million yen of gain on step acquisitions posted as extraordinary income accompanying the acquisition of shares of F-PLAIN Corporation during the first quarter of the current fiscal year.

For the full-year consolidated earnings forecasts, the earnings trends seen during the first half of the fiscal year ending December 2017 are expected to continue from the third quarter onwards, the Company is expected to be able to continue to capture strong customer demand until the end of the fiscal year by strengthening its human resources supply capabilities. Consequently, the earnings forecasts of the full year for the fiscal year ending December 2017 have been revised upward from released on February 10, 2017.

* “Gain on step adjustment” represents a gain not accompanying a transfer of cash that occurred because the revised market value of the existing equity interest exceeded the book value when making F-PLAIN Corporation an affiliate under the equity method, into a consolidated subsidiary.

2. Regarding to Dividends from Surplus (Interim Dividend) and Revision of Year-End Dividend Forecast

1) Details of dividends from surplus (interim dividend)

	Details determined	Latest forecast of divided (Announced on Feb.10, 2017)	Previous term results (Interim dividend for FY 2016)
Record date	Jun. 30, 2017	Jun. 30, 2017	Jun. 30, 2016
Dividend per share	12 yen	12 yen	10yen
Total amount of dividends	455 million yen	—	383 million yen
Effective date	Sep. 4, 2017	—	Sep. 5, 2016
Resources for dividends	Retaining earnings	—	Retaining earnings

(Note) Total amount of dividends are rounded to the nearest million yen.

2) Revision of the year-end dividend forecast for the fiscal year ending December 2017

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual
	yen	yen	yen	yen	yen
Previous forecast (announced on February 10, 2017)	—	12.00	—	12.00	24.00
Revised projections			—	13.00	25.00
Results for the current term	—	12.00			
Results for the previous term (Fiscal year ended December 2016)	—	10.00	—	11.00	21.00

3) Reasons for interim dividend and revising year-end dividend forecast

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

Regarding the interim dividend for the fiscal year ending December 2017, taking into account performance we will pay an interim dividend of 12 yen per share as planned, based on dividend forecast announced on February 10, 2017.

For the year-end dividends, based on the revision of the full-year consolidated earnings forecast for the fiscal year ending December 2017, we have increased the dividend forecast of 12 yen announced on February 10, 2017 by 1 yen to 13 yen per share. As a result, the annual dividend forecast for the current fiscal year combined with the interim dividend will increase by 4 yen from the previous term, and expected to be 25 yen per share.

*“Adjusted net income” represents net income attributable to Fullcast Holdings Co., Ltd. excluding the effects of income taxes -deferred associated with the booking of deferred tax assets within the loss carried forward.