February 15, 2013

Consolidated Financial Results Announcement for the Fiscal Year Ended December 31, 2012

[Japanese Standards] (Consolidated)

Company name: Fullcast Holdings Co., Ltd.
Stock exchange listing: First Section of the Tokyo Stock Exchange
Stock code: 4848
URL: http://www.fullcastholdings.co.jp
Representative: Hiroyuki Tokiwa, President, Representative Director and CEO
Contact: Yasuomi Tomotake, General Manager of the Accounting and Finance Department
Telephone: +81-3-4530-4830
Date of Annual General Meeting of Shareholders (Planned): March 29, 2013
Date of submission of annual securities report (Planned): March 29, 2013
Date of dividend payments (Planned): –
Preparation of supplementary references regarding financial results: Yes (Published on the company website)
Briefing for financial results: Yes (For institutional investors and security analysts)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2012 (October 1, 2011 to December 31, 2012)

(Figures are rounded to the nearest one million yen.)
(Figures in percentages denote the year-on-year change)

(1) Consolidated business results

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended December 2012	36,896	—	1,779	—	1,772	—	1,427	—
Fiscal year ended September 2011	34,316	-4.9	1,539	15.7	1,480	21.0	2,143	296.2

Note: 1. Comprehensive income
FY12/12 1,471 million yen (– %) FY9/11: 2,006 million yen (263.2%)
2. The fiscal year ended December 31, 2012 covered an ireegular period of 15 months from October 1, 2011 to December 31, 2012 due to the change of the fiscal year end (from September 30 to December 31). As a result, the rate of increase (decrease) from the previous fiscal year is not provided.

	Net income per share	Diluted net income per share	ROE	Ratio of ordinary income to total capital	Ratio of operating income to sales
	Yen	Yen	%	%	%
Fiscal year ended December 2012	3,707.76	—	30.6	20.9	4.8
Fiscal year ended September 2011	5,567.70	—	74.7	14.6	4.5

Reference: Investment profit and loss on equity method
FY12/12: -62 million yen FY9/11: -77 million yen

(2) Consolidated financial condition

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
Fiscal year ended December 2012	8,236	5,402	65.6	14,036.71
Fiscal year ended September 2011	8,747	3,931	44.9	10,215.24

Reference: Shareholders' equity
FY12/12: 5,402 million yen FY9/11: 3,931 million yen

(3) Consolidated cash flows position

	Net cash provided by (used in)			Cash and cash equivalents at the end of period
	Operating activities	Investing activities	Financing activities	
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended December 2012	2,475	-189	-1,461	4,152
Fiscal year ended September 2011	1,585	-173	-2,952	3,328

2. Dividend Status

(Base date)	Dividend per share (yen) End of Q1	End of Q2	End of Q3	End of Q4	End of FY	Annual	Total dividend (annual) (million yen)	Payout ratio (consolidated) (%)	Dividend on equity ratio (consolidated) (%)
Fiscal year ended September 2011	—	0.00	—	—	0.00	0.00	—	—	—
Fiscal year ended December 2012	—	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended September 2013 (forecast)	—	0.00	—	—	0.00	0.00		—	

Note: The Company changed its accounting period to end on December 31 of every year from one that ended on September 31 of every year. As a result, the fiscal year ended December 2012—a transitional period—is an irregular accounting period of 15 months.

3. Forecast for Consolidated Financial Results for the Year Ending December 31, 2013 (January 1, 2013 – December 31, 2013)

Figures in percent represent year over year changes.

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2nd quarter (total)	9,364	—	139	—	195	—	142	—	368.96
Full year	20,658	—	765	—	876	—	592	—	1,535.61

Note: As the Company changed its accounting period to the end on December 31 of every year from one that ended on September 31 of every year, the fiscal year under review is an irregular accounting period from October 1, 2011 to December 31, 2012. As a result, the rate of increase (decrease) is not provided from the previous fiscal year and the same period of the previous fiscal year.

* Noted items

(1) Important changes of subsidiaries during the fiscal year (changes of specified subsidiaries that lead to a change in the scope of consolidation): No

(2) Changes in accounting principles, accounting estimation, and re-presentation of changes
1) Change in accounting principles associated with the revision of accounting principles, others: Applicable
2) Change in accounting principles other than 1) above: Not applicable
3) Change in accounting estimation: Applicable
4) Re-presentation of changes: Not applicable
(Note) For details, please refer “4. Consolidated Financial Statements (6) Changes in Accounting Principles” in the “Appendix” on page 21.

(3) Number of shares issued (common stock)
1) Number of shares issued at the end of the fiscal year (including treasury stock)
FY12/12: 395,964 shares FY9/11: 395,964 shares
2) Number of treasury stock at the end of the fiscal year
FY12/12: 11,100 shares FY9/11: 11,100 shares
3) Average number of shares outstanding during the fiscal year
FY12/12: 384,864 share FY9/11: 384,864 shares
(Note) Please refer to page 33 “Per share information” for information regarding the number of shares used as a basis for calculating the net income (consolidated) per share.

Reference: Non-Consolidated Financial Results

1. Financial Results for the Fiscal Year Ended December 31, 2012 (October 1, 2011 – December 31, 2012)

(1) Business results

(Figures in percentages denote the year-on-year change)

	Operating revenue		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended December 2012	2,849	—	1,185	—	1,201	—	1,192	—
Fiscal year ended September 2011	1,221	21.6	781	44.2	731	61.8	1,251	—

Note:The fiscal year ended December 31, 2012 covered an ireegular period of 15 months from October 1, 2011 to December 31, 2012 due to the change of the fiscal year end (from September 30 to December 31). As a result, the rate of increase (decrease) from the previous fiscal year is not provided.

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended December 2012	3,098.01	—
Fiscal year ended September 2011	3,249.41	—

(2) Financial condition

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
Fiscal year ended December 2012	3,936	2,549	64.8	6,622.21
Fiscal year ended September 2011	3,953	1,352	34.2	3,513.59

Reference: Shareholders' equity
FY12/12: 2,549 million yen FY9/11: 1,352 million yen

* Presentation concerning implementation status of 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 of the proper use of financial forecasts and other important notes

Of all plans, forecasts, strategies and other information provided within this document, which are not historical facts, are future outlooks based upon certain conditions and our management's judgement 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 the actual financial results may vary widely from our forecasts due to various factors.

Important factors that may have an impact upon our actual financial results include: (1) The economic and the financial conditions surrounding our Company and changes in the employment situation, (2) damage to infrastructure arising from disasters, including earthquakes, and (3) changes in the relevant laws, including the Labor Standards Act and the Worker Dispatch Act, and in interpretations of the Act thereof. However, the factors that affect our financial results may not be limited to only these.

Furthermore, please bear in mind that notwithstanding new data, future events or any other results whatsoever, we may choose not to reexamine our forecasts.

For the assumptions underlying our business forecasts and related issues, please refer to "(1) 2) Outlook for the December 2013 Fiscal Year" of "Appendix" on page 3.

<Table of Contents>

1. Results of Operations

(1) Analysis of Operating Results

1) Results of Operations for the Period

During the fiscal year under review, the Japanese economic recovery came to a temporary standstill due to the slowdown in the world economy and other related factors, although domestic demand remained firm owing to the reconstruction demand in the wake of the Great East Japan Earthquake.Going forward, downside risks may continue to plague the Japanese economy due to the slowing of global economic activity stemming from the European sovereign debt crisis, the “fiscal cliff” in the U.S., and other factors, in addition to the effects of deflation. Nonetheless, the economy is expected to undergo a moderate recovery, supported by the continued earthquake reconstruction demand, and improvement in overseas economic activities. In the environment surrounding human resource services, the implementation of the Revised Worker Dispatching Act on October 1, 2012 prohibits dispatching workers for hiring periods of 30 days or less. At the same time, the overall situation remained severe as companies still experienced employment surpluses, despite gradual improvements in some sectors and as the job offers-to-applicants ratio improved, along with a gradual improvement in the overall unemployment rate albeit with some monthly fluctuations.

Against this backdrop, the Fullcast Group endeavored to strengthen our business foundation by conducting Group operations with the goal of further improving productivity during the fiscal year under review. Moreover, from the fifth quarter under review, we started new services (short-term employment placement and part-time worker payroll service outsourcing) that responded to the Revised Worker Dispatching Act.

We recorded consolidated net sales of 36,896 million yen due to the favorable results until the aggregated fourth consolidated quarter, although our “short-term operational support business” was affected by the offering of new services started in October, 2012.

In terms of profits, we recorded a consolidated operating income of 1,779 million yen and consolidated ordinary income of 1,772 million yen. These favorable results are attributed to earnings growth in the short-term operational support business and restraint of selling, general, and administrative expenses.

During the term under review, we recorded consolidated quarterly net income of 1,427 million yen, mainly due to an extraordinary profit from a gain on the change in equity of 26 million yen with current and deferred income tax of 173 million yen and 183 million yen respectively.

Due to the change in our fiscal year end (from September 30 to December 31), the fiscal year ended December 31, 2012 covered an irregular period of 15 months. Therefore comparisons to the previous year were not made.

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

a) Short-term operational support business

Net sales of 34,373 million yen and an operating income of 2,300 million yen were recorded in the fiscal year under review, because of the favorable results until the aggregated fourth quarter due to the success of the sales strategy of increasing the number of active client companies, in addition, efforts to raise unit pricing started in November 2011, despite the impact of new services started in October 2012 also contributed to these favorable earnings.

b) Security businesses

During the fiscal year under review, net sales were 2,524 million yen and operating income was 164 million yen, due to successful restructuring efforts at the end of the fiscal year ended September 2011 that included revision of our sales strategy, consolidation and closure of offices, and personnel reductions.

2) Outlook for the Coming Fiscal Year

With the implementation of the Revised Worker Dispatching Act on October 1, 2012, we started new services—"short-time employment placement" and "part-time worker payroll service outsourcing"—in the "short-term operational support business," which is the main business of our Group. Along with this change in our main services, a main management issue is the "establishment of a solid business foundation for new services".

Projection for Consolidated Financial Results for the Fiscal Year Ending December 31, 2013
(January 1, 2013 – December 31, 2013)

(Million yen)

	Fiscal year ending December 2013 Projection
Net sales	20,658
Operating income	765
Ordinary income	876
Net income	592
Net income per share (yen)	1,535.61

Note 1: Estimated net income per share for the fiscal year ending December 2013 is calculated using the following formula.

$$\text{Estimated net income per share} = \frac{\text{Forecast for net income applicable to common stock}}{\text{Estimated number of common shares outstanding during the fiscal year ending December 31, 2013}}$$

Note 2: As the fiscal year ended December 31, 2012 covered an irregular period of 15 months due to the change of the fiscal year end, comparisons to the coming fiscal year ending December 31, 2013 is not provided.

(2) Analysis of Financial Position

1) Assets, liabilities and net assets

At the end of the current fiscal year, our total consolidated assets declined by 511 million yen to 8,236 million yen. Shareholders' equity increased by 1,471 million yen to 5,402 million yen (Shareholders' equity ratio of 65.6%) and net assets rose by 1,471 million yen to 5,402 million yen.

Major changes in assets and liabilities are as follows.

With regard to assets, current assets declined by 571 million yen from the end of the previous fiscal year to 6,930 million yen. This is mainly attributed to a 824 million yen increase in cash and deposits to 4,152 million yen and increases in other items in current assets of 103 million yen to 308 million yen, while notes and accounts receivable-trade decreased by 1,331 million yen to 2,248 million yen and deferred tax assets fell by 169 million yen to 115 million yen.

Noncurrent assets increased by 59 million yen from the end of the previous fiscal year to 1,306 million yen. This change was mainly due to long-term loans receivable from subsidiaries and affiliates decreasing by 150 million yen to 75 million yen and investment securities declining by 41 million yen to 194 million yen, while other intangible assets grew by 147 million yen to 195 million yen and software increased by 104 million yen to 244 million yen.

With regard to liabilities, current liabilities declined by 2,017 million yen from the end of the previous fiscal year to 2,527 million yen. This was mainly due to a decreases of 781 million yen in short-term loans payable to 1,000 million yen, 670 million yen in current portion of long-term loans payable to 0 yen, 402 million yen in accounts payable-other to 816 million yen, 111 million yen of income taxes payable to 16 million yen, and 39 million yen in notes and accounts payable-trade to 7 million yen.

Noncurrent liabilities increased by 35 million yen from the end of the previous fiscal year to 307 million yen. This was mainly due to a 39 million yen increase in provisions for retirement benefits to 252 million yen.

2) Cash flows

At the end of the fiscal year under review, cash and cash equivalents (hereinafter referred to as "funds") increased by 824 million yen from the end of the previous fiscal year to 4,152 million yen at the end of the current fiscal year.

(Net cash from operating activities)

Funds provided by operating activities were 2,475 million yen, mainly due to income before income taxes and minority interests of 1,783 million yen, a decrease in notes and accounts receivable-trade of 1,360 million yen, depreciation and amortization of 252 million yen, and income tax refund of 66 million yen, with income taxes paid of 419 million yen, decrease in notes and accounts payable-trade of 407 million yen, and a decline in accrued consumption taxes of 176 million yen.

(Net cash from investing activities)

Funds used by investing activities were 189 million yen, mainly due to expenditure for purchase of intangible assets of 163 million yen, purchase of property, plant and equipment of 148 million yen, extension of loans receivable of 100 million yen, and despite collection of loans receivable of 250 million yen.

(Net cash from financing activities)

Funds used by financing activities were 1,461 million yen, mainly due to a net decrease in short-term loans payable of 781 million yen and repayment of long-term loans payable of 680 million yen.

As we changed our fiscal year end (from September 30 to December 31), the fiscal year ended December 31, 2012 covered an ireegular period of 15 months; and therefore, comparisons to the previous year have not been provided.

(Trends in Cash Flow Indexes)

	Fiscal year ended September 2010	Fiscal year ended September 2011	Fiscal year ended December 2012
Shareholders' equity (Million yen)	1,802	3,931	5,402
Shareholders' equity ratio (%)	15.7	44.9	65.6
Ratio of interest-bearing debt to cash flow (%)	294.3	135.7	35.3
Interest coverage ratio (times)	16.1	25.5	173.9
Market value-based equity ratio (%)	13.8	58.3	66.4

Shareholders' equity = Total net assets – Stock subscription rights – Minority interest
Shareholders' equity ratio = shareholders' equity ÷ total assets x 100
Ratio of interest-bearing debt to cash flow = Interest-bearing debt ÷ Operating cash flow (before interest and corporate taxes, etc.)
Interest coverage ratio = Operating cash flow (before interest and corporate taxes, etc.) ÷ interest paid
Market value-based equity ratio = stock market price ÷ total assets
Notes 1: Each index is calculated using consolidated financial data.
2: For operating cash flows (before interest and corporate taxes, etc.), the operating activities in the consolidated cash flow statement (before interest and corporate taxes, etc.) are used.
3: All debt involving the payment of interest and stated in the consolidated balance sheet are included in interest-bearing debt.
4: For interest payment, the amount of interest paid in the consolidated cash flow statement is used.
5. Market value = Stock price at the end of the term x Number of shares outstanding at the end of the term (after deducting treasury stocks)

(3) Fundamental Policy for Allocation of Earnings and Dividends for the Fiscal Year under Review and the Next Fiscal Year

The return of profits to shareholders is considered to be an important management issue to cultivate intermediate to medium to long term investors.

With regards to dividends, we base the level of dividend payment on our earnings trends, profit growth, and investment plans. We plan to maintain two dividend payments per year, one at the end of both the interim and full year period. Furthermore, as defined in our articles of incorporation, both interim and year-end dividend payments will be decided upon during the general meeting of shareholders. Our Company changed the fiscal year end at the general meeting of shareholders on December 22, 2011, and the fiscal year ended December 31, 2012 was an irregular accounting period of 15 months. While the term of office of directors should be one year in order for the board of directors to decide dividend payments for the end of an accounting year, the term of office of our directors exceeded one year as a result of the irregular accounting period. Therefore, the organization for decision of dividend payments was changed from the board of directors to the general meeting of shareholders by the general meeting of shareholders of our Company held on December 22, 2011. Please note, however, the next fiscal year (the fiscal year ending December 31, 2013) is a regular accounting period of 12 months, with the term of office of one year for directors as well. Therefore, the organization for decision of dividend payments will be changed from the general meeting of shareholders to the board of directors subject to a resolution for approval of the annual meeting of shareholders of our Company to be held on March 29, 2013.

Since there is currently no amount available for distribution, we can not pay year-end dividends during the current fiscal year (the fiscal year ended December 31, 2012), based on the Article 461 of the Companies Act. As for the next fiscal year (the fiscal year ending December 31, 2013), while it is not yet decided at the moment, we plan to announce our dividend plans later when we derive a clearer picture of our earnings outlook taking current business trends into account.

(4) Risks Associated with Businesses

Major potential risk factors for the Group in the course of its business operations are described below. As part of our policy of proactive disclosure of information to investors, risk descriptions may also include matters that do not necessarily fall under the category of business risks, but which may be regarded as important for investors in making investment decisions or understanding the Group's business activities. The Group seeks to proactively identify potential business risks, prevent their occurrence and take adequate measures to address them should they appear. The following statements may contain risk factors forecast for the future, although it is based on our best judgment as of the date of reporting of these financial statements.

1) The Group's Policy for Business Growth

We endeavor to raise our competitive position by strict adherence to corporate governance, promoting speed in the strategic decision making process of our management and in the implementation of various strategies. However in the event that our restructuring takes longer than anticipated, and the contribution to our earnings does not proceed as planned, our Group's earnings could be negatively impacted.

In the short-term operational support business, we launched new business models such as "short-term employment placement" and "part-time worker payroll service outsourcing" in response to the Revised Worker Dispatching Act implemented on October 1, 2012. However, our Group's earnings could be seriously impacted in the event that a longer than expected amount of time is required to convert our business model or should the earnings of this business stray from expectations.

In addition, we maintain a policy of selling shares in affiliates or marketable securities of companies which do not offer synergies with any of our Group's businesses. Also, our Group's earnings could be profoundly impacted by implementation of impairment accounting during times when market capitalization or the actual value of companies whose shares we hold deteriorate.

In addition, our Company has provided financial assistance to our affiliated companies. For such financial assistance, our Company has taken measures such as receipt of collateral as necessary. However, in the event of bad debts arise from difficulties in our ability to recover loans or deterioration of the value of the collateral as a result of a deterioration of earnings of such affiliated companies, our Group's earnings could be negatively impacted.

2) Legal Regulations

a) Changes in Legal Regulations

Our Group earnings could be largely impacted by revisions or changes in the interpretation of the Worker Dispatching Act, Labor Standards Act, Employment Security Act, Workmen's Accident Compensation Insurance Act, Health Insurance Act, Employees Pension Insurance Act, and other related acts taken in response to changes in the labor market environment.

The official name of the Revised Worker Dispatching Act implemented on October 1, 2012 was changed from the former "Act for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers" to the "Act on Securing the Proper Operation of Worker Dispatching Undertakings and Protection of Dispatched Workers." Also, this revision has a clearcut objective of protecting dispatched workers.

The following are the major details of the revision:

(Matters concerning business)
- Prohibition of day worker dispatching in principle
- Dispatching to group companies restricted to no more than 80 percent

- Prohibition of dispatching workers to their former workplace within one year from the end of their previous work period
- Obligation to provide information on margins and other information

(Matters concerning working conditions)
- Obligation to explain matters related to working conditions and other information
- Obligation to consider providing working conditions close to those of regular workers of the dispatched workplace
- Obligation to clearly indicate the dispatching fees to dispatched workers
- Obligation to make efforts to take measures promoting employment of dispatched workers with indefinite (Long term) term

We will continue to consider the ideal manner of "registration-type dispatching," "dispatching to the manufacturing industry," and "dispatching business of specific workers".

b) Short-term employment placement business

The Group provides paid-for employment placement business under the license of Minister of Health, Labour and Welfare in accordance with the Employment Security Act. The license is valid for 5 years. When the renewal of the license becomes necessary but is not given because we do not meet the requirements for the license in Article 31, or we fall under the category of disqualification or revocation grounds of the license as stipulated in Article 32, we may not be able to continue the provision of our services, which could seriously impact the performance of our group.

c) Employee Dispatching Service

The Group provides employee dispatching services under the license of Minister of Health, Labor and Welfare in accordance with the Worker Dispatching Act. If the Group should become subject to disqualification, our license could be cancelled, or orders to suspend or halt our operations could be issued.

With the launch of the Long-Term Dispatch Business Officer Certification System, the Group is committed to compliance and risk management to prevent any violation of acts and ordinances. However if licenses are cancelled or if other measures are taken, we may be prevented from providing employee dispatching services and our Group's performance could be seriously impacted.

d) Onsite Subcontracting Service

As an onsite subcontracting service provider based on sub-contracts, the Group completes its contracted work independently and directly at the client company of such contract. In carrying out the work involved, we follow the commonly accepted practices (as defined in Notice No. 37 of 1986 by Japan's Ministry of Labour) that separates and distinguishes between the employee dispatching and the subcontracting business and other relevant laws and regulations.

e) Sharing of Social Insurance Contributions

There is a possibility that the prohibition of day worker dispatching of 30 days or less by the Revised Worker Dispatching Act would result in increased numbers of workers being enrolled in social insurance over the long-term worker dispatch. There is also a possibility of expanded coverage of social insurance by future revisions of the law. In such cases, payments for social insurance would increase.

Moreover, as with the revision implemented on April 1, 2010 to the Employment Insurance System, if enrollment conditions are relaxed for employment insurance, the number of cases to be processed for insurance acquisition and loss may increase significantly. Therefore, there is a possibility that fees for clerical work may also increase. In the event that we cannot pass along these higher costs to our customers in the form of higher prices or absorb them through increased efficiencies of our overall operations and other cost cutting measures, our Group's earnings could be negatively impacted.

3) Managing the Database on Client Firms and Staff

Our Group always strives to provide staff best matched to the needs of client companies and deploy staff for clients promptly and efficiently. To facilitate this, the Group manages a database that contains information on staff work attitudes and experience by job classification as well as on clients.

To be prepared for the eventuality of a malfunction in a server, our Group is equipped with servers having duplicate functions to back-up databases. However, if these servers were to fail simultaneously as a result of troubles such as earthquakes or other natural disasters, the Group's operations would be seriously impeded and its earnings may be negatively impacted.

In the future, we expect to make investments in information technologies as needed to help differentiate our Company from our competitors in terms of costs and services offered. Deterioration in the effectiveness of these investments could decline their contribution to sales and earnings growth.

To appropriately manage personal information and other data, we endeavor to prevent unauthorized access, as well as loss, destruction, falsification or unauthorized disclosure of personal information by establishing clear handling rules, strictly controlling access rights to the system and stepping up internal inspections. However, our Group earnings could be largely impacted if any security breaches of the personal information we maintain occur, the Group could lose the trust of the public, and claims for damages could result.

4) Workplace Accidents and Transaction-Related Trouble

In the event that a staff dies, is injured or becomes ill at work or due to some causes attributable to the work, our Group, as an employer, may become responsible to pay compensation according to the relevant laws and regulations including the Labor Standards Act and the Workers' Accident Compensation Insurance Act. (Destination business owners that are our clients bear the employer's liability in accordance with the Industrial Safety and Health Act, and are obliged to protect the safety of staff in accordance with the Civil Code.)

The Group is enhancing staff awareness regarding safety by promoting occupational health and safety training, as well as providing safety equipment and releasing bulletins for on-the-job vigilance to prevent injury and illness. To provide better worker protection, the Group has taken out an insurance program to pay agreed claims as a comprehensive general liability insurance. However, should an accident not covered by this insurance occur, the Group could be forced to pay damages on the grounds of neglecting its duty to provide safety and be liable for any illegal activity which is stipulated in labor contracts.

In addition, the Group could be sued or pressured to make other payments on allegations of staff negligence, on the violation of a contract with a client or for staffs' illegal activities. Although the Group has a compliance system under which personnel in charge of legal affairs can handle various legal risks, our performance may be seriously impacted by accidents, depending upon their nature and the amount of money involved.

5) Securing and Retaining Employees

In order to improve employee retention, our Group implements measures to enhance employee training and to increase employee motivation. However in the future, the loss of a greater than expected number of personnel could influence our Group's various business segments.

2. Corporate Group

Our Group is expanding the "short-term operational support business" (providing timely short-term personnel services in response to increases or decreases in the amount of work at corporate customers), and the "security business" (providing security services mainly for public facilities and ordinary corporations)

We provide descriptions of the status of affiliated companies and a diagram of business activities as of December 31, 2012 as follows.

(1) Status of Affiliated Companies

Company	Location	Capital (mil. yen)	Major business activities	Voting shares (%)	Issues to be noted
(Consolidated subsidiary) Fullcast Co., Ltd. (Note 2, 4)	Shinagawa-ku, Tokyo	80	Short-term operational support business	100.0	- We sublet a part of our rented building to this company for office use. - We provide services such as management advice, business outsourcing, and system lease. - Concurrent directorates: 2 - Provides financial support: borrowing and lending operating capital
Top Spot Co., Ltd.	Shinagawa-ku, Tokyo	80	Short-term operational support business	100.0	- We sublet a part of our rented building to this company for office use. - We provide services such as management advice, business outsourcing, and system lease. - Concurrent directorates: 2 - Provides financial support: borrowing and lending operating capital
Fullcast Advance Co., Ltd (Note 4)	Shinagawa-ku, Tokyo	50	Security business Short-term operational support business	100.0	- We sublet a part of our rented building to this company for office use. - We provide services such as management advice, business outsourcing, and system lease. - Concurrent directorates: 1 - Provides financial support: borrowing and lending operating capital
Fullcast Business Support Co., Ltd.	Shinagawa-ku, Tokyo	9	Entire company	100.0	- We sublet a part of our rented building to this company for office use. - We provide services such as business outsourcing and system lease. - Provides financial support: borrowing and lending operating capital
OtetsudaiNetworks Inc.	Shinagawa-ku, Tokyo	30	Short-term operational support business	100.0	- We sublet a part of our rented building to this company for office use. - We provide services such as management advice, business outsourcing, and system lease. - Concurrent directorates: 1 - Provides financial support: borrowing and lending operating capital
(Equity method affiliate) Fullcast Marketing Co., Ltd.	Minato-ku, Tokyo	488	Agency agreement, sales agency operation	37.19	- Concurrent directorates: 1 - Provides financial support: lending operating capital

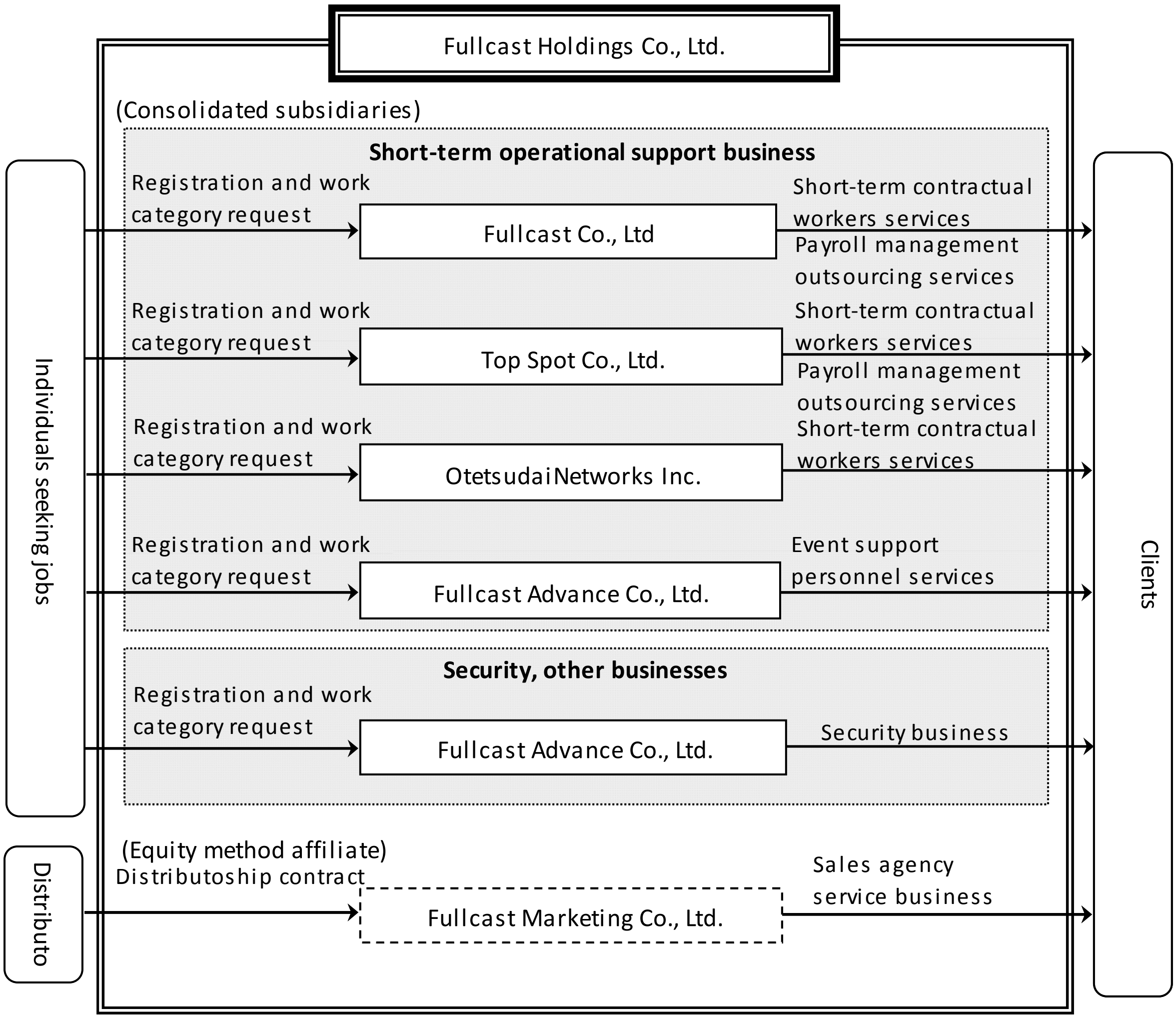
Notes 1: The "Major business activities" category follows the business segment classification.
2: Specified subsidiary.
3: None of the companies listed above have submitted securities registration statements or securities reports.
4: Sales by Fullcast Co., Ltd. and Fullcast Advance Co., Ltd. (excluding internal sales among consolidated companies) account for over 10% of consolidated sales.

Key information about profit and loss

	Fullcast Co., Ltd.	Fullcast Advance Co., Ltd.
Sales	28,375	4,909
Ordinary income	964	121
Net income	727	113
Net assets	3,579	392
Total assets	4,825	802

(2) Diagram of Business Activities

A diagram of our business activities is shown below:



Note 1: The above diagram is current as of December 31, 2012.

Note 2: ▭ is Fullcast Holdings, ▭ is a consolidated subsdiary, ▭ is a equity method affiliate.

Note 3: Fullcast Holdings has made OtetsudaiNetworks Inc. its subsidiary by acquiring all its shares on April 1, 2012.

3. Management Policies

(1) Fundamental Management Policies

The fundamental philosophy of the Fullcast Group is “to contribute to Japan’s competitiveness as a human resource services company.” Our Group aims to contribute to the enhancement of Japan’s competitiveness and productivity as well as to function as an agent for workers by improving productivity of our clients by increasing the variable portion of their personnel costs, improving productivity through the substitution and integration of operations, and managing job seekers’ motivation and assisting in the improvement of their skills. The Group also endeavors to maximize corporate value by implementing management initiatives from the standpoint of all stakeholders, including shareholders, customers and employees.

(2) Target Management Indicators

The Group aims to maintain ROE (return on equity) of more than 20% and increase corporate value by focusing upon a balance between profitability and growth, while maintaining financial soundness.

(3) Medium- and Long-Term Management Strategies

With the highest priority assigned to compliance as the basic assumption of our management, we are working to establish an operating foundation capable of sustained growth by focusing upon our “short-term operational support business” and by ensuring that our group-wide corporate governance utilizes the functionality of our holding company.

(4) Key Management Issues

With the implementation of the Revised Worker Dispatching Act on October 1, 2012, we started new services—“short-time employment placement” and “part-time worker payroll service outsourcing”—in the “short-term operational support business,” which is the main business of our Group. With the change in our main services, we strive to “establish a solid business foundation for new services” as our main management issue.

In the future, we will continue to promote rationalization as a means of fortifying our management structure, while giving the highest priority to compliance. We also seek to restore the confidence of all our stakeholders in our Company.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Million yen)

	End of consolidated accounting period for the previous fiscal year (September 30, 2011)	End of consolidated accounting period for the current fiscal year (December 31, 2012)
ASSETS		
Current assets		
Cash and deposits	3,328	4,152
Notes and accounts receivable-trade	3,579	2,248
Merchandise	10	4
Supplies	7	11
Current portion of long-term loans receivable from subsidiaries and affiliates	120	120
Deferred tax assets	285	115
Other	205	308
Allowance for doubtful accounts	-32	-28
Total current assets	7,501	6,930
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	209	257
Accumulated depreciation and impairment loss	-51	-113
Buildings and structures, net	158	144
Machinery equipment and vehicles	2	3
Accumulated depreciation and impairment loss	-2	-2
Machinery, equipment and vehicles, net	0	1
Tools, furniture and fixtures	408	402
Accumulated depreciation and impairment loss	-253	-248
Tools, furniture and fixtures, net	155	154
Construction in progress	16	—
Total property, plant and equipment	329	299
Intangible assets		
Goodwill	—	49
Software	139	244
Other	48	195
Total intangible assets	187	487
Investments and other assets		
Investment securities	*1 235	*1 194
Long-term loans receivable from subsidiaries and affiliates	225	75
Guarantee deposits	230	223
Deferred tax assets	18	2
Other	73	55
Allowance for doubtful accounts	-52	-28
Total investments and other assets	730	520
Total noncurrent assets	1,247	1,306
Total assets	8,747	8,236

(Million yen)

	End of consolidated accounting period for the previous fiscal year (September 30, 2011)	End of consolidated accounting period for the current fiscal year (December 31, 2012)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	46	7
Short-term loans payable	1,781	1,000
Current portion of long-term loans payable	670	—
Accounts payable-other	1,219	816
Accrued expenses	502	541
Income taxes payable	127	16
Provision for bonuses	93	22
Other	106	126
Total current liabilities	4,544	2,527
Noncurrent liabilities		
Provision for retirement benefits	213	252
Asset retirement obligations	33	37
Deferred tax liabilities	7	6
Other	19	11
Total noncurrent liabilities	272	307
Total liabilities	4,816	2,834
NET ASSETS		
Shareholders' equity		
Capital stock	2,780	2,780
Capital surplus	2,013	2,013
Retained earnings	1,921	3,348
Treasury stock	-2,747	-2,747
Total shareholders' equity	3,968	5,395
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-36	7
Total accumulated other comprehensive income	-36	7
Total net assets	3,931	5,402
Total liabilities and net assets	8,747	8,236

(2) Consolidated Profit and Loss Statement and Consolidated Statement of Comprehensive Income

Consolidated Profit and Loss Statement

(Million yen)

	Consolidated accounting period for the previous fiscal year (From October 1, 2010 to September 30, 2011)	Consolidated accounting period for the current fiscal year (From October 1, 2011 to December 31, 2012)
Net sales	34,316	36,896
Cost of sales	26,334	28,362
Gross profit	7,982	8,534
Selling, general and administrative expenses		
Salaries and bonuses	2,176	2,328
Other salaries	454	640
Legal welfare expenses	409	453
Provision for bonuses	104	73
Retirement benefit expenses	77	104
Communication expenses	314	232
Advertising expenses	158	26
Traveling and transportation expenses	288	296
Rents	550	497
Depreciation	224	242
Recruitment expense	200	241
Provision of allowance for doubtful accounts	35	10
Amortization of goodwill	—	9
Other	*1 1,453	*1 1,603
Total selling, general and administrative expenses	6,443	6,755
Operating income	1,539	1,779
Non-operating income		
Interest income	4	7
Dividends income	9	1
Real estate rent	7	11
Reversal of accounts payable	25	44
Gain on adjustment of account payable	18	—
Trademark fee income	8	26
Other	58	55
Total non-operating income	130	143
Non-operating expenses		
Interest expenses	70	20
Rent cost of real estate	7	11
Equity in losses of affiliates	77	62
Other	36	57
Total non-operating expenses	190	150
Ordinary income	1,480	1,772

(Million yen)

	Consolidated accounting period for the previous fiscal year (From October 1, 2010 to September 30, 2011	Consolidated accounting period for the current fiscal year (From October 1, 2011 to December 31, 2012
Extraordinary income		
Gain on sales of investment securities	22	—
Gain on sales of subsidiaries and affiliates' stocks	522	—
Gain on change in equity	94	26
Gain on reversal of business structure improvement	42	—
Government subsidy received	26	—
Compensation income	24	—
Reversal of allowance for doubtful accounts	3	—
Other	※2 0	※2 0
Total extraordinary income	733	26
Extraordinary loss		
Loss on retirement of noncurrent assets	※4 25	※4 9
Loss on sales of investment securities	—	3
Impairment loss	※5 18	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	15	—
Allowance for employment adjustment	38	—
Business structure improvement expenses	※7 34	—
Special retirement expenses	※6 17	—
Loss on disaster	※8 90	—
Loss on abolishment of retirement benefit plan	—	2
Other	※3 1	※3 1
Total extraordinary losses	239	15
Income before income taxes and minority interests	1,974	1,783
Income taxes-current	141	173
Income taxes-deferred	-214	183
Total income taxes	-74	356
Income before minority interests	2,047	1,427
Minority interests in loss	-95	—
Net income	2,143	1,427

(Million yen)

Consolidated Statement of Comprehensive Income

	Consolidated accounting period for the previous fiscal year (From October 1, 2010 to September 30, 2011)	Consolidated accounting period for the current fiscal year (From October 1, 2011 to December 31, 2012)
Income before minority interests	2,047	1,427
Other comprehensive income		
Valuation difference on available-for-sale securities	-39	4
Share of other comprehensive income of associates accounted	-3	40
Total other comprehensive income	-42	* 44
Comprehensive income	2,006	1,471
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,129	1,471
Comprehensive income attributable to minority interests	-123	—

(3) Consolidated Statements of Shareholders' Equity

(Million yen)

	Consolidated accounting period for the previous fiscal year (From October 1, 2010 To September 30, 2011)	Consolidated accounting period for the current fiscal year (From October 1, 2011 to December 31, 2012)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	2,780	2,780
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	2,780	2,780
Capital surplus		
Balance at the beginning of current period	2,013	2,013
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	2,013	2,013
Retained earnings		
Balance at the beginning of current period	-222	1,921
Changes of items during the period		
Net income	2,143	1,427
Total changes of items during the period	2,143	1,427
Balance at the end of current period	1,921	3,348
Treasury stock		
Balance at the beginning of current period	-2,747	-2,747
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	-2,747	-2,747
Total shareholders' equity		
Balance at the beginning of current period	1,825	3,968
Changes of items during the period		
Net income	2,143	1,427
Total changes of items during the period	2,143	1,427
Balance at the end of current period	3,968	5,395

(Million yen)

	Consolidated accounting period for the previous fiscal year (From October 1, 2010 to September 30, 2011)	Consolidated accounting period for the current fiscal year (From October 1, 2011 to December 31, 2012)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	-23	-36
Changes of items during the period		
Net changes of items other than shareholders' equity	-14	44
Total changes of items during the period	-14	44
Balance at the end of current period	-36	7
Total accumulated other comprehensive income		
Balance at the beginning of current period	-23	-36
Changes of items during the period		
Net changes of items other than shareholders' equity	-14	44
Total changes of items during the period	-14	44
Balance at the end of current period	-36	7
Minority interests		
Balance at the beginning of current period	688	—
Changes of items during the period		
Net changes of items other than shareholders' equity	-688	—
Total changes of items during the period	-688	—
Balance at the end of current period	—	—
Total net assets		
Balance at the beginning of current period	2,491	3,931
Changes of items during the period		
Net income	2,143	1,427
Net changes of items other than shareholders' equity	-702	44
Total changes of items during the period	1,441	1,471
Balance at the end of current period	3,931	5,402

(4) Consolidated Cash Flows Statement

(Million yen)

	Consolidated accounting period for the previous fiscal year (From October 1, 2010 to September 30, 2011)	Consolidated accounting period for the current fiscal year (From October 1, 2011 to December 31, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,974	1,783
Depreciation	228	252
Amortization of goodwill	—	9
Impairment loss	18	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	15	—
Increase (decrease) in allowance for doubtful accounts	16	-29
Increase (decrease) in provision for bonuses	-56	-71
Increase (decrease) in provision for retirement benefits	10	41
Interest and dividends income	-13	-7
Interest expenses	70	20
Loss (gain) on sales of investment securities	-22	3
Loss (gain) on sales of stocks of subsidiaries and affiliates	-522	—
Equity in (earnings) losses of affiliates	77	62
Loss (gain) on change in equity	-94	-26
Loss on retirement of noncurrent assets	25	9
Decrease (increase) in notes and accounts receivable-trade	-305	1,360
Decrease (increase) in inventories	-39	3
Increase (decrease) in notes and accounts payable-trade	-215	-407
Decrease (increase) in accounts receivable-other	22	-13
Increase (decrease) in accrued expenses	126	38
Increase (decrease) in accrued consumption taxes	139	-176
Other, net	353	-15
Subtotal	1,807	2,836
Interest and dividends income received	12	8
Interest expenses paid	-71	-16
Income taxes paid	-195	-419
Income taxes refund	32	66
Net cash provided by (used in) operating activities	1,585	2,475

(Million yen)

	Consolidated accounting period for the previous fiscal year (From October 1, 2010 to September 30, 2011)	Consolidated accounting period for the current fiscal year (From October 1, 2011 to December 31, 2012)
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	200	—
Purchase of property, plant and equipment	-309	-148
Purchase of intangible assets	-108	-163
Purchase of investment securities	-0	-101
Proceeds from sales of investment securities	28	148
Payments of loans receivable	-345	-100
Collection of loans receivable	—	250
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	※3 -76
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	※2 365	—
Other, net	-2	0
Net cash provided by (used in) investing activities	-173	-189
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-1,230	-781
Repayment of long-term loans payable	-1,730	-680
Proceeds from stock issuance to minority shareholders	12	—
Other, net	-4	—
Net cash provided by (used in) financing activities	-2,952	-1,461
Net increase (decrease) in cash and cash equivalents	-1,540	824
Cash and cash equivalents at beginning of period	4,867	3,328
Cash and cash equivalents at end of period	※1 3,328	※1 4,152

(5) Concerning Notes About Going Concern Assumption

None applicable

(6) Changes in Accounting Principles

(Changes in accounting principles that are difficult to distinguish from those in accounting estimation)

Following the revision of the Corporation Tax Act, the Company changed its depreciation method to one based on the revised Corporation Tax Act for property, plant and equipment acquired on or after April 1, 2012, starting from the third quarter consolidated accounting period.

The impact of the above change on the financial statements of the consolidated aggregate fourth quarter is minimal.

(7) Significant Accounting Policies in the Preparation of the Consolidated Financial Statements

1) Matters concerning the scope of consolidation

Consolidated subsidiaries: 5 Fullcast Co., Ltd.
Top Spot Co., Ltd.
Fullcast Advance Co., Ltd.
Fullcast Business Support Co., Ltd.
OtetsudaiNetworks Inc.

Note: As our Company acquired all shares of OtetsudaiNetworks Inc. on April 27, 2012, it was included in the scope of our consolidated accounts effective date from April 1, 2012.

2) Matters concerning the application of the equity accounting method

a) Affiliates accounted for by the equity method: 1 Fullcast Marketing Co., Ltd.

b) Items requiring listing in regards to procedures for applying the equity method

As company accounted for under the equity method has different settlement dates, financial statements based on provisional settlement of accounts as of the consolidated settlement date are used in preparing the consolidated financial statements.

3) Matters concerning the fiscal year settlement date and other information of consolidated subsidiaries

The settlement date of consolidated subsidiaries matches the consolidated settlement date.

Please note that our consolidated subsidiaries—Fullcast Co., Ltd., Top Spot Co., Ltd., Fullcast Advance Co., Ltd. and Fullcast Business Support Co., Ltd.—changed their settlement date from September 30 to December 31. As a result, the accounting period of these consolidated subsidiaries for the fiscal year under review is 15 months.

In addition, OtetsudaiNetworks Inc., which became a new consolidated subsidiary on April 1, 2012, changed its settlement date from January 31 to December 31 at the extraordinary general meeting of shareholders held on April 27, 2012. As a result, its accounting period for the fiscal year under review is 9 months.

4) Accounting standards not applied

“Accounting Standard for Retirement Benefits (ASBJ Statement No.26, May 17, 2012) and “Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No.25, May 17, 2012)

a) Summary

The accounting standard was revised, from the viewpoint of improvements to financial reporting and international trends, mainly focusing on how actuarial gains and losses and past service costs should be accounted for, how retirement benefit obligations and current service costs should be determined, and enhancement of disclosures.

b) Scheduled date of application

It is scheduled to be applied at the end of the consolidated fiscal year starting on January 1, 2014 or after.

c) Impact of the application on of the accounting standard, other standards

We are currently evaluating the impact on the consolidated financial statements at the time of their preparation.

5) Changes in presentation method

(Regarding consolidated profit and loss statement)

a) "Trademark fee income"—which had been included in "other" under "non-operating income" in the previous consolidated fiscal year—was separately listed from the current consolidated fiscal year, as it exceeded 10 percent of the total non-operating income. In order to reflect the change in presentation method, modifications were made to the financial statements of the previous consolidated fiscal year.

As a result, the amount of 67 million yen for "other" under "non-operating income" in the consolidated profit and loss statement of the previous fiscal year was divided into "trademark fee income" of 8 million yen and "other" of 58 million yen.

b) In the current consolidated fiscal year, "Gain on sales of noncurrent assets" under "extraordinary income" and "loss on sales of noncurrent assets" under "extraordinary loss" in the previous consolidated fiscal year, were of little importance in monetary terms, and therefore, they have been included among "other." In order to reflect the change, modifications have been made to the financial statements of the previous consolidated fiscal year.

As a result, "gain on sales of noncurrent assets" under the extraordinary income in the consolidated income statement of the previous fiscal year of 0 million yen has been included in "other" of 0 million yen, while "loss on sales of noncurrent assets" under the extraordinary loss of 1 million yen has been included "other" of 1 million yen.

(Regarding consolidated statements of cash flow)

In the current consolidated fiscal year, "loss (gain) on sales of noncurrent assets" and "proceeds from sales of property, plant and equipment" which were listed separately under "net cash provided by (used in) operating activities" and "net cash provided by (used in) investing activities," respectively, in the previous consolidated fiscal year, were of little importance in monetary terms, and therefore, they have been included among "other." In order to reflect the change, modifications have been made to the financial statements of the previous consolidated fiscal year.

As a result, the "loss (gain) on sales of noncurrent assets" of 0 million yen under "net cash provided by (used in) operating activities" in the consolidated cash flow statement of the previous fiscal year has been included in "other" of 353 million yen, while "proceeds from sales of property, plant and equipment" of 0 million yen under "net cash provided by (used in) investing activities" has been included in "other" of -2 million yen.

6) Additional information

(Application of the "Accounting Standard for Accounting Changes and Error Corrections")

For accounting changes and error corrections in the past to take place, since the start of the current consolidated fiscal year, we have applied the "Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No. 24, December 4, 2009)" and the "Guidance on Accounting Standards for Accounting Changes and Error Corrections (ASBJ Guidance No. 24, December 4, 2009)."

(Modifications to the amount of deferred tax assets and liabilities due to changes of corporate taxation rates)

The "Act on Partial Revision the Income Tax Act and Others in Order to Construct a Tax System Corresponding to Structural Changes of Economy and Society" (Act No. 114 of 2011) and the "Act on Special Measures for Securing the Financial Resources Required to Implement Reconstruction Measures after the Great East Japan Earthquake" (Act No. 117 of 2011) were announced on December 2, 2011, and as a result, effective from consolidated fiscal years beginning on or after April 1, 2012, the standard corporate taxation rate has been reduced and a special corporate tax for reconstruction has been introduced. Due to the above, with temporary disparities expected to be resolved from the consolidated fiscal year beginning on April 1, 2012 to the fiscal year beginning on March 31, 2015, the statutory effective tax rates applied to calculate deferred tax assets and liabilities will change from the previous 40.7% to 38.0%. As for temporary disparities expected to be eliminated in or after the fiscal year beginning on April 1, 2015, the statutory effective tax rates applied to calculate deferred tax assets and liabilities will change to 35.6%.

As a result of the change in tax rates, the net value of deferred tax assets (after deducting deferred tax liabilities) and adjustments on corporate tax, and others will decline by 7 million yen and 8 million yen, respectively, while valuation difference on available-for-sale securities will increase by 1 million yen.

(8) Notes on Consolidated Financial Statements

(Notes on Consolidated Balance Sheet)

*1 The following figure reflect affliated companies

	Consolidated accounting period for the previous fiscal year (September 30, 2011)	Consolidated accounting period for the current fiscal year (December 31, 2012)
Investment securities (equities)	16 million yen	120 million yen

2 The Company signed an agreement for overdraft with four banks to procure operating capital efficiently. The balance of borrowing involved in the agreement for overdraft at the end of this consolidated fiscal year is as follows:

	Consolidated accounting period for the previous fiscal year (September 30, 2011)	Consolidated accounting period for the current fiscal year (December 31, 2012)
Limit of overdraft account	824 million yen	2,600 million yen
Borrowing	661 million yen	1,000 million yen
Balance	163 million yen	1,600 million yen

(Notes on Consolidated Income Statement)

*1. Total of the research and development cost included in selling and general expenses is as follows:

Consolidated accounting period for the previous fiscal year (From October 1, 2010 To September 30, 2011)	Consolidated accounting period for the current fiscal year (From October 1, 2011 To December 31, 2012)
6 million yen	—

*2. Significant components of gain on sales of noncurrent assets in “other” under the extraordinary income:

	Consolidated accounting period for the previous fiscal year (From October 1, 2010 To September 30, 2011)	Consolidated accounting period for the current fiscal year (From October 1, 2011 To December 31, 2012)
Tools, furniture and fixtures	0 million yen	0 million yen

*3. Significant components of loss on sales of noncurrent assets in “other” under the extraordinary loss:

	Consolidated accounting period for the previous fiscal year (From October 1, 2010 To September 30, 2011)	Consolidated accounting period for the current fiscal year (From October 1, 2011 To December 31, 2012)
Tools, furniture and fixtures	1 million yen	1 million yen

*4. Significant components of loss on retirement of noncurrent assets

	Consolidated accounting period for the previous fiscal year (From October 1, 2010 To September 30, 2011)	Consolidated accounting period for the current fiscal year (From October 1, 2011 To December 31, 2012)
Buildings and structures	10 million yen	5 million yen
Tools, furniture and fixtures	14 million yen	1 million yen
Software	0 million yen	3 million yen
Total	25 million yen	9 million yen

*5. Impairment loss

(1) Main assets for which an impairment loss was recognized

Use	Type	Place
Business assets of the sales support business	Buildings and structures Tools, furniture and fixtures Construction in progress Software	Shinagawa-ku, Tokyo

(2) Background to Recognition of Impairment Loss

As a result of review of the business plan of Fullcast Marketing Co., Ltd. (Shinagawa-ku, Tokyo), which was our consolidated subsidiary, the cash flow from operating activities continues to trend negatively in the sales support business (ECOMO Business), and makes estimation of the generation of the highly probable future cash flow from operating activities difficult. Therefore, we consider the total book value of the fixed assets such as the possessed key system to be unrecoverable and recognize the impairment loss.

(3) Amount of impairment loss

Items	Amount
Buildings and structures	2 million yen
Tools, furniture and fixtures	1 million yen
Construction in progress	3 million yen
Software	12 million yen

(4) Grouping method of assets

To apply accounting for the impairment of noncurrent assets, the Group classified assets in accordance with the classification of business segments.

(5) Calculation of collectible amount

The use-value is used for the collectible amount of the Company Group, and the business properties, business know-how and excess earnings potential are calculated as zero based on an estimate of future cash flows.

* 6. Special retirement fees are comprised of retirement fees paid into the voluntary retirement program implemented at our consolidated subsidiaries of Fullcast Technolgy Co., Ltd.

* 7. Business structure improvement costs were incurred when revising the functionality of offices and other facilities at the subsidiary, Fullcast Advance Co., Ltd.

* 8. The loss caused by the disaster is the total amount of business suspension allowances paid to the staff and personnel expenses, fixed costs, and others incurred by our consolidated subsidiaries Fullcast Co., Ltd., Fullcast Advance Co., Ltd., Fullcast Technology Co., Ltd. (currently YUME TECHNOLOGY CO., LTD.), Telecom Marketing Co., Ltd. and East Communication Inc. during the suspension of operations of their business accompanying the Great East Japan Earthquake.

(Information on Consolidated Statement of Comprehensive Income)

Consolidated accounting period for the current fiscal year (From October 1, 2011 through December 31, 2012)

* Amount of modifications and tax effect in other comprehensive income

Valuation difference on available-for-sale securities:	
Amount incurred during the current fiscal year	5 million yen
Tax effect	-2 million yen
Valuation difference on available-for-sale securities	4 million yen
Share of other comprehensive income of associates accounted for using equity method:	
Amount incurred in the current fiscal year	1 million yen
Amount of modification	39 million yen
Share of other comprehensive income of associates accounted for using equity method	40 million yen
Total other comprehensive income	44 million yen

(Notes on Changes in Consolidated Statement of Shareholders' Equity)

Fiscal year ended September 2011 (October 1, 2010 to September 30, 2011)

1. Matters concerning the type and the number of shares issued and treasury stock

	Number of shares at the beginning of the current fiscal year	Increase in the number of shares during the fiscal year	Decrease in the number of shares during the fiscal year	Number of shares at the end of the fiscal year
Shares issued Common stock (shares)	395,964	—	—	395,964
Total	395,964	—	—	395,964
Treasury stock Common stock (shares)	11,100	—	—	11,100
Total	11,100	—	—	11,100

2. Matters concerning stock acquisition rights

There are no relevant matters.

3. Matters concerning dividend

(1) Dividend payments

There are no relevant matters.

(2) Of dividends the record date of which belongs to the fiscal year, those the effective date of which falls in or after the following fiscal year

There are no relevant matters.

Fiscal year ended December 2012 (October 1, 2011 to December 31, 2012)

1. Matters concerning the type and the number of shares issued and treasury stock

	Number of shares at the beginning of the current fiscal year	Increase in the number of shares during the fiscal year	Decrease in the number of shares during the fiscal year	Number of shares at the end of the fiscal year
Shares issued Common stock (shares)	395,964	—	—	395,964
Total	395,964	—	—	395,964
Treasury stock Common stock (shares)	11,100	—	—	11,100
Total	11,100	—	—	11,100

2. Matters concerning stock acquisition rights

There are no relevant matters.

3. Matters concerning dividend

(1) Dividend payments

There are no relevant matters.

(2) Of dividends the record date of which belongs to the fiscal year, those the effective date of which falls in or after the following fiscal year

There are no relevant matters.

(Notes on Consolidated Cash Flows Statement)

*1. Reconciliation of the consolidated balance sheet items to cash and cash equivalents in the consolidated cash flow statements are as follows:

	Consolidated accounting period for the previous fiscal year (From October 1, 2010 To September 30, 2011)	Consolidated accounting period for the current fiscal year (From October 1, 2011 To December 31, 2012)
Cash and deposits	3,328 million yen	4,152 million yen
Cash and cash equivalents	3,328 million yen	4,152 million yen

*2. Assets and liabilities of subsidiaries removed from scope of consolidation due to share sale

Consolidated accounting period for the previous fiscal year (from October 1, 2010 to September 30, 2011)

The assets and liabilities at the time of exclusion from consolidation accompanying exclusion of Fullcast Marketing Co., Ltd. and its three subsidiaries from the scope of consolidation through the sale of shares and the implementation of allocation of new shares to a third party, and its relationship with the income (net) from the sale of the stocks of these companies.

Current assets	422 Million yen
Noncurrent assets	374 Million yen
Current liabilities	-628 Million yen
Noncurrent liabilities	-52 Million yen
Negative goodwill	-19 Million yen
Valuation difference on available-for-sale securities	99 Million yen
Minority interest	-121 Million yen
Sale of affiliated company shares	196 Million yen
Subtotal	272 Million yen
Equity method book value at the time of loss of control	-73 Million yen
Sale of shares	199 Million yen
(Excluding sales commissions)	
Collection of loans receivable	225 Million yen
Cash and equivalents	-52 Million yen
Income derived from liquidation (- = loss)	371 Million yen

The assets and liabilities at the time of exclusion from consolidation accompanying exclusion of Fullcast Technology Co., Ltd. (currently YUME TECHNOLOGY CO., LTD.) from the scope of consolidation through the sale of shares and its relationship with the income (net) from the sale of the shares of these companies.

Current assets	2,064 Million yen
Noncurrent assets	201 Million yen
Current liabilities	-544 Million yen
Noncurrent liabilities	-277 Million yen
Minority interest	-462 Million yen
Sale of affiliated company shares	326 Million yen
Sale of shares	1,309 Million yen
(Excluding sales commission)	
Cash and equivalents	-1,315 Million yen
Income derived from liquidation (- = loss)	-6 Million yen

*3. Major details of assets and liabilities for companies which became new consolidated subsidiaries

Consolidated accounting period for the previous fiscal year (From October 1, 2011 To December 31, 2012)

OtetsudaiNetworks Inc. was newly consolidated through the acquisition of its shares. The following are details for the assets and liabilities of the company at the start of its consolidation, as well as details regarding the cost (net) of the acquisition of the company.

Current assets	18 Million yen
Noncurrent assets	32 Million yen
Goodwill	57 Million yen
Current liabilities	-8 Million yen
Noncurrent liabilities	-10 Million yen
Purchase of shares	89 Million yen
Cash and equivalents	-13 Million yen
Costs incurred from purchase (- = income)	76 Million yen

4. The amount of important asset retirement obligations newly incurred in the previous consolidated fiscal year was 33 million yen.

Segment information

Previous consolidated fiscal year (October 1, 2010 – September 30, 2011)

1. Overview of reporting segments

The Company's reporting segments are business units for which financial information that has been separated among the Company's structural units can be obtained, and are subject to regular examinations, in order for the board of directors to decide on allocations of management resources and evaluate performance.

Our Group has four reporting segments: short-term operational support business, sales support business, technician dispatch business, and security business. Short-term operational support business provides timely short-term staffing services that cater to fluctuations in client companies' workloads; sales support business is an agency sales and call center business that mainly handles communications products; technician dispatch business is technical staffing services centered on design development and manufacturing processes for the manufacturing industry; and security business mainly conducts security work for public facilities and general companies.

In addition, during the third quarter consolidated accounting period, partial stocks of Fullcast Marketing Co., Ltd., which was a consolidated subsidiary included in the sales support business segment, were assigned to a third party, and the company also allocated new stocks to a third party. As a result, Fullcast Marketing Co., Ltd. became an equity method affiliate, and Telecom Marketing Co., Ltd., East Communication Inc. and EKO-SYSTEM Inc., which are subsidiaries of Fullcast Marketing Co., Ltd., were eliminated from the consolidation scope.

All stocks of Fullcast Technology Co., Ltd. (currently YUME TECHNOLOGY CO., LTD.) were assigned to a third party, so it was eliminated from the consolidation scope, and we withdrew from the technician dispatch business.

2. Information concerning the calculation of the amount of sales, profits and losses, assets, liabilities and other items for each reporting segment

The accounting methods for each segment reported are almost the same as described in the "Significant Accounting Policies in the Preparation of the Consolidated Financial Statements."

Income of each reporting segment is an amount based on its operating income.

3. Information concerning the amount of sales, profits and losses, assets, liabilities and other items for each reporting segment

Previous consolidated fiscal year (October 1, 2010 – September 30, 2011)

Information in this item is omitted as information has been disclosed that is similar to that complies with "Accounting Standards for Disclosure of Segment Information" (Corporate Accounting Standards vol. 17, March 27, 2009) and "Application Guideline for Accounting Standards for Disclosure of Segment Information" (Corporate Accounting Standards Application Guideline vol. 20, March 21, 2008) as the segment information in the consolidated financial statements based on the traditional treatment of segment information.

Previous consolidated fiscal year (October 1, 2010 – September 30, 2011)

(Million yen)

	Reporting segment				Total	Elimination or company total	Consolidated
	Short term operational support business	Sales support business	Technician dispatch business	Security business			
Net sales							
Sales to external customers	26,870	2,001	3,195	2,250	34,316	—	34,316
Inter-segment sales or transfers	3	39	13	2	56	-56	—
Total	26,873	2,039	3,208	2,252	34,372	-56	34,316
Segment income or loss (-)	1,880	-36	108	10	1,962	-422	1,539
Segment assets	6,074	—	—	496	6,570	2,177	8,747
Other							
Depreciation	158	18	17	2	194	34	228
Impairment loss	—	18	—	—	18	—	18
Increase of property, plant and equipment and intangible assets	336	21	12	5	373	44	417

Notes 1: The amount of -422 million yen for adjusting the profit of the segments includes the amount of 68 million yen for eliminating the inter-segment transactions and the expenses of the whole company of -491 million yen that are not allocated to each reported segment. The expenses of the whole company are primarily made up of the general

administrative expenses not belonging to the reported segments.

2: The profit or loss (-) of the segments has been adjusted with the operating income shown in the consolidated profit and loss statement.

3: The amount of 2,177 million yen for adjusting the segment-based assets is primarily made up of the loans to affiliated companies, the long-term investment assets (investment securities), the assets involved in the administrative departments and so on at the head office of the parent company.

4: Significant Fluctuations in Amounts of Segment-Based Assets

(1) Because of the transfer of some of the shares of our consolidated subsidiary Fullcast Marketing Co., Ltd. to third parties, and the implementation of the capital increase through the allocation of new shares thereof to third parties during the third quarter of the consolidated fiscal term, Fullcast Marketing Co., Ltd. has become an affiliated company subject to the equity method. In addition, its subsidiaries Telecom Marketing Co., Ltd., East Communication Inc. and EKO-SYSTEM Inc. have been excluded from the scope of the consolidation. As a result, the amount of the assets of the Operation Supporting Business has decreased by 1,482 million yen when compared to the previous consolidated fiscal year.

(2) Since all shares of Fullcast Technology Co., Ltd. (currently YUME TECHNOLOGY CO., LTD.) held by us have been transferred to a third party during the third quarter of the consolidated fiscal term, it has been excluded from the scope of the consolidation and withdrawn from the Engineers Dispatching Business. As a result, the amount of the assets of the Engineers Dispatching Business has decreased by 2,268 million yen when compared to the previous consolidated fiscal year.

5: The amount of 34 million yen for adjusting the depreciation expenses is primarily made up of the depreciation amounts for the buildings, structures and software of the head office of the company.

6: The amount of 44 million yen for adjusting the increased amount of the property, plant and equipment and intangible fixed assets is primarily made up of those for the buildings, structures and software of the head office of the company.

Current consolidated fiscal year (October 1, 2011 – December 31, 2012)

1. Overview of Reporting Segments

The Company's reporting segments are business units for which financial information that can be obtained independently from the Company's various structural units, and they are subject to regular examinations in by the board of directors to form decisions about allocations of management resources and to evaluate their performances.

Our Group has two reporting segments: short-term operational support business and security business. The short-term operational support business provides timely short-term staffing services that cater to fluctuations in client companies' workloads, and security business mainly conducts security work for public facilities and general companies.

2. Information concerning the calculation of the amount of sales, profits and losses, assets, liabilities and other items for each reporting segment

The accounting methods for each segment reported are similar to those described in the "Significant Accounting Policies in the Preparation of the Consolidated Financial Statements."

The income of each reporting segment is an amount based on its operating income.

3. Information concerning the amount of sales, profits and losses, assets, and other items for each reporting segment

Current consolidated fiscal year (October 1, 2011 – December 31, 2012)

	Reporting segment		Total (Million yen)	Elimination or company total (Million yen)	Consolidated (Million yen)
	Short term operational support business (Million yen)	Security, other business (Million yen)			
Net sales					
Sales to external customers	34,373	2,524	36,896	—	36,896
Inter-segment sales or transfers	—	0	0	-0	—
Total	34,373	2,524	36,897	-0	36,896
Segment income or loss (-)	2,300	164	2,464	-685	1,779
Segment assets	5,759	527	6,286	1,950	8,236
Other					
Depreciation and amortization	136	3	138	114	252
Amortization of goodwill	9	—	9	—	9
Increase of property, plant and equipment and intangible assets	131	0	131	180	311

Notes 1: The amount of -685 million yen for adjusting the profit of the segments includes the amount of 13 million yen for elimination of inter-segment transactions and the expenses of the whole company of -698 million yen that are not allocated to reported segments. The expenses of the whole company are primarily made up of the general administrative expenses that cannot be assigned to reported segments.

2: The profit or loss (-) of the segments has been adjusted with the operating income shown in the consolidated profit and loss statement.

3: The amount of 1,950 million yen for adjusting the segment-based assets is primarily made up of the loans to affiliated companies, the long-term investment assets (investment securities), the assets involved in the administrative departments and so on at the head office of the parent company.

4: The amount of 114 million yen for adjusting the depreciation expenses is primarily made up of the depreciation amounts for the buildings, structures, and software of the head office of the company.

5: The amount of 180 million yen for adjusting the increased amount of the property, plant and equipment and intangible assets is primarily made up of those for the buildings and structures of the head office of the company and, tools, furniture and fixtures, and software for a new system.

(Related Information)

Consolidated accounting period for the previous fiscal year (From October 1, 2010 To September 30, 2011)

1. Information about each product or service

Information in this section is omitted because it is similar to information disclosed in the segment information section.

2. Information for geographical regions
Information in this section is omitted, as we did not have any consolidated subsidiaries or offices located in foreign countries or regions outside of Japan.

3. Information about major customers
The information in this section is omitted, as there is no single external customer representing 10.0% or more of the net sales in the consolidated income statement.

Consolidated accounting period for the current fiscal year (From October 1, 2011 to December 31, 2012)
1. Information about each product or service
Information in this section is omitted because it is similar to information disclosed in the segment information section

2. Information for geographical regions
Information in this section is omitted, as we did not have any consolidated subsidiaries or offices located in foreign countries or regions outside of Japan.

3. Information about major customers
The information in this section is omitted, as there is no single external customer representing 10.0% or more of the net sales in the consolidated income statement.

Information concerning impairment loss on noncurrent assets for each reporting segment
Previous consolidated fiscal year (October 1, 2010 – September 30, 2011)
Information in this section is omitted because it is similar to information disclosed in the segment information section.

Current consolidated fiscal year (October 1, 2011 – December 31, 2012)
There are no relevant matters.

Information regarding the amount of amortization of goodwill and unamortized balance for each reporting segment
Previous consolidated fiscal year (October 1, 2010 – September 30, 2011)
There are no relevant matters.

Current consolidated fiscal year (October 1, 2011– December 31, 2012)

	Reporting segment		Total (million yen)	All companies and elimination (million yen)	Total (million yen)
	Short-term operational support business (million yen)	Security business (million yen)			
Balance at the end of the period	49	—	49	—	49

(Note) Information on amortization of goodwill is omitted as it is similar to information disclosed in the segment information.

Information concerning gain on negative goodwill for each reporting segment
Previous consolidated fiscal year (October 1, 2010 – September 30, 2011)
There are no relevant matters.

Current consolidated fiscal year (October 1, 2011 – December 31, 2012)
There are no relevant matters.

(Per share information)

Consolidated accounting period for the previous fiscal year (From October 1, 2010 To September 30, 2011)		Consolidated accounting period for the current fiscal year (From October 1, 2011 To December 31, 2012)	
Shareholders' equity per share	10,215.24 yen	Shareholders' equity per share	14,036.71 yen
Net income per share	5,567.70 yen	Net income per share	3,707.76 yen

Note: 1.Diluted net income per share for the fiscal year is not reported since there is no outstanding potential stock.

2.The following is a reconciliation of net income per share (basic) and net income per share (diluted).

Item	Consolidated accounting period for the previous fiscal year (From October 1, 2010 to September 30, 2011)	Consolidated accounting period for the current fiscal year (From October 1, 2011 to December 31, 2012)
Net income (million yen)	2,143	1,427
Net income [basic] (million yen)	2,143	1,427
Net income not available to common stock (million yen)	—	—
Average number of common stock outstanding during the period (shares)	384,864	384,864

(Subsequent events)

There are no relevant matters.

5. Financial Statements

(1) Balance Sheet

(Million yen)

	End of accounting period for the previous fiscal year (September 30, 2010)	End of accounting period for the current fiscal year (December 31, 2012)
ASSETS		
Current assets		
Cash and deposits	1,405	906
Supplies	—	10
Prepaid expenses	14	25
Short-term loans receivable from subsidiaries and affiliates	100	34
Current portion of long-term loans receivable from subsidiaries and affiliates	120	120
Accounts receivable-other	*1 81	*1 211
Income taxes receivable	66	140
Other	*1 7	*1 6
Allowance for doubtful accounts	-3	-3
Total current assets	1,791	1,450
Noncurrent assets		
Property, plant and equipment		
Buildings	78	98
Accumulated depreciation	-19	-34
Buildings, net	59	64
Tools, furniture and fixtures	43	151
Accumulated depreciation	-16	-54
Tools, furniture and fixtures, net	27	97
Total property, plant and equipment	85	161
Intangible assets		
Software	21	200
Software in progress	—	171
Other	4	3
Total intangible assets	25	374
Investments and other assets		
Investment securities	202	56
Stocks of subsidiaries and affiliates	1,569	1,758
Long-term loans receivable from subsidiaries and affiliates	225	75
Investments in capital	0	0
Guarantee deposits	42	47
Insurance funds	15	14
Long-term prepaid expenses	—	2
Claims provable in bankruptcy, claims provable in rehabilitation and other	2	1
Allowance for doubtful accounts	-2	-1
Total investments and other assets	2,053	1,952
Total noncurrent assets	2,163	2,487
Total assets	3,953	3,936

(Million yen)

	End of accounting period for the previous fiscal year (September30, 2011)	End of accounting period for the current fiscal year (December 31, 2012)
LIABILITIES		
Current liabilities		
Short-term loans payable	1,781	1,000
Current portion of long-term loans payable	670	—
Accounts payable-other	*1 49	*1 322
Accrued expenses	10	10
Income taxes payable	8	1
Accrued consumption taxes	14	14
Deposits received	2	3
Unearned revenue	*1 5	*1 0
Total current liabilities	2,538	1,351
Noncurrent liabilities		
Long-term guarantee deposited	*1 37	*1 11
Deferred tax liabilities	6	6
Asset retirement obligations	20	20
Total noncurrent liabilities	63	37
Total liabilities	2,601	1,387
Net assets		
Shareholders' equity		
Capital stock	2,780	2,780
Capital surplus		
Other capital surplus	7	7
Total capital surpluses	7	7
Retained earnings		
Other retained earnings		
Retained earnings brought forward	1,308	2,500
Total retained earnings	1,308	2,500
Treasury stock	-2,747	-2,747
Total shareholders' equity	1,349	2,541
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4	8
Total valuation and translation adjustments	4	8
Total net assets	1,352	2,549
Total liabilities and net assets	3,953	3,936

(2) Profit and Loss Statement

(Million yen)

	Accounting period for the previous fiscal year (From October1, 2010 to September 30, 2011)	Accounting period for the current fiscal year (From October 1, 2011 to December 31, 2012)
Operating revenue		
Consulting fee income	※1 899	※1 1,178
Commissions from subsidiaries and affiliates	—	970
Dividends from subsidiaries and affiliates	322	700
Total operating revenue	1,221	2,849
Operating expenses		
Directors' compensations	100	108
Salaries and bonuses	139	508
Commission fee	76	388
Depreciation	15	101
Other	111	559
Total operating expenses	440	1,664
Operating income	781	1,185
Non-operating income		
Interest income	6	7
Dividends income	9	0
Real estate rent	※1 61	※1 39
Rent income on facilities	※1 14	※1 10
Trademark fee income	※1 8	※1 26
Other	8	7
Total non-operating income	106	90
Non-operating expenses		
Interest expenses	70	20
Depreciation	22	11
Rent cost of real estate	61	39
Other	4	4
Total non-operating expenses	156	73
Ordinary income	731	1,201
Extraordinary income		
Gain on sales of investment securities	22	—
Gain on sales of subsidiaries and affiliates' stocks	993	—
Reversal of allowance for doubtful accounts	0	—
Total extraordinary income	1,015	—
Extraordinary loss		
Loss on retirement of noncurrent assets	※2 5	※2 5
Loss on sales of investment securities	—	3
Loss on valuation of stocks of subsidiaries and affiliates	483	—
Other	※3 3	—
Total extraordinary losses	491	8
Income before income taxes	1,255	1,193
Income taxes-current	1	3
Income taxes-deferred	4	-2
Total income taxes	5	1
Net income	1,251	1,192

(3) Statements of Shareholders' Equity

(Million yen)

	Accounting period for the previous fiscal year (From October1, 2010 to September 30, 2011)	Accounting period for the current fiscal year (From October 1, 2011 to December 31, 2012)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	2,780	2,780
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	2,780	2,780
Capital surplus		
Other capital surplus		
Balance at the beginning of current period	7	7
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	7	7
Total capital surplus		
Balance at the beginning of current period	7	7
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	7	7
Retained earnings		
Other retained earnings		
Retained earnings brought forward		
Balance at the beginning of current period	57	1,308
Changes of items during the period		
Net income	1,251	1,192
Total changes of items during the period	1,251	1,192
Balance at the end of current period	1,308	2,500
Total retained earnings		
Balance at the beginning of current period	57	1,308
Changes of items during the period		
Net income	1,251	1,192
Total changes of items during the period	1,251	1,192
Balance at the end of current period	1,308	2,500
Treasury stock		
Balance at the beginning of current period	-2,747	-2,747
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	-2,747	-2,747
Total shareholders' equity		
Balance at the beginning of current period	98	1,349
Changes of items during the period		
Net income	1,251	1,192
Total changes of items during the period	1,251	1,192
Balance at the end of current period	1,349	2,541

(Million yen)

	Accounting period for the previous fiscal year (From October1, 2010 to September 30, 2011)	Accounting period for the current fiscal year (From October 1, 2011 to December 31, 2012)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	2	4
Changes of items during the period		
Net changes of items other than shareholders' equity	1	4
Total changes of items during the period	1	4
Balance at the end of current period	4	8
Total valuation and translation adjustments		
Balance at the beginning of current period	2	4
Changes of items during the period		
Net changes of items other than shareholders' equity	1	4
Total changes of items during the period	1	4
Balance at the end of current period	4	8
Total net assets		
Balance at the beginning of current period	100	1,352
Changes of items during the period		
Net income	1,251	1,192
Net changes of items other than shareholders' equity	1	4
Total changes of items during the period	1,252	1,196
Balance at the end of current period	1,352	2,549

(4) Concerning Notes About Going Concern Assumption

There are no relevant matters.

(5) Changes in Accounting Principles

(Changes in accounting principles which are difficult to distinguish from those in accounting estimation)

Following the revision of the Corporation Tax Act, the Company changed its depreciation method to one based on the revised Corporation Tax Act for property, plant and equipment acquired on and after April 1, 2012, starting from the third quarter accounting period.

The impact of the above change on the financial statements of the fiscal year under review is minimal.

(6) Changes in Presentation

(Profit and Loss Statement)

In the current fiscal year, "consulting expenses" under "operating expenses" was of little importance in monetary terms, and therefore, it has been included in "other."

In addition, "trademark fee income"—which had been included in "other" under "non-operating income" in the previous consolidated fiscal year—was separately listed from the current consolidated fiscal year, as it exceeded 10 percent of the total non-operating income. In order to reflect the change in presentation method, modifications have been made to the financial statements of the previous consolidated fiscal year.

As a result, the amount of 38 million yen for "consulting expenses" under "operating expenses" in the consolidated profit and loss statement of the previous fiscal year was now in "other" of 111 million yen. Moreover, the amount of 17 million yen for "other" under "non-operating income" was divided into "trademark fee income" of 8 million yen and "other" of 8 million yen.

(7) Additional Information

(Application of accounting standards and the like to accounting changes and error corrections)

For accounting changes and error corrections in the past to take place, since the start of this fiscal year, we have applied the "Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No. 24, December 4, 2009)" and the "Guidance on Accounting Standards for Accounting Changes and Error Corrections (ASBJ Guidance No. 24, December 4, 2009)

(Modifications to the amount of deferred tax assets and liabilities due to changes of corporate taxation rates)

The "Act on Partial Revision the Income Tax Act and Others in Order to Construct a Tax System Corresponding to Structural Changes of Economy and Society" (Act No. 114 of 2011) and the "Act on Special Measures for Securing the Financial Resources Required to Implement Reconstruction Measures after the Great East Japan Earthquake" (Act No. 117 of 2011) were announced on December 2, 2011, and as a result effective from the fiscal years beginning on and after April 1, 2012, the standard corporate taxation rate has been reduced and a special corporate tax for reconstruction has been introduced. Due to the above, with temporary disparities expected to be resolved from the fiscal year beginning on April 1, 2012 to the fiscal year beginning on March 31, 2015, the statutory effective tax rates applied to calculate deferred tax assets and liabilities will change from the previous 40.7% to 38.0%. As for temporary disparities expected to be eliminated in or after the fiscal year beginning on April 1, 2015, the statutory effective tax rates applied to calculate deferred tax assets and liabilities will change to 35.6%.

As a result of the change in tax rates, the net value of deferred tax assets (after deducting deferred tax liabilities) and adjustments on corporate tax and others will decline by 0 million yen and 0 million yen, respectively, while valuation difference available-for-sale securities will increase by 1 million yen.

(8) Notes on Non-consolidated Financial Statements

(Notes on Balance Sheet)

*1 Assets and liabilities vis-a-vis subsidiaries and affiliated companies

Various items that fall outside the scope of our itemized accounts are as follows.

	Fiscal year ended September 2011 (September 30, 2011)	Fiscal year ended December 2012 (December 31, 2012)
Accounts receivable	81 million yen	210 million yen
Other	7 million yen	6 million yen
Accounts payable	16 million yen	74 million yen
Unearned revenue	5 million yen	0 million yen
Long-term guarantee deposited	37 million yen	11 million yen

*2 The Company signed an agreement for overdraft with four banks to procure operating capital efficiently. The balance of borrowing involved in the agreement for overdraft at the end of this consolidated fiscal year is as follows.

	Fiscal year ended September 2011 (September 30, 2011)	Fiscal year ended December 2012 (December 31, 2012)
Limit of overdraft account	824 million yen	2,600 million yen
Borrowing	661 million yen	1,000 million yen
Balance	163 million yen	1,600 million yen

(Notes on Profit and Loss Statement)

*1 Various items that fall outside the scope of our itemized accounts are as follows

	Fiscal year ended September 2011 (from October 1, 2010 to September 30, 2011)	Fiscal year ended December 2012 (from October 1, 2011 to December 31, 2012)
Consulting fee income	899 million yen	1,178million yen
Real estate rent	61 million yen	39 million yen
Rent income on facilities	14 million yen	10 million yen
Trademark fee income	8 million yen	26 million yen

*2 Significant components of loss on disposal of noncurrent assets

	Fiscal year ended September 2011 (from October 1, 2010 to September 30, 2011)	Fiscal year ended December 2012 (from October 1, 2011 to December 31, 2012)
Buildings	5 million yen	5 million yen
Tools, furniture and fixtures	0 million yen	—
Total	5 million yen	5 million yen

*3 Significant components of loss on disposal of noncurrent assets in “Other” under the extraordinary loss are as follows.

	Fiscal year ended September 2011 (from October 1, 2010 to September 30, 2011)	Fiscal year ended December 2012 (from October 1, 2011 to December 31, 2012)
Tools, furniture and fixtures	0 million yen	—

*4 Amount of depreciation is as follows

	Fiscal year ended September 2011 (from October 1, 2010 to September 30, 2011)	Fiscal year ended December 2012 (from October 1, 2011 to December 31, 2012)
Property, plant and equipment	29 million yen	55 million yen
Intangible assets	11 million yen	58 million yen

(Notes on Changes in Statement of Shareholders' Equity)

Fiscal year ended September 2011 (October 1, 2010 to September 30, 2011)

1. Matters concerning the type and the number of treasury stock

	Number of shares at the beginning of the current fiscal year	Increase in the number of shares during the fiscal year	Decrease in the number of shares during the fiscal year	Number of shares at the end of the fiscal year
Treasury stock Common stock (shares)	11,100	—	—	11,100
Total	11,100	—	—	11,100

Fiscal year ended December 2012 (October 1, 2011 to December 31, 2012)

1. Matters concerning the type and the number of treasury stock

	Number of shares at the beginning of the current fiscal year	Increase in the number of shares during the fiscal year	Decrease in the number of shares during the fiscal year	Number of shares at the end of the fiscal year
Treasury stock Common stock (shares)	11,100	—	—	11,100
Total	11,100	—	—	11,100