Securities Report
for the Fiscal Year
Ended December 31, 2014

(The English Translation of the
"Yukashoken-Houkokusho"
for the Fiscal Year Ended December 31, 2014)

Fullcast Holdings Co., Ltd.

This document has been translated from the Japanese original text of “Yukashoken-Houkokusho” for reference purposes only. While our best efforts were made to ensure the accuracy of the English translation, the Japanese original shall prevail if any discrepancies between the translation and the Japanese original arise. Furthermore Fullcast Holdings Co., Ltd. cannot be held responsible for this translation or for direct, indirect or any other damages arising from the translation.

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[Form Submitted]	Securities Report
[Legal Basis]	Paragraph 1 of Article 24 of the Financial Instruments and Exchange Act
[Submitted To]	Director of the Kanto Local Finance Bureau
[Date Submitted]	March 30, 2015
[Fiscal Year]	22nd (January 1, 2014 to December 31, 2014)
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Section 1 Corporate Information

Part 1 Corporate overview

1. Trends in key performance indicators

(1) Consolidated performance indicators

Item		Term 18	Term 19	Term 20	Term 21	Term 22
Date of settlement		Sep. 2010	Sep. 2011	Dec. 2012	Dec. 2013	Dec. 2014
Net sales	(millions of yen)	36,084	34,316	36.896	17,462	20,175
Ordinary income	(millions of yen)	1,223	1,480	1,772	578	1,647
Net income	(millions of yen)	541	2,143	1,427	480	1,336
Comprehensive income	(millions of yen)	—	2,006	1,471	482	1,333
Net assets	(millions of yen)	2,491	3,931	5,402	5,884	6,678
Total assets	(millions of yen)	11,479	8,747	8,236	8,605	10,551
Net asset per share	(yen)	46.83	102.15	140.37	152.88	173.51
Net income per share	(yen)	14.05	55.68	37.08	12.48	34.70
Diluted net income per share	(yen)	—	—	—	—	—
Equity ratio	(%)	15.7	44.9	65.6	68.4	63.3
ROE	(%)	34.9	74.7	30.6	8.5	21.3
Price-earnings ratio	(multiples)	2.9	2.4	3.8	21.3	13.9
Net cash provided by (used in) operating activities	(millions of yen)	1,951	1,585	2,475	509	2,209
Net cash provided by (used in) investing activities	(millions of yen)	(348)	(173)	(189)	101	(154)
Net cash provided by (used in) financing activities	(millions of yen)	(1,651)	(2,952)	(1,461)	—	(535)
Cash and cash equivalents at the end of period	(millions of yen)	4,867	3,328	4,152	4,763	6,284
Number of employees (Other, average number of temporary workers)		1,532 (645)	519 (287)	489 (289)	452 (356)	446 (460)

Notes: 1. Net sales do not include consumption tax.

2. Diluted net income per share is not listed because there were no latent shares.

3. According to a resolution of the 19th annual general meeting of shareholders held on December 22, 2011, our Company changed its fiscal year end from September 30 to December 31. As a result, Term 20 was an irregular accounting period of 15 months from October 1, 2011 to December 31, 2012.

4. The Company split common shares at a ratio of 100 to one share on July 1, 2013. For the purpose of calculating net asset and income per share, it is assumed that the stock split was done at the beginning of the Term 18.

(2) Performance indicators for submitting companies

Term		Term 18	Term 19	Term 20	Term 21	Term 22
Date of settlement		Sep. 2010	Sep. 2011	Dec. 2012	Dec. 2013	Dec. 2014
Operating income	(millions of yen)	1,004	1,221	2,849	3,253	2,281
Ordinary income	(millions of yen)	452	731	1,201	1,375	410
Net income	(millions of yen)	57	1,251	1,192	1,350	489
Capital stock	(millions of yen)	2,780	2,780	2,780	2,780	2,780
Shares issued	(shares)	395,964	395,964	395.964	38,486,400	38,486,400
Net assets	(millions of yen)	100	1,352	2,549	3,900	3,849
Total assets	(millions of yen)	5,592	3,953	3,936	5,124	5,675
Net asset per share	(yen)	2.61	35.14	66.22	101.33	100.01
Dividend per share (Interim dividend per share)	(yen) (yen)	— (—)	— (—)	— (—)	14.00 (—)	16.00 (—)
Net income per share	(yen)	1.49	32.49	30.98	35.09	12.70
Diluted net income per share	(yen)	—	—	—	—	—
Equity ratio	(%)	1.8	34.2	64.8	76.1	67.8
ROE	(%)	75.1	172.2	61.1	41.9	12.6
Price-earnings ratio	(multiples)	27.6	4.1	4.6	7.6	38.1
Payout ratio	(%)	—	—	—	39.9	126.0
Number of employees (Other, average number of temporary workers)		25 (1)	25 (1)	104 (13)	111 (65)	100 (96)

Notes: 1. Operating income does not include consumption tax.

2. Diluted net income per share is not listed because there were no latent shares.

3. According to a resolution of the 19th annual general meeting of shareholders held on December 22, 2011, our Company changed its fiscal year end from September 30 to December 31. As a result, Term 20 was an irregular accounting period of 15 months from October 1, 2011 to December 31, 2012.

4. The Company split common shares at a ratio of 100 to one share on July 1, 2013. For the purpose of calculating net asset and income per share, it is assumed that the stock split was done at the beginning of the Term 18.

2. Corporate history

Sep 1990	Established Resort World Co., Ltd. in Minato-ku, Tokyo
Sep 1992	Changed our corporate name to Fullcast Co., Ltd.
Oct 1992	Began short-term business contracting
Oct 1994	Moved our head office to Shibuya-ku, Tokyo
Jan 1995	Signed a franchise contract with Fullcast Osaka Co., Ltd., (Note) located in Chuo-ku, Osaka
Sep 1995	Established Seiwa Service Co., Ltd. (Note) in Shinjuku-ku, Tokyo
Jan 1996	Established Entry Co., Ltd. (Note) in Kodaira-shi, Tokyo
Oct 1997	Established Fullcast Lady Co., Ltd. (Note) (reorganized into a joint-stock company in Oct 1999)
May 1998	Changed the name of Kanagawa School Entrance Research Association Co., Ltd. to Fullcast With Co., Ltd.
Oct 1998	Fullcast With Co., Ltd. approved to conduct general worker dispatching
Jan 1999	Newly established a factory business section, and began factory-line contracting business Fullcast Lady Co., Ltd. (Note) approved to conduct general worker dispatching
Apr 1999	Fullcast With Co., Ltd. approved to engage in employment placement business
June 1999	Merged with Fullcast Osaka Co., Ltd. (Note), Entry Co., Ltd. (Note), Dual Support Co., Ltd. (Note)
Nov 1999	Established Fullcast System Consulting Co., Ltd. (Note)
Mar 2000	Established Fullcast HR Consulting Co., Ltd. (Note) and commenced business after acquiring Fullcast With Co., Ltd.'s personnel consulting department in April of the same year.
Sep 2000	Established Fullcast Factory Co., Ltd., and commenced business after acquiring the Factory department in October of the same year
June 2001	Listed shares on an over-the-counter market (Currently Tokyo Stock Exchange JASDAQ, Standard)
Apr 2002	Established Fullcast Central Co., Ltd. by merging with Central Motor Co., Ltd. and Daisho Industry Co., Ltd. and began our factory-line contracting business that catered specifically to the automobile industry
Oct 2002	Fullcast With Co., Ltd. and Fullcast System Consulting Co., Ltd. merged, and their name was changed to Fullcast Technology Co., Ltd. Assumed part of Fullcast Lady Co., Ltd.'s business through an absorption-type split, Fullcast Lady Co., Ltd. specializing in office-type short-term business contracting and dispatching, and changed its name to Fullcast Office Support Co., Ltd. (Note)
Jan 2003	Fullcast Office Support Co., Ltd. (Note) approved to engage in employment placement business. Fullcast HR Consulting Co., Ltd. merged with Fullcast Office Support Co., Ltd. (Note)
Sep 2003	Listed shares on the Second Section of the Tokyo Stock Exchange
June 2004	Acquired 100% ownership of Apayours Co., Ltd. through stock swap
July 2004	Fullcast Technology Co., Ltd. approved to conduct general worker dispatching
Sep 2004	Moved to the First Section of the Tokyo Stock Exchange
Oct 2004	Established Fullcast Finance Co., Ltd.
Nov 2004	Approved to conduct general worker dispatching
Mar 2005	Acquired 100% ownership of Human Resources Research Institute Inc. (Note) through transfer of shares Acquired naming rights for Tohoku Rakuten Golden Eagles' home stadium, "Fullcast Stadium Miyagi" (in October 2007 we dissolved our contract, and declined use of the name)
Jun 2005	Established an American Depositary Receipt (ADR) Program
Oct 2005	Fullcast Office Support Co., Ltd. merged with Human Resources Research Institute Inc., and

changed their name to Fullcast HR Institute Co., Ltd. (Note)
Asia Pacific System Research Co., Ltd. became a subsidiary through a third party placement of stock and stock acquisition
Fullcast Technology Co., Ltd. listed shares on an over-the-counter market (Currently Tokyo Stock Exchange JASDAQ, Standard)

May 2006	Acquired 100% ownership of Nihon Security Guard Co., Ltd. (Currently Fullcast Advance Co., Ltd., now a consolidated subsidiary) through transfer of shares
June 2006	Acquired 100% ownership of Exe Outsourcing Co., Ltd. (Currently F-PLAIN Corporation, now an equity method affiliate) through transfer of shares
May 2007	Acquired 100% ownership of Info-P Co., Ltd. through stock swaps
June 2007	Acquired 100% ownership of Net It Works, Inc. through transfer of shares
July 2007	Transferred all shares held in Apayours Co., Ltd. to its founder
Oct 2008	Transitioned to a pure holding company system through new division of corporate functions, and changed our corporate name Fullcast Holdings Co., Ltd., all business relating to sales performed by Fullcast HR Institute Co., Ltd. (Note)
Nov 2008	All shares held in Asia Pacific System Research Co., Ltd. transferred to Canon Electronics Inc. in a takeover bid
Mar 2009	Transferred all shares held in Info-P Co., Ltd.
May 2009	Transferred all shares held in Fullcast Finance Co., Ltd.
June 2009	Transferred all shares held in Fullcast Factory Co., Ltd. and Fullcast Central Co., Ltd.
Aug 2009	Transferred all shares held in Net It Works, Inc.
June 2010	Integrated head-office functions of the Company and all Group companies (excluding Fullcast Technology Co., Ltd., East Communication Inc. (Currently F-PLAIN Corporation, now an equity method affiliate) and EKO-SYSTEM Inc. (Currently F-PLAIN Corporation, now an equity method affiliate)
May 2011	Fullcast Marketing Co., Ltd. (Currently F-PLAIN Corporation, now an equity method affiliate) was changed to an equity method affiliate due to a partial transfer of stock and allocation of its new stock to a third party.
	A takeover bid for Fullcast Technology Co., Ltd. (Currently YUME TECHNOLOGY CO. LTD.) was offered by Yumeshin Holdings Co., Ltd. and all owned shares were transferred.
Apr 2012	Acquired 100% ownership of OtetsudaiNetworks, Inc., (currently our consolidated subsidiary), through transfer of shares.
Oct 2012	With the implementation of the Revised Worker Dispatching Act, Fullcast Co., Ltd. and Top Spot Co., Ltd. started services—“part-time employment placement” and “part-time worker payroll management services.”

(Note) Currently Fullcast Co., Ltd. (now a consolidated subsidiary)

3. Description of business

Our Group is expanding its “short-term operational support business” (providing timely short-term personnel services in response to changes in the amount of work at corporate customers) and the “security business” (providing security services mainly for public facilities and corporations). 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 services of “part-time employment placement” and “part-time worker payroll management.”

The following business segments are identical to the segments contained in segment information by type of business, listed in “Part 5 Financial Conditions, 1 (1) Consolidated Financial Statements, Notes.”

Short-term operational support business (short-term personnel service, event personnel service)

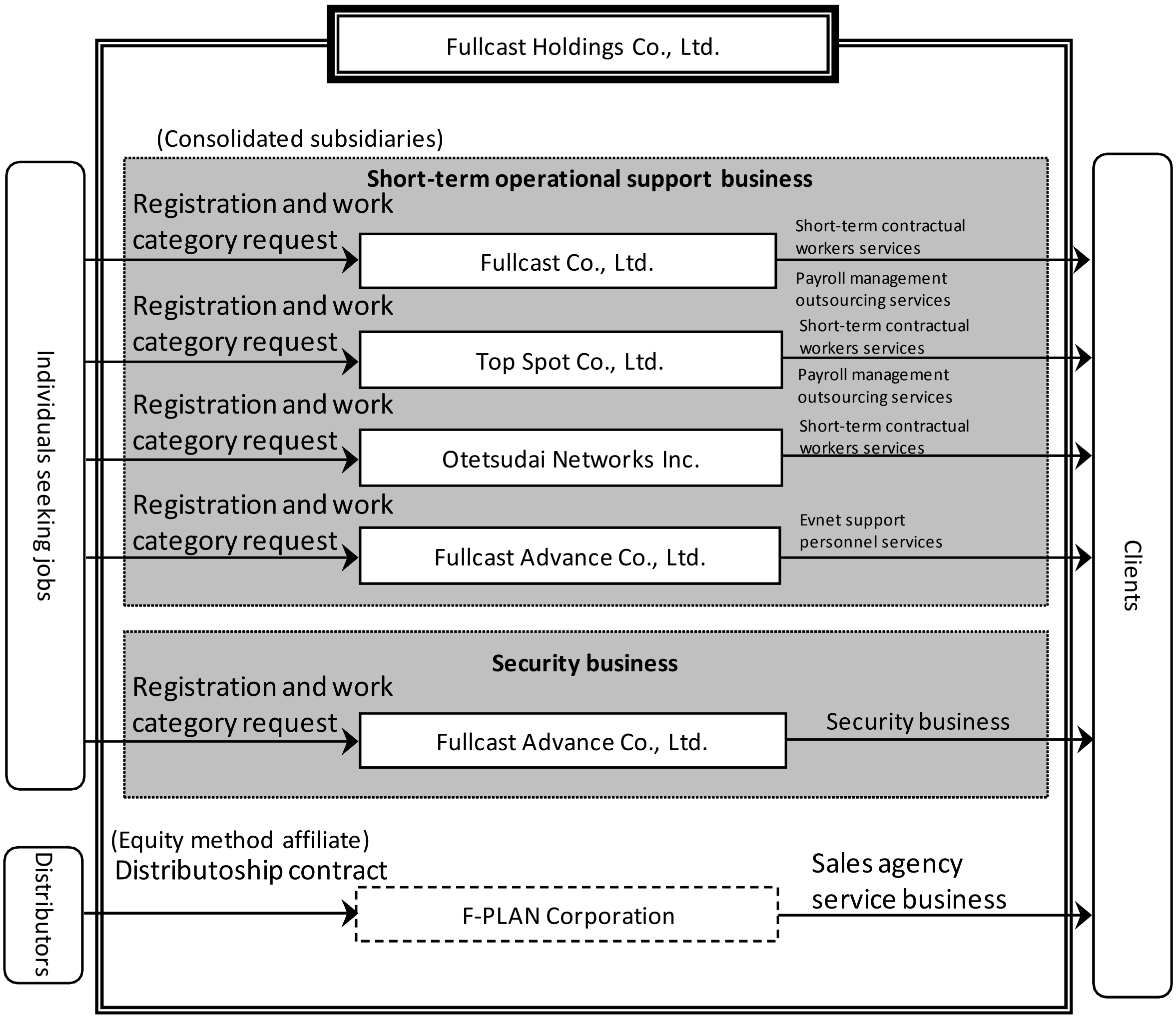
[Main companies] Fullcast Co., Ltd.
Top Spot Co., Ltd.
Fullcast Advance Co., Ltd.
OtetsudaiNetworks, Inc.

Security business

[Main companies] Fullcast Advance Co., Ltd.

Please note that Fullcast Holdings Co., Ltd. is a specified listed company falling under the categories of a specified listed company, de minimus standards for material facts concerning insider trading regulations will be judged based on the consolidated data.

A diagram of our business activities is shown below:



Note 1: The above diagram is current as of December 31, 2014.

Note 2: [double-bordered box] is Fullcast Holdings Co., Ltd., [solid box] is a consolidated subsdiary, [dashed box] is a equity method affiliate.

4. Status of affiliate companies

Company	Location	Capital (millions of 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.	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	Company-wide	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 affiliates) 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 has 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 earnings information (Millions of yen)

	Fullcast Co., Ltd.	Fullcast Advance Co., Ltd.
Net 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

5. Number of employees

(1) Status of consolidated companies

(As of Dec. 31, 2014)

Name of segment	Number of employees
Short-term operational support business	291 [345]
Security business	45 [13]
Company-wide (shared)	110 [102]
Total	446 [460]

Notes: 1. "Number of employees" is the number of employees engaged in work, and the approximate average yearly number of temporary employees is listed within the parentheses.

2. The number of employees listed as "Company-wide (shared)" indicates the number of employees who belong to administrative departments that cannot be attributed to specific business segments.

(2) Status of the submitting company

(As of Dec. 31, 2014)

Number of employees	Average age (years old)	Average length of employment (years)	Average annual salary (thousands of yen)
100 [96]	34.5	6 years and 2 months	5,134

Notes: 1. "Number of employees" is the number of employees engaged in work, and the approximate yearly average number of temporary employees is listed within the parentheses.

2. "Average annual salary" includes bonuses and additional wages.

3. The Company's employees mainly handle management and planning related to the Fullcast Group, and they are categorized as company wide (shared).

4. The main reason for the increase in the number of temporary employees of 31 in the current fiscal year was the impact of the increased hiring of part-time workers for the reinforcement of the operational system for the new part-time worker payroll management service.

(3) Status of labor unions

No enterprise unions have been formed at the Company or Group. Regarding labor-management relations, there are no items worthy of special mention.

Part 2 State of business

1. Performance overview

(1) Performance

During the fiscal year under review, capital investment activities, export, and corporate earnings were mostly flat as private consumption showed steady movement despite weakness in consumer sentiment. However, the Japanese economy continued to gradually recover due to 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 recovery 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. Furthermore, 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 realizing 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.

Results by business

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

1) 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%.

2) 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) Cash flows

At the end of the fiscal year under review, cash and cash equivalents (hereinafter referred to as “funds”) increased by 1,521 million yen from the end of the previous fiscal year (Compared with a 611 million yen increase in the previous 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 million yen (Net cash outflow of “0” in the previous year) due to payment of dividends of 535 million yen.

2. State of production, orders received and sales

(1) Results of production and orders received

The Company Group does not typically perform production activities, and due to the extremely short period from the acceptance of orders to the booking of sales in our short-term operational support business, we cannot display the scope of orders received as a monetary amount.

(2) Sales performance

Name of segment	FY12/14 (From January 1, 2014 to December 31, 2014) (millions of yen)	Change from the previous year (%)
Short-term operational support business	18,349	17.1
Security business	1,826	1.6
Total	20,175	15.5

Notes: 1. Consumption tax is not included in the amounts listed above.
2. Elimination is performed for intersegment transactions.

3. Issues to be addressed

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 and thus strengthening our marketing capability.

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

1) Sustainable Improvement of Corporate Value

As stated in (1) Performance under 1. Performance overview, we consider the "sustainable improvement of corporate value" as one of our most important management issues. Accordingly, we will manage our businesses by focusing upon the adjusted ROE through the maintenance 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 goal 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 that 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 promote improvement in the efficiency of our recruitment activities and the opening of worker registration centers, which have been implemented since the fiscal year ended December 2014, as well as raise 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 reasonable demand.

4. Risks associated with 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 for investors in making investment decisions or understanding the Group's business activities. The Group seeks to proactively identify potential business risks, prevent their occurrence and take adequate measures to address them should they appear. The following statements may contain risk factors forecast for the future, although it is based on our best judgment as of the date of reporting of these financial statements.

(1) The Group's policy for business growth

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

In the short-term operational support business, we launched new business models such as "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 do not offer synergies with any of our Group's businesses. Also, our Group's earnings could be profoundly impacted by implementation of impairment accounting during times when market capitalization or the actual value of companies whose shares we hold deteriorate.

(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

The Group provides paid-for employment placement business under the license of Minister of

Health, Labor and Welfare in accordance with the Employment Security Act. The license is valid for 5 years. When the renewal of the license becomes necessary but is not given because we do not meet the requirements for the license 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 the Group should become subject to disqualification, our license could be cancelled or orders to suspend or halt our operations could be issued.

With the launch of the Long-Term Dispatch Business Officer Certification System, 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 employee dispatching services and our Group's performance could be seriously impacted.

d) Part-time worker payroll management service

Whereas our Group conducts outsourced businesses independently of the contracting client company based upon an outsourcing agreement, we may become liable for damages caused by incompletion of outsourced business or delays in reporting. Depending upon the amount to be paid for damages, our Group's earnings could be negatively impacted if we are not able to 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 sub-contracts, 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. If we cannot absorb these factors through increased efficiencies of our overall operations and other cost cutting measures, our Group's earnings could be negatively impacted.

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 would result in increased numbers of workers being enrolled in social insurance over the long-term worker dispatch. There is also a possibility of expanded coverage of social insurance by future revisions of the law. In such cases, payments for social insurance would increase.

Moreover, 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 databases of client firms and staff

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

To be prepared for the eventuality of a malfunction of servers, our Group maintains 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, the 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 reduce their contribution to sales and earnings growth.

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

(4) Workplace accidents and transaction-related trouble

a) Part-time employment 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 the Group has a compliance system under which personnel in charge of legal affairs can handle various legal risks, our performance may be seriously impacted by 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 work at the dispatched work place, 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 endeavors to enhance staff awareness of safety by promoting occupational health and safety training, as well as by providing safety equipment and releasing bulletins for on-the-job vigilance to prevent injury and illness. To provide better worker protection, our Group has taken out an insurance program to pay agreed claims as a comprehensive general liability insurance. However, should an accident not covered by this insurance occur, our Group could be forced to pay damages on the grounds of neglecting its duty to provide safety and be liable for any illegal activity which is stipulated in labor contracts.

In addition, the Group could be sued or pressured to make other payments on allegations of staff negligence, violation of a contract with a client or for staffs' illegal activities in the course of performing business at the dispatched work place. 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 accidents, depending upon their nature and the amount of money involved.

(5) Securing and retaining employees

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

5. Contracts of vital importance to management

There are no applicable items.

6. Research and development activities

There are no applicable items.

7. Analysis of financial position, operating results and cash flow status

The following statements may contain risk factors forecast for the future, although it is based on our best judgment as of the end of the current consolidated fiscal year.

(1) Financial position

1) Cash flows

Analysis of major details is as outlined in "Part 2, State of business, 1. Performance overview, (2) Cash flows."

2) Liquidity

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.

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 in 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.

As a result of the above factors, consolidated operating capital (current assets - current liabilities) increased by 773 million yen from the end of the previous fiscal year to 5,762 million yen, and the consolidated current ratio (current assets ÷ current liabilities × 100) decreased to 266.6% from 312.3% at the end of the previous fiscal year.

3) Capital expenditures

Capital investments in the current fiscal year decreased by 97 million yen year on year to 153 million yen. Our major investments include the acquisition of property, plant and equipment for the opening of worker registration centers and marketing offices of 22 million yen, the acquisition of property, plant and equipment such as servers and system equipment of 56 million yen, and the acquisition of intangible assets such as software for in-house use of 73 million yen. We do not have any concrete plans for capital investments during the fiscal year ending December 31, 2015 at this point.

4) Interest-bearing debt

The total value of interest-bearing debt at the end of the current fiscal year was 1,000 million yen, unchanged from the end of the previous fiscal year.

5) Net assets

Net assets at the end of the current fiscal year stood at 6,678 million yen, representing a 794 million yen increase from the end of the previous fiscal year. This increase can be attributed to the increase of 797 million yen in retained earnings due to the realization of 1,336 million yen in net income, while implementing dividends paid from retained earnings of 539 million yen during the current fiscal year.

As a result of these events, our debt equity ratio (interest-bearing debt ÷ equity capital (note) × 100) decreased from 17.0% at the end of the previous fiscal year to 15.0% and equity ratio (interest-bearing debt ÷ equity × 100) decreased from 68.4% at the end of the previous fiscal year to 63.3%.

(Note) Equity capital = (total of the net assets section) – (stock subscription rights) – (minority interest)

6) Basic policy concerning profit allocation

We consider “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 of 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% relative to 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 based on a calculation using adjusted net income (Hereinafter referred to as the “Adjusted ROE”), by further improving management efficiency with the strengthening of profitability. In addition, a shareholder returns targeting a total return ratio—the sum of dividends and treasury shares—of 50% to adjusted net income.

In the current fiscal year ended December 2014, we achieved adjusted net income of 1,214 million yen on the back of our management’s success in tackling challenges including the “further expansion of our new services.” With regards to the return of earnings to shareholders and improving adjusted ROE, we paid 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).

(2) Operating results

1) Net sales

Net sales grew by 2,713 million yen from the previous fiscal year to 20,175 million yen (up by 15.5% year on year) mainly 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. We explain our results by business segment below.

- Short-term operational support business

For the same reason with the consolidated earnings, we recorded net sales of 18,349 million yen (up by 17.1% year on year), an increase of 2,684 million yen from the previous fiscal year.

- Security business

Net sales of security business increased by 29 million yen from the previous fiscal year to 1,826 million yen (up by 1.6% year on year).

2) Operating expenses and income

Cost of sales ratio decreased by 2.1 % points from 67.3% in the previous fiscal year to 65.2%, while cost of sales increased by 1,397 million yen from the previous fiscal year to 13,152 million yen (up by 11.9% year on year). Although selling, general and administrative expenses increased by 41 million yen from the previous fiscal year to 5,410 million yen (up by 0.8% year on year), its ratio to net sales decreased by 3.9 % points from 30.7% in the previous fiscal year to 26.8%. As a result, operating income increased by 1,275 million yen from the previous fiscal year to 1,613 million yen (up 377.3% year on year). We explain our results by business segment below.

- Short-term operational support business

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%.

- Security business

Operating income declined by 24 million yen from 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.

3) Non-operating income and loss and ordinary income

A net non-operating income of 35 million yen was recorded, compared to 240 million yen in the previous fiscal year. Ordinary income increased by 1,070 million yen from the previous fiscal year to 1,647 million yen (up by 185.2% year on year).

4) Extraordinary income, extraordinary loss, and income before income taxes and minority interests

Net extraordinary income after deducting extraordinary losses was a loss of 2 million yen. As a result, income before income taxes and minority interests totaled 1,646 million yen (up by 152.5% year on year).

5) Income taxes and income before minority interests

Income taxes after tax-effect accounting is applied increased by 139 million yen from the previous fiscal year to 310 million yen, and income before minority interests totaled 1,336 million yen.

6) Net income

Net income for the current fiscal year increased by 855 million yen from the previous fiscal year to 1,336 million yen (up by 178.2%), and net income per share was 34.70 yen (12.48 yen for the previous fiscal year).

(3) Funding requirements and fund procurement

Our Group strives to utilize diverse financing methods, while adhering to our basic financial policy of maintaining suitable levels of liquidity and a sound financial position needed to stably conduct our business.

We believe that sufficient working capital and capital investment funds for maintaining and expanding our Group's business activities can be procured by using cash flow provided by operating activities and by borrowings from financial institutions.

In order to effectively procure working capital, the Company has concluded overdraft agreements with four banks for a maximum of 2,600 million yen.

Details regarding the status of our interest-bearing debt are contained in “Part 2, State of business, 7. Analysis of financial position, operating results and cash flows status (1) Financial position, 4) Interest-bearing debt.”

Part 3 State of equipment

1. Overview of capital investment

Capital investment in the current fiscal year was 153 million yen. The major components of our investments include the acquisition of property, plant and equipment for the opening of worker registration centers and marketing offices of 22 million yen, the acquisition of property, plant and equipment such as servers and system equipment of 56 million yen, and the acquisition of intangible assets such as software for in-house use of 73 million yen.

2. State of major equipment

(1) Submitting companies

(As of Dec. 31, 2014)

Company name	Name of business office (Location)	Name of segment	Nature of equipment	Book-value (millions of yen)				Employees
				Buildings and structures	Machinery, equipment and Tools	Other	Total	
Fullcast Holdings Co., Ltd.	Head office (Shinagawa-ku, Tokyo)	Company-wide (shared)	Business office	47	90	285	422	100 [96]

(2) Domestic subsidiaries

(As of Dec. 31, 2014)

Company name	Name of business office (Location)	Name of segment	Nature of equipment	Book-value (millions of yen)				Employees
				Buildings and structures	Machinery, equipment and Tools	Other	Total	
Fullcast Co., Ltd.	Head office (Shinagawa-ku, Tokyo)	Short-term operational support business	Business office, operating equipment	58	24	1	83	246 [257]
Top Spot Co., Ltd.	Head office (Shinagawa-ku, Tokyo)	Short-term operational support business	Business office, operating equipment	6	5	—	10	15 [54]
Fullcast Advance Co., Ltd.	Head office (Shinagawa-ku, Tokyo)	Security business, short-term operational support business	Business office, operating equipment	6	6	0	12	71 [44]
Fullcast Business Support Co., Ltd.	Head office (Shinagawa-ku, Tokyo)	Company-wide (shared)	Business office, operating equipment	—	1	0	1	10 [6]
OtetsudaiNetworks, Inc.	Head office (Shinagawa-ku, Tokyo)	Short-term operational support business	Business office, operating equipment	—	0	15	15	4 [3]
Total				69	36	16	122	346 [364]

Notes: 1. "Other" as contained in "book-value" refers to machinery, equipment and vehicles, construction in progress and software. All figures are not including consumption taxes.

2. "Employees" refers to staff engaged in work. The number of temporary employees is listed by the figures in parentheses, while the average yearly number of employees is listed by the figures outside of the parentheses.

3. Apart from those listed above, assets rented from parties other than consolidated companies are as outlined below (amounts are annual rental charges, excluding parking).

(1) Submitting companies

(As of Dec. 31, 2014)

Name of business office (Location)	Name of segment	Nature of equipment	Yearly rental charge (millions of yen)
Head office (Shinagawa-ku, Tokyo)	Company-wide (shared)	Leased buildings	75
Company housing for employees	Company-wide (shared)	Leased buildings	22
Total	—	—	97

(2) Domestic subsidiaries

(As of Dec. 31, 2014)

<table>
<tr><th>Company name</th><th>Name of business office (Location)</th><th>Name of segment</th><th>Nature of equipment</th><th>Yearly rental charge (millions of yen)</th></tr>
<tr><td rowspan="2">Fullcast Co., Ltd.</td><td>Head office, branches (Shinagawa-ku, Tokyo Other)</td><td rowspan="2">Short-term operational support business</td><td>Leased buildings</td><td>217</td></tr>
<tr><td>Company housing for employees</td><td>Leased buildings</td><td>34</td></tr>
<tr><td>Top Spot Co., Ltd.</td><td>Head office, branches (Shinagawa-ku, Tokyo Other)</td><td>Short-term operational support business</td><td>Leased buildings</td><td>33</td></tr>
<tr><td rowspan="2">Fullcast Advance Co., Ltd.</td><td>Head office, branches (Shinagawa-ku, Tokyo Other)</td><td rowspan="2">Security business, short-term operational support business</td><td>Leased buildings</td><td>47</td></tr>
<tr><td>Company housing for employees</td><td>Leased buildings</td><td>8</td></tr>
<tr><td rowspan="2">Fullcast Business Support Co., Ltd.</td><td>Head office (Shinagawa-ku, Tokyo Other)</td><td rowspan="2">Company-wide (shared)</td><td>Leased buildings</td><td>4</td></tr>
<tr><td>Company housing for employees</td><td>Leased buildings</td><td>1</td></tr>
<tr><td>OtetsudaiNetworks, Inc.</td><td>Head office (Shinagawa-ku, Tokyo)</td><td>Short-term operational support business</td><td>Leased buildings</td><td>1</td></tr>
<tr><td>Total</td><td>—</td><td>—</td><td>—</td><td>345</td></tr>
</table>

3. Plans for creation and retirement of equipment

(1) New major equipment

There are no applicable items.

(2) Major equipment retired

There are no applicable items.

Part 4 Status of submitting companies

1. Status of shares

(1) Total number of shares, other information

1) Total number of shares

Type	Total number of issuable shares (shares)
Common stock (shares)	110,000,000
Total	110,000,000

2) Outstanding shares

Type	Number of shares issued by the end of the fiscal year (Dec. 31, 2014)	Number of shares issued at the date of submission (Mar. 30, 2015)	Name of exchange for listed financial instruments, or name of association trading registered and approved financial instruments	Description
Common stock	38,486,400	38,486,400	Tokyo Stock Exchange (the First section)	One unit of shares: 100 shares
Total	38,486,400	38,486,400	—	—

(2) State of new share subscription rights

There are no applicable items.

(3) State of exercising of debenture stocks with new share subscription rights, with exercise-price amendments attached

There are no applicable items.

(4) Description of rights plan

There are no applicable items.

(5) Trends in total number of outstanding shares and capital stock

Date	Change in total number of outstanding shares (shares)	Balance on total number of outstanding shares (shares)	Change in capital stock (millions of yen)	Balance on capital stock (millions of yen)	Change in capital reserve (millions of yen)	Balance on capital reserve (millions of yen)
Jan 31, 2010 *1	—	395,964	(961)	2,780	(1,177)	—
Jul 1, 2013 *2	39,200,436	39,596,400	—	2,780	—	—
Dec 20, 2013 *3	(1,110,000)	38,486,400	—	2,780	—	—

Notes: 1. Based upon decisions made at the annual general meeting of shareholders held on December 22, 2009, after reducing capital stock and capital reserve on January 31, 2010, and transferring to other capital surplus, we have covered deficits.
The capital stock reduction ratio is 25.68%, and the capital reserve reduction ratio is 100.00%.

2. On July 1, 2013, common shares were split at a ratio of 100 to one share, in accordance with the resolution at the board of directors meeting on May 24, 2013.

3. On December 20, 2013, treasury shares were retired in accordance with the resolution of the board of directors meeting on December 19, 2013.

(6)Shareholder ownership status

(As of Dec. 31, 2014)

Classification	Stock information (One unit of shares: 100 shares)								State of odd lots (shares)
	Government and local public organizations	Financial organizations	Financial commodity traders	Other corporations	Foreign corporations etc.		Individual and others	Total	
					Non-individual	Individual			
Shareholders	—	20	34	65	48	15	7,960	8,142	—
Shares held (unit)	—	24,485	22,689	206,749	19,229	189	111,507	384,848	1,600
Percentage of shares held (%)	—	6.36	5.90	53.72	5.00	0.05	28.97	100.00	—

Notes: 10 units are included in the "Other corporations" column under the name of Japan Securities Depository Center, Inc.

(7)Major shareholders

(As of Dec. 31, 2014)

Name	Address	Number of shares held	Percentage of shares held to total outstanding shares (%)
Hirano Associates Co., Ltd.	1-15-3 Dogenzaka, Shibuya-ku, Tokyo	12,694,900	32.99
Hikari Tsushin Co., Ltd.	1-4-10 Nishi Ikebukuro, Toshima-ku, Tokyo	6,000,000	15.59
SBI SECURITIES Co., Ltd.	1-6-1 Roppongi, Minato-ku, Tokyo	1,183,800	3.08
Takehito Hirano	Setagaya-ku, Tokyo	1,136,400	2.95
Japan Securities Finance Co., Ltd.	1-2-10 Nihonbashi Kayabacho, Chuo-ku, Tokyo	684,400	1.78
Ten Associates Co., Ltd.	1-15-3 Dogenzaka, Shibuya-ku, Tokyo	600,000	1.56
Daiki Associates Co., Ltd.	1-15-3 Dogenzaka, Shibuya-ku, Tokyo	600,000	1.56
Anan Associates Co., Ltd.	1-15-3 Dogenzaka, Shibuya-ku, Tokyo	463,300	1.20
CBNY-GOVERNMENT OF NORWAY (Standing proxy: Citibank Japan Ltd.)	388 GREENWICH STREET, NEW YORK, NY 10013 USA (6-27-30 Shinjuku, Shinjuku-ku, Tokyo)	426,000	1.11
Japan Trustee Services Bank, Ltd. (Trust account 6)	1-8-11 Harumi, Chuo-ku, Tokyo	226,300	0.59
Total	—	24,015,100	62.40

(8)Voting rights

1) Outstanding shares

(As of Dec. 31, 2014)

Classification	Number of shares (Shares)	Number of voting rights (individual)	Description
Nonvoting shares	—	—	—
Shares with limited voting rights (treasury stock)	—	—	—
Shares with limited voting rights (other)	—	—	—
Shares with full voting rights (treasury stock)	—	—	—
Shares with full voting rights (other)	Common stock 38,484,800	384,848	—
Odd-lot shares	Common stock 1,600	—	—
Total number of outstanding shares	38,486,400	—	—
Voting rights of shareholders	—	384,848	—

Note: 1,000 shares (10 voting rights) are included in the "Shares with full voting rights (other)" column under the name of Japan Securities Depository Center, Inc.

2) Treasury stock

There are no applicable items.

(9)Description of stock option scheme

There are no applicable items.

2. Acquisitions of treasury stock

Class of shares There are no applicable items.

(1) Acquisitions based upon decisions made at the annual general meeting of shareholders
There are no applicable items.

(2) Acquisitions based on decisions made at board of directors meetings
There are no applicable items.

(3) Description of items not based on decisions made at either annual general meeting of shareholders or board of directors meetings
There are no applicable items.

(4) Handling and possession of treasury stock acquired
There are no applicable items.

3. Dividend policy

We consider 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. 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 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 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% relative to 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 maintain our efforts to achieve 20% adjusted ROE, which is a target for “improvement of corporate value,” by further improving management efficiency through the strengthening of profitability, and by implementing efforts to achieve total shareholder return ratio (The sum of dividends and treasury shares) of 50% relative to 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 paid 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).

We will use inernal reserves in preparation for future business development and for improvement of in-house systems including system development and employee training in order to develop a solid business foundation for sustainable growth.

Note: The following is the dividend from retained earnings whose record date is in the current fiscal year.

Date of resolution	Total dividends (million yen)	Dividend per share (yen)
Resolution of Board of Directors on Feb 13, 2015	616	16

4. Trends in stock prices

(1)High and low stock prices by fiscal year for the past 5 (five) years

Term	Term 18	Term 19	Term 20	Term 21	Term 22
Settlement month	Sep. 2010	Sep. 2011	Dec. 2012	Dec. 2013	Dec. 2014
High (yen)	8,490	41,350	21,800	399	660
Low (yen)	4,015	3,425	11,800	139	209

Note: 1. High and low stock prices are those found in the First Section of the Tokyo Stock Exchange.

2. Due to the change of the settlement date, Term 20 covered an irregular 15 month period from October 1, 2011 to December 31, 2012.

3. On July 1, 2013, common shares were split at a ratio of 100 to one share, in accordance with the resolution of the board of directors meeting on May 24, 2013.

(2)High and low stock prices by month, for the past 6 (six) months

Month	Jul. 2014	Aug. 2014	Sep. 2014	Oct. 2014	Nov. 2014	Dec. 2014
High (yen)	482	660	619	579	569	516
Low (yen)	392	379	537	479	458	463

Note: High and low stock prices are those found in the First Section of the Tokyo Stock Exchange.

5. Officers

Official title	Job title	Name	Date of birth	Career summary		Term	Number of shares held
Director	Chairman	Takehito Hirano	Aug. 25, 1961	April 1984 Jul 1989 Sep. 1990 Jul. 2006 Sep. 2007 Dec. 2008 Dec. 2009 Mar. 2015	Joined Harvest Futures Inc. Established Kanagawa Shingaku Kenkyukai (currently YUME TECHNOLOGY CO., LTD.), and became Representative Director Established Resort World Co., Ltd. (currently Fullcast Holdings Co., Ltd.) and became Representative Director Representative Director of Fullcast Marketing Co., Ltd. (currently F-PLAIN Corporation) (present post) Director of the Company Director of Fullcast Technology Co., Ltd. (currently YUME TECHNOLOGY Co., Ltd.) Managing Director and Advisor of the Company Managing Director and Chairman of the Company (present post)	3*	1,136,400
Representative director	President CEO	Kazuki Sakamaki	Sep 30, 1970	April 1989 Feb 1995 Oct 2005 Oct 2007 Oct 2008 June 2009 Dec 2011 Jan 2013 Jan 2014	Joined AI Tusho Co., Ltd Joined Fullcast Co., Ltd. (currently Fullcast Holdings Co., Ltd.) Representative director of Fullcast HR Institute Co., Ltd. (now Fullcast Co., Ltd.) Corporate Executive Officer, General Manager of the Business Engineering Department of Fullcast Co., Ltd. Corporate Executive Officer, General Manager of Tokai & Kansai Sales Department of Fullcast Co., Ltd. Representative Director of Fullcast Co., Ltd. Director of Fullcast Co., Ltd. President and Representative Director of Fullcast Co., Ltd. (present post) President, Representative Director and CEO of the Company (present post)	3*	82,037
Director		Yuhiko Yasunaga	May 10, 1954	Apr 1979 Oct 1992 Apr 1994 Jan 2000 Nov 2000 Nov 2004 Apr 2006 Sep 2006 Dec 2010	Joined Sanwa Bank, Ltd. (currently Mitsubishi Tokyo UFJ Bank, Ltd.) Senior division head for the international division of Sanwa Bank's international headquarters Section head of related-business headquarters, business management division and planning division for East Japan Railway Company Financial director for Mobit Co., Ltd. Executive director of Russell Reynolds Associates Co., Ltd. Director and company vice-president of Shimamoto Partners Co., Ltd. In charge of management of full-time teaching staff at Graduate School of Management, Globis University (present post) Representative director and company president of Shimamoto Partners Co., Ltd. (present post) Outside director of the Company (present post)	3*	—
Director		Kazuhiko Kamata	Nov 8, 1965	Apr 1988 Jun 1989 Apr 1999 Jun 2004 May 2008 Dec 2008 Apr 2009 Jun 2009 Aug 2009 Mar 2014	Joined Recruit Cosmos Co., Ltd. (currently Cosmos Initia Co., Ltd.) Intelligence, Ltd. established Director of Intelligence, Ltd. Representative director and president of Intelligence, Ltd. Executive director, Health Insurance Society For Temporary Workers Chairman, Japan Staffing Services Association Resigned as representative director and president of Intelligence, Ltd. Advisor to Intelligence, Ltd. Director, Art Craft Science KK Outside director of Payroll inc. (present post) Representative director and chairman, Art Craft Science KK (present post) Outside Director, I am Inc. (currently I am & Interworks, Inc.) (present post) Outside director of the Company (present post)	3*	—
Auditor	Full-time executive	Kouji Sasaki	Aug 2, 1945	Apr 1966 Dec 1984 Jun 1995 Sep 1995 Dec 1999 Dec 2004 Sep 2008	Joined Tokyo Regional Taxation Bureau and worked in the general affairs division, before later working in tax offices Passed the tax accountant examination Retired as a special examiner at Nakano tax office Opened Sasaki Tax Accountancy Office Outside auditor for the Company (present post) Outside auditor for Fullcast Technology Co., Ltd. (currently YUME TECHNOLOGY Co., Ltd.) Auditor for Fullcast HR Research Institute Co., Ltd. (currently Fullcast Co., Ltd.)	4*	9,600
Auditor		Takeo Okazeri	Oct 1, 1965	Apr 1994 Jun 1994 May 2009 Jan 2010	Registered at the Daiichi Tokyo Bar Association Joined Nobuo Takai Law Firm Joined the Corporate Management Legal Committee Became an Acting President of Nobuo Takai Law Firm Nobuo Takai Law Firm renamed to Takai Okazeri Law Firm, Became President of the Law Firm (present post)	5*	—

				Oct 2012 Mar 2013	Temporary auditor of the Company Outside auditor of the Company (present post)		
Auditor		Yuji Sakakura	May 3, 1951	Apr 1974 Apr 1998 Jun 1999 Apr 2005 Sep 2005 May 2006 Jul 2007 May 2011 Jun 2011 Mar 2014	Joined Nissho Iwai Corporation General Manager, Financial Market Dept. of Nissho Iwai Corporation President and Chief Executive Officer of Nissho Iwai Securities Co., Ltd Executive officer of E*TRADE Securities Co., Ltd. (currently SBI Securities Co., Ltd.), which merged with Nissho Iwai Securities Co., Ltd. Joined GCA Corporation, CFO of the corporation Director and CFO of GCA Corporation Chief Development Officer (CDO) of GCA Corporation Representative director of Relations Japan Corporation (present post) Outside Auditor, Autobacs Seven Co., Ltd. (present post) Outside Auditor of the Company (present post)	4*	—
Total							1,228,037

Notes:

1. Director Yuhiko Yasunaga and Kazuhiko Kamata are outside directors, as defined in Item 15 of Article 2 of the Companies Act.
2. Auditors Kouji Sasaki, Takeo Okazeri and Yuji Sakakura are outside auditors, as defined in Item 16 of Article 2 of the Companies Act.
3. The term of office for directors is from the conclusion of the annual general meeting of shareholders for the year to December 2014 until the conclusion of the annual general meeting of shareholders for the year to December 2015.
4. The term of office for auditors is from the conclusion of the annual general meeting of shareholders for the year to December 2013 until the conclusion of the annual general meeting of shareholders for the year to December 2017.
5. The term of office for auditors is from the conclusion of the annual general meeting of shareholders for the year to December 2012 until the conclusion of the annual general meeting of shareholders for the year to December 2016.
6. The number of shares held by Representative Director Kazuki Sakamaki shows the effective number of shares held, including those in the directors shareholders association of Fullcast Holdings Co., Ltd.

6. Corporate governance

(1) Corporate governance

1) Corporate governance systems

A. Overview of corporate governance systems

Our Group considers the basic principles and aims of corporate governance to ensure transparent management for all interested parties including shareholders as well as to improve the efficiency of management in order to realize the “sustainable improvement of corporate value.”

The following is an overview of corporate structures

a) Board of directors meeting

It is our policy for the composition of the board of directors to include multiple outside directors (two or more) and to notify all outside directors as independent ones as stipulated by the Tokyo Stock Exchange.

As of March 30, 2015, the board is comprised of four directors (four males and no female), including two independent outside directors (two males and no female); while ensuring transparent management, it makes decisions on matters of importance for management, such as supervision of execution of overall management of Our Group, decisions on Group optimization strategies that are vital to Group management, and responses to common challenges facing our Group.

b) Board of auditors

The board of auditors consists of three outside auditors (three males and no female) and is established for exchange of opinions on important matters concerning audits, and where various discussions and decisions are made. They also work to establish ties in which they can receive timely reports from accounting auditors.

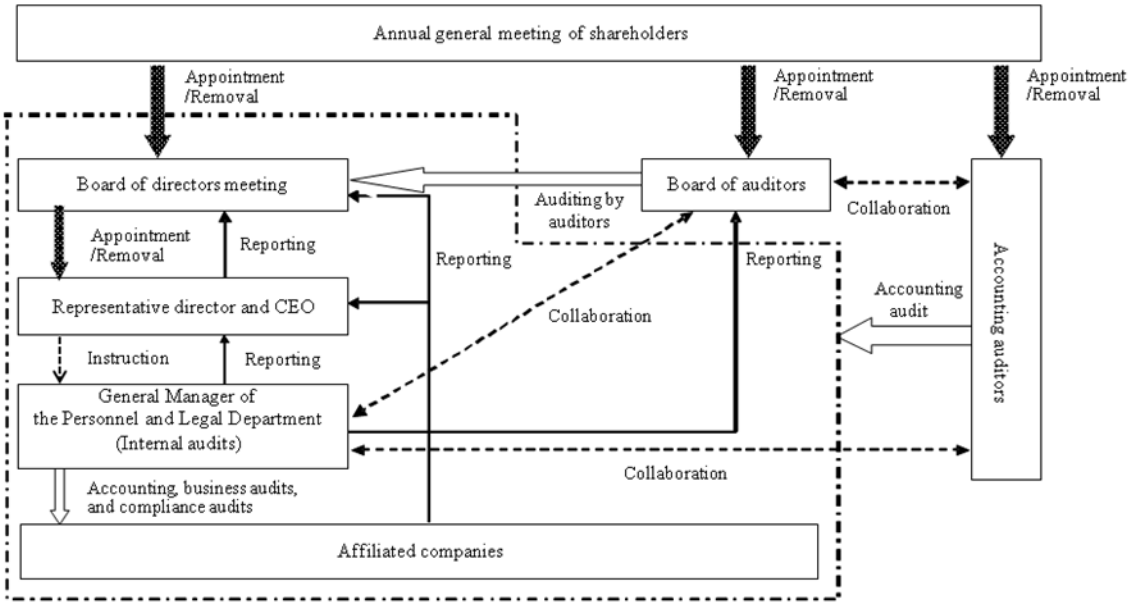
c) General Manager of the Personnel and Legal Department

The General Manager of the Personnel and Legal Department works to promote a climate of compliance awareness, which is a prerequisite for company management, throughout the entire group of companies, and promote compliance with social and in-house rules. In addition, evaluation for improvement, maintenance and validity of the internal control system/guidelines related to financial reporting, and internal auditing work including information security system organization are used for improving the corporate value of our Group.

d) Accounting auditors

As an auditing company in charge of accounting audits, we have entered into contracts with PricewaterhouseCoopers Aarata for audits based upon the Financial Instruments and Exchange Act and the Companies Act. In addition to regular audits, we also receive confirmation on issues regarding accounting and internal control as required, and endeavor to ensure that our accounting practices and internal control systems are adequate.

(Pattern diagram of the Company's corporate governance systems)



B. Reasons for corporate governance systems adoption

As of March 30, 2015, Fullcast Holdings Co., Ltd. is a company with a board of directors meeting, which is comprised of four directors, and also a company with a board of auditors, which is comprised of three auditors.

To achieve the aforementioned basic principles and goals of corporate governance, we have chosen outside directors as two of our four directors, and in so doing we aim to strengthen the supervisory function of overall enforcement from an external perspective. Furthermore, by setting a one-year term for directors, we make clear the management responsibility and also quickly establish an optimum system for dealing with changes in the management environment.

Regarding auditors, by appointing three outside auditors (one of them being a fulltime auditor), we perform effective and appropriate oversight of business execution by directors, and have put in place a system that ensures objectivity and neutrality.

We believe that these systems allow our corporate governance to function properly.

C. Internal control systems

a) The following measures shall be taken in order to ensure a system of preventive measures regarding risk, compliance with laws and ordinances, and risk management (hereinafter, risk management system) at the board of directors meeting.
   i. For matters that can affect our entire company – such as important non-customary transactions, important accounting estimates, transactions with companies and directors, and important transactions with subsidiaries – decisions must be made by the board of directors.
   ii. The Chief Executive Officer (hereinafter, CEO) regularly reports to the board of directors about efforts being made for the Risk Management System and business process improvement. When serious scandals arise, they report immediately to the board of directors meeting.

b) The following measures shall be taken to ensure the Risk Management System is maintained in the performance of duties by directors and employees (the same "Risk Management System" detailed in "a)")
   i. The CEO shall be placed as chief of risk management and the General Manager of the Personnel and Legal Department as the chief of risk management practices. Risk managers in charge of

each Group company shall be placed within the Company, while the General Manager of the Personnel and Legal Department, under the direction of the CEO, will supervise practices of “ii” through “vii.”

ii. Put in place administrative authority regulations, and work to establish internal control systems that will prevent authority from being centralized on specific people.

iii. Establish a risk management system based on these regulations in accordance with basic risk management regulations.

iv. Create standards for important information that must be reported immediately to the board of directors and disclosure standards, to carry out timely disclosure of issues of noncompliance, risks and other important information.

v. Provide specific training for directors, managerial employees and regular employees. In cases where relevant laws have been enacted or revised, or where major scandals or accidents have arisen in the Group or other companies, we quickly provide any necessary guidance.

vi. With the rigorous Risk Management System in business management and internal auditing being conducted, through the risk managers placed within the Company who are in charge of each Group company, every effort shall be made to ensure thorough Risk Management System at each Group company.

vii. In transactions throughout all of our businesses, processes established by financial statements, and business accounting systems we check all events for the possibility of misstatements or mistakes, and streamline systems to ensure that no fraudulent actions are taken during business processes. Also, when and where necessary, we set up lateral organizations for the specific purpose of streamlining various processes.

c) The following measures shall be taken to put in place systems for storing and managing information, we have adopted the following measures.

i. The General Manager of the Personnel and Legal Department will instruct directors and employees to appropriately store and manage documents based on document management rules.

ii. The General Manager of the Personnel and Legal Department shall store and manage materials relating to the following documents (including electromagnetic records) for at least ten years:

(i) Minutes from annual general meeting of shareholders

(ii) Minutes from board of directors meeting

(iii) Financial documents

(iv) Other documents determined by the board of directors meeting

iii. Directors and auditors can always review documents in “ii” above.

d) The following measures shall be taken to ensure that the directors execute their duties efficiently.

i. At the beginning of initial board of directors meeting in each term, directors shall develop a business plan toward achieving the common goals of all employees.
Directors and auditors shall regularly review the results with the board of directors.

ii. As a foundation for systems to ensure that work is being executed efficiently by directors, the board of directors meeting shall in principle be held at regular one-month intervals, and extraordinary sessions shall also be held whenever necessary.

iii. Regarding execution of work based upon decisions made at board of directors meeting, organizational rules, division of duties regulations, and administrative authority regulations, their responsibilities and execution procedures shall be decided.

e) The following measures shall be taken in order to develop a system for ensuring proper operations in the business group.

i. The Company shall draw up a Fullcast Group employee code of conduct for all Group companies, and work to gain compliance by all employees. As well as making ensuring compliance by the whole company, board directors at Group companies will also lead by example by acting based on this code of conduct.
ii. Where they have discovered serious legal violations by Group companies or other important facts concerning risk, directors and employees at Group companies must report to the General Manager of the Personnel and Legal Department, who shall in turn report them to the CEO. Under the direction of the CEO, the General Manager of the Personnel and Legal Department will conduct and supervise an audit of the reported facts, and where deemed necessary, will decide upon appropriate countermeasures.
Also, where necessary, the CEO shall report matters to the board of directors, and the General Manager of the Personnel and Legal Department shall report it to the board of auditors.
iii. The General Manager of the Personnel and Legal Department will instruct the Group companies to put in place appropriate internal control systems.

f) The following measures shall be taken to develop a system for ensuring the effectiveness of audits carried out by auditors.
i. Where a request is made by an auditor for an employee to be allocated to assist in their work, the Company's employees shall be assigned to provide them with assistance.
Assistant auditors shall not be subject to the direction of directors, and auditors shall conduct their performance reviews. Consent must be gained from the board of auditors to transfer or reprimand those people assisting them.
ii. Auditor's assistants shall not jointly take on posts that involve execution of work.
iii. Where directors or employees have discovered facts about legal violations or matters that may cause significant damage to the Company, they must promptly report these facts to an auditor.
iv. When asked to report on matters concerning execution of work by an auditor, directors and employees must promptly report these.
v. Auditors may attend the board of directors meeting of subsidiary companies.

g) The following measures shall be taken to develop a basic concept toward eliminating anti-social forces and to ensure its effectiveness.
i. The Company and Group companies shall act in accordance with the Fullcast Group Employee Code of Conduct, sever relations with anti-social forces, and not conduct any transactions with such forces.
ii. Information on anti-social forces shall be collected in-house, managed as well as used with information from external specialized agencies, which is in turn are used to determine whether or not the counterpart is anti-social.
iii. Unreasonable requests from anti-social forces shall be firmly rejected. Furthermore, the unreasonable demands shall be handled with a firm stance as an organization.
iv. Links with external specialized agencies shall be built in order to provide access to cooperation and appropriate advice on elimination of anti-social forces.

D. IR, other activities

The Company considers endeavors to ensure highly transparent management and timely and appropriate disclosure of corporate information to be of vital importance in gaining understanding and trust for our management.

As an initiative aimed at revitalizing annual general meeting of shareholders, we seek to hold meetings on dates that avoid conflict with other companies' meetings. We also hold briefing sessions for institutional investors and analysts twice a year after the end of the second and fourth quarters. Top management attend these briefing sessions, and engage in active dialogue with participants. Furthermore, we have also established a system that discloses information fairly to investors both within and outside of Japan via our homepage.

Through such initiatives, we aim to attain the highest levels of accountability within the industry.

2) Internal audits and audits by auditors

A. Internal audits

Internal audits are conducted based on internal audit regulations.

Regarding internal audit regulations, the functions of internal audits are to properly understand the company’s property and operations from the standpoint of management analysis, and to contribute to the streamlining of management and increasing of its efficiency, and also to achieve effective communication and coordination in all of its operations. The General Manager of the Personnel and Legal Department is responsible for audits.

B. Audits by auditors

All three auditors on our board of auditors are outside auditors. Outside auditors include a tax accountant and a lawyer. As well as conducting audits from various technical standpoints, based upon regulations for audits by auditors, they also audit execution of work by directors, and state their opinions on matters such as appropriate operations and streamlining of operations.

3) Outside directors and outside auditors

A. Overview of outside directors’ and outside auditors’ personal relationships, capital relationships and other concerns over business relationships

The shareholdings of our Company by our two outside directors and three outside auditors are outlined below.

(As of Mar. 30, 2015)

Position in the Company	Name	Number of shares held
Director	Yuhiko Yasunaga	—
Director	Kazuhiko Kamata	—
Fulltime auditor	Kouji Sasaki	9,600
Auditor	Takeo Okazeri	—
Auditor	Yuji Sakakura	—

There are no important business relationships or personal relationships with outside directors and outside auditors.

B. Attitudes towards functions, roles and appointment of outside directors and outside auditors

In appointing outside directors and outside auditors, while there are no clearly established standards and policy regarding independence, we select them based on the following thinking.

(Outside directors)

- Outside directors shall be selected from those who are judged to be qualified as having rich experience in governance, and indicating objectivity towards management, from the perspective of enhancing supervisory functions for overall execution of work and ensuring transparency of management.
- In order to meet the objectives of appointing outside directors, their independence shall be objectively judged in appointing a new outside director, in accordance with the judgment criteria for independence of independent directors stipulated by the Tokyo Stock Exchange, Inc.
- When a corporate manager becomes an outside director, conflict of interest may arise in business transactions with the director’s own company. Conflict of interest in individual cases shall be appropriately dealt with in the procedures of the board of directors.

(Outside auditors)

- Outside auditors shall be selected from those who are judged to be qualified as possessing suitable expertise, and indicating objectivity towards management from the perspective of enhancing audit functions for overall execution of work and ensuring transparency of management.
- In order to meet the objectives of appointing outside auditors, their independence shall be objectively judged in appointing a new outside auditor, in accordance with the judgment criteria for independence of independent directors stipulated by the Tokyo Stock Exchange, Inc.

Mr. Yuhiko Yasunaga and Kazuhiko Kamata, our outside directors, were appointed after being judged to be qualified as having rich experience in governance, and indicating objectivity towards management, from the perspective of enhancing supervisory functions for the overall execution of work and ensuring transparency of management. We have appointed them as an independent officers (which refers to outside directors and outside auditors for whom there is no risk of conflict of interest with general shareholders arising), which the Tokyo Stock Exchange stipulates as a "matter to be observed" under the Corporate Code of Conduct, and have notified to the stock exchange.

Our three outside auditors were appointed after being judged to be qualified as possessing suitable expertise, and indicating objectivity towards management from the perspective of enhancing audit functions for overall execution of work and ensuring transparency of management. Mr. Kouji Sasaki is a qualified tax accountant, and Mr. Takeo Okazeri is a qualified lawyer.

C. Overview of contracts signed with outside directors and outside auditors, as stipulated in Paragraph 1 of Article 427 of the Companies Act

Based on Item 1 of Article 427 of the Companies Act, the Company and our outside director have signed a limited liability contract concerning liability for damages under Item 1 of Article 423 of the Companies Act. Based upon this contract, where work has been performed in good faith and without gross negligence the maximum amount of damages that we are liable for is either 4.8 million yen or the total minimum liability stipulated in Item 1 of Article 425 of the Companies Act, whichever is higher.

Based on Item 1 of Article 427 of the Companies Act, the Company and our outside auditors have signed a limited liability contract concerning liability for damages under Item 1 of Article 423 of the Companies Act. Based on this contract, where work has been performed in good faith and without gross negligence the maximum amount of damages that we are liable for is the total minimum liability stipulated in Item 1 of Article 425 of the Companies Act.

D. Supervision and audits by outside directors and auditors, mutual cooperation with audits by internal, outside, and accounting audits, and relationships between internal control department and them

In board of directors meetings, outside directors provide necessary comments for resolutions and discussions as required, while outside auditors state opinions on resolutions and discussions as the need arises, from the perspective such as whether decision-making processes used in execution of work by directors and in corporate resolutions are appropriate.

Auditors and the internal audit department work towards mutual cooperation through formulation of audit plans and reporting on outcomes of internal audits. At auditors' meetings, audit plans, detailed explanations on audit plans, and the outcomes of audits are made as required by PricewaterhouseCoopers Aarata, an accounting auditor.

The internal control department (the personnel and legal department) summarizes findings from effectiveness assessments on the state of operation and maintenance of internal controls. The representative director and CEO then report the summarized findings to the board of directors meetings, the board of auditors and accounting auditors as required. Even in cases where there dishonest actions have been committed by people with roles that are crucial for internal control as part of financial reporting, or where major changes have been made in internal control, they still report to the board of directors meeting, the board of auditors and accounting auditors as required.

4) Directors' and auditors' remuneration

A. Total amount of remuneration by officer classification, total amount by type of remuneration, and number of officers covered, for submitting companies

Classification	Total amount of remuneration (millions of yen)	Total amount by type of remuneration (millions of yen)				Number of officers covered
		Basic remuneration	Stock options	Bonuses	Retirement benefits	
Directors (excluding outside directors)	50	40	—	—	10	3
Auditors (excluding outside auditors)	—	—	—	—	—	—
Outside officers	25	25	—	—	—	6

B. Total amount of consolidated remuneration for each officer of submitting companies

Not listed, as there is no one for whom the total amount of consolidated remuneration exceeds 100 million yen.

C. Important items among employee bonuses for people working jointly as employees and officers

There are no applicable items.

D. Policy concerning decisions on officer remuneration amounts

It is stated in the articles of incorporation that officers' remunerations are stipulated based on decisions made at annual general meeting of shareholders. The Company decides on the amount of remuneration for employees each year, and these amounts reflect both the officer's degree of responsibility and results, and must be within the range of remuneration limits determined at the annual general meeting of shareholders held on April 14, 1999.

The remuneration limits determined at the annual general meeting of shareholders held on April 14, 1999 are less than 200 million yen per year for directors and less than 50 million yen per year for auditors.

5) Possession of shares

The following shows the status of Fullcast Holdings Co., Ltd., which is the company with the highest balance sheet amount for investment shares among the Company and its consolidated subsidiaries (highest holding company).

A. Investment shares that are held for purposes other than net investment purposes

Number of different stocks: 7

Total value recorded in balance sheets: 49 million yen

B. Stocks, holding type, number of shares, balance sheet amount and holding purpose of investment shares not held for net investment purposes

(Previous fiscal year)

Special Stocks

Stock	Number of shares	Amount recorded in balance sheets (millions of yen)	Purpose held for
Saint Care Holding Corporation	12,000	16	For maintaining and strengthening relations

Notes: As less than 30 stocks exceed one-hundredth of the amount of capital for their recorded amount as investment shares in balance sheets, all target stocks are listed.

(Current fiscal year)

Special Stocks

Stock	Number of shares	Amount recorded in balance sheets (millions of yen)	Purpose held for
Saint Care Holding Corporation	12,000	14	For maintaining and strengthening relations

Notes: As less than 30 stocks exceed one-hundredth of the amount of capital for their recorded amount as investment shares in balance sheets, all target stocks are listed.

C. Investment shares held for net investment purposes

There are no applicable items.

6) Accounting audits

A. Names of certified public accountants who performed accounting audits for the company, and names of auditing companies to which they belong

Haruyasu Tanabe (PricewaterhouseCoopers Aarata)

Since December 22, 2011, he has been continuously involved with us for three years and three months.

Yoshiyuki Ohashi (PricewaterhouseCoopers Aarata)

Since August 21, 2012, he has been continuously involved with us for two years and seven months.

B. Audit assistants

Certified public accountants:	5
Other:	18

7) Resolution matters for annual general meeting of shareholders that can be decided upon at the board of directors meetings

In the articles of incorporation, it is stipulated that the Company may decide on the following matters at board of directors meetings, regardless of decisions made at annual general meeting of shareholders.

A. It may acquire of treasury stock

To be able to improve capital efficiency and return more profits to shareholders

B. It may pay dividends from retained earnings

To be able to implement flexible capital policy and dividend policy

C. It may pay interim dividends

To be able to implement flexible capital policy and dividend policy

D. According to decisions made by the board of directors meeting, it may be exempt from liability for damages, to the limit of the law, for directors and auditors (including former directors and former auditors) resulting from negligence of duty

(To be able to adequately conduct the roles that are expected to be performed in carrying out duties.)

8) Number of directors

It is stipulated in the articles of incorporation that there are to be no more than ten directors at the Company.

9) Decision requirements for appointment of directors

Regarding decisions to appoint directors, it is stipulated in the articles of incorporation that shareholders with at least 1/3 of shareholders' voting rights, and who can exercise voting rights, must be present, and that the Company requires the majority of these voting rights to act.

Regarding appointments of directors through cumulative voting, it is stipulated in the articles of incorporation that voting must not be done through cumulative voting.

10) Special decision requirements for annual general meeting of shareholders

Our Company aims to run annual general meeting of shareholders smoothly, and regarding special decision requirements for annual general meeting of shareholders as stipulated in Item 2 of Article 309 of the Companies Act, it is stipulated in the articles of incorporation that shareholders with at least 1/3 of shareholders' voting rights and who can exercise voting rights, must be present, and that the Company requires 2/3 of these voting rights to act.

(2) Details of audit remuneration and other information

1) Details of remuneration for audit-certified public accountants and other information

Classification	Previous consolidated fiscal year		Current consolidated fiscal year	
	Remuneration based on audit certification work (millions of yen)	Remuneration based on non-auditing work (millions of yen)	Remuneration based on audit certification work (millions of yen)	Remuneration based on non-auditing work (millions of yen)
Submitting companies	18	—	18	—
Consolidated subsidiaries	—	—	—	—
Total	18	—	18	—

2) Details of other significant remuneration

There are no applicable items.

3) Details of non-auditing work for submitting companies by audit-certified accountants, etc.

There are no applicable items.

4) Policy for determining audit remuneration

At our Company, we determine audit remuneration after giving consideration to factors such as audit-certified accountants' audit plans, audit contents and audit days.

Part 5: Financial conditions

1. Regarding preparation methods for consolidated and non-consolidated financial statements

(1) The Company's consolidated financial statements are prepared based on "Regulations for Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (Ministry of Finance Decree No. 28, 1976, hereinafter referred to as the "Regulations for Consolidated Financial Statements.").

Comparable information in the consolidated financial statements for the current fiscal year (from January 1, 2014 to December 31, 2014) have been prepared based on the Regulations for Consolidated Financial Statements prior to the revision, in accordance with Article 3, Paragraph 2 of the Supplementary Provisions of the Cabinet Office Ordinance for Partial Revision of the Regulation for Terminology, Forms and Preparation of Financial Statements, etc. (Cabinet Office Ordinance No. 61 of September 21, 2012).

(2) The Company's financial statements are prepared based on "Regulations for Terminology, Forms and Preparation of Financial Statements" (Ministry of Finance Decree No. 59, 1963, hereinafter referred to as the "Regulations for Financial Statements.").

Comparable information in the financial statements for the current fiscal year (from January 1, 2014 to December 31, 2014) have been prepared based on the Regulations for Financial Statements prior to the revision, in accordance with Article 2, Paragraph 2 of the Supplementary Provisions of the Cabinet Office Ordinance for Partial Revision of the Regulation for Terminology, Forms and Preparation of Financial Statements, etc. (Cabinet Office Ordinance No. 61 of September 21, 2012).

The company falls under the companies submitting special consolidated financial statements, and prepares financial statements in accordance with the provisions of the Article 127 of the Regulations for Financial Statements.

2. Regarding audit certification

Based on Item 2, Paragraph 1 of Article 193 of the Financial Instruments and Exchange Act, the Company underwent audits from PricewaterhouseCoopers Aarata for consolidated financial statements of the current consolidated fiscal year (from January 1, 2014 to December 31, 2014) and for financial statements of the current fiscal year (from January 1, 2014 to December 31, 2014).

3. Regarding special initiatives for ensuring the adequacy of consolidated financial statements

The Company engages in special initiatives for ensuring the adequacy of consolidated financial statements. Specifically, we have joined the Financial Accounting Standards Foundation to properly understand the details of accounting standards, and to respond appropriately to changes in these. Furthermore, we have put in place systems for receiving information from companies specializing in disclosure on both a regular and occasional basis.

1. Consolidated financial statements

(1) Consolidated financial statements

1) Consolidated balance sheet

(Millions of 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

(Millions of 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

(Millions of 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

		(Millions of 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

(Millions of 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 partner	482	1,333
Comprehensive income attributable to minority interests	—	—

3) Consolidated Statements of Shareholders' Equity

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

(Millions of 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

(Millions of 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

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

(Millions of 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

(Millions of 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 loss (profit) 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

(Millions of 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) 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

[Notes]

(Significant accounting policies in the preparation of the consolidated financial statements)

1. Matters concerning the scope of consolidation

All subsidiaries are consolidated.

Number of consolidated subsidiaries: 5

Name of 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 listing in regards to procedures for applying the equity method

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

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

The settlement dates of consolidated subsidiaries match the consolidated settlement date.

4. Matters concerning accounting standards

(1) Valuation standards and valuation methods for significant assets

1) Marketable securities

Other marketable securities

Items with market value

Market value method based upon market prices at the end of consolidated fiscal year

(Valuation difference is reported as a component of net assets, and cost of products sold is calculated using a moving-average method)

Items with no market value

Moving-average cost method

2) Inventories

Valuation standards are based upon cost method (A book-value write-down based upon decreased profitability)

Merchandise and supplies

First-in, first-out method

(2) Depreciation method for significant depreciable assets

1) Property, plant and equipment (excluding lease assets)

Declining balance method

However, a straight-line method is used for buildings acquired from April 1, 1998 onward (excluding accessory equipment)

Useful lives are generally as follows.

Buildings and structures: 3-30 years

Machinery, equipment and vehicles: 2-4 years

Tools, furniture and fixtures: 2-20 years

2) Intangible assets (excluding lease assets)

Straight-line method

For software (for in-house use), a straight-line method based on the in-house availability period (3-5 years) is used.

3) Lease assets

For lease assets in non-ownership finance lease transactions, the lease period is treated as the useful life, and calculations are made using a straight-line method with residual value treated as zero.

(3) Accounting standards for significant reserves

Allowance for doubtful accounts

To prepare for credit losses such as losses from accounts receivable and loans, we examine the collectability of general claims using a loan-loss ratio, and examine certain claims, such as those with default possibility, individually, and record the uncollectable amounts.

(4) Accounting method for retirement benefits

1) Method for distributing estimated retirement benefits

In calculating retirement benefit obligations, fixed amount standards during term are used to allocate estimated retirement benefits to the period by the end of the current fiscal year.

2) Method of accounting for actuarial differences and prior service costs

Prior service costs are generally accounted for collectively in the fiscal year in which they arise.

Actuarial differences are generally accounted for collectively in the fiscal year in which they arise.

3) Adoption of a simple method for small-sized enterprises etc.

In calculating obligations for retirement benefits and retirement benefit expenses, some consolidated subsidiaries apply a simple method by regarding necessary end-of-period retirement benefit payments for voluntary retirement as retirement benefit obligations.

(5) Scope of capital in consolidated cash flow statements

This is comprised of cash in hand, demand deposits and short-term investments that mature within three months after the date of acquisition, are highly liquid, can easily be converted into cash, and carry only insignificant risk in terms of changes in their values.

(6) Other items of importance for preparing consolidated financial statements

Accounting treatments for consumption tax, others

Accounting treatments for consumption tax and local consumption tax are based on a tax-excluded method.

(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 focusing on how actuarial gains and losses and past service costs should be accounted for, how retirement benefit obligations and current service costs should be determined, and enhancement of disclosures.

(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 on 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" under "current liabilities" 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 figures 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 borrowing involved in the agreement for overdraft at the end of the fiscal year under review 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 Profit and Loss 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 the 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 previous fiscal year, the Group recorded an impairment loss for the following asset groups:

(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 a 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

Items	Amount
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 Statements of Shareholders' Equity)

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

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

Type of shares	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 retirement 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 retirement 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 dividends

(1) Dividend payments

There are no relevant matters

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

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

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

Type of shares	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	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

(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. 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)

*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, 2013 to December 31, 2013)	FY12/14 (From January 1, 2014 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

(Notes regarding financial instruments)

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

1. Matters concerning the state of financial instruments

(1) Policy initiatives for financial instruments

The Group assumes bank loans for working capital. We also work to achieve proper fund management through effective use of our Group CMS (cash management service). Fund management is generally limited to highly secure deposits that are liquid. Regarding derivatives, it is our policy not to engage in speculative trading.

(2) Details of financial instruments, and associated risks

Notes and accounts receivable-trade, which are operating receivables, are exposed to customer credit risks. Accounts payable and accrued expenses, which are operating debts, have due dates within one year. Loans are primarily taken out for the purpose of procuring working capital. Although floating rate loans are exposed to interest-rate risks, long-term loans avoid interest-rate risks for interest paid.

(3) Risk management systems for financial instruments

1) Management of credit risks (risks associated with contractual default by business partners)

Regarding credit risks for operating receivables, based on credit management regulations, as well as managing settlement dates and balances for each trading client engaged in core short-term human resources services such as Fullcast Co., Ltd., we are also working to quickly understand and lessen recovery concerns resulting from worsening financial situations.

2) Management of market risks (risks from fluctuations in exchange rates and interest rates)

To avoid risks from fluctuations in interest rates for payments on long-term loans, we only use fixed interest rates.

3) Management of liquidity risks for fund procurement (risk of being unable to execute payments on due dates)

Our Company's finance department conducts daily deposit balance management for the Group, and also appropriately manages liquidity risks for each group company through CMS.

(4) Supplementary explanation about matters concerning market values of financial instruments

As well as values based on market prices, in cases where there is no market price, reasonably calculated values are included in market prices for financial instruments. Because variable factors are incorporated in calculating these values, they may vary when different assumptions are used.

2. Matters concerning market values for financial instruments

Consolidated balance sheet amounts, market prices, and the differences between these, as recorded on December 31, 2013 (the settlement date for the current term), are as follows.

	Consolidated balance sheet amount (millions of yen)	Market value (millions of yen)	Difference (millions of yen)
(1) Cash and deposits	4,763	4,763	—
(2) Notes and accounts receivable-trade	2,226	2,226	—
(3) Guarantee deposits	230	230	(0)
Total assets	7,219	7,219	(0)
(4) Short-term loans payable	1,000	1,000	—
(5) Accounts payable-other	418	418	—
(6) Accrued expenses	543	543	—
(7) Accrued consumption taxes	144	144	
Total liabilities	2,104	2,104	—

Notes: 1. Matters concerning formulas for calculating market value of financial instruments

Assets

(1) Cash and deposits and (2) Notes and accounts receivable-trade

These items are settled in short periods, and those of market values are approximately equal to book value, they are based on relevant book-values.

(3) Guarantee deposits

Market values for guarantee deposits indicate past results from departure, and are based on current prices that are obtained by discounting expected receivable amounts-reflecting collectability-once the average term of residence has been calculated, by highly-safe interest rates that correspond to the period up until departure.

Liabilities

(4) Short-term loans payable, (5) Accounts payable-other, (6) Accrued expenses, and (7) Accrued consumption taxes

These are items that are settled in short periods, and because market values are approximately equal to book value, they are based on relevant book-values.

2. Expected redemption amount of pecuniary claims after the settlement date

	Within 1 Year (millions of yen)	1-5 Years (millions of yen)	5-10 Years (millions of yen)	Over 10 Years (millions of yen)
Cash and deposits	4,763	—	—	—
Notes and accounts receivable-trade	2,226	—	—	—
Total	6,989	—	—	—

3. Expected repayment amounts for short-term loans payable

	Within 1 year (millions of yen)	1-2 years (millions of yen)	2-3 years (millions of yen)	3-4 years (millions of yen)	4-5 years (millions of yen)	Over 5 years (millions of yen)
Short-term loans payable	1,000	—	—	—	—	—
Total	1,000	—	—	—	—	—

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

1. Matters concerning the state of financial instruments

(1) Policy initiatives for financial instruments

The Group assumes bank loans for working capital. We also work to achieve proper fund management through effective use of our Group CMS (cash management service). Fund management is generally limited to highly secure deposits that are liquid. Regarding derivatives, it is our policy not to engage in speculative trading.

(2) Details of financial instruments, and associated risks

Notes and accounts receivable-trade, which are operating receivables, are exposed to customer credit risks. Accounts payable and accrued expenses, which are operating debts, have due dates of within one year.

As for loans, the Company signed an agreement for overdraft with four banks to procure operating capital efficiently.

(3) Risk management systems for financial instruments

1) Management of credit risks (risks associated with contractual default by business partners)

Regarding credit risks for operating receivables, based on credit management regulations, as well as managing settlement dates and balances for each trading client of core short-term human resources services businesses such as Fullcast Co., Ltd., we are also working to quickly understand and lessen recovery concerns resulting from worsening financial situations.

2) Management of market risks (risks from fluctuations in exchange rates and interest rates)

Although loans are exposed to interest-rate risks, their impacts on earnings from changes in interest rates are estimated to be minimal compared to the outstanding loans.

3) Management of liquidity risks for fund procurement (risk of being unable to execute payments on due dates)

Our Company’s finance department conducts daily deposit balance management for the Group, and also appropriately manages liquidity risks for each group company through CMS.

(4) Supplementary explanation about matters concerning market values of financial instruments

As well as values based upon market prices, in cases where there is no market price, reasonably calculated values are included in market prices for financial instruments. Because variable factors are incorporated in calculating these values, they may vary when different assumptions are used.

2. Matters concerning market values for financial instruments

Consolidated balance sheet amounts, market prices and differences between these, as recorded on December 31, 2014 (the consolidated settlement date for the term), are as follows.

	Consolidated balance sheet amount (millions of yen)	Market value (millions of yen)	Difference (millions of yen)
(1) Cash and deposits	6,284	6,284	—
(2) Notes and accounts receivable-trade	2,581	2,581	—
(3) Guarantee deposits	264	264	0
Total assets	9,129	9,129	0
(4) Short-term loans payable	1,000	1,000	—
(5) Accounts payable-other	519	519	—
(6) Accrued expenses	656	656	—
(7) Accrued consumption taxes	688	688	
Total liabilities	2,863	2,863	—

Notes: 1. “Accrued consumption taxes” is separately recorded from the fiscal year under review, as it was of importance in monetary terms. In order to reflect the change in presentation method, modifications were made to financial statements of the previous fiscal year.

2. Matters concerning methods for calculating market value of financial instruments

Assets

(1) Cash and deposits and (2) Notes and accounts receivable-trade

These items are settled in short time periods, and those of market values are approximately equal to book value, they are based on relevant book-values.

(3) Guarantee deposits

Market values for guarantee deposits indicate past results from departure, and are based on current prices that are obtained by discounting expected receivable amounts-reflecting collectability-once the average term of residence has been calculated, by highly-safe interest rates that correspond to the period up until departure.

Liabilities

(4) Short-term loans payable, (5) Accounts payable-other, (6) Accrued expenses and (7) Accrued consumption taxes

These are items that are settled in short time periods, and because market values are approximately equal to book value, they are based on relevant book-values.

3. Expected redemption amount of pecuniary claims after the settlement date

	Within 1 Year (millions of yen)	1-5 Years (millions of yen)	5-10 Years (millions of yen)	Over 10 Years (millions of yen)
Cash and deposits	6,284	—	—	—
Notes and accounts receivable-trade	2,581	—	—	—
Total	8,865	—	—	—

4. Expected repayment amounts for short-term loans payable

	Within 1 year (millions of yen)	1-2 years (millions of yen)	2-3 years (millions of yen)	3-4 years (millions of yen)	4-5 years (millions of yen)	Over 5 years (millions of yen)
Short-term loans payable	1,000	—	—	—	—	—
Total	1,000	—	—	—	—	—

(Notes on marketable securities)

Previous fiscal year

1. Items with market value among other marketable securities (as of December 31, 2013)

Classification	Consolidated balance sheet amount (millions of yen)	Acquisition cost (millions of yen)	Difference (millions of yen)
Items for which consolidated balance sheet amount exceeds acquisition cost			
(1) Shares	25	10	16
(2) Bonds			
Government bonds and municipal bonds	—	—	—
Corporate bonds	—	—	—
Other	—	—	—
(3) Other	—	—	—
Subtotal	25	10	16
Items for which consolidated balance sheet amount does not exceed acquisition cost			
(1) Shares	—	—	—
(2) Bonds			
Government bonds and municipal bonds	—	—	—
Corporate bonds	—	—	—
Other	—	—	—
(3) Other	—	—	—
Subtotal	—	—	—
Total	25	10	16

2. Other marketable securities sold during the current fiscal year (from January 1, 2013 to December 31, 2013)

Classification	Proceeds from sales (millions of yen)	Total gain on sales (millions of yen)	Total loss on sales (millions of yen)
Shares	8	1	2

3. Marketable securities for which impairment was performed (from January 1, 2013 to December 31, 2013)

There are no applicable items.

Current fiscal year

1.Other marketable securities (as of December 31, 2014)

Classification	Consolidated balance sheet amount (millions of yen)	Acquisition cost (millions of yen)	Difference (millions of yen)
Items for which consolidated balance sheet amount exceeds acquisition cost			
(1) Shares	25	10	14
(2) Bonds			
Government bonds and municipal bonds	—	—	—
Corporate bonds	—	—	—
Other	—	—	—
(3) Other	—	—	—
Subtotal	25	10	14
Items for which consolidated balance sheet amount does not exceed acquisition cost			
(1) Shares	—	—	—
(2) Bonds			
Government bonds and municipal bonds	—	—	—
Corporate bonds	—	—	—
Other	—	—	—
(3) Other	—	—	—
Subtotal	—	—	—
Total	25	10	14

2.Other marketable securities sold during the current fiscal year (from January 1, 2014 to December 31, 2014)

There are no applicable items.

3.Marketable securities for which impairment was performed (from January 1, 2014 to December 31, 2014)

Omitted because it is insignificant.

(Notes on retirement benefits)

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

1. Summary of the retirement benefit scheme adopted

Some of the Company's consolidated subsidiaries have established employees' pension funds and termination allowance plans as fixed benefit-type programs.

As of the end of the current fiscal year, two companies of the Group maintain termination allowance plans, while one of those maintains a general type employees' pension fund system.

Please note that two Group companies had maintained a taxation approved retirement plan as for the approved retirement annuity system, but the companies cancelled them in October and December 2011, respectively. As for the employees' pension funds, one company of the Group had the "Billboard Display Employees' Pension Fund" (general type) but withdrew from it in October 2012. Presently, one company of the Group has the "Japan Security Services Employees' Pension Fund (general type)."

Matters associated with the multiemployer pension plan in which the amount of required contributions is accounted for as retirement benefit expenses are as follows.

(1) Matters concerning the funded status of the overall plan (as of March 31, 2013)

Pension assets (millions of yen)	27,371
Benefit obligation based on the calculation of pension financial position (millions of yen)	33,721
Difference	(6,350)

(2) The ratio of contribution of the Company Group to the overall plan (from April 1, 2012 to March 31, 2013)

3.17%

(3) Supplementary explanation

The main factor for the difference in (1) above is the balance of prior service costs of 5,762 million yen and the deficit carried forward of 588 million yen based upon the calculation of pension financial position. The amortization method of prior service costs used in this plan is an equal monthly payment with interest for 19 years and zero months.

The ratio in (2) above is not the same as the ratio of actual obligation of the Company Group.

2. Matters concerning retirement benefit obligation

(1) Retirement benefit obligation (millions of yen)	(314)
(2) Pension assets (millions of yen)	—
(3) Non-accumulated retirement benefit obligation (1) + (2) (millions of yen)	(314)
(4) Prepaid pension cost (millions of yen)	—
(5) Retirement benefit allowance (3) – (4) (millions of yen)	(314)

3. Matters concerning retirement benefit expenses

(1) Service cost (millions of yen)	71
(2) Interest cost (millions of yen)	1
(3) Expected return on plan assets (millions of yen)	—
(4) Cost to dispose of prior service costs (millions of yen)	—
(5) Cost to dispose of actuarial differences (millions of yen)	25
(6) Retirement benefit expenses (1) + (2) + (3) + (4) + (5) (millions of yen)	97

4. Matters concerning the basis of calculation of retirement benefit obligation, etc.

(1) Distribution of estimated retirement benefits during term

Fixed amount standards during term

(2) Discount rate

Mainly 0.4%

(3) Expected rate of return on plan assets

There are no applicable items.

(4) Number of years to dispose of prior service costs

Lump-sum payment at occurrence

(5) Number of years to dispose of actuarial differences

Lump-sum payment at occurrence

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

1. Summary of the retirement benefit scheme adopted

The Company and its consolidated subsidiaries have established employees' pension funds and termination allowance plans as fixed benefit-type programs.

As of the end of the current fiscal year, two companies among the Company and its consolidated subsidiaries maintain termination allowance plans, while one of those maintains a general type employees' pension fund system.

Please note that as for the employees' pension funds, we have the "Japan Security Services Employees' Pension Fund (general type)." We treat necessary contributions to the Pension Fund as retirement benefit expenses, as we cannot reasonably calculate the pension assets corresponding to our contributions for the Fund.

2. Defined benefit plan

(1) Adjustment table for balances at the beginning and the end of the period for retirement benefit obligations (excluding those which a simple method is applied)

Retirement benefit obligations at the beginning of the period	217	million yen
Service cost	42	
Interest cost	1	
Actuarial differences occurred	15	
Retirement benefits paid	(12)	
Retirement benefit obligations at the end of the period	264	

(2) Adjustment table for liabilities for retirement benefits under a simple method at the beginning and the end of the period

Liabilities for retirement benefits at the beginning of the period	97	million yen
Retirement benefit expenses	9	
Retirement benefits paid	(10)	
Liabilities for retirement benefits at the end of the period	96	

(3) Adjustment table between retirement benefit obligations/pension assets at the end of the period and liabilities/assets for retirement benefits recorded in the consolidated balance sheet

Retirement benefit obligations under the non-cumulative system	359	million yen
Net liabilities and assets recorded in the consolidated balance sheet	359	
Liabilities for retirement benefits	359	
Net liabilities and assets recorded in the consolidated balance sheet	359	

(Note) Including the system under a simple method.

(4) Amount of retirement benefit expenses and their breakdowns

Service cost	42	million yen
Interest cost	1	
Cost to dispose of actuarial differences	15	
Retirement benefit expenses calculated by a simple method	9	
Other	(1)	
Retirement benefit expenses for the defined benefit plan	67	

(5) Matters concerning the actuarial calculation base

Main actuarial calculation base at the end of the current fiscal year

Discount rate Mainly 0.4%

3. Multiemployer pension plan

Required contributions under the multiemployer pension plan to employees' pension funds, which is accounted for in a similar way as the defined contribution plan, were 15 million yen.

(1) Recent funded status of the multiemployer pension plan (as of March 31, 2014)

Pension assets (millions of yen)	31,292
Benefit obligation based on the calculation of pension financial position (millions of yen)	35,562
Difference (millions of yen)	(4,270)

(2) The ratio of contribution of the Company Group to the multiemployer pension plan (from April 1, 2013 to March 31, 2014)

3.16%

(3) Supplementary explanation

The main factor for the difference in (1) above is the balance of prior service costs of 5,532 million yen, and the surplus carried forward of 1,263 million yen, based upon the calculation of pension financial position. The amortization method of prior service costs used in this plan is an equal monthly payment with interest, for 19 years and zero months.

The ratio in (2) above is not the same as the ratio of actual obligation of the Company Group.

(Dissolution of the employees' pension fund)

The Japan Security Services Employees' Pension Fund, which our subsidiaries have, was resolved to dissolve by the board of representatives meeting held on September 11, 2014.

(Notes on tax effect accounting)

1. Details of main reasons for deferred tax asset and deferred tax liability

(Millions of yen)

	FY12/13 end (December 31, 2013)	FY12/14 end (December 31, 2014)
Deferred tax asset		
Allowance for doubtful accounts and bad debt loss	34	27
Provision for retirement benefits	117	—
Liabilities for retirement benefits	—	128
Gains on sales of stocks of subsidiaries under the Corporation Tax Act	—	159
Loss from revaluation of investment securities	28	28
Loss carried forward	1,443	1,208
Accrued enterprise taxes	5	35
Accrued social insurance premiums	0	0
Accrued office taxes	7	6
Impairment loss	12	7
Asset retirement obligations	11	12
Other	28	34
Subtotal of deferred tax asset	1,685	1,646
Valuation reserve	(1,649)	(1,456)
Total deferred tax asset	36	190
Deferred tax liability		
Revaluation differentials of other securities, etc.	(7)	(5)
Total deferred tax liability	(7)	(5)
Net deferred tax asset	29	184

2. Item details of the main reasons for differentials between the legal effective tax rates and the ratio of tax expenses, including corporate taxes, after tax effect accounting is applied

	FY12/13 end (December 31, 2013)	FY12/14 end (December 31, 2014)
Legal effective tax rates	38.0 %	38.0%
(Adjustment)		
Non-deductible cost items	1.7	0.5
Dividend income	(0.0)	(0.2)
Fixed-rate residents on inhabitant tax	7.8	1.6
Earnings from change in equity method	(4.0)	—
Loss carried forward	21.8	—
Expiration of loss carried forward	1.7	—
Share of loss (profit) of entities accounted for using equity method	(13.3)	(1.1)
Valuation reserve amount	(30.0)	(11.6)
Internal adjustment for gain on sales of investment securities	2.1	—
Gains on sales of stocks of subsidiaries under the Corporation Tax Act	—	(10.1)

Adjustment by decreasing end-of-period deferred tax assets due to changes in tax rates	—	0.8
Other	0.7	0.8
Ratio of tax expenses, including corporate taxes, after tax effect accounting is applied	26.3 %	18.9%

3. Modifications to the amount of deferred tax assets and liabilities due to changes of corporate taxation rates

With the promulgation of the Act for Partial Revision of the Income Tax Act etc. (Act No. 10 of 2014), the special corporation tax for reconstruction was not imposed for the consolidated fiscal year starting on and after April 1, 2014. Accordingly, the Normal Effective Statutory Tax Rate to be used in calculating deferred tax assets and liabilities, for temporary difference expected to be eliminated during the consolidated fiscal year starting on January 1, 2015, changes from the existing 38.0% to 35.6%.

The impact of this change in tax rates is expected to be minimal.

(Notes on asset retirement obligations)

Asset retirement obligations recorded in the consolidated balance sheet

(1) Overview of the asset retirement obligations

Restoration obligation under the real estate rental agreement regarding the head office property, others

(2) Calculation of the amount of asset retirement obligations

The amount of asset retirement obligations is calculated using a 0.4% discount rate, with estimated period of six years.

(3) Increase (decrease) in total asset retirement obligations

(Millions of yen)

	FY12/13 (From Jan. 1, 2013 to Dec. 31, 2013)	FY12/14 (From Jan. 1, 2014 to Dec. 31, 2014)
Balance at beginning of current period	37	37
Increase by purchase of property, plant and equipment	—	—
Adjustment for lapse of time	0	0
Decrease due to fulfillment of asset retirement obligations	(0)	—
Balance at the end of current period	37	38

(Information on the business segments 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 based on the Company’s structural units can be independently obtained, and are subject to regular examinations in order for the board of directors to decide upon allocations of management resources and to evaluate their performance.

Our Group has two reporting segments: 1) short-term operational support business and 2) 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 provides security services for public facilities and general companies.

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

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

Income of each reporting segment is an amount based upon its operating income. Inter-segment profits and transfers are based upon market prices.

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

(Millions of yen)

	Reporting segment		Total	Adjustment *	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	834	101	935	(598)	338
Segment assets	4,792	634	5,427	3,178	8,605
Other					
Depreciation and amortization	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. The amount of (598) million yen for adjustment of segment profits includes the amount of (0) million yen for elimination of inter-segment transactions and the expenses of the company wide of (597) million yen that are not allocated to reported segments. The company wide expenses are primarily made up of general administrative expenses not belonging to the reported segments.

2. The profit of the segments have been adjusted with the operating income shown in the consolidated profit and loss statement.

3. The amount of 3,178 million yen for adjustment of segment-based assets is primarily made up of the long-term investment assets (investment securities), the assets involved in the administrative departments and others at the head office of the parent company.

4. The amount of 149 million yen for adjustment of depreciation expenses is primarily made up of the depreciation amounts for the buildings, structures, and software of the head office of the company.

5. The amount of 237 million yen for adjustment of increases in the amount of the property, plant, and equipment and intangible assets is primarily made up of those for the buildings and structures of the head office of the company

and tools, furniture and fixtures, and software for a new system.

Current 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 based on the Company's structural units can be independently obtained, and are subject to regular examinations, in order for the board of directors to decide upon allocations of management resources and to evaluate their performance.

Our Group has two reporting segments: 1) "short-term operational support business" and 2) "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 provides security services for public facilities and general companies.

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

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

Income of each reporting segment is an amount based upon its operating income. Inter-segment profits and transfers are based upon market prices.

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

(Millions of yen)

	Reporting segment		Total	Adjustment *	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	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
Increase of property, plant and equipment and intangible assets	46	0	46	107	153

Notes: 1. The amount of (567) million yen for adjustment of segment profits includes the amount of 1 million yen for elimination of inter-segment transactions and the expenses of the company wide of (568) million yen that are not allocated to reported segments. The company wide expenses are primarily made up of general administrative expenses not belonging to the reported segments.

2. The profit of the segments have been adjusted with the operating income shown in the consolidated profit and loss statement.

3. The amount of 4,657 million yen for adjustment of segment-based assets is primarily made up of the long-term investment assets (investment securities), the assets involved in the administrative departments and others at the head office of the parent company.

4. The amount of 136 million yen for adjustment of depreciation expenses is primarily made up of the depreciation amounts for the buildings, structures, and software of the head office of the company.

5. The amount of 107 million yen for adjustment of increases in the amount of the property, plant, and equipment and intangible assets is primarily made up of those for the buildings and structures of the head office of the company and tools, furniture and fixtures, and software for a new system.

Related information

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

1. Information about each product or service

Information has been omitted as similar information is disclosed in the segment information.

2. Information for each region

Information has been omitted as we did not have any consolidated subsidiaries or foreign offices located in any foreign countries or regions outside of Japan.

3. Information for each major customer

Information has been omitted as there is no outside customer representing 10% or more of the net sales in the consolidated profit and loss statement.

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

1. Information about each product or service

Information has been omitted as similar information is disclosed in the Segment information.

2. Information for each region

Information has been omitted as we did not have any consolidated subsidiaries or foreign offices located in any foreign countries or regions outside of Japan.

3. Information for each major customer

Information has been omitted as there is no outside customer representing 10% or more of the net sales in the consolidated profit and loss statement.

Information concerning impairment loss on noncurrent assets for each reporting segment

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

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

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

There are no relevant matters.

Information concerning the amount of amortization of goodwill and unamortized balance for each reporting segment

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

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

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

There are no relevant matters.

Information concerning gain on negative goodwill for each reporting segment

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

There are no relevant matters.

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

There are no relevant matters.

Information on related parties

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

1. Transactions with related parties

Transactions with companies submitting consolidated financial statements and related parties

i. Subsidiaries and affiliates of companies submitting consolidated financial statements

Type	Name of company or individual	Location	Capital stock (millions of yen)	Description of business or occupation	Proportion of voting rights held (or owned) (%)	Relationship with related party	Transaction details	Transaction amount (millions of yen)	Subject	Term-end balance (millions of yen)
Affiliate	F-PLAIN Corporation (formerly Fullcast Marketing, Co., Ltd.)	Minato-ku, Tokyo	681	Sale of communications products	Owning directly 23.81	Lending working capital Concurrent directors etc.	Collecting capital Receiving interest *	195 0	— —	— —

Consumption tax is not included in transaction amounts listed above.

Transaction terms and policies for their decision

Note: * Regarding the rate of lending, the interest rate is determined after consideration is given to market interest rates.

ii. Directors and major individual shareholders

Type	Name of company or individual	Location	Capital stock (millions of yen)	Description of business or occupation	Proportion of voting rights held (or owned) (%)	Relationship with related party	Transaction details	Transaction amount (millions of yen)	Subject	Term-end balance (millions of yen)
Director and his relatives	Takehito Hirano	—	—	Director of the Company	Owned Directly 2.95 Indirectly 37.31	—	Sales of securities of related companies* Sales proceeds Gain on sales	61 50	—	—

Consumption tax is not included in transaction amounts listed above.

Transaction terms and policies for their decision

Note: *Sales prices of securities of related companies are determined after consultations between both parties.

2. Notes concerning parent companies and major affiliates

There are no applicable items.

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

1. Transactions with related parties

There are no applicable items.

2. Notes concerning parent companies and major affiliates

There are no applicable items.

Per share information

Previous fiscal year (from January 1, 2013 to December 31, 2013)		Current fiscal year (from January 1, 2014 to December 31, 2014)	
Net assets per share:	152.88 yen	Net assets per share:	173.51 yen
Net income per share:	12.48 yen	Net income per share:	34.70 yen

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

2. The Company, based upon the decisions reached 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 assets per share and net income per share, it is assumed that the 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	Previous fiscal year (from January 1, 2013 to December 31, 2013)	Current fiscal year (from January 1, 2014 to December 31, 2014)
Net income (millions of yen)	480	1,336
Net income (basic) (millions of yen)	480	1,336
Net income not available to common stock (millions of yen)	—	—
Average number of common stock outstanding during the period (shares)	38,486,400	38,486,400

Major subsequent events

There are no applicable items.

5) Consolidated statement schedule

Corporate bond schedules

There are no applicable items.

Schedule of debt

Classification	Balance at the beginning of the current term (millions of yen)	Balance at the end of the current term (millions of yen)	Average interest rate (%)	Repayment term
Short-term loans payable	1,000	1,000	0.76	—
Current portion of long-term loans payable	—	—	—	—
Lease obligations due within one year	—	—	—	—
Long-term loans payable (excluding current portion of loans)	—	—	—	—
Lease obligations (excluding obligations due within one year)	—	—	—	—
Other interest-bearing debt	—	—	—	—
Total	1,000	1,000	—	—

Note: The average weighted interest rate for term-end balance on loans is listed as the average interest rate.

Schedule of asset retirement obligations

Items are omitted because their amount does not exceed one-hundredth of the sum of liabilities and net assets at the respective time-neither at the beginning nor end of the current fiscal year.

(2) Other

Information for each fiscal quarter in the current fiscal year

(Aggregate period)	First quarter	Second quarter	Third quarter	Current fiscal year
Net sales (millions of yen)	4,582	9,432	14,614	20,175
Quarterly net income before income taxes (millions of yen)	254	705	1,106	1,646
Quarterly net income (millions of yen)	230	556	822	1,336
Quarterly net income per share (yen)	5.97	14.43	21.36	34.70

(Accounting period)	First quarter	Second quarter	Third quarter	Fourth quarter
Quarterly net income per share (yen)	5.97	8.46	6.92	13.35

2. Financial Statements

(1) Financial statements

1) Balance sheet

(Millions of 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	*1 389	*1 621
Income taxes receivable	242	—
Deferred tax assets	—	141
Other	*1 4	*1 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

(Millions of yen)

	FY12/13 end (December 31, 2013)	FY12/14 end (December 31, 2014)
Liabilities		
Current liabilities		
Short-term loans payable	*2 1,000	*2 1,000
Accounts payable-other	*1 160	*1 129
Accrued expenses	8	233
Income taxes payable	14	64
Accrued consumption taxes	5	64
Deposits received	2	41
Unearned revenue	*1 1	*1 1
Total current liabilities	1,191	1,531
Noncurrent liabilities		
Long-term guarantee deposited	*1 7	*1 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

(Millions of 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	*1 3,253	*1 2,281
Operating expenses	*1, *2 1,879	*1, *2 1,868
Operating income	1,374	413
Non-operating income		
Interest income	*1 1	*1 3
Dividends income	1	0
Real estate rent	*1 15	*1 15
Rent income on facilities	*1 5	*1 5
Trademark fee income	*1 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)

(Millions of yen)

	Shareholders' equity						
		Capital surplus		Retained earnings			
				Other retained earnings			
	Capital	Other capital surplus	Total capital surplus	Retained earnings carried forward	Total retained earnings	Treasury stock	Total shareholders' equity
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
Retirement 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

(Millions of yen)

	Valuation and translation adjustments		
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	Total net assets
Balance at the beginning of current period	8	8	2,549
Changes of items during the period			
Net income			1,350
Retirement 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)

(Millions of 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

[Notes]

(Significant accounting policies)

1. Valuations standards and methods for marketable securities
   (1) Shares in subsidiaries and affiliates
   Cost approach using a moving-average method
   (2) Other marketable securities
   Items with market value
   Market value method based on market prices on the settlement date (all valuation differences are reported as a component of net assets, and cost of sales is calculated using a moving-average method)
   Items without market value
   Cost approach using a moving-average method

2. Depreciation method for fixed assets
   (1) Property, plant and equipment
   Declining balance method
   However, for buildings acquired after April 1, 1998 (excluding accompanying facilities), we use a straight-line method.
   Useful lives for major details are as follows.
   Buildings: 3-15 years
   Tools, furniture and fixtures: 2-20 years
   (2) Intangible assets
   Software
   For in-house use, we use a straight-line method based on the period of availability within the company (5 years).
   Other
   Straight-line method

3. Standards for recording reserves
   (1)Allowance for doubtful accounts
   To prepare for credit losses, such as losses from accounts receivable and loans, we examine the collectability of general claims using a loan-loss ratio, and examine certain claims, such as those with default possibility, individually, and record the uncollectable amounts.
   (2)Provision for retirement benefits
   To prepare for retirement benefits for employees, we record amounts based upon expected ones for retirement benefit obligations and pension assets at the end of the current fiscal year.
   1) Method for distributing estimated retirement benefits
   In calculating retirement benefit obligations, fixed amount standards during term are used to allocate estimated retirement benefits to the period by the end of the current fiscal year.
   2) Method of accounting for actuarial differences and prior service costs
   Prior service costs are generally accounted for collectively in the fiscal year in which they arise.
   Actuarial differences are generally accounted for collectively in the fiscal year in which they arise.

4. Significant other items for preparing financial statements
   Accounting treatments for consumption tax, others
   Accounting treatments for consumption tax and local consumption tax are based on tax-excluded methods.

(Changes in presentation method)

Balance sheet, profit and loss statement, statements of shareholders' equity, schedule of property, plant and equipment, and schedule of allowances are prepared in accordance with the format stipulated in Article 127, Paragraph 1 of the Regulations for Financial Statements.

In addition, regarding the notes of each item in Article 127, Paragraph 2 of the Regulations for Financial Statements, they are changed to the notes for matters listed in Corporate Accounting Rules of each item.

The following matters are omitted:

- Notes concerning asset retirement obligations stipulated by Article 8-28 of the Regulations for Financial Statements are omitted, in accordance with Paragraph 2 of said Article;
- Notes for accumulated depreciation stipulated by Article 26 of the Regulations for Financial Statements are omitted, in accordance with Paragraph 2 of said Article;
- Notes for net assets per share stipulated by Article 68-4 of the Regulations for Financial Statements are omitted, in accordance with Paragraph 3 of said Article;
- Notes for net income or loss per share for the current fiscal year stipulated by Article 95-5-2 of the Regulations for Financial Statements are omitted, in accordance with Paragraph 3 of said Article;
- Notes for treasury stock stipulated by Article 107 of the Regulations for Financial Statements are omitted, in accordance with Paragraph 2 of said Article; and
- Schedule of marketable securities stipulated by Paragraph 1, Item 1 of Article 121 of the Regulations for Financial Statements are omitted, in accordance with Paragraph 3 of said Article.

(Notes on Balance Sheet)

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

Other than those separately recorded, amounts of pecuniary claims to affiliated companies or pecuniary claims are as follows.

	FY12/13 end (December 31, 2013)	FY12/14 end (December 31, 2014)
Short-term pecuniary claims	392 million yen	630 million yen
Short-term pecuniary debts	89 million yen	13 million yen
Long-term pecuniary debts	7 million yen	7 million yen

*2 The Company signed an agreement for overdraft with four banks to procure operating capital efficiently.

The balance of borrowing involved in the agreement for overdraft at the end of this 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 Profit and Loss Statement)

*1 Total amount of turnover for business and non-business transactions with affiliated companies are as follows:

	FY12/13 (From January 1, 2013 to December 31, 2013)	FY12/14 (From January 1, 2014 to December 31, 2014)
Business transaction		
Operating revenue	3,253 million yen	2,281 million yen
Operating expenses	91 million yen	73 million yen
Turnover for non-business transaction	24 million yen	22 million yen

*2 Among operating expenses, main items and their amounts are as follows:

	FY12/13 (From January 1, 2013 to December 31, 2013)	FY12/14 (From January 1, 2014 to December 31, 2014)
Salaries and bonuses	540 million yen	501 million yen
Retirement benefit expenses	11 million yen	14 million yen
Commission fee	381 million yen	386 million yen
Depreciation	143 million yen	133 million yen

Please note that all are included in selling, general, and administrative expenses.

(Notes on Marketable securities)

There are no subsidiary stocks or affiliate stocks with market value.

(Note) Balance sheet amounts for stocks of subsidiaries and affiliates for which the assessment of market value is recognized as being extremely difficult. (Millions of yen)

Classification	FY12/13 end (December 31, 2013)	FY12/14 end (December 31, 2014)
(1) Subsidiary stocks	1,552	551
(2) Affiliate stocks	91	91
Total	1,643	642

There is no market price for the items listed above. Therefore, it is extremely difficult to assess the market value of the items.

(Notes on tax-effect accounting)

1. Details of deferred tax assets and liabilities, by major causal factors

(Millions of yen)

	FY12/13 end (December 31, 2013)	FY12/14 end (December 31, 2014)
Deferred tax assets		
Provision for retirement benefits	—	94
Loss on revaluation of shares in affiliates	567	570
Gains on sales of stocks of subsidiaries under the Corporation Tax Act	—	159
Loss carried forward	1,252	1,052
Loss from revaluation of investments in securities	28	28
Other	37	38
Subtotal of deferred tax assets	1,883	1,941
Valuation reserve	(1,883)	(1,800)
Total deferred tax assets	—	141
Deferred Tax Liabilities		
Other	(6)	(4)
Total of deferred tax liabilities	(6)	(4)
Deferred tax assets or liabilities (-), net	(6)	137

2. Details of differences between effective tax rate and burden rate for income tax after tax-effect accounting is applied, by major causal items

	FY12/13 end (December 31, 2013)	FY12/14 end (December 31, 2014)
Effective tax rate	38.0 %	38.0 %
(Adjusted)		
Disallowable expenses	0.4	0.7
Dividends received	(34.1)	(0.7)
Per-capita residential tax	0.4	1.4
Loss carried forward	3.6	—
Valuation reserve	(7.0)	(20.4)
Gains on sales of stocks of subsidiaries under the Corporation Tax Act	—	(40.7)
Adjustment by decreasing end-of-period deferred tax assets due to changes in tax rates	—	2.3
Other	0.0	(0.1)
Burden rate for income tax after tax-effect accounting is applied	1.3 %	19.5 %

3. Modifications to the amount of deferred tax assets and liabilities due to changes of corporate taxation rates

With the promulgation of the Act for Partial Revision of the Income Tax Act etc. (Act No. 10 of 2014), the special corporation tax for reconstruction was not imposed for the fiscal year starting on and after April 1, 2014. Accordingly, the Normal Effective Statutory Tax Rate to be used in calculating deferred tax assets and liabilities, for temporary difference expected to be eliminated during the fiscal year starting on January 1, 2015, changes from the existing 38.0% to 35.6%.

The impact of this change in tax rates is expected to be minimal.

Major subsequent events

There are no applicable items.

4) Statement schedule

Schedule of property, plant and equipment

Classification	Type of asset	Balance at beginning of current year (millions of yen)	Increase during current year (millions of yen)	Decrease during current year (millions of yen)	Amortization during current year (millions of yen)	Balance at end of current year (millions of yen)	Accumulated depreciation (millions of yen)
Property, plant and equipment	Buildings	56	1	0	10	47	57
	Tools, furniture and fixtures	68	*1 55	0	32	90	125
	Construction in progress	1	45	45	—	1	—
	Total	124	101	45	42	138	182
Intangible assets	Software	306	*2 72	—	94	284	—
	Other	2	1	—	1	2	—
	Total	308	73	—	95	286	—

*1 Among tools, furniture and fixtures, main items for the increase are as follows:

PC environment development virtual servers 28 million yen

A set of Takamatsu flink system aggregation device 12 million yen

*2 Among software, main item for the increase is as follows:

Various software for in-house use 72 million yen

Schedule of allowances

Classification	Balance at beginning of current year (millions of yen)	Increase during current year (millions of yen)	Decrease during current year (millions of yen)	Balance at end of current year (millions of yen)
Allowance for doubtful accounts (current assets)	44	46	44	46
Allowance for doubtful accounts (noncurrent assets)	1	—	1	—

Note: Decrease in allowance for doubtful accounts (current assets) of 44 million yen for the current fiscal year indicates reversal due to latency

(2) Details of major assets and liabilities

It is omitted as consolidated financial statements are prepared.

(3) Other

There are no applicable items.

Part 6 Overview of the Shares of Company Affairs

Fiscal year	From January 1 to December 31
Annual general meeting of shareholders	During March
Record date	December 31
Record date for dividends of surplus	June 30, December 31
Number of shares per unit	100 shares
Purchase of odd-lot shares	
Handling position	(Special account) Stock Transfer Agency Business Planning Dept. Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo
Administrator of shareholder registry	(Special account) Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo
Agency office	—
Negotiation commission	Amount separately determined as stock brokerage commissions
Public announcement method	Announcements by our Company are made through electronic announcements. However, where it is not possible to make announcements through electronic announcements, or where other unavoidable circumstances arise, we list announcements in Nihon Keizai Shimbun. Details about electronic announcements are contained on our homepage (http://www.fullcastholdings.co.jp).
Benefits to shareholders	N/A

Note: Shareholders of the Company who hold shares in a number less than one unit may not exercise rights other than the following in relation to the shares they hold in a number less than one unit.

- The rights stipulated in each item of Paragraph 2, Article 189 of the Companies Act
- The right to make a request in accordance with the provisions of Paragraph 1, Article 166 of the Companies Act
- The right to receive the allotment of shares for subscription and the allotment of share option in accordance with the number of shares held by the shareholder

Part 7 Reference Information on Submitting Companies

1. Information on parent companies of submitting companies

The Company does not have any parent companies

2. Other reference information

In the period from the start of the 22nd fiscal year until the submission date for annual securities reports, the following documents have been submitted.

(1) Annual securities report, attached documents and confirmation notes
Fiscal year: Term 21 (from January 1, 2013 to December 31, 2013), submitted to the Director General of the Kanto Regional Financial Bureau on March 28, 2014

(2) Internal control report and attached documents
Submitted to the Director General of the Kanto Regional Financial Bureau on March 28, 2014

(3) Quarterly reports and confirmation notes
Term 22, first quarter (from January 1, 2014 to March 31, 2014): submitted to the Director General of the Kanto Regional Financial Bureau on May 14, 2014
Term 22, second quarter (from April 1, 2014 to June 30, 2014): submitted to the Director General of the Kanto Regional Financial Bureau on August 13, 2014
Term 22, third quarter (from July 1, 2014 to September 30, 2014): submitted to the Director General of the Kanto Regional Financial Bureau on November 12, 2014

(4) Extraordinary report
Extraordinary report pursuant to the provisions of Paragraph 2, Item 9-2 of Article 19 of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc. (Results of exercise of voting rights at the annual general meeting of shareholders): submitted to the Director General of the Kanto Regional Financial Bureau on March 31, 2014

Section 2 Information on Guaranty Companies of Submitting Companies

There are no applicable items.