

Consolidated Business Results for the Aggregated Third Quarter of the Fiscal Year Ending December 2019 (Jan.–Sep. 2019)

November 8, 2019

FULLCAST HOLDINGS CO., LTD. (4848)

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I 3Q FY12/19 Consolidated Business Highlights (Jan.–Sep. 2019)

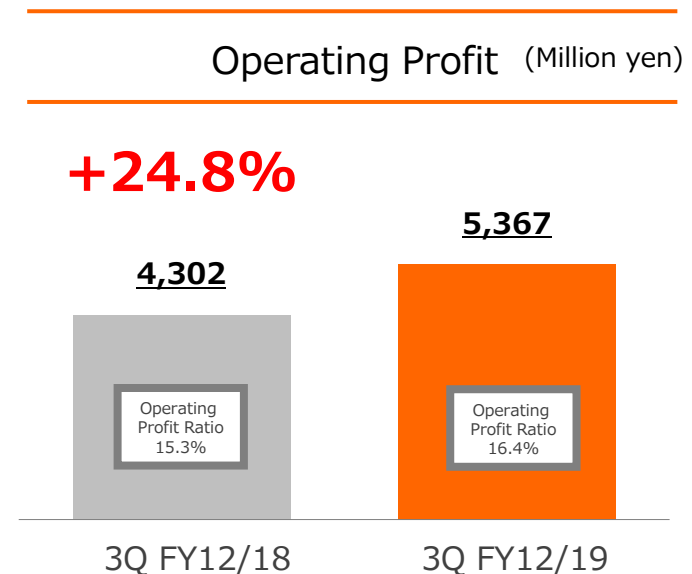
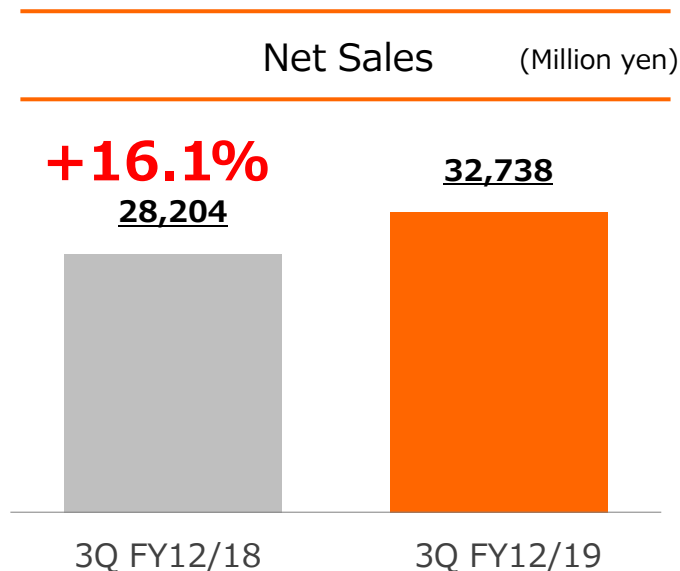
Consolidated: 3Q FY12/19 Year-on-Year Comparison

【Factors Behind the Change in Net Sales】

- Net sales **increased by 16.1%** year-on-year, driven by the continuing trend of strong demand for short-term staffing in our mainstay Short-Term Operational Support Business.

【Factors Behind the Change in Operating Profit】

- Operating profit **increased by 24.8%** year-on-year, due mainly to the increase in sales in the “Short-Term Operational Support Business.” The operating profit ratio **increased by 1.1PT**.



Consolidated: 3Q FY12/19 Year-on-Year Comparison

➤ Ordinary profit **increased by 25.7%** year-on-year and profit attributable to owners of parent **increased by 23.5%** year-on-year, on the back of the rise in consolidated operating profit.

(Million yen)

	3Q FY12/18	3Q FY12/19	Difference	Rate of change
Net Sales	28,204	32,738	4,534	16.1%
Gross Profit	12,072	13,846	1,774	14.7%
SG&A expenses	7,770	8,479	709	9.1%
Operating Profit	4,302	5,367	1,065	24.8%
Operating Profit Ratio	15.3%	16.4%	—	1.1PT
Ordinary Profit	4,357	5,478	1,121	25.7%
Profit attributable to owners of parent	2,929	3,618	689	23.5%

II 3Q FY12/19 Segment Highlights

Short-Term Operational Support

Business Earnings

(Jan.–Sep. 2019)

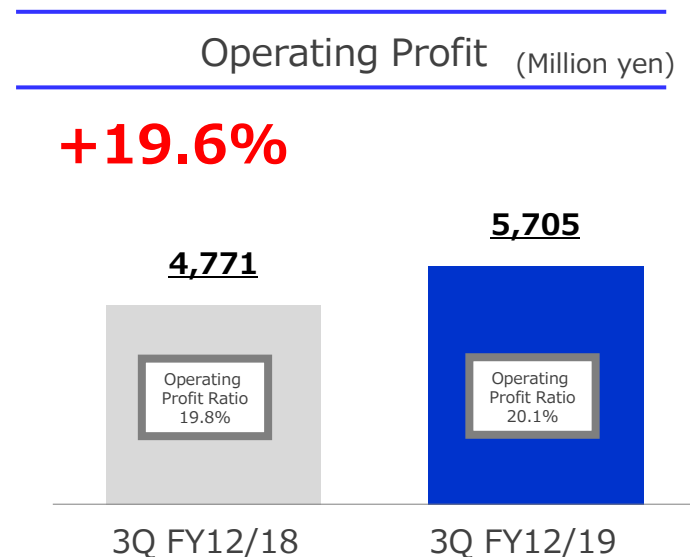
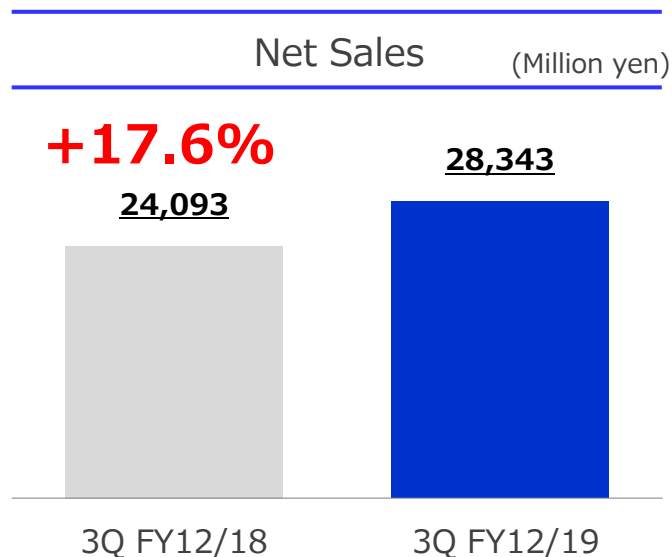
Short-Term: 3Q FY12/19 Year-on-Year Comparison

【Factors Behind the Change in Net Sales】

- Net sales **increased by 17.6%** year-on-year, driven by growth in “Dispatching” service by our efforts to satisfy the long-term human resource needs of the client companies, in addition to leading of mainstay “Placement” and “BPO” services based on the continuing trend of strong demand for short-term staffing.

【Factors Behind the Change in Operating Profit】

- Operating profit **increased by 19.6%** year-on-year, due mainly to the increase in sales of mainstay services along with the “Dispatching” service. The operating profit ratio **increased by 0.3PT**.



Short-Term: 3Q FY12/19 Year-on-Year Comparison (By Service Category)

(Million yen)

	3Q FY12/18	3Q FY12/19	Difference	Rate of change
Net Sales	24,093	28,343	4,249	17.6%
Placement	4,046	4,470	424	10.5%
BPO	4,351	4,809	459	10.5%
Dispatching	13,125	15,530	2,405	18.3%
Outsourcing	2,571	3,533	962	37.4%
Gross Profit	10,686	12,400	1,714	16.0%
Placement	3,923	4,335	412	10.5%
BPO	4,184	4,585	401	9.6%
Dispatching	2,088	2,603	515	24.7%
Outsourcing	491	877	386	78.6%

- Sales of mainstay services "Placement" and "BPO" increased, due mainly to our ability to address the short-term staffing needs of client companies by providing the Placement service together with "Payroll Management" service, a core business of BPO, as a set.
- "Dispatching" services also grew due to our ability to satisfy the long-term human resource needs within recruitment demand of client companies through providing mainstay services.
- "Outsourcing" services grew due mainly to the inclusion of the earnings of Minimaid Service Co., Ltd., a newly consolidated subsidiary.

✓ The earnings of Minimaid Service Co., Ltd., which became a consolidated subsidiary on August 31, 2018, have been included in "Outsourcing" services since the fourth quarter of the fiscal year ended December 2018.

III 3Q FY12/19 Segment Highlights Sales Support Business Earnings (Jan.–Sep. 2019)

Sales: 3Q FY12/19 Year-on-Year Comparison

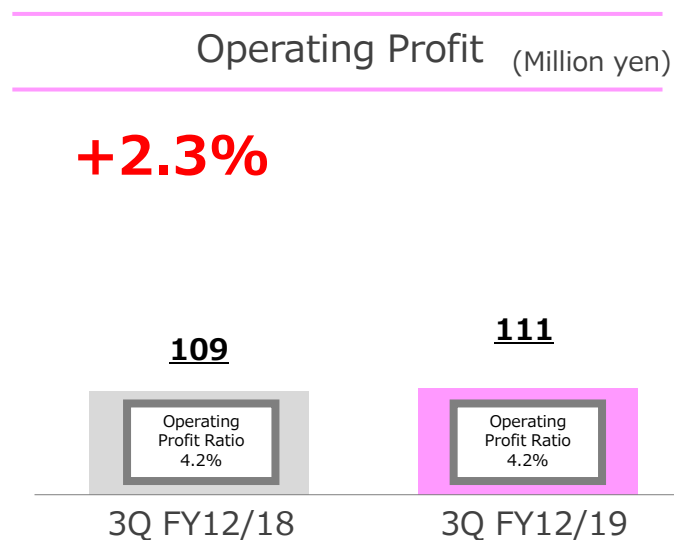
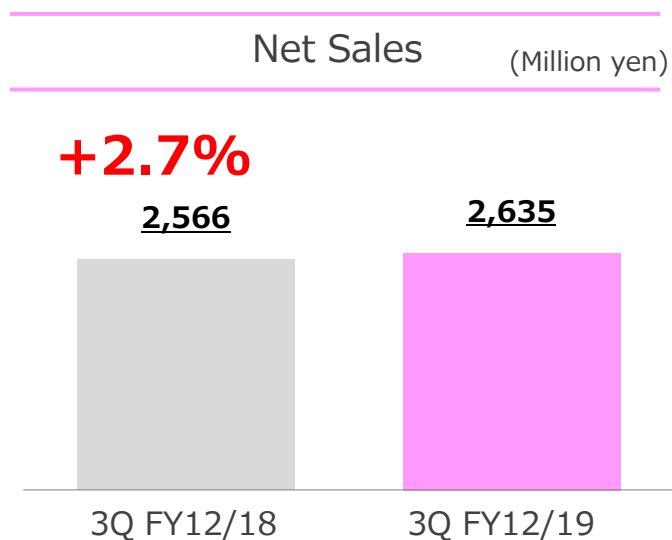
[Factors Behind the Change in Net Sales]

- Net sales **increased by 2.7%** year-on-year, despite the impact of the reorganization of unprofitable sites in the previous fiscal year.

[Factors Behind the Change in Operating Profit]

- Operating profit **increased by 2.3%** year-on-year, due mainly to the increase in net sales.

✓ The Sales Support Business segment is mainly comprised of the "call center", "online", "alliance" and "entertainment" businesses.



IV 3Q FY12/19 Segment Highlights

Security, Other Businesses

Earnings (Jan.–Sep. 2019)

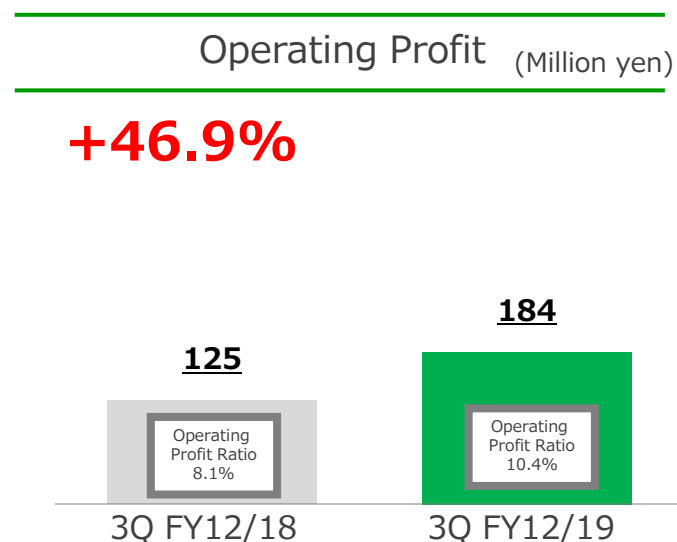
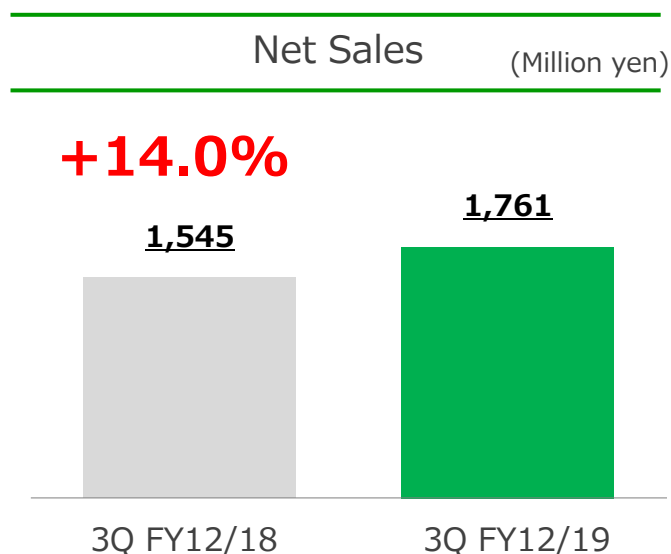
Security, Other: 3Q FY12/19 Year-on-Year Comparison

【Factors Behind the Change in Net Sales】

- Net sales **increased by 14.0%** year-on-year, due mainly to an increase in the number of long-term security projects acquired.

【Factors Behind the Change in Operating Profit】

- Operating profit **increased by 46.9%** year-on-year, on the back of growth in sales and successful measures to restrain SG&A expenses ratio. The operating profit ratio **increased 2.3PT**.



V 3Q FY12/19

Progress Relative to Business Forecast

3Q FY12/19 Progress Relative to Business Forecast

- As for consolidated business performance in the aggregate third quarter, we made steady progress toward our full-year forecasts due to strong sales in our mainstay Short-Term Operational Support Business.
- Our full-year business forecasts will be left unchanged, given that business performance in the aggregate third quarter progressed at a level that does not require revisions to the full-year business forecasts.

(Million yen)

		3Q FY12/19	FY12/19 Business Forecast for Full-year	Rate of progress
Net Sales		32,738	42,300	77.4%
Gross Profit		13,846	18,811	73.6%
Operating Profit		5,367	6,830	78.6%
Ordinary Profit		5,478	6,930	79.0%
Profit attributable to owners of parent		3,618	4,593	78.8%
Short-Term Operational Support Business	Net Sales	28,343	36,766	77.1%
	Placement	4,470	6,417	69.7%
	BPO	4,809	6,578	73.1%
	Dispatching	15,530	19,726	78.7%
	Outsourcing	3,533	4,045	87.3%
Sales Support Business	Net Sales	2,635	3,317	79.4%
Security, Other Businesses	Net Sales	1,761	2,217	79.4%

■ Basic Stance on Capital Policy

The Fullcast Group maintains a basic policy of maximizing capital efficiency and securing financial soundness to achieve sustained improvement in corporate value.

- Maintaining a total return ratio of 50% relative to shareholders as an indicator to support sustained improvement in corporate value and to maximize capital efficiency.
- Our goal of enhancing corporate value is to maintain an ROE of 20% or greater.
- We will maintain a maximum D/E ratio of 0.5x in order to enhance corporate value and to maintain financial soundness.

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Notes

• About this Document

- In this document, the Short-Term Operational Support Business is referred to as "Short-Term", and the Sales Support Business is referred to as "Sales" in some parts.
- In this document, names of services are written in an abbreviated form; "Part-Time Worker Placement" service is referred to as "Placement"; and "Part-Time Worker Payroll Management", "My Number Management", "Year-End Tax Adjustment Management", and BPO services by BOD Co., Ltd. are referred to as "BPO" in the Short-Term Operational Support Business, which were launched along with the implementation of the Revised Worker Dispatching Act on October 1, 2012. In addition, "Long-Term Dispatching" services with a contract period of 31 days or longer, which has been conducted after the implementation of the Revised Worker Dispatching Act, is referred to as "Dispatching."

• Short-Term Operational Support Business

- The earnings of Minimaid Service Co., Ltd., which became a consolidated subsidiary on August 31, 2018, have been included in "Outsourcing" services since the fourth quarter of the fiscal year ended December 2018.
- "BPO" services represent the aggregated total of "Part-Time Worker Payroll Management", "My Number Management", "Year-End Tax Adjustment Management", and BPO services conducted by BOD Co., Ltd.
- The figures for each service category of the Short-term Operational Support Business segment represent reference figures and have not been audited by our accounting auditor.

• Sales Support Business

- The Sales Support Business segment is mainly comprised of the "call center", "online", "alliance" and "entertainment" businesses.
- The "call center", "online" and "alliance" businesses each involve the sale of Internet access.

Providing the **best place** for people to bring out **their best.**

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