



August 7, 2015

Consolidated Financial Results Announcement for the First Half of the Fiscal Year Ending December 2015 [Japanese Standards] (Consolidated)

Company name: Fullcast Holdings Co., Ltd.
 Stock exchange listing: First Section of the Tokyo Stock Exchange
 Stock code: 4848
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 Date of submission of quarterly report (Planned): August 13, 2015
 Date of commencements of dividend payments (Planned): September 4, 2015
 Preparation of supplementary references regarding financial results: Yes (Shown on our homepage)
 Briefing for quarterly results: Yes (For institutional investors and security analysts)

(Figures are rounded to the nearest million yen)

1. Consolidated Financial Results for the First Half of the Fiscal Year Ending December 31, 2015 (January 1 – June 30, 2015)

(1) Consolidated business results

(% = year-over-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
(1H FY12/15) June 30, 2015	10,530	11.6	988	48.4	929	31.5	639	15.1
(1H FY12/14) June 30, 2014	9,432	15.7	666	–	706	650.7	556	329.6

(Note) Comprehensive income: As of June 30, 2015: 645 million yen (16.1%) As of June 30, 2014: 555 million yen (217.6%)

	Net income per share	Diluted net income per share
	Yen	Yen
(1H FY12/15) June 30, 2015	16.62	–
(1H FY12/14) June 30, 2014	14.43	–

(2) Consolidated financial conditions

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
(End 1H FY12/15) June 30, 2015	9,992	6,707	67.1
FY12/14 End	10,551	6,678	63.3

(Reference) Equity: As of June 30, 2015: 6,707 million yen As of December 31, 2014: 6,678 million yen

2. Dividend Status

	Dividend per share (yen)				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual
FY12/14	–	0.00	–	16.00	16.00
FY12/15	–	8.00			
FY12/15 Forecast			–	10.00	18.00

(Note) Revision of the expected dividends in the second quarter under review: None

3. Consolidated Business Forecasts for the Fiscal Year Ending December 31, 2015 (January 1 – December 31, 2015)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	22,400	11.0	2,000	24.0	2,031	23.3	1,717	28.5	44.61

(Note) Revision of the consolidated business forecast in the second quarter under review: None

* Notes

- (1) Important changes of subsidiaries during the current first half period: None
(Changes in the scope of consolidation involving specific subsidiaries)
- (2) Application of special accounting treatment in the creation of quarterly consolidated financial statements: None
- (3) Changes in accounting principles, accounting estimates, and re-presentation of changes
 - 1) Changes in accounting policy associated with the revision of accounting principles and others: Yes
 - 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)	2Q FY12/15	38,486,400	FY12/14	38,486,400
2) Number of treasury stock at the term end	2Q FY12/15	–	FY12/14	–
3) Average number of shares outstanding during the term under review	2Q FY12/15	38,486,400	2Q FY12/14	38,486,400

* Presentation concerning implementation status of quarterly review procedures

These financial results are not the subject of the review procedure based upon the Financial Instruments and Exchange Act, and at the point in time when these financial results were disclosed, review procedures for financial statements based on the Financial Instruments and Exchange Act were not yet completed.

* Explanation about the proper use of financial business forecast and other important notes

Of all plans, business forecast, strategies and other information provided within this document, those which are not historical facts are future outlooks based upon certain conditions and our management's judgments based upon currently available data. Therefore, we warn against relying solely upon these outlooks in assessing our business results, corporate value and other factors. Please also be informed that actual financial results may vary widely from our business forecast due to various factors. Important factors that may have an impact upon our actual financial results include: (1) the economic and financial conditions surrounding our Company and changes in the employment situation, (2) damages to infrastructure arising from disasters including earthquakes, and (3) changes in the relevant laws, including the Labor Standards Act and the Worker Dispatching Act, and in interpretations of these Acts. However, the factors that affect our financial results are not limited to only these. Furthermore, please note that we may choose not to reexamine our business forecasts in response to new data, future events or other factors. For assumptions underlying our business forecasts and related issues, please refer to Page 4 "1-(3) Qualitative Information Concerning Consolidated Business Forecasts" of the "Appendix."

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1. Qualitative Information Concerning Performance for the Current Quarter

(1) Qualitative Information Concerning Consolidated Operating Results

During the first half under review, the Japanese economy continued to gradually recover on the back of improvements in corporate earnings and employment conditions in general, and to signs of recovery in personal consumption. Going forward, the economy is expected to continue to gradually recover based upon the outlook for lower oil prices and implementation of various economic stimulus measures amidst continued improvements in employment and income conditions. At the same time, uncertainties continue to cloud the economic horizon as slowing growth in overseas economies could negatively impact the Japanese economy.

With regard to the operating environment surrounding the human resources services, the employment environment has been improving on the back of rising job offers-to-applicants ratio and decreasing unemployment rates. In the future, the operating environment is expected to continue to improve along with a recovery in the overall economic activity.

Against this backdrop, the Fullcast Group implemented group management activities to establish a solid business foundation to achieve sustained growth. We also strengthened our marketing structure with a goal of increasing the number of customers for our main “part-time worker placement” and “part-time worker payroll management” services. In addition, we strengthened our capacity to supply human resources through continued opening of worker registration centers to improve convenience of workers who wish to register with our Company.

Consequent to these developments, we recorded net sales of 10,530 million yen (up 11.6% year on year) on the back of an expansion in “part-time worker payroll management” services in the short-term operational support business and strategic investments in marketing resources in our main “part-time worker placement” and “part-time worker payroll management” services. These investments are designed to increase the number of customers and broaden the breadth of our dispatching services through increases in customer numbers.

In terms of profits, we recorded operating income of 988 million yen (up 48.4% year on year) due to the higher revenues led by the short-term operational support business and to restraint in selling, general and administrative expenses through the enhancement of productivity. Ordinary income rose to 929 million yen (up 31.5% year on year) despite the recording of a 52 million yen loss from share of loss of entities accounted for using equity method under non-operating expenses arising from a loss recorded by F-PLAIN Corporation, an equity accounting method held affiliate, in the first quarter due to a loss on the sale of shares of its subsidiary.

During the first half, net income of 639 million yen (up 15.1% year on year) was recorded. This performance is attributed to the increase in revenues, and extraordinary income of 47 million yen for gains on sales of investment securities in the first quarter. At the same time, we recorded 291 million yen in income taxes-current and 45 million yen in income taxes-deferred due in part to the increase in taxable income for Fullcast Co., Ltd, a subsidiary.

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

1) Short-term operational support business

We recorded net sales of 9,570 million yen (up 12.1% year on year) on the back of an expansion in “part-time worker payroll management” services and strategic investments in marketing resources in our main “part-time worker placement” and “part-time worker payroll management” services. These investments are designed to increase the number of customers and to broaden the breadth of our dispatching services through increases in customer numbers.

Fullcast Holdings Co., Ltd. (4848) Financial Statement and Results for the First Half of the Term Ending December 2015
In terms of profits, operating income increased to 1,229 million yen (up 30.5 % year on year) due to the higher revenues.

2) Security business

Net sales rose to 959 million yen (up 6.9% year on year) due mainly to increases in the manned long-term security business. While operating income declined during the first quarter due to increases in staffing for ad hoc security projects, operating income during the first half rose to 37 million yen (up 19.6% year on year) due to the increase in net sales and restraint in labor and other selling, general and administrative expenses.

(2) Qualitative Information Concerning Consolidated Financial Position

1) Assets, liabilities and net assets

At the end of the second quarter, total assets decreased by 559 million yen from the end of the previous fiscal year to 9,992 million yen. Equity increased by 29 to 6,707 million yen (for an equity ratio of 67.1%) and net assets increased by 29 to 6,707 million yen.

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

With regard to assets, current assets decreased by 641 million yen from the end of the previous fiscal year to 8,580 million yen. This decrease is attributed mainly to a decline in cash and deposits of 749 to 5,535 million yen arising from payment of year-end dividends for the previous fiscal year ended December 2014 and a decrease in notes and accounts receivable-trade of 109 to 2,472 million yen. At the same time, other current assets increased by 250 to 420 million yen due primarily to an increase in accounts receivable-other of 204 to 222 million yen in anticipation of a refund of withholding income taxes related to dividends from subsidiaries for the current fiscal year.

Noncurrent assets increased by 82 million yen from the end of the previous fiscal year to 1,412 million yen. This increase is attributed mainly to a rise in tools, furniture and fixtures (net) of 103 to 230 million yen. At the same time, other investments and other assets decreased by 16 to 788 million yen, mainly due to declines in investment securities of 64 to 403 million yen arising from the transfer of investment securities owned by the Company and losses arising from the sale of subsidiary shares of F-PLAIN Corporation, an equity accounting method held affiliate, despite an increase in long-term prepaid expenses of 25 to 31 million yen.

With regard to liabilities, current liabilities decreased by 604 million yen from the end of the previous fiscal year to 2,855 million yen. This is mainly attributed to decreases in income taxes payable of 145 to 286 million yen and consumption tax payable of 394 to 294 million yen due to their payment.

Noncurrent liabilities increased by 16 million yen from the end of the previous fiscal year to 430 million yen, mainly due to an increase in net defined benefit liability of 13 to 373 million yen.

2) Cash Flows

Outstanding cash and cash equivalents (hereinafter referred to as “funds”) decreased by 749 million yen from the end of the previous fiscal year to 5,535 million yen at the end of the current first half.

(Net cash from operating activities)

Funds used by operating activities were 31 million yen (Compared with 852 million yen provided in the previous first half) due to income before income taxes and minority interests of 975 million yen, depreciation and amortization of 95 million yen, a decrease in notes and accounts receivable-trade of 107 million yen, share of loss of entities accounted for using equity method of 52 million yen, while a decrease in accrued consumption taxes of 394 million yen, income taxes paid of 629 million yen and a decrease of other (net) in net cash provided by operating activities of 152 million yen.

(Net cash from investing activities)

Funds used in investing activities were 105 million yen (Compared with 32 million yen used in the first half of the previous year) due mainly to the purchases of property, plant and equipment of 109 million yen and intangible assets of 62 million yen, while proceeds from sales of investment securities of 67 million yen were recorded.

(Net cash from financing activities)

Funds used in financing activities were 613 million yen (Compared with 534 million yen provided during the first half of the previous year) due to cash dividends payment of 613 million yen.

(3) Qualitative Information Concerning Consolidated Business Forecasts

Regarding our earnings forecasts for the full fiscal year ending December 2015, earnings on a consolidated basis for the first half under review remained in line with our plans overall, led by the short-term operational support business. Accordingly, we maintain our outstanding earnings forecasts for the fiscal year ending December 2015, which were announced on February 13, 2015.

2. Matters Concerning Summary Information (Notes)

Changes in accounting principles, accounting estimates, and re-presentation of changes

(Change in Accounting Policy)

“Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012, hereinafter referred to as the “Accounting Standard”) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012, hereinafter the “Guidance”) were applied from the first quarter under review concerning the provisions stipulated in the main texts of Section 35 of the Accounting Standard and Section 67 of the Guidance, the calculation method for retirement benefit obligations and current service costs was changed, the method of attributing the expected amount of retirement benefits from the constant sum for each period to the calculated payment, and the method of deciding discount rates from the one based on the remaining work years to the one using a single weighted average discount rate based on the duration.

There is no impact from this change on the net defined benefit liability and retained earnings at the beginning of the first half under review. In addition, there is no impact on operating income, ordinary income, income before income taxes or minority interests for first half under review.

3. Quarterly Consolidated Financial Statements**(1) Quarterly Consolidated Balance Sheet**

	(Million yen)	
	FY12/14 end (December 31, 2014)	2Q FY12/15 end (June 30, 2015)
ASSETS		
Current assets		
Cash and deposits	6,284	5,535
Notes and accounts receivable-trade	2,581	2,472
Merchandise	2	17
Supplies	19	15
Deferred tax assets	185	138
Other	170	420
Allowance for doubtful accounts	-19	-16
Total current assets	9,221	8,580
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	116	109
Tools, furniture and fixtures, net	126	230
Other, net	2	4
Total property, plant and equipment	245	343
Intangible assets		
Other	322	324
Total intangible assets	322	324
Investments and other assets		
Other	803	788
Allowance for doubtful accounts	-40	-42
Total investments and other assets	763	745
Total noncurrent assets	1,330	1,412
Total assets	10,551	9,992

	(Million yen)	
	FY12/14 end (December 31, 2014)	2Q FY12/15 end (June 30, 2015)
<u>LIABILITIES</u>		
Current liabilities		
Notes and accounts payable-trade	4	49
Short-term loans payable	1,000	1,000
Accounts payable-other	519	502
Accrued expenses	656	620
Income taxes payable	431	286
Accrued consumption taxes	688	294
Other	160	104
Total current liabilities	3,459	2,855
Noncurrent liabilities		
Net defined benefit liability	359	373
Other	55	57
Total noncurrent liabilities	414	430
Total liabilities	3,873	3,285
<u>NET ASSETS</u>		
Shareholders' equity		
Capital stock	2,780	2,780
Capital surplus	2,006	2,006
Retained earnings	1,886	1,910
Total shareholders' equity	6,672	6,696
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6	11
Total accumulated other comprehensive income	6	11
Total net assets	6,678	6,707
Total liabilities and net assets	10,551	9,992

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

	(Million yen)	
	1H FY12/14 (From January 1, 2014 To June 30, 2014)	1H FY12/15 (From January 1, 2015 To June 30, 2015)
Net sales	9,432	10,530
Cost of sales	6,137	6,701
Gross profit	3,295	3,829
Selling, general and administrative expenses	2,629	2,841
Operating income	666	988
Non-operating income		
Dividends income	1	1
Share of profit of entities accounted for using equity method	44	-
Reversal of accounts payable	7	1
Other	8	6
Total non-operating income	60	7
Non-operating expenses		
Interest expenses	4	4
Damage compensation expenses	3	2
Settlement package	8	2
Share of loss of entities accounted for using equity method	-	52
Other	5	7
Total non-operating expenses	19	66
Ordinary income	706	929
Extraordinary income		
Gain on sales of investment securities	-	47
Other	0	0
Total extraordinary income	0	47
Extraordinary loss		
Other	1	0
Total extraordinary losses	1	0
Income before income taxes and minority interests	705	975
Income taxes-current	149	291
Income taxes-deferred	0	45
Total income taxes	150	336
Income before minority interests	556	639
Net income	556	639

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

	(Million yen)	
	1H FY12/14 (From January 1, 2014 To June 30, 2014)	1H FY12/15 (From January 1, 2015 To June 30, 2015)
Income before minority interests	556	639
Other comprehensive income		
Valuation difference on available-for-sale securities	1	5
Share of other comprehensive income of entities accounted for using equity method	-1	-
Total other comprehensive income	-0	5
Comprehensive income	555	645
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	555	645
Comprehensive income attributable to minority interests	-	-

(3) Quarterly Consolidated Cash Flow Statements

	(Million yen)	
	1H FY12/14 (From January 1, 2014 To June 30, 2014)	1H FY12/15 (From January 1, 2015 To June 30, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	705	975
Depreciation and amortization	78	95
Loss (gain) on sales of investment securities	-	-47
Share of (profit) loss of entities accounted for using equity method	-44	52
Increase (decrease) in allowance for doubtful accounts	-16	-1
Increase (decrease) in provision for bonuses	0	-0
Increase (decrease) in provision for retirement benefits	12	-
Increase (decrease) in net defined benefit liability	-	13
Interest and dividends income	-1	-1
Interest expenses	4	4
Decrease (increase) in notes and accounts receivable - trade	-59	107
Decrease (increase) in inventories	-13	-11
Increase (decrease) in notes and accounts payable - trade	45	4
Decrease (increase) in accounts receivable - other	-16	-7
Increase (decrease) in accrued expenses	-8	-36
Increase (decrease) in accrued consumption taxes	137	-394
Other, net	-132	-152
Subtotal	691	600
Interest and dividends income received	1	1
Interest expenses paid	-4	-4
Income taxes paid	-79	-629
Income taxes refund	242	0
Net cash provided by (used in) operating activities	852	-31
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-8	-109
Purchase of intangible assets	-24	-62
Proceeds from sales of investment securities	-	67
Other, net	-0	-0
Net cash provided by (used in) investing activities	-32	-105
Net cash provided by (used in) financing activities		
Cash dividends paid	-534	-613
Net cash provided by (used in) financing activities	-534	-613
Net increase (decrease) in cash and cash equivalents	285	-749
Cash and cash equivalents at beginning of period	4,763	6,284
Cash and cash equivalents at end of period	5,048	5,535

(4) Notes on Quarterly Consolidated Financial Statements

(Concerning Notes about Going Concern Assumption)

Not applicable.

(Concerning Significant Change of Shareholders' Equity)

Not applicable.

(Segment Information and Others)

First Half of the Previous Fiscal Year (From January 1, 2014 to June 30, 2014)

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 business			
Net sales					
Sales to external customers	8,535	897	9,432	-	9,432
Inter-segment sales or transfers	0	-	0	-0	-
Total	8,535	897	9,432	-0	9,432
Segment income or loss (-)	942	31	973	-307	666

(Notes) 1. 1 million yen in intersegment eliminations and -308 million yen in company-wide expenses not allocated to any specific reporting segment are included in the -307 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 Half of the Current Fiscal Year (From January 1, 2015 to June 30, 2015)

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 business			
Net sales					
Sales to external customers	9,570	959	10,530	-	10,530
Inter-segment sales or transfers	-	-	-	-	-
Total	9,570	959	10,530	-	10,530
Segment income or loss (-)	1,229	37	1,267	-279	988

(Notes) 1. 1 million yen in intersegment eliminations and -280 million yen in company-wide expenses not allocated to any specific reporting segment are included in the -279 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.