February 13, 2015

Consolidated Financial Results Announcement for the Fiscal Year Ended December 31, 2014
[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: Kazuki Sakamaki, 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 27, 2015
Date of submission of annual securities report (Planned): March 30, 2015
Date of dividend payments (Planned): March 13, 2015
Preparation of supplementary references regarding financial results: Yes (shown on our homepage)
Briefing for financial results: Yes (For institutional investors and security analysts)

(Figures are rounded to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2014
(January 1, 2014 – December 31, 2014)

(1) Consolidated business results
(% = year-over-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY12/14	20,175	15.5	1,613	377.3	1,647	185.2	1,336	178.2
FY12/13	17,462	—	338	—	578	—	480	—

(Note) 1. Comprehensive income
FY12/14: 1,333 million yen (176.6 %) FY12/13: 482 million yen (– %)
2. Because the fiscal year end has been changed (from September 30 to December 31), the fiscal year ended December 31, 2012 was an irregular period covering 15 months from October 1, 2011 to December 31, 2012. Therefore, comparisons to the same quarter in the previous year are not shown for the fiscal year ended December 31, 2013.

	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	%	%	%
FY12/14	34.70	—	21.3	17.2	8.0
FY12/13	12.48	—	8.5	6.9	1.9

(Reference) Investment profit and loss on equity method
FY12/14: 46 million yen FY12/13: 227 million yen

(Note) The Company split common shares at a ratio of 100 to one share on July 1, 2013. For the purpose of calculating net income per share, it is assumed that the stock split was performed at the beginning of the fiscal year ended December 31, 2013.

(2) Consolidated financial conditions

	Total assets	Net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
FY12/14 End	10,551	6,678	63.3	173.51
FY12/13 End	8,605	5,884	68.4	152.88

(Reference) Equity: As of December 31, 2014: 6,678 million yen As of December 31, 2013: 5,884 million yen

(3) Consolidated cash flow

	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
FY12/14	2,209	-154	-535	6,284
FY12/13	509	101	—	4,763

2. Dividend Status

	Dividend per share (yen)					Total dividend (annual) (million yen)	Payout ratio (consolidated) (%)	Dividend on equity ratio (consolidated) (%)
	End of Q1	End of Q2	End of Q3	End of FY	Annual			
FY12/13	—	0.00	—	14.00	14.00	539	112.2	9.5
FY12/14	—	0.00	—	16.00	16.00	616	46.1	9.8
FY12/15 Forecast	—	8.00	—	10.00	18.00		40.4	

(Note) For matters relating to our dividends, please refer to "(3) Fundamental Policy for Allocation of Earnings and Dividends for the Current and Coming Fiscal Years" of "1. Results of Operations" in the "Appendix" on page 5.

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

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First Half	10,710	13.5	820	23.1	848	20.0	550	-1.0	14.29
Full year	22,400	11.0	2,000	24.0	2,031	23.3	1,717	28.5	44.61

*** Notes**

(1) Important changes of subsidiaries during the fiscal year

(Changes in specific subsidiaries involving changes in the scope of consolidation): None

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

1) Changes in accounting policy associated with the revision of accounting principles, others: Yes

2) Change in accounting policy other than mentioned in 1) above: None

3) Changes in accounting estimates: None

4) Re-presentation of changes: None

(3) Number of shares issued (common stock)

1) Number of shares issued at term end (including treasury stock)	FY12/14	38,486,400	FY12/13	38,486,400
2) Number of treasury stock at the term end	FY12/14	—	FY12/13	—
3) Average number of shares outstanding during the term under review	FY12/14	38,486,400	FY12/13	38,486,400

(Note) 1: The Company split common shares at a ratio of 100 to one share on July 1, 2013. For the purpose of calculating the number of shares above, it is assumed that the stock split was done at the beginning of the fiscal year ended December 31, 2013.

2: Please refer to "Per share information" on page 30 for information regarding the number of shares used as the basis for calculating the net income (consolidated) per share.

Reference: Non-Consolidated Financial Results

1. Financial Results for the Fiscal Year Ended December 31, 2014 (January 1, 2014 – December 31, 2014)

(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	%
FY12/14	2,281	-29.9	413	-69.9	410	-70.2	489	-63.8
FY12/13	3,253	—	1,374	—	1,375	—	1,350	—

(Note) Because the fiscal year end has been changed (from September 30 to December 31), the fiscal year ended December 31, 2012 was an irregular period covering 15 months from October 1, 2011 to December 31, 2012. Therefore, comparisons to the same quarter in the previous year are not shown for the fiscal year ended December 31, 2013.

	Net income per share	Diluted net income per share
	Yen	Yen
FY12/14	12.70	—
FY12/13	35.09	—

(Note) The Company split common shares at a ratio of 100 to one share on July 1, 2013. For the purpose of calculating net income per share, it is assumed that the stock split was done at the beginning of the fiscal year ended December 31, 2013.

(2) Financial conditions

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY12/14 End	5,675	3,849	67.8	100.01
FY12/13 End	5,124	3,900	76.1	101.33

(Reference) Shareholders' equity: FY12/14: 3,849 million yen FY12/13: 3,900 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 about the proper use of financial business forecast and other important notes

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

<Table of Contents of Appendix>

1. Results of Operations

(1) Analysis of Operating Results

1) Results of Operations for the Period

During the fiscal year under review, capital investment activities, export, and corporate earnings were mostly flat as private consumption showed steady movement despite the weakness in consumer sentiment. However, the Japanese economy continued to gradually recover due to the improving trend of economic activities and the employment environment in addition to the moderation as a whole of the weakness in consumption following the rush to buy before the consumption tax hike.

Going forward, weakness may continue over the near term, but the economy is expected to continue to gradually recover on the back of various economic stimulus measures and on continued improvements in employment and income conditions. At the same time, uncertainties continue to cloud the economic horizon as weak consumer sentiment and slowing growth in overseas economies could negatively impact the Japanese economy.

With regards to the operating environment surrounding the staffing service industry, the overall unemployment rate has improved moderately despite a break in improvements in the job offers-to-applicants ratio. Futhtermore, companies are suffering increasing shortages of labor and adopting a more aggressive stance towards new hiring. In the future, labor shortages are expected to become more pronounced.

Against this backdrop during the current fiscal year, the Fullcast Group implemented group management activities to further expand the part-time worker placement and part-time worker payroll management services, which were launched along with the implementation of the Revised Worker Dispatching Act on October 1, 2012. In addition, we implemented efforts to strengthen our marketing activities to promote better customer understanding of our services. Furthermore, we endeavored to establish a system to improve earnings by securing job seekers during seasonally busy times through the opening of worker registration centers and marketing offices. These activities are also part of our efforts to avoid opportunity losses and to strengthen our marketing capability.

As a result of these developments, net sales grew to 20,175 million yen (up by 15.5% year on year) on the back of a continued expansion in the part-time worker placement and part-time worker payroll management services in the short-term operational support business.

In terms of profits, we recorded operating income of 1,613 million yen (up by 377.3% year on year) and ordinary income of 1,647 million yen (up by 185.2% year on year). This strong performance in income is attributed to the increase in net sales, and our continued efforts to restrain selling, general and administrative margin to 3.9% by steadily improving productivity of personnel and achieving increases in other areas of operational efficiency.

We were able to record a net income of 1,336 million yen (up by 178.2% year on year), due to the ability to limit the booking of income taxes to 465 million yen due to deduction of losses carried forward as deferred tax assets of 155 million yen of income taxes-deferred.

Our Group considers the “sustainable improvement of corporate value” as an important management objective. We will manage our business by focusing upon capital efficiency with a goal of achieving “improvements of corporate value” and realizaing return on equity (ROE) in excess of our cost of capital, which reflects the expected returns by shareholders and investors from our company.

We have losses carried forward due to losses incurred in the past. Consequently, our net income varies substantially due to the recording of deferred tax assets for losses carried forward based upon tax effect accounting. Since tax effect accounting is determined by forecasts and estimates for future events, deferred tax assets may vary substantially with future changes. Therefore from this fiscal year onwards, we have established a 20% return on equity (Based upon net income of the term excluding the influence of income taxes-deferred arising from recording of deferred tax assets for loss carried forward, hereinafter referred to as the “adjusted net income”, hereinafter referred to as the “adjusted return on equity”) as our target indicator for the “improvement of corporate value.”

Return on equity at the end of this fiscal year was 21.3%, and adjusted ROE was 19.5%, an improvement of 11.0% points from 8.5% at the end of the previous fiscal year. We will maintain our efforts to achieve 20% adjusted ROE, which is a target for the “improvement of corporate value,” by further improving management efficiency through the strengthening of profitability in our part-time worker placement and part-time worker payroll management services, and by implementing efforts to achieve total shareholder return ratio (The sum of dividends and treasury shares) of 50% relative to adjusted net income.

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

a) Short-term operational support business

We recorded net sales of 18,349 million yen (up by 17.1% year on year), due in part to the continued growth in earnings seen during the period and expansion in our part-time worker placement and part-time worker payroll management services. With regards to profits, we recorded operating income of 2,102 million yen (up by 152.0% year on year) due to an increase in sales derived from a year on year expansion in our part-time worker placement and part-time worker payroll management services and from successful efforts to restrain selling, general and administrative margin to 3.9%.

b) Security business

We were able to record a slight increase in net sales to 1,826 million yen (up by 1.6% year on year) by supplementing the lower sales of the manned long-term security business with higher sales of the temporary security business. In terms of profits, operating income declined by 24 million yen from the same period in the previous year to 77 million yen (down 23.3% year on year) because of our inability to improve gross income margin during the current term.

2) Outlook for the Coming Fiscal Year

Along with the implementation of the Revised Worker Dispatching Act on October 1, 2012, we shifted the focus of our operations from the short-term dispatching business to the part-time worker placement and part-time worker payroll management services in our short-term operational support business, which is the main business of our Group.

In the coming fiscal year, we will endeavor to expand our earnings with the target of the “establishing a solid business foundation to achieve sustained growth” by continuing to promote expansion of the part-time worker placement and part-time worker payroll management services in order to grow operating income to over the 1,779 million yen recorded in the fiscal year ended December 2012, which was the post-Lehman Shock peak in our business engaged solely in worker dispatching. While we only disclosed a potential range for operating income as our full year business forecasts for the fiscal year ended December 2014, it has become possible to accurately assess our future earnings based upon data regarding supply and demand trends and earnings with the passing of over two fiscal years since the change in our business model. As a result, we disclose specific targets for net sales, operating income, ordinary income, net income, and net income per share in our earnings forecasts for the full fiscal year ending December 2015.

Forecast for Consolidated Financial Results for the Fiscal Year Ending December 31, 2015
(January 1, 2015 – December 31, 2015)

(Million yen)

	FY12/14 Result	FY12/15 Forecast	YY Comparison
Net sales	20,175	22,400	11.1%
Operating income	1,613	2,000	24.0%
Ordinary income	1,647	2,031	23.3%
Net income	1,336	1,717	28.5%
Equity per share	34.70	44.61	28.5%

Note 1: Net income per share for fiscal year ending December 2015 is calculated in accordance with the following formula:

$$\text{Estimated net income per share} = \frac{\text{Forecast for net income applicable to common stock}}{\text{Estimated number of common shares outstanding during the fiscal year ending December 31, 2015}}$$

(2) Analysis of Financial Position

1) Assets, liabilities and net assets

At the end of the current fiscal year, our total consolidated assets increased by 1,946 million yen from the end of the previous fiscal year to 10,551 million yen. At the same time, shareholders’ equity increased by 794 to 6,678 million yen (Shareholders’ equity ratio of 63.3%) and net assets rose by 794 to 6,678 million yen.

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

With regard to assets, current assets increased by 1,882 million yen from the end of the previous fiscal year to 9,221 million yen at the end of the current term. This increase is attributed mainly to increases in cash and cash deposits of 1,521 to 6,284 million yen, in notes and accounts receivable-trade of 355 to 2,581 million yen, and in deferred tax assets of 169 to 185 million yen arising from the recognition of tax effects for deduction of loss carried forward. At the same time, other current assets decreased by 188 million yen to 170 million yen due mainly to a decline in accounts receivable-other of 235 million yen to 18 million yen.

Noncurrent assets increased by 65 million yen from the end of the previous fiscal year to 1,330 million yen. This increase is attributed to increases in investment securities of 42 to 467 million yen and guarantee deposits of 34 to 264 million yen. At the same time, software declined by 8 million yen to 298 million yen.

With regard to liabilities, current liabilities increased by 1,109 million yen from the end of the previous fiscal year to 3,459 million yen at the end of the current fiscal year. This was due mainly to an increase of accounts payable-other of 101 to 519 million yen, accrued expenses of 114 to 656 million yen, income taxes payable of 350 to 431 million yen, and accrued consumption taxes of 544 to 688 million yen.

Noncurrent liabilities increased by 44 million yen from the end of the previous fiscal year to 414 million yen. This is attributed to an increase in retirement benefit liability of 359 to 359 million yen, despite a decrease of provision for retirement benefit reserves of 314 million to 0 yen.

2) Cash flows

At the end of the current fiscal year, cash and cash equivalents (hereafter referred to as “funds”) increased by 1,521 million yen (Compared with a 611 million yen increase in the previous year) from the end of the previous fiscal year to 6,284 million yen at the end of the current fiscal year.

(Net cash from operating activities)

Funds provided by operating activities were 2,209 million yen (Compared with 509 million yen of funds provided in the previous year), due mainly to income before income taxes and minority interests of 1,646 million yen, depreciation and amortization of 171 million yen, increase in accrued expenses of 114 million yen, increase in accrued consumption taxes of 546 million yen, and income tax refund of 242 million yen, increase in notes and accounts receivable-trade of 354 million yen, and income taxes paid of 120 million yen.

(Net cash from investing activities)

Funds used by investing activities were 154 million yen (101 million yen of funds provided in the previous year), due mainly to expenditure for purchase of property, plant and equipment of 80 million yen and expenditure for purchase of intangible assets of 73 million yen.

(Net cash from financing activities)

Funds used by financing activities were 535 yen (Net cash outflow of “0” in the previous year) due to payment of dividends of 535 million yen.

(Trends in Cash Flow Indexes)

	FY12/12	FY12/13	FY12/14
Shareholders’ equity (Million yen)	5,402	5,884	6,678
Shareholders’ equity ratio (%)	65.6	68.4	63.3
Ratio of interest-bearing debt to cash flow (%)	35.3	154.5	47.8
Interest coverage ratio (times)	173.9	77.5	271.7
Market capitalization based equity ratio (%)	66.4	119.0	176.5

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.), net cash provided by operating activities from the consolidated cash flows statement (before deducting the amount of payment of interest and corporate taxes, etc.) is 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 profit and loss statement is used.

5. Market capitalization = Stock price at the end of the term x Number of shares outstanding at the end of the term

(3) Fundamental Policy for Allocation of Earnings and Dividends for the Current and Coming Fiscal Years

We consider the “sustainable improvement of corporate value” to be one of the most important management issues. We will manage our businesses by focusing upon capital efficiency and view “improvement of corporate value” as the realization of ROE in excess of our capital cost, which reflects the expected returns by shareholders and investors from our company. Moreover, we maintain a fundamental policy of allocating profits in accordance with our business performance. At the same time, we consider both dividends paid from retained earnings and treasury stock purchases as alternative means of returning profits to shareholders and take capital efficiency into consideration based upon our outlook for future earnings and profit growth.

We maintain losses carried forward due to the past losses. As a result, net income changes substantially due to the recording of deferred tax assets for losses carried forward based upon tax effect accounting. Since tax effect accounting is based upon forecasts and estimates for future events, deferred tax assets may vary substantially with changes in future. Accordingly from this fiscal year on, we will strive to enhance returns of profits to shareholders, and target a total return ratio of 50% including adjusted net income, which excludes the influence of income taxes-deferred arising from recording of deferred tax assets for deduction of losses carried forward (Hereinafter referred to as the "Adjusted Net Income").

Going forward, we will endeavor to achieve 20% ROE calculated based on adjusted net income (hereinafter referred to as the "Adjusted ROE"), by further improving management efficiency with the strengthening of profitability, as well as implementing shareholder returns targeting a total return ratio—the sum of dividends and treasury shares—of 50% to the adjusted net income.

In the current fiscal year ended December 2014, we recorded adjusted net income of 1,214 million yen as a result of our management seriously tackling challenges including the "further expansion of our new services". With regards to the return of earnings to shareholders and improving adjusted ROE, we will pay a yearend dividend of 16 yen per share (An increase of 2 yen from the previous fiscal year ended December 2013, for a total return ratio of 50.7% relative to adjusted net income).

With regard to dividends in the coming term, we will endeavor to realize 20% adjusted ROE and to achieve a return of earnings ratio target of 50% total relative to adjusted net income. Currently, we expect to pay dividends and plan, including an interim dividend of 8 yen per share and a year-end dividend of 10 yen per share for a total full year dividend of 18 yen per share (Expected payout ratio of 50.3% relative to adjusted net income).

(4) Risks Associated with Our Businesses

Major potential risk factors for the Fullcast Group in the course of our 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 factors for investors in making investment decisions or understanding our Group's business activities. Our 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 through strict adherence to corporate governance and by promoting speed in the strategic decision making process of our management and in the implementation of various strategies. However, should the above mentioned issues take 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 "part-time employment placement" and "part-time worker payroll management services" in response to the Revised Worker Dispatching Act implemented on October 1, 2012. However, our Group's earnings could be seriously impacted should the earnings of these businesses stray from expectations.

In addition, we maintain a policy of selling shares in affiliates or marketable securities of companies which cease to provide synergies with our Group's various 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.

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.

b) Part-Time Employment Placement Business

Our Group provides paid-for employment placement business under the license of Minister of Health, Labor and

Welfare in accordance with the Employment Security Act. This license is valid for 5 years. When the renewal of the license becomes necessary but is not granted because we do not meet the requirements for the license as specified 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) Worker Dispatching Service

Our Group provides worker dispatching services under the license of Minister of Health, Labor and Welfare in accordance with the Worker Dispatching Act. If our 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, our 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 worker dispatching services and our Group's performance could be seriously impacted.

d) Part-Time Worker Payroll Management Service

Because our Group conducts outsourced businesses independent of the contracting client company based upon an outsourcing agreement, we may become liable for damages caused by incompletion of outsourced businesses or delays in reporting. Depending on the amount to be paid for damages, our Group's earnings could be negatively impacted if we cannot absorb these costs through increased efficiencies of our overall operations and other cost cutting measures.

e) Onsite Subcontracting Service

As an onsite subcontracting service provider based on subcontracts, our 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.

Due to the nature of subcontracting services, we are at risk of low productivity and product failure. Therefore our Group's earnings could be negatively impacted if we cannot absorb these factors through increased efficiencies of our overall operations and other cost cutting measures.

f) 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 could 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, 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 experiences by job classification as well as similar inforiaton regarding clients.

To be prepared for the eventuality of a malfunction in servers, our Group makes backup databases, while the servers themselves are operated in redundant configuration with multiple machines in preparation for any potential problems. However, if these servers were to fail simultaneously as a result of problems such as earthquakes or other natural disasters, our Group's operations could 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 contribute to reductions in 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 significantly impacted if any security breaches of personal information occur, and our Group could lose the trust of the public and incur claims for damages.

4) Workplace Accidents and Transaction-Related Trouble

a) Part-Time Worker Placement Service

In the process of selecting staff members who apply for jobs, if our Company places a staff member who does not meet the recruitment requirements of the client company due to our negligence, the client company may file a suit against us for breach of contract or demand other compensation. Although our 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 such accidents depending upon their nature and the amount of money involved.

b) Employee Dispatching Service

In the event that a staff member dies, is injured or becomes ill in the course of performing business tasks or due to causes attributable to the work at the dispatched workplace, 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.)

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

In addition, our 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 illegal activities of staff members in the course of performing business at the dispatched workplace. Although our Group maintains a compliance system under which personnel in charge of legal affairs to 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 the various business segments of our Group.

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 our business activities as of December 31, 2014 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: 1 - Provides financial support: borrowing and lending operating capital
Top Spot Co., Ltd. (Note 2)	Shinagawa-ku, Tokyo	80	Short-term operational support business	100.0	- We provide services such as management advice, business outsourcing, and system lease. - Concurrent directorates: 1 - 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	Whole 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) F-PLAIN Corporation	Minato-ku, Tokyo	681	Agency agreement, sales agency operation	23.81	-

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.

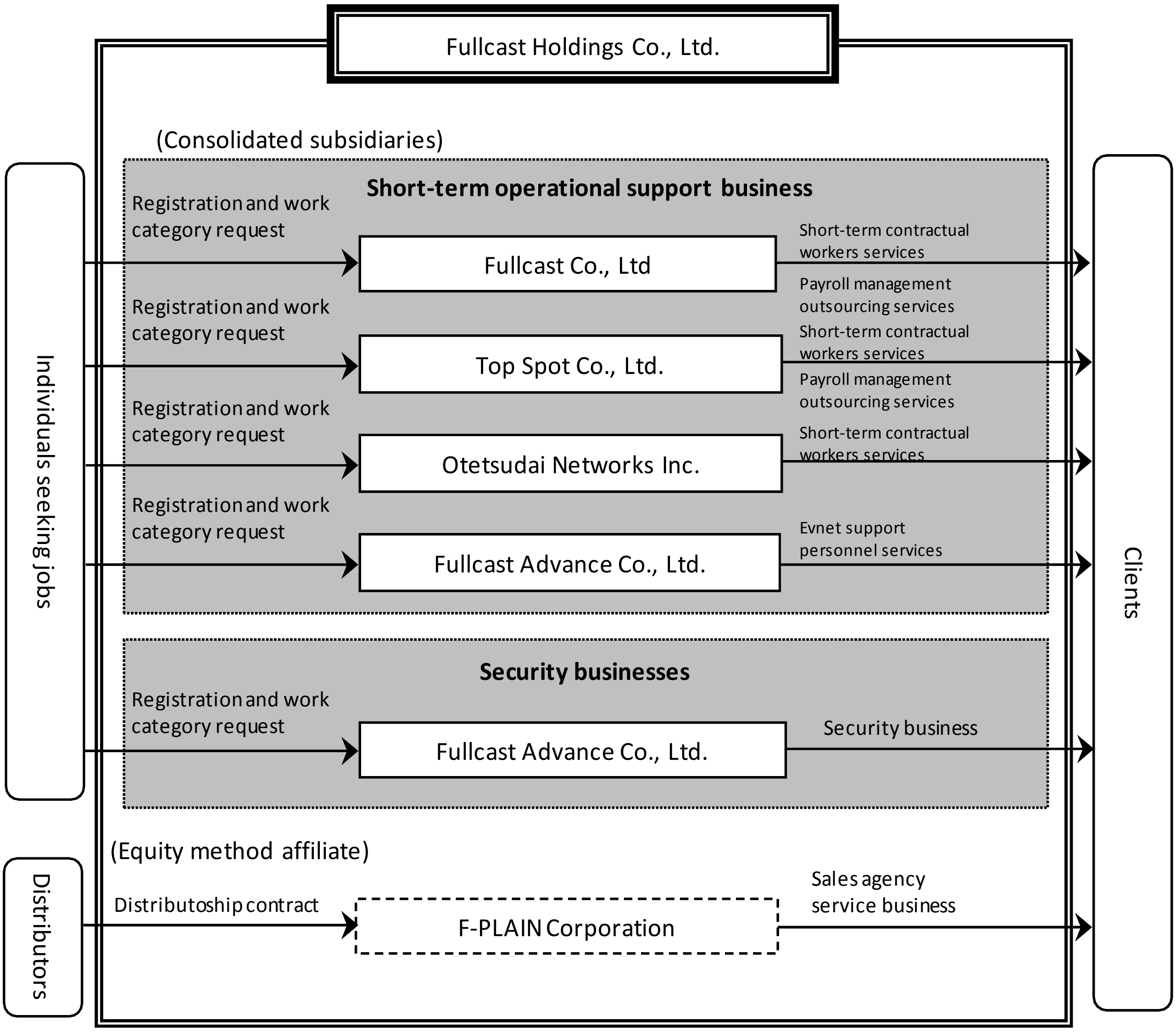
Key information about profit and loss

(Million yen)

	Fullcast Co., Ltd.	Fullcast Advance Co., Ltd.
Sales	15,778	3,500
Ordinary income	1,098	48
Net income	641	38
Net assets	2,133	480
Total assets	4,201	1,003

(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, 2014.
Note 2: [symbol] is Fullcast Holdings Co., Ltd., [symbol] is a consolidated subsdiary, [symbol] is a equity method affiliate.

3. Management Policies

(1) Fundamental Management Policies

Our Group considers the "sustainable improvement of corporate value" to be one of the most important management issues.

We manage our business by focusing upon capital efficiency with a goal of achieving "improvement of corporate value" by realizing ROE in excess of our capital cost, which reflects the expected returns by shareholders and investors from our company.

(2) Target Management Indicators

Our Group will endeavor to maximize corporate value by focusing upon capital efficiency with a target of 20% adjusted ROE* to achieve "improvement of corporate value," as well as by focusing on the balance between profitability and growth while ensuring financial soundness.

*We have losses carried forward due to losses incurred in the pass. Since tax effect accounting is determined by forecasts and estimates for future events, deferred tax assets may vary substantially with future changes. Accordingly from this fiscal year on, our ROE will be calculated based on net income excluding the influence of income taxes-deferred arising from recording of deferred tax assets for loss carried forward as the "Adjusted ROE," with the goal of achieving "improvement of sustainable corporate value."

(3) Medium to 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 groupwide corporate governance leverages the functionality of our holding company.

(4) Key Management Issues

Our Group implemented group management activities to "further expand the 'part-time worker placement' and 'part-time worker payroll management services" which were launched along with the implementation of the Revised Worker Dispatching Act on October 1, 2012, and efforts for marketing activities that are focused upon promoting better customer understanding. In addition, we endeavored to establish a system to improve earnings by securing job seekers during seasonally busy times through the opening of worker registration centers and marketing offices. These activities are also part of our efforts to avoid opportunity losses and to strengthen our marketing capability.

Our Group has identified and endeavors to achieve the main management issues of "improvement of sustainable corporate value" and the "development of a solid business foundation for sustainable growth."

1) Improvement of Sustainable Corporate Value

As stated in (1) Fundamental Management Policies and (2) Target Management Indicators, we consider the "improvement of sustainable corporate value" as one of our most important management issues. Accordingly, we will manage our businesses by focusing upon the adjusted ROE through the maintainance of an appropriate level of shareholder equity while at the same time continuing to return profits to shareholders, in addition to realizing further expansion of profits in "part-time worker placement" and "part-time worker payroll management" services, which are major businesses of our Group.

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 build the confidence of all our stakeholders in our Company.

2) Development of a Solid Business Foundation for Sustainable Growth

With a target of the "development of a solid business foundation for sustainable growth," our Group will implement the following measures in the fiscal year ending December 2015 for the Fullcast Group as a whole by securing not only our existing customer base but also new customers by establishing the "part-time worker placement" and "part-time worker payroll management" services as our main services in the short-term operational support business, which were launched after the implementation of the Revised Worker Dispatching Act on October 1, 2012.

• "Increasing the number of customers for the 'part-time worker placement' and 'part-time worker payroll management' services"

We will develop new customer segments not limited to those from who existed before the change of our business model, by taking advantage of the tailwind from positive external factors (Client companies' difficulties in recruitment) as well as by strengthening our in-house marketing structure and improving the quality of our main services, which have been nurtured over past two fiscal years since the change of the business model.

• "Strengthening Capacity to Supply Human Resources"

In order to further strengthen our Group's capacity to supply human resources, we will continue to improve the efficiency of our recruitment activities and registrations centers which have been implemented since the fiscal year ended December 2014, as well as raising the brand recognition of our Group in order to fortify our capacity to supply human resources.

• "Continued Store Opening in Areas without Previous Marketing Functions"

In areas which cannot be covered by our existing marketing office network, we will endeavor to cultivate new revenue sources by continuing to open offices in medium-sized cities where we can expect a reasonable demand.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Million yen)

	FY12/13 end (December 31, 2013)	FY12/14 end (December 31, 2014)
ASSETS		
Current assets		
Cash and deposits	4,763	6,284
Notes and accounts receivable-trade	2,226	2,581
Merchandise	3	2
Supplies	17	19
Deferred tax assets	16	185
Other	358	170
Allowance for doubtful accounts	-43	-19
Total current assets	7,340	9,221
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	264	285
Accumulated depreciation and impairment loss	-144	-169
Buildings and structures, net	120	116
Machinery equipment and vehicles	4	5
Accumulated depreciation and impairment loss	-4	-4
Machinery, equipment and vehicles, net	0	1
Tools, furniture and fixtures	406	462
Accumulated depreciation and impairment loss	-296	-336
Tools, furniture and fixtures, net	110	126
Construction in progress	1	1
Total property, plant and equipment	231	245
Intangible assets		
Software	306	298
Other	23	24
Total intangible assets	329	322
Investments and other assets		
Investment securities	*1 425	*1 467
Guarantee deposits	230	264
Deferred tax assets	20	4
Other	71	68
Allowance for doubtful accounts	-41	-40
Total investments and other assets	705	763
Total noncurrent assets	1,265	1,330
Total assets	8,605	10,551

(Million yen)

	FY12/13 end (December 31, 2013)	FY12/14 end (December 31, 2014)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	6	4
Short-term loans payable	*2 1,000	*2 1,000
Accounts payable-other	418	519
Accrued expenses	543	656
Income taxes payable	82	431
Accrued consumption taxes	144	688
Other	159	160
Total current liabilities	2,351	3,459
Noncurrent liabilities		
Provision for retirement benefits	314	-
Net defined benefit liability	-	359
Asset retirement obligations	37	38
Deferred tax liabilities	7	5
Other	12	13
Total noncurrent liabilities	370	414
Total liabilities	2,721	3,873
NET ASSETS		
Shareholders' equity		
Capital stock	2,780	2,780
Capital surplus	2,006	2,006
Retained earnings	1,089	1,886
Total shareholders' equity	5,875	6,672
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9	6
Total accumulated other comprehensive income	9	6
Total net assets	5,884	6,678
Total liabilities and net assets	8,605	10,551

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

Consolidated Profit and Loss Statement

(Million yen)

	FY12/13 (From January 1, 2013 to December 31, 2013)	FY12/14 (From January 1, 2014 to December 31, 2014)
Net sales	17,462	20,175
Cost of sales	11,755	13,152
Gross profit	5,707	7,023
Selling, general and administrative expenses		
Salaries and bonuses	1,825	1,797
Other salaries	613	776
Legal welfare expenses	362	365
Retirement benefit expenses	97	82
Communication expenses	167	169
Advertising expenses	20	17
Traveling and transportation expenses	243	249
Rents	435	468
Depreciation	191	170
Recruitment expense	190	312
Provision of allowance for doubtful accounts	42	3
Amortization of goodwill	6	-
Other	1,179	1,002
Total selling, general and administrative expenses	5,369	5,410
Operating income	338	1,613
Non-operating income		
Interest income	1	1
Dividends income	1	1
Share of profit of entities accounted for using equity method	227	46
Reversal of accounts payable	17	9
Other	23	15
Total non-operating income	270	72
Non-operating expenses		
Interest expenses	8	8
Damage compensation expenses	11	5
Settlement package	-	14
Other	11	10
Total non-operating expenses	30	37
Ordinary income	578	1,647

(Million yen)

	FY12/13 (From January 1, 2013 to December 31, 2013)	FY12/14 (From January 1, 2014 to December 31, 2014)
Extraordinary income		
Gain on sales of investment securities	90	-
Gain on change in equity	69	-
Other	*1 0	*1 0
Total extraordinary income	160	0
Extraordinary loss		
Loss on retirement of noncurrent assets	*3 2	*3 0
Loss on sales of investment securities	2	-
Loss on valuation of investment securities	-	1
Impairment loss	*4 81	-
Other	*2 0	*2 0
Total extraordinary losses	85	2
Income before income taxes and minority interests	652	1,646
Income taxes-current	92	465
Income taxes-deferred	80	-155
Total income taxes	172	310
Income before minority interests	480	1,336
Net income	480	1,336

Consolidated Statement of Comprehensive Income

(Million yen)

	FY12/13 (From January 1, 2013 to December 31, 2013)	FY12/14 (From January 1, 2014 to December 31, 2014)
Income before minority interests	480	1,336
Other comprehensive income		
Valuation difference on available-for-sale securities	3	-1
Share of other comprehensive income of entities accounted for using equity method	-2	-2
Total other comprehensive income	* 2	* -3
Comprehensive income	482	1,333
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	482	1,333
Comprehensive income attributable to minority interests	-	-

(3) Consolidated Statements of Shareholders' Equity

Consolidated accounting period for the previous fiscal year (From January 1, 2013 to December 31, 2013)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	2,780	2,013	3,348	-2,747	5,395
Changes of items during the period					
Net income			480		480
Cancellation of treasury stock		-2,747		2,747	-
Transfer of negative balance of other capital surplus		2,739	-2,739		-
Net changes of items other than shareholders' equity					-
Total changes of items during the period	-	-7	-2,259	2,747	480
Balance at the end of current period	2,780	2,006	1,089	-	5,875

(Million yen)

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at the beginning of current period	7	7	5,402
Changes of items during the period			
Net income			480
Cancellation of treasury stock			-
Transfer of negative balance of other capital surplus			-
Net changes of items other than shareholders' equity	2	2	2
Total changes of items during the period	2	2	482
Balance at the end of current period	9	9	5,884

Consolidated accounting period for the current fiscal year (From January 1, 2014 to December 31, 2014)

(Million yen)

	Shareholders' equity				Accumulated other comprehensive income		Total net assets
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at the beginning of current period	2,780	2,006	1,089	5,875	9	9	5,884
Changes of items during the period							
Dividend of Surplus			-539	-539			-539
Net income			1,336	1,336			1,336
Net changes of items other than shareholders' equity				-	-3	-3	-3
Total changes of items during the period	-	-	797	797	-3	-3	794
Balance at the end of current period	2,780	2,006	1,886	6,672	6	6	6,678

(4) Consolidated Cash Flows Statement

(Million yen)

	FY12/13 (From January 1, 2013 to December 31, 2013)	FY12/14 (From January 1, 2014 to December 31, 2014)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	652	1,646
Depreciation	197	171
Amortization of goodwill	6	-
Impairment loss	81	-
Increase (decrease) in allowance for doubtful accounts	28	-25
Increase (decrease) in provision for bonuses	-21	0
Increase (decrease) in provision for retirement benefits	62	-314
Increase (decrease) in net defined benefit liability	-	359
Interest and dividends income	-2	-2
Interest expenses	8	8
Loss (gain) on sales of investment securities	-88	-
Loss (gain) on valuation of securities	-	1
Share of (profit) loss of entities accounted for using equity method	-227	-46
Loss (gain) on change in equity	-69	-
Loss on retirement of noncurrent assets	2	0
Decrease (increase) in notes and accounts receivable-trade	9	-354
Decrease (increase) in inventories	-3	-4
Increase (decrease) in notes and accounts payable-trade	-43	77
Decrease (increase) in accounts receivable-other	21	-7
Increase (decrease) in accrued expenses	2	114
Increase (decrease) in accrued consumption taxes	-50	546
Other, net	83	-76
Subtotal	647	2,094
Interest and dividends income received	2	2
Interest expenses paid	-8	-8
Income taxes paid	-272	-120
Income taxes refund	140	242
Net cash provided by (used in) operating activities	509	2,209
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-34	-80
Purchase of intangible assets	-217	-73
Purchase of investment securities	-0	-0
Proceeds from sales of investment securities	158	-
Collection of loans receivable	195	-
Other, net	-1	0
Net cash provided by (used in) investing activities	101	-154
Net cash provided by (used in) financing activities		
Cash dividends paid	-	-535
Net cash provided by (used in) financing activities	-	-535
Net increase (decrease) in cash and cash equivalents	611	1,521
Cash and cash equivalents at beginning of period	4,152	4,763
Cash and cash equivalents at end of period	* 4,763	* 6,284

(5) Notes on Consolidated Financial Statements

(Concerning Notes About Going Concern Assumption)

None applicable

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

1. Matters concerning the scope of consolidation

Details of all consolidated subsidiaries

Consolidated subsidiaries: 5

Name of the consolidated subsidiaries:

Fullcast Co., Ltd.
Top Spot Co., Ltd.
Fullcast Advance Co., Ltd.
Fullcast Business Support Co., Ltd.
OtetsudaiNetworks Inc.

2. Matters concerning the application of the equity accounting method

(1) Affiliates accounted for by the equity method: 1

F-PLAIN Corporation

(2) Items requiring mention with regards to procedures for applying the equity method

Because companies accounted for under the equity method have different settlement dates, financial statements based upon provisional settlement of accounts as of the consolidated settlement date are used in preparing consolidated financial statements.

3. Matters concerning the fiscal year end date and other information of consolidated subsidiaries

The fiscal year end date of consolidated subsidiaries matches the consolidated fiscal year end date.

(Change in Accounting Policy)

(Application of Accounting Standards for Retirement Benefits etc.)

"Accounting Standard for Retirement Benefits" (ASBJ Statement No.26, May 17, 2012, hereinafter referred to as the "Accounting Standard") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No.25, May 17, 2012, hereinafter the "Guidance") were applied from the end of the fiscal year under review (excluding, however, the provisions stipulated in the main texts of Section 35 of the Accounting Standard and Section 67 of the Guidance), and the method was changed to record, as net defined benefit liability, the amount calculated by deducting pension assets from retirement benefit obligations. As a result, 359 million yen was recorded as net defined benefit liability as of the end of the fiscal year under review. This change does not have any impact on accumulated other comprehensive income as of the end of the fiscal year under review.

(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)

(1) Summary

The accounting standard was revised, from the viewpoint of improvements to financial reporting and international trends, mainly focused upon 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 should be performed.

(2) Scheduled date of application

The revised calculation method for retirement benefit obligations and current service cost is scheduled to be applied from the beginning of the fiscal year ending December 2015

(3) Impact of the application of the accounting standard, other standards

There will be no impact on consolidated financial statements.

(Changes in presentation method)

(Regarding consolidated balance sheet)

In the fiscal year under review, “accrued consumption taxes” included in “accounts payable-other” in the previous fiscal year exceeded five hundredths of the total assets, and are therefore separately recorded. In order to reflect the change in presentation method, modifications were made to the financial statements of the previous fiscal year.

As a result, 561 million yen recorded for “accounts payable-other” under “current liabilities” in the financial statements of the previous fiscal year is separately recorded as 418 million yen for “accounts payable-other” and 144 million yen for “accrued consumption taxes.”

(Notes on Consolidated Balance Sheet)

*1 The following figure reflect affiliated companies

	FY12/13 end (December 31, 2013)	FY12/14 end (December 31, 2014)
Investment securities (equities)	353 million yen	397 million yen

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

	FY12/13 end (December 31, 2013)	FY12/14 end (December 31, 2014)
Limit of overdraft account	2,600 million yen	2,600 million yen
Borrowing	1,000 million yen	1,000 million yen
Balance	1,600 million yen	1,600 million yen

(Notes on Consolidated Income Statement)

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

	FY12/13 (From January 1, 2013 to December 31, 2013)	FY12/14 (From January 1, 2014 to December 31, 2014)
Tools, furniture and fixtures	0 million yen	0 million yen

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

	FY12/13 (From January 1, 2013 to December 31, 2013)	FY12/14 (From January 1, 2014 to December 31, 2014)
Tools, furniture and fixtures	0 million yen	0 million yen

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

	FY12/13 (From January 1, 2013 to December 31, 2013)	FY12/14 (From January 1, 2014 to December 31, 2014)
Buildings and structures	1 million yen	0 million yen
Machinery, equipment and vehicles	-	0 million yen
Tools, furniture and fixtures	1 million yen	0 million yen
Total	2 million yen	0 million yen

*4. Impairment loss

In the fiscal year ended December 2013, the Company Group recorded an impairment loss for the following asset group.

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

Use	Type	Place
short-term operational support business	Tools, furniture and fixtures Software Other Goodwill	Shinagawa-ku, Tokyo

(2) Background to Recognition of Impairment Loss

As a result of review of the business plan of our consolidated subsidiary OtetsudaiNetworks Inc. (Shinagawa-ku, Tokyo), the plan has not progressed as initially expected. Therefore, we consider the total book value of the assets for the short-term operational support business to be unrecoverable and recognize the impairment loss.

(3) Amount of impairment loss

Tools, furniture and fixtures	0 million yen
Software	38 million yen
Other	0 million yen
Goodwill	43 million yen

(4) Grouping method of assets

To apply accounting for the impairment of 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 calculated as zero based on an estimate of future cash flows.

(Notes on Consolidated Statement of Comprehensive Income)

* Amount of modifications and tax effect in other comprehensive income

	FY12/13 (From January 1, 2013 to December 31, 2013)	FY12/14 (From January 1, 2014 to December 31, 2014)
Valuation difference on available-for-sale securities:		
Amount incurred during the current fiscal year	5 million yen	-1 million yen
Reclassification adjustment	-0 million yen	-
Before tax effect adjustment	5 million yen	-1 million yen
Tax effect	-2 million yen	0 million yen
Valuation difference on available-for-sale securities	3 million yen	-1 million yen
Share of other comprehensive income of associates accounted for using equity method:		
Amount incurred in the current fiscal year	87 million yen	1 million yen
Amount of modification	-89 million yen	-3 million yen
Share of other comprehensive income of associates accounted for using equity method	-2 million yen	-2 million yen
Total other comprehensive income	2 million yen	-3 million yen

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

Fiscal year ended December 2013 (January 1, 2013 to December 31, 2013)

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	39,200,436	1,110,000	38,486,400
Total	395,964	39,200,436	1,110,000	38,486,400
Treasury stock Common stock (shares)	11,100	1,098,900	1,110,000	-
Total	11,100	1,098,900	1,110,000	-

(Summary of changes)

(1) The increase in the total number of common shares issued was due to the split of common shares at a ratio of

100 to one share.

(2) The decrease in the total number of common shares issued was due to the cancellation of treasury stock, which was decided at a board of directors meeting.

(3) The increase in the number of common shares of treasury stock was due to the split of common shares at a ratio of 100 to one share.

(4) The decrease in the number of common shares of treasury stock was due to the cancellation of treasury stock, which was decided at a board of directors meeting.

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

Resolution	Type of shares	Dividend resource	Total amount of dividend (million yen)	Dividend per share (yen)	Record date	Effective date
Feb. 14, 2014 Board of directors meeting	Common shares	Retained earnings	539	14.00	December 31, 2013	March 14, 2014

Fiscal year ended December 2014 (January 1, 2014 to December 31, 2014)

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)	38,486,400	-	-	38,486,400
Total	38,486,400	-	-	38,486,400

2. Matters concerning stock acquisition rights

There are no relevant matters.

3. Matters concerning dividend

(1) Dividend payments

Resolution	Type of shares	Total amount of dividend (million yen)	Dividend per share (yen)	Record date	Effective date
Feb. 14, 2014 Board of directors meeting	Common shares	539	14.00	December 31, 2013	March 14, 2014

(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

Resolution	Type of shares	Dividend source	Total amount of dividend (million yen)	Dividend per share (yen)	Record date	Effective date
Feb. 13, 2015 Board of directors meeting	Common shares	Retained earnings	616	16.00	December 31, 2014	March 13, 2015

(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:

	FY12/13 (From January 1 to December 31, 2013)	FY12/14 (From January 1 to December 31, 2014)
Cash and deposits	4,763 million yen	6,284 million yen
Cash and cash equivalents	4,763 million yen	6,284 million yen

(Segment Information and Others)

(Segment information)

Previous fiscal year (From January 1, 2013 to December 31, 2013)

1. Overview of reporting segments

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

Our Group has two reporting segments: 1) the short-term operational support business and 2) the security business. The short-term operational support business provides timely short-term staffing services that cater to fluctuations in client companies' workloads. The 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, 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." The income of each reporting segment is an amount based on its operating income. Inter-segment profits and transfers are based on market prices.

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

(Million yen)

	Reporting segment		Total	Adjustment amount	Consolidated
	Short-term operational support business	Security business			
Net sales					
Sales to external customers	15,665	1,797	17,462	-	17,462
Inter-segment sales or transfers	2	-	2	-2	-
Total	15,667	1,797	17,464	-2	17,462
Segment income or loss (-)	834	101	935	-598	338
Segment assets	4,792	634	5,427	3,178	8,605
Other					
Depreciation	46	2	48	149	197
Amortization of goodwill	6	-	6	-	6
Impairment loss	81	-	81	-	81
Increase of property, plant and equipment and intangible assets	13	1	14	237	250

Notes 1: -0 million yen in intersegment eliminations and -597 million yen in company-wide expenses not allocated to any reporting segment are included in the -598 million yen segment income adjustment amount. Company-wide expenses are mainly general administrative expenses that do not belong to any reporting segment.

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

3: The amount of 3,178 million yen in adjustment of segment-based assets primarily consists of long-term investment assets (investment securities), assets involved in the administrative departments and other items incurred by the head office of the parent company.

4: The amount of 149 million yen for adjusting the depreciation expenses primarily consists of depreciation for the buildings, structures and software of the head office of the Company.

5: The amount of 237 million yen in adjustment for increased amount of the property, plant and equipment and intangible assets is primarily comprised of those for buildings and structures of the head office of the company and tools, furniture and fixtures, and software for a new system.

Current consolidated fiscal year (From January 1, 2014 to December 31, 2014)

1. Overview of Reporting Segments

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

Our Group has two reporting segments: 1) the short-term operational support business and 2) the security business. The short-term operational support business provides timely short-term staffing services that cater to fluctuations in client companies' workloads, and the 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, 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 upon its operating income. Inter-segment profits and transfers are based on market prices.

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

(Million yen)

	Reporting segment		Total	Adjustment amount	Consolidated
	Short-term operational support business	Security business			
Net sales					
Sales to external customers	18,349	1,826	20,175	-	20,175
Inter-segment sales or transfers	1	-	1	-1	-
Total	18,349	1,826	20,176	-1	20,175
Segment income or loss (-)	2,102	77	2,180	-567	1,613
Segment assets	5,110	784	5,894	4,657	10,551
Other					
Depreciation and amortization	34	1	35	136	171
Amortization of goodwill	-	-	-	-	-
Impairment loss	-	-	-	-	-
Increase of property, plant and equipment and intangible assets	46	0	46	107	153

Notes 1: 1 million yen in intersegment eliminations and -568 million yen in company-wide expenses not allocated to any reporting segment are included in the -567 million yen segment income adjustment amount. Company-wide expenses are mainly general administrative expenses that do not belong to any reporting segment.

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 4,657 million yen in adjustment of segment-based assets primarily consists of long-term investment assets (investment securities), assets involved in the administrative departments and other items incurred by the head office of the parent company.

4: The amount of 136 million yen for adjusting the depreciation expenses primarily consists of depreciation for the buildings, structures and software of the head office of the Company.

5: The amount of 107 million yen in adjustment for increased amount of the property, plant and equipment and intangible assets is primarily comprised of those for 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 January 1, 2013 to December 31, 2013)

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 net sales of the consolidated income statement.

Consolidated accounting period for the current fiscal year (From January 1, 2014 to December 31, 2014)

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 net sales of the consolidated income statement.

(Information concerning impairment loss on noncurrent assets for each reporting segment)

Previous consolidated fiscal year (January 1, 2013 – December 31, 2013)

	Reporting segment		Total (million yen)	Whole companies and elimination (million yen)	Total (million yen)
	Short-term operational support business (million yen)	Security business (million yen)			
Impairment loss	81	—	81	—	81

Current consolidated fiscal year (January 1, 2014 – December 31, 2014)

There are no relevant matters.

(Information regarding the amount of amortization of goodwill and unamortized balance for each reporting segment)

Previous consolidated fiscal year (January 1, 2013 – December 31, 2013)

Information on amortization of goodwill is omitted as it is similar to information disclosed in the segment information section. There was no unamortized balance.

Current consolidated fiscal year (January 1, 2014 – December 31, 2014)

There are no relevant matters.

(Information concerning gain on negative goodwill for each reporting segment)

Previous consolidated fiscal year (January 1, 2013 – December 31, 2013)

There are no relevant matters.

Current consolidated fiscal year (January 1, 2014 – December 31, 2014)

There are no relevant matters.

(Per share information)

FY12/13 (From January 1 to December 31, 2013)		FY12/14 (From January 1to December 31, 2014)	
Shareholders' equity per share	152.88 yen	Shareholders' equity per share	173.51 yen
Net income per share	12.48 yen	Net income per share	34.70 yen

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

2: The Company, based on the decisions at the board of directors meeting held on May 24, 2013, split common shares at a ratio of 100 to one share with the effective date of July 1, 2013. Accordingly, for the purpose of calculating net income per share, it is assumed that stock split was implemented at the beginning of the previous fiscal year.

3: The basis for calculating net income per share in the fiscal year under review is as follows.

Item	FY12/13 (From January 1, 2013 to December 31, 2013)	FY12/14 (From January 1, 2014 to December 31, 2014)
Net income (million yen)	480	1,336
Net income [basic] (million yen)	480	1,336
Net income not available to common stock (million yen)	—	—
Average number of common stock outstanding during the period (shares)	38,486,400	38,486,400

(Subsequent events)

There are no relevant matters.

5. Financial Statements

(1) Balance Sheet

(Million yen)

	FY12/13 end (December 31, 2013)	FY12/14 end (December 31, 2014)
ASSETS		
Current assets		
Cash and deposits	2,264	3,635
Supplies	9	12
Prepaid expenses	27	54
Short-term loans receivable from subsidiaries and affiliates	42	59
Accounts receivable-other	389	621
Income taxes receivable	242	-
Deferred tax assets	-	141
Other	4	22
Allowance for doubtful accounts	-44	-46
Total current assets	2,933	4,497
Noncurrent assets		
Property, plant and equipment		
Buildings	56	47
Tools, furniture and fixtures	68	90
Construction in progress	1	1
Total property, plant and equipment	124	138
Intangible assets		
Software	306	284
Other	2	2
Total intangible assets	308	286
Investments and other assets		
Investment securities	52	49
Stocks of subsidiaries and affiliates	1,643	642
Investments in capital	0	0
Guarantee deposits	51	60
Insurance funds	14	1
Long-term prepaid expenses	0	3
Claims provable in bankruptcy, claims provable in rehabilitation and other	1	-
Allowance for doubtful accounts	-1	-
Total investments and other assets	1,759	755
Total noncurrent assets	2,191	1,178
Total assets	5,124	5,675

(Million yen)

	FY12/13 end (December 31, 2013)	FY12/14 end (December 31, 2014)
LIABILITIES		
Current liabilities		
Short-term loans payable	1,000	1,000
Accounts payable-other	160	129
Accrued expenses	8	233
Income taxes payable	14	64
Accrued consumption taxes	5	64
Deposits received	2	41
Unearned revenue	1	1
Total current liabilities	1,191	1,531
Noncurrent liabilities		
Long-term guarantee deposited	7	7
Deferred tax liabilities	6	4
Provision for retirement benefits	-	264
Asset retirement obligations	20	20
Total noncurrent liabilities	33	295
Total liabilities	1,224	1,826
Net assets		
Shareholders' equity		
Capital stock	2,780	2,780
Retained earnings		
Legal retained earnings	-	54
Other retained earnings		
Retained earnings brought forward	1,111	1,008
Total retained earnings	1,111	1,061
Total shareholders' equity	3,891	3,841
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8	8
Total valuation and translation adjustments	8	8
Total net assets	3,900	3,849
Total liabilities and net assets	5,124	5,675

(2) Profit and Loss Statement

(Million yen)

	FY12/13 (From January 1, 2013 to December 31, 2013)	FY12/14 (From January 1, 2014 to December 31, 2014)
Operating revenue		
Consulting fee income	746	983
Commissions from subsidiaries and affiliates	1,279	1,298
Dividends from subsidiaries and affiliates	1,228	-
Total operating revenue	3,253	2,281
Operating expenses	1,879	1,868
Operating income	1,374	413
Non-operating income		
Interest income	1	3
Dividends income	1	0
Real estate rent	15	15
Rent income on facilities	5	5
Trademark fee income	4	-
Other	4	2
Total non-operating income	29	24
Non-operating expenses		
Interest expenses	8	8
Depreciation	4	3
Rent cost of real estate	15	15
Other	0	2
Total non-operating expenses	28	27
Ordinary income	1,375	410
Extraordinary income		
Gain on sales of investment securities	1	-
Gain on sales of subsidiaries and affiliates' stocks	125	-
Total extraordinary income	126	-
Extraordinary loss		
Loss on retirement of noncurrent assets	2	0
Loss on sales of investment securities	1	-
Loss on valuation of investment securities	-	1
Loss on valuation of stocks of subsidiaries and affiliates	89	-
Provision of allowance for doubtful accounts	42	-
Total extraordinary losses	133	1
Income before income taxes	1,368	409
Income taxes-current	18	63
Income taxes-deferred	-1	-142
Total income taxes	18	-80
Net income	1,350	489

(3) Statements of Shareholders' Equity

Accounting period for the previous fiscal year (From January 1, 2013 to December 31, 2013)

(Million yen)

	Shareholders' equity						
	Capital	Capital surplus		Retained earnings		Treasury stock	Total shareholders' equity
		Other capital surplus	Total capital surplus	Other retained earnings Retained earnings carried forward	Total retained earnings		
Balance at the beginning of current period	2,780	7	7	2,500	2,500	-2,747	2,541
Changes of items during the period							
Net income				1,350	1,350		1,350
Cancellation of treasury stock		-2,747	-2,747	-	-	2,747	-
Transfer of negative balance of other capital surplus		2,739	2,739	-2,739	-2,739		-
Net changes of items other than shareholders' equity							
Total changes of items during the period	-	-7	-7	-1,389	-1,389	2,747	1,350
Balance at the end of current period	2,780	-	-	1,111	1,111	-	3,891

(Million yen)

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	8	8	2,549
Changes of items during the period			
Net income			1,350
Cancellation of treasury stock			-
Transfer of negative balance of other capital surplus			-
Net changes of items other than shareholders' equity	1	1	1
Total changes of items during the period	1	1	1,351
Balance at the end of current period	8	8	3,900

Accounting period for the current fiscal year (From January 1, 2014 to December 31, 2014)

(Million yen)

	Shareholders' equity					Valuation and translation adjustments		Total net assets
	Capital	Retained earnings			Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
		Legal retained earnings	Other retained earnings: Retained earnings carried forward	Total retained earnings				
Balance at the beginning of current period	2,780	-	1,111	1,111	3,891	8	8	3,900
Changes of items during the period								
Dividends paid from retained earnings			-539	-539	-539			-539
Provision of retained earnings		54	-54	-	-			-
Net income			489	489	489			489
Net changes of items other than shareholders' equity						-1	-1	-1
Total changes of items during the period	-	54	-104	-50	-50	-1	-1	-51
Balance at the end of current period	2,780	54	1,008	1,061	3,841	8	8	3,849