



November 8, 2013

Consolidated Financial Results Announcement for the Aggregate Third Quarter of the Fiscal Year Ending December 2013 [Japanese Standards] (Consolidated)

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 Stock exchange listing: First Section of the Tokyo Stock Exchange
 Stock code: 4848
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 Date of submission of quarterly report (Planned): November 14, 2013
 Date of commencements of divided payments (Planned): -
 Preparation of reference materials regarding quarterly results: Yes (Shown on our homepage)
 Briefing for quarterly results: No

(Figures are rounded to the nearest million yen)

1. Consolidated Financial Results for the Aggregate Third Quarter of the Fiscal Year Ending December 31, 2013 (January 1, 2013 – September 30, 2013)

(1) Consolidated business results

(% = year-over-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
(Aggregate 3Q FY12/13) September 30, 2013	12,649	—	104	—	313	—	326	—
(Aggregate 3Q FY12/12) June 30, 2012	24,107	-9.5	1,438	18.9	1,504	34.1	1,324	-14.0

(Note) 1. Comprehensive income: As of September 30, 2013: 341 million yen (—%) As of June 30, 2012: 1,327 million yen (-6.0%)

2. Because the fiscal year end has been changed from September 30 to December 31, the aggregate third quarter of the fiscal year ending December 31, 2013 covers different months of the year (January through September) than those of the aggregate third quarter of the fiscal year ended December 31, 2012 (October through June). Therefore, comparisons to the same quarter in the previous year are not shown for the aggregate third quarter.

	Net income per share	Diluted net income per share
	Yen	Yen
(Aggregate 3Q FY12/13) September 30, 2013	8.47	-
(Aggregate 3Q FY12/12) June 30, 2012	34.40	-

(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, 2012.

(2) Consolidated financial conditions

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
(End 3Q FY12/13) September 30, 2013	8,241	5,743	69.7
(End FY12/12) December 31, 2012	8,236	5,402	65.6

(Reference) Equity: As of September 30, 2013: 5,743 million yen

As of December 31, 2012: 5,402 million yen

2. Dividend Status

	Dividend per share (yen)					
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	End of FY	Annual
(FY12/12) Fiscal year ended December 2012	–	–	0.00	–	0.00	0.00
(FY12/13) Fiscal year ending December 2013	–	0.00	–			
(FY12/13) Fiscal year ending December 2013 (forecast)					0.00	0.00

(Note) 1. Revision of the expected dividends in the third quarter under review: None

2. From the fiscal year ended December 31, 2012, the Company changed its accounting period to end on December 31 of every year from September 30 of every year, the transitional term ending December 31, 2012 was an irregular period of 15 months.

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

	Operating income	
	Million yen	%
Full year	323 ~ 533	–

(Note) 1. Revision of the consolidated business forecast in the third quarter under review: Yes

2. For the revision of the consolidated business forecast, please refer to “Notice of the Revision to Full-Year Business Forecasts,” which was published today (November 8, 2013).

3. As the fiscal year ended December 2012 covers 15 months due to the change of the accounting period, changes from the previous year and the same quarter of the previous year is not shown above.

* Noted items

(1) Important changes of subsidiaries during the current aggregated third quarter period: None

(Changes in specific subsidiaries involving changes in the scope of consolidation)

(2) Application of special accounting treatment to the production of quarterly consolidated financial statements: None

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

1) Changes in accounting policy associated with the revision of accounting principles, others: None

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

3) Changes in accounting estimates: None

4) Re-presentation of changes: None

(4) Number of shares issued (common stock)

1) Number of shares issued at term end
(including treasury stock)

2) Number of treasury stock at the term end

3) Average number of shares outstanding during
the term under review

3Q FY12/13	39,596,400	FY12/12	39,596,400
3Q FY12/13	1,110,000	FY12/12	1,110,000
3Q FY12/13	38,486,400	3Q FY12/12	38,486,400

(Note) 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, 2012.

* Presentation concerning implementation status of quarterly review procedures

These quarterly financial results were not subject to quarterly review procedures based upon the Financial Instruments and Exchange Act, and at the point in time when these financial quarterly results were disclosed, review procedures for quarterly financial statements based upon 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 thereof. However, the factors that affect our financial results are not limited to only these. Furthermore, we remind readers that depending upon the appearance of new data, future events or other results, we may choose not to reexamine our business forecast. For assumptions underlying our business forecast and related issues, please refer to Page 4 “1-(3) Qualitative Information Concerning Consolidated Business Forecast” of the “appendix.”

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1. Qualitative Information Concerning Performance for the Current Quarter

(1) Qualitative Information Concerning Consolidated Operating Results

During the aggregate third quarter under review, governmental policies were well received and signs of economic recovery appeared including correction in the strength of the yen and signs of an end of deflation. However these factors had only limited impact upon the real economy. Going forward, the recovery of the economy is expected to grow stronger as increases in household income and investments are expected to improve further as the effects of the government policies begin to surface and recovery in exports. At the same time, clouds of uncertainty remain on the economic horizon due to concerns over fiscal problems in Europe, slowing economic growth in emerging countries, and other factors. With regard to the operating environment surrounding human resource services, unemployment is gradually decreasing on the whole, although it temporarily rose as the number of new and mid-career job seekers increased on the back of signs of improvements in the economy. Other improvements are also beginning to be seen, such as the increase in the job-offers-to-applicants ratio as new job offers increased.

During the aggregate third quarter, the Fullcast Group implemented group management strategies to fortify its business foundations for new services including 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.

Net sales of 12,649 million yen were recorded due mainly to slower than expected progress in the short-term operational support business.

In terms of profits, measures implemented from the second quarter including improvement of efficiency through systematization and other initiatives to review operations, reductions in recruiting costs due to increased efficiency in recruiting efforts, and increased operational efficiency helped to limit drops in profits and allowed operating income during the third aggregate quarter to reach 104 million yen, marking the first profit since the launch of these new services. At the same time, we recorded ordinary income of 313 million yen, mainly due to 196 million yen in equity earnings of affiliates booked as non-operating income and from the impact of sales of investment securities of FPLAIN CO., LTD. (formerly Fullcast Marketing Co., Ltd.), an equity accounting method held affiliate.

Net income of 326 million yen was recorded during the third quarter under review due to factors including the recording of 90 million yen on gains in sales of investment securities from the transfer of some of the shares of FPLAIN CO., LTD. (formerly Fullcast Marketing Co., Ltd.), 69 million yen on gain arising from change in equity from an equity accounting method held affiliate contributing to an increase in capital booked as extraordinary income, and 81 million yen in impairment loss booked as extraordinary loss arising from impairment of noncurrent assets and the goodwill of our subsidiary OtetsudaiNetworks Inc. at the time of its purchase in the second quarter.

We changed our fiscal year end from September 30 to December 31 during the previous fiscal year. Accordingly, we do not provide year-over-year comparisons for the period under review, as the aggregate third quarter of fiscal year ending December 2013 covers different months (January to September) than those (October to June) in the same period of fiscal year ended December 2012.

Results for our business segments are as follows.

1) Short-term operational support business

We recorded net sales of 11,315 million yen due to slower than expected progress in the realization of plans.

In terms of profits, we recorded operating income of 474 million yen due to improvements in efficiencies through systematization and other initiatives to review operations, reductions in recruiting costs due to better than expected efficiency in recruiting, and increases in operational efficiency.

2) Security business

We recorded net sales of 1,334 million yen, as we were unable to acquire new manned long-term security business as called for by our plans in the second quarter, and were also unable to acquire temporary security business orders as expected during the third quarter. In terms of profits, we were able to record operating income of 75 million yen due to restraint in selling, general and administrative expenses.

(2) Qualitative Information Concerning Consolidated Financial Position

1) Assets, Liabilities and Net Assets

Total assets stood at 8,241 million yen at the end of the current third quarter, representing an increase of 5 million yen from the end of the previous fiscal year. Equity increased by 341 to 5,743 million yen (For an equity ratio of 69.7%), and net assets rose by 341 to 5,743 million yen over the same period.

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

In the assets section, current assets increased by 29 million yen from the end of the previous fiscal year, to 6,960 million yen. This was mainly because cash and deposits increased by 218 million yen to 4,370 million yen and merchandise increased by 14 million yen to 17 million yen. At the same time, notes and accounts receivable-trade decreased by 160 million yen to 2,088 million yen and other in current assets decreased by 45 million yen to 499 million yen mainly due to the increase of accounts receivable-other by 111 million yen to 283 million yen despite the decrease of current portion of long-term loans receivable by 120 million yen to 0 yen.

Noncurrent assets decreased by 25 million yen from the end of the previous fiscal year, to 1,281 million yen. This was mainly because other in investments and other assets increased by 161 million yen to 709 million yen primarily due to the increase of investment securities by 212 million yen to 406 million yen despite the decrease of long-term loans receivable by 75 million yen to 0 yen. At the same time, buildings and structures (net) declined by 16 million yen to 128 million yen, tools, furniture, and fixtures (net) declined 30 million yen to 124 million yen, goodwill declined by 49 million yen to 0 yen, and other in intangible assets decreased by 90 million yen to 349 million yen mainly because software in progress declined by 171 million yen to 0 million yen, while software increased by 82 million yen to 325 million yen.

In the liabilities section, current liabilities decreased by 368 million yen from the end of the previous fiscal year to 2,159 million yen. This was mainly due to the decrease of accounts payable-other by 353 million yen to 463 million yen, accrued expenses decreased by 83 million yen to 458 million yen, and other in current liabilities decreased by 58 million yen to 68 million yen primarily because deposits received for withholding income tax increased by 34 million yen to 37 million yen while deposits received for social insurance premiums decreased by 90 million yen to 1 million yen. At the same time, notes and accounts payable-trade increased by 42 million yen to 49 million yen and provision for bonuses

Fullcast Holdings Co., Ltd. (4848) Financial Statement and Results for the Aggregate Third Quarter of the Term Ending December 2013 increased by 43 million yen to 64 million yen.

Noncurrent liabilities increased by 32 million yen from the end of the previous fiscal year, to 338 million yen. This was mainly due to provision for retirement benefits increasing by 31 million yen to 283 million yen.

(3) Qualitative Information Concerning Consolidated Business Forecast

Regarding our business forecast for the full fiscal year ending December 2013, as described in the “Notice of Revisions to Full-Year Business Forecast” published on November 8, 2013, with the implementation of the Revised Worker Dispatching Act on October 1, 2012, we made changes in our main “short term operational support business,” including its transformation from short-term dispatching business services to include “part-time worker placement” and “part-time worker payroll management” services. Regarding disclosure methods for FY2013 full year business forecasts, we now disclose a potential range for operating income because of the difficulty in making accurate business forecasts in light of the short period of time since the launching of new businesses.

Please note that while the fourth quarter (Oct. – Dec., 2013 for FY2013) is the busiest business period for us in normal years, the results for the third quarter under review have been delayed by approximately one quarter from our business forecasts announced on February 15, 2013, and we have therefore revised down our operating income forecast from 765 million yen in the initial business forecasts made at the start of the year to a range from 323 million to 533 million yen (Change from initial forecasts: Minimum of -30.3% to a maximum of -57.7%).

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

	(Million yen)	
	FY12/12 end (December 31, 2012)	3Q FY12/13 end (September 30, 2013)
ASSETS		
Current assets		
Cash and deposits	4,152	4,370
Notes and accounts receivable-trade	2,248	2,088
Merchandise	4	17
Supplies	11	12
Other	544	499
Allowance for doubtful accounts	-28	-27
Total current assets	6,930	6,960
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	144	128
Tools, furniture and fixtures, net	154	124
Other, net	1	1
Total property, plant and equipment	299	254
Intangible assets		
Goodwill	49	—
Other	439	349
Total intangible assets	487	349
Investments and other assets		
Other	548	709
Allowance for doubtful accounts	-28	-30
Total investments and other assets	520	679
Total noncurrent assets	1,306	1,281
Total assets	8,236	8,241

(Million yen)

	FY12/12 end (December 31, 2012)	3Q FY12/13 end (September 30, 2013)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	7	49
Short-term loans payable	1,000	1,000
Accounts payable-other	816	463
Accrued expenses	541	458
Income taxes payable	16	57
Provision for bonuses	22	64
Other	126	68
Total current liabilities	2,527	2,159
Noncurrent liabilities		
Provision for retirement benefits	252	283
Other	55	55
Total noncurrent liabilities	307	338
Total liabilities	2,834	2,498
NET ASSETS		
Shareholders' equity		
Capital stock	2,780	2,780
Capital surplus	2,013	2,013
Retained earnings	3,348	3,674
Treasury stock	-2,747	-2,747
Total shareholders' equity	5,395	5,721
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7	22
Total accumulated other comprehensive income	7	22
Total net assets	5,402	5,743
Total liabilities and net assets	8,236	8,241

(2) Quarterly Consolidated Profit and Loss Statement and Consolidated Comprehensive Income Statement**Quarterly Consolidated Profit and Loss Statement****[Aggregate Third Quarter of the Current Consolidated Fiscal Year]**

	(Million yen)	
	Aggregate 3Q FY12/12 (From October 1, 2011 To June 30, 2012)	Aggregate 3Q FY12/13 (From January 1, 2013 To September 30, 2013)
Net sales	24,107	12,649
Cost of sales	18,679	8,586
Gross profit	5,428	4,063
Selling, general and administrative expenses	3,990	3,960
Operating income (loss)	1,438	104
Non-operating income		
Dividends income	1	1
Equity in earnings of affiliates	45	196
Reversal of accounts payable	21	14
Other	66	21
Total non-operating income	132	232
Non-operating expenses		
Interest expenses	16	6
Damage compensation fees	11	7
Other	38	8
Total non-operating expenses	66	22
Ordinary income	1,504	313
Extraordinary income		
Gain on sales of investment securities	—	90
Gain on change in equity	26	69
Other	0	0
Total extraordinary income	26	160
Extraordinary loss		
Loss on sales of investment securities	—	2
Impairment loss	—	81
Loss on abolishment of retirement benefit plan	2	—
Other	5	2
Total extraordinary losses	7	85
Income before income taxes and minority interests	1,523	387
Income taxes-current	112	60
Income taxes-deferred	87	1
Total income taxes	199	61
Income before minority interests	1,324	326
Net income	1,324	326

Quarterly Consolidated Comprehensive Income Statement
[Aggregate Third Quarter of the Current Consolidated Fiscal Year]

	(Million yen)	
	Aggregate 3Q FY12/12 (From October 1, 2011 To June 30, 2012)	Aggregate 3Q FY12/13 (From January 1, 2013 To September 30, 2013)
Income before minority interests	1,324	326
Other comprehensive income		
Valuation difference on available-for-sale securities	2	2
Share of other comprehensive income of associates accounted for using equity method	1	13
Total other comprehensive income	4	15
Comprehensive income	1,327	341
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,327	341
Comprehensive income attributable to minority interests	—	—

(3) Concerning Notes About Going Concern Assumption

Not applicable.

(4) Segment Information and Others

Aggregate Third Quarter Period of the Previous Consolidated Fiscal Year

(From October 1, 2011 to June 30, 2012)

1. Information Concerning Sales, Profits and Losses for Each Reporting Segment

(Million yen)

	Reporting Segment		Total	Adjustment amount *1	Quarterly consolidated profit and loss statement amount*2
	Short-term operational support business	Security business			
Net sales					
Sales to external customers	22,515	1,592	24,107	—	24,107
Inter-segment sales or transfers	—	0	0	-0	—
Total	22,515	1,592	24,107	-0	24,107
Segment income or loss (-)	1,733	89	1,822	-385	1,438

(Notes) 1. 11 million yen in intersegment eliminations and -396 million yen in company wide expenses not allocated to any reporting segment are included in the -385 million yen segment income adjustment amount. Company wide are mainly general administrative expenses that do not belong to any reporting segment.

2. Segment income or loss (-) is adjusted with operating income as listed in quarterly consolidated profit and loss statement.

2. Information Concerning Impairment Loss on Noncurrent Assets and on Goodwill, etc. for Each Reporting Segment

(Important change in the amount of goodwill)

In the short-term operational support business segment, the Company acquired all the stocks of the OtetsudaiNetworks Inc. and included it in the consolidation scope. Due to this event, the amount of goodwill increased by 57 million yen in the consolidated aggregate third quarter.

Aggregate Third Quarter Period of the Current Consolidated Fiscal Year

(From January 1, 2013 to September 30, 2013)

1. Information Concerning Sales, Profits and Losses for Each Reporting Segment

(Million yen)

	Reporting Segment		Total	Adjustment amount *1	Quarterly consolidated profit and loss statement amount*2
	Short-term operational support business	Security business			
Net sales					
Sales to external customers	11,315	1,334	12,649	—	12,649
Inter-segment sales or transfers	2	—	2	-2	—
Total	11,317	1,334	12,651	-2	12,649
Segment income or loss (-)	474	75	549	-446	104

(Notes) 1. -0 million yen in intersegment eliminations and -445 million yen in corporate expenses not allocated to any reporting segment are included in the -446 million yen segment income adjustment amount. Company wide are mainly general

administrative expenses that do not belong to any reporting segment.

2. Segment income or loss (-) is adjusted with operating income as listed in consolidated quarterly statements of income.

2. Changes in Reporting Segments, Others

Along with the implementation of the Revised Worker Dispatching Act in October 2012, the short-term dispatching service in the short-term operational support business has been shifted to new services of “part-time worker placement” and “part-time worker payroll management.”

3. Information Concerning Impairment Loss on Noncurrent Assets and on Goodwill, etc. for Each Reporting Segment

(Impairment loss of noncurrent assets)

In the “short-term operational support business,” impairment loss of noncurrent assets is recorded. Please note that the recorded amount of impairment loss in the aggregate third quarter under review is 81 million yen (of which impairment loss of goodwill is 43 million yen).

(5) Concerning Significant Change of Shareholders' Equity

Not applicable.