Consolidated Business Results for the Fiscal Year Ended December 2018(Jan. – Dec. 2018)

February 8, 2019 **FULLCAST HOLDINGS CO., LTD. (4848)**

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Agenda

- 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.
- We acquired the shares of BOD Co., Ltd. during the first quarter and the shares of Minimaid Service Co., Ltd. during the third quarter, with both companies now newly included it in the scope of consolidation. The earnings of both companies are included in the Short-Term Operational Support Business.
- In the second quarter, BOD Co., Ltd. changed its settlement date to December 31; therefore, the settlement date is the same as the consolidated account settlement date. Financial statements were prepared based on a provisional settlement conducted by BOD Co., Ltd. as of the consolidated settlement date. Therefore, this change does not have any impact on consolidated financial statements. The final day of the business year of other consolidated subsidiaries all match the consolidated account settlement date.
- From the fiscal year ended December 2018, the name of "Management" service has been changed to the "BPO" service.
- 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."

FY12/18
Summary of Business Performance

FY12/18 Summary of Business Performance

Consolidated results set a highest past profits (*)

- Throughout the year, strong demand for hiring among client companies and the Group's efforts to fortify its ability to supply sufficient human resources to satisfy client demand for short-term staffing allow operating income, ordinary income and net income attributable to Fullcast Holdings Co., Ltd. to reach new record highs.
- Because of impairment loss (share of loss of entities accounted for using equity method) associated with a decline in the share value of Advancer Global Limited (an affiliate under equity method), consolidated ordinary income and net income attributable to Fullcast Holdings Co., Ltd. were lower than the revised full-year business forecast.

Achieved the target for final fiscal year of our Medium-Term Management Plan (FY16–FY20) two years ahead of schedule, and reviewed the Plan for this target period

- We achieved the operating income target of 5 billion yen set for the final fiscal year of our Medium-Term Management Plan (FY16–FY20) two years ahead of schedule.
- Based on this achievement, we reviewed the plan for the fiscal years ending December 2019 to 2020. Although the two-year portion of the plan was reviewed, we made no changes to the Plan's underlying assumptions, management strategy and target levels of main management indicators.

* The "highest past profits" indicates operating income of 4,720 million yen recorded in the fiscal year ended September 2006, ordinary income of 4,610 million yen recorded in the fiscal year ended September 2005, and net income attributable to Fullcast Holdings Co., Ltd. of 2,940 million yen recorded in the fiscal year ended September 2006.

FY12/18
Consolidated Business Highlights
(Jan. – Dec. 2018)

FY12/18 Comparison vs. Revised Business Forecast

- Net sales (achievement rates of 102.8%) and operating income (104.9%) for the fiscal year ended December 2018 each surpassed our revised business forecasts (announced on Aug. 10, 2018) for this period due to strong demand for hiring among client companies in excess of expectations for short-term staffing needs, the Fullcast Group's efforts to fortify its ability to supply sufficient human resources to satisfy client demand for short-term staffing, throughout the year.
- Achievement rates for the revised business forecasts for the fiscal year ended December 2018 were 92.7% of ordinary income and 86.7% of net income attributable to Fullcast Holdings Co., Ltd., mainly due to impairment loss (share of loss of entities accounted for using equity method) associated with a decline in the share value of Advancer Global Limited (an affiliate under equity method).
- Net income used to calculate ROE and total return ratio is net income excluding the influence of income taxes-deferred arising from the recording of deferred tax assets for losses carried forward (adjusted net income). Furthermore, adjustments will not be made for these influences in the fiscal year ending December 2019 and thereafter given that deferred tax assets were eliminated in the fiscal year ended December 2018.

(Million yen)

	FY12/18 Revised Business Forecast	FY12/18 Results	Difference	Achievement rate
Net Sales	37,780	38,852	1,072	102.8%
Gross Profit	16,272	16,656	384	102.4%
Operating Income	5,620	5,896	276	104.9%
Ordinary Income	5,700	5,286	(414)	92.7%
Net Income attributable to Fullcast Holdings Co., Ltd.	3,819	3,310	(509)	86.7%
Net Income per share (yen)	101.4	87.9	(13.5)	86.7%
(Reference)				
ROE	32.1%	28.4%	—	(3.7) PT
Adjusted Net Income	3,894	3,385	(509)	86.9%
Adjusted Net Income per share (yen)	103.4	89.9	(13.5)	86.9%
Adjusted ROE	32.7%	29.0%	—	(3.7) PT

* "Adjusted net income" refers to net income attributable to Fullcast Holdings Co., Ltd. excluding the influence of income taxes-deferred arising from recording of deferred tax assets for losses carried forward.
* "Adjusted net income per share (yen)" refers to net income per share calculated based on adjusted net income.
* "Adjusted ROE" refers to ROE calculated based on adjusted net income.

FY12/18 Comparison vs. Revised Business Forecast (Segment Sales)

- The Short-Term Operational Support Business, which is a mainstay business of our Group, exceeded the revised business forecast for the fiscal year ended December 2018, consequently consolidated net sales exceeded the revised forecast.

(Million yen)

		FY12/18 Revised Business Forecast	FY12/18 Results	Difference	Achievement rate
Short-Term Operational Support Business	Net Sales	32,375	33,417	1,041	103.2%
	Placement	5,579	5,704	124	102.2%
	BPO	5,733	5,916	183	103.2%
	Dispatching	17,629	18,385	756	104.3%
	Outsourcing	3,434	3,412	(22)	99.4%
Sales Support Business	Net Sales	3,336	3,313	(22)	99.3%
Security, Other Businesses	Net Sales	2,069	2,122	53	102.6%
Consolidated	Net Sales	37,780	38,852	1,072	102.8%

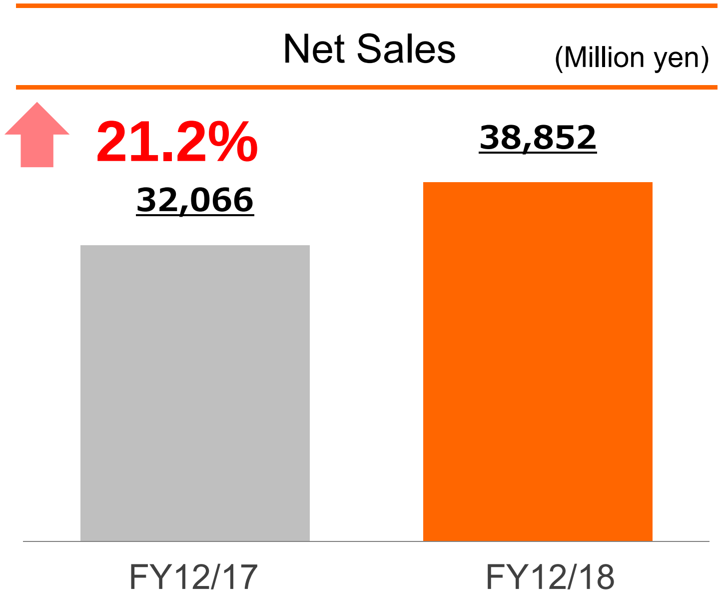
Consolidated: FY12/18 Year-on-Year Comparison

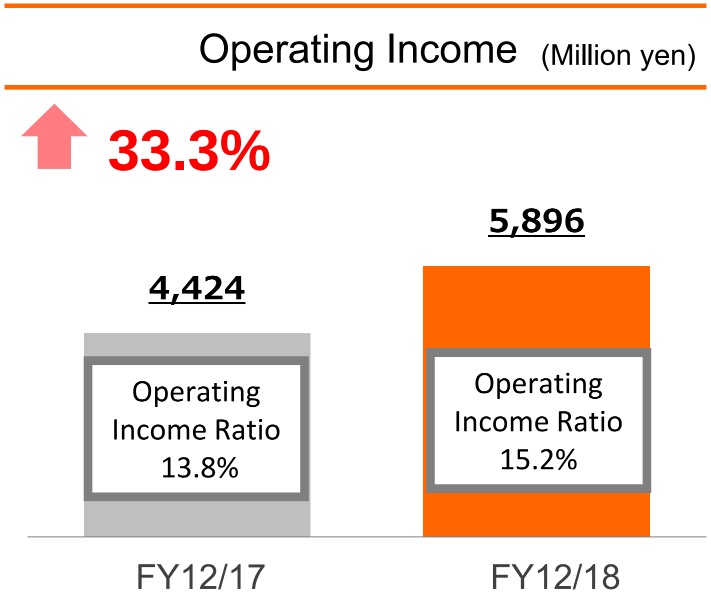
【Factors Behind the Change in Net Sales】

- Net sales increased by 21.2% year-on-year attributed mainly to growth in “BPO” from the inclusion of the results of BOD Co., Ltd., in addition to higher sales of the existing mainstay services of “Placement” and “BPO” throughout the year, in the Short-Term Operational Support Business, a mainstay business.

【Factors Behind the Change in Operating Income】

- Operating income increased by 33.3% and operating income ratio increased 1.4PT year-on-year due mainly to an increase in sales in the Short-Term Operational Support Business.





Consolidated: FY12/18 Year-on-Year Comparison

- Ordinary income ended up posting an increase of only 20.0% year-on-year due to an impairment loss (share of loss of entities accounted for using equity method) associated with a decline in the share value of Advancer Global Limited (an affiliate under equity method) against growth in operating income.
- Net income attributable to Fullcast Holdings Co., Ltd. increased by 10.6% year-on-year because the tax burden for the fiscal year increased after the amount of loss carried forward was eliminated in the previous fiscal year, and because a gain on step acquisitions* of 167 million yen was posted in the previous fiscal year.

(Million yen)

	FY12/17	FY12/18	Difference	Rate of change
Net Sales	32,066	38,852	6,786	21.2%
Gross Profit	12,682	16,656	3,974	31.3%
SG&A expenses	8,258	10,760	2,503	30.3%
Operating Income	4,424	5,896	1,472	33.3%
Operating Income Ratio	13.8%	15.2%	—	1.4 PT
Ordinary Income	4,406	5,286	879	20.0%
Net Income attributable to Fullcast Holdings Co., Ltd.	2,994	3,310	316	10.6%

	FY12/17	FY12/18	Rate of change
Gross profit per 1 yen of personnel costs (yen)	2.7	2.6	(5.0)%

- "Gross profit per 1 yen of personnel costs" appears rounded off to the second decimal place.

- Gross profit per 1 yen of personnel costs, which is used as an indicator of the Group's productivity, stood at 2.6 yen. This indicator exceeded results for the previous year when the impact of BOD Co., Ltd. becoming a new subsidiary was excluded.

* "Gain on step acquisitions" represents a gain not accompanying a transfer of cash that occurred because the revised market value of existing equity interest exceeding the book value when turning F-PLAIN Corporation from an affiliate under the equity method to a consolidated subsidiary.

FY12/18
Segment Highlights
Short-Term Operational Support Business Earnings
(Jan. – Dec. 2018)

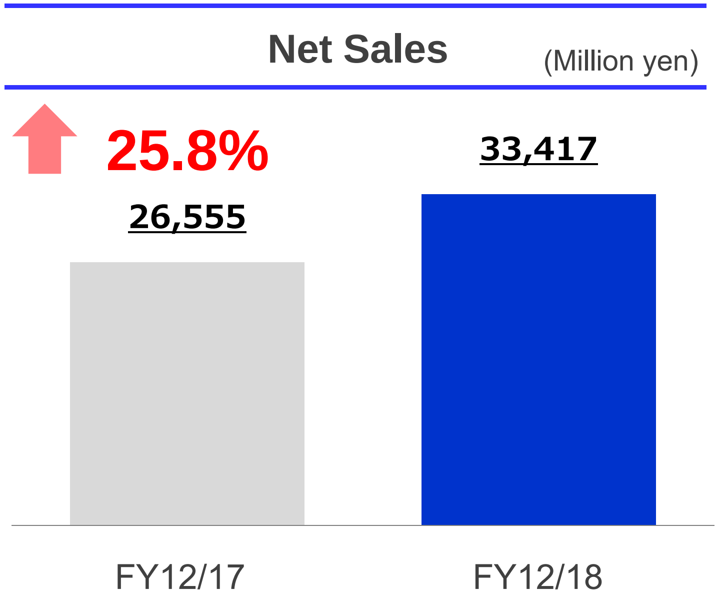
Short-Term: FY12/18 Year-on-Year Comparison

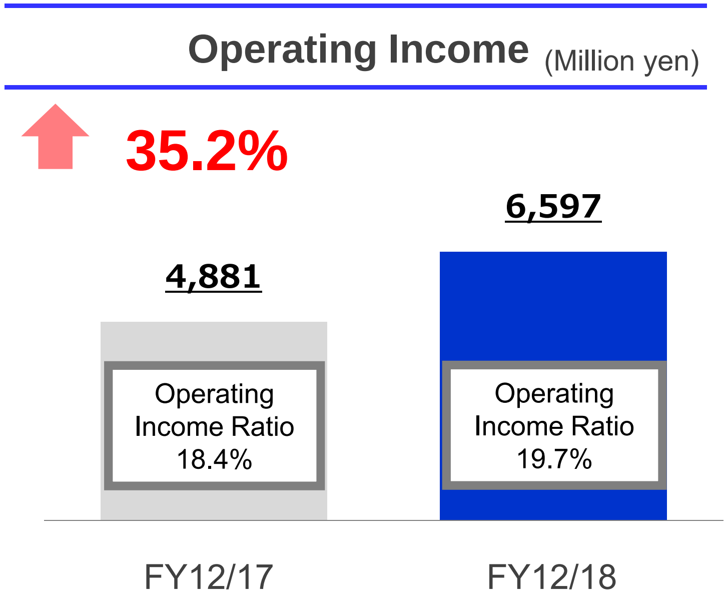
【Factors Behind the Change in Net Sales】

- Net sales increased by 25.8% year-on-year due mainly to growth in "BPO" associated with the inclusion of the earnings of BOD Co., Ltd., in addition to higher net sales of the existing mainstay services of "Placement" and "BPO" amid sustained strong demand for hiring among client companies throughout the year.

【Factors Behind the Change in Operating Income】

- Operating income increased by 35.2% and operating income ratio increased 1.4PT year-on-year due mainly to an increase in sales of existing mainstay services.





Short-Term: FY12/18 Year-on-Year Comparison (by Service Category)

(Million yen)

	FY12/17	FY12/18	Difference	Rate of change
Net Sales	26,555	33,417	6,862	25.8%
Placement	4,755	5,704	948	19.9%
BPO	2,857	5,916	3,060	107.1%
Dispatching	15,662	18,385	2,723	17.4%
Outsourcing	3,281	3,412	131	4.0%
Gross Profit	10,616	14,846	4,229	39.8%
Placement	4,586	5,516	930	20.3%
BPO	2,831	5,656	2,826	99.8%
Dispatching	2,518	2,960	441	17.5%
Outsourcing	681	714	33	4.8%

- Throughout the year, existing mainstay "Placement" and "BPO" services saw growth thanks to sustained strong demand for hiring amongst client companies and increases in total and new customers.
- "BPO" sales rose due to the inclusion of earnings of BOD Co., Ltd., which was newly consolidated.

	FY12/17	FY12/18	Difference	Rate of change
Number of customers	20,670	25,807	5,137	24.9%
Number of new customers	6,953	7,845	892	12.8%

- "Dispatching" services also grew due to our ability to satisfy the long-term human resource needs of client companies amidst our efforts to build a market for mainstay services.

> We acquired BOD Co., Ltd. in the first quarter and its results have been included in "BPO" services. In addition, we acquired Minimaid Service Co., Ltd. during the fourth quarter and its results have been included in "Outsourcing."

> The results of Fullcast Global Co., Ltd., which began operations in the fourth quarter, have been included in overall results.

> "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.

> Numerical data represent reference figures and have not been audited by our accounting auditor.

FY12/18
Segment Highlights
Sales Support Business Earnings
(Jan. – Dec. 2018)

Sales: FY12/18 Year-on-Year Comparison

【Factors Behind the Change in Net Sales】

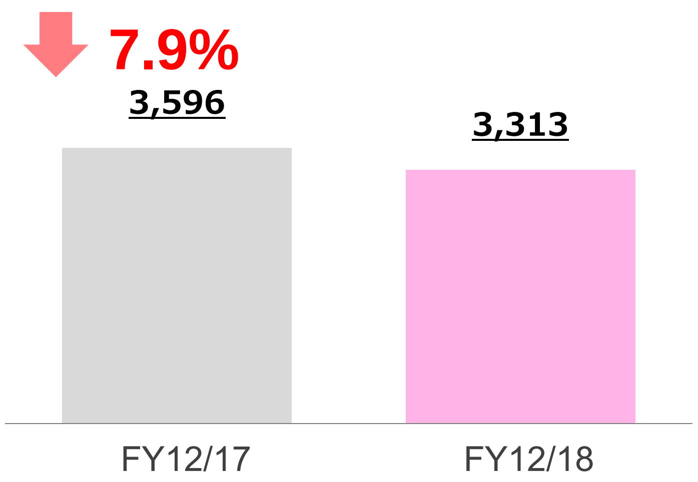
- Net sales declined by 7.9% year-on-year due to slow sales of telecommunications products throughout the year.

【Factors Behind the Change in Operating Income】

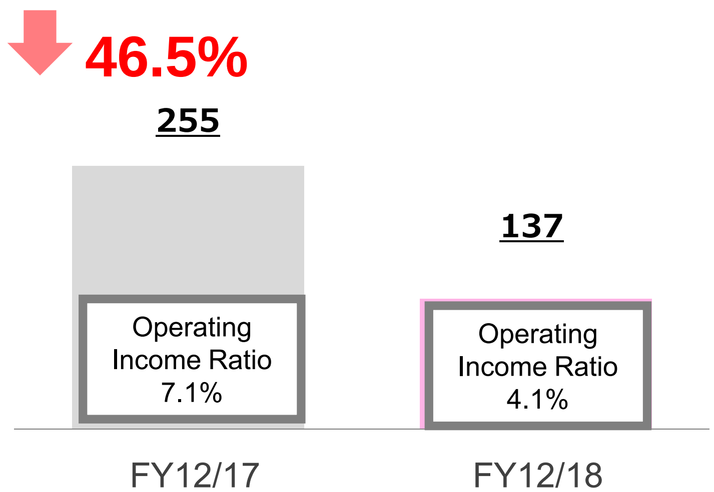
- Operating income declined by 46.5% year-on-year because of the decline in net sales.

- 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.

Net Sales (Million yen)



Operating Income (Million yen)



FY12/18
Segment Highlights
Security, Other Businesses Earnings
(Jan. – Dec. 2018)

Security, Other: FY12/18 Year-on-Year Comparison

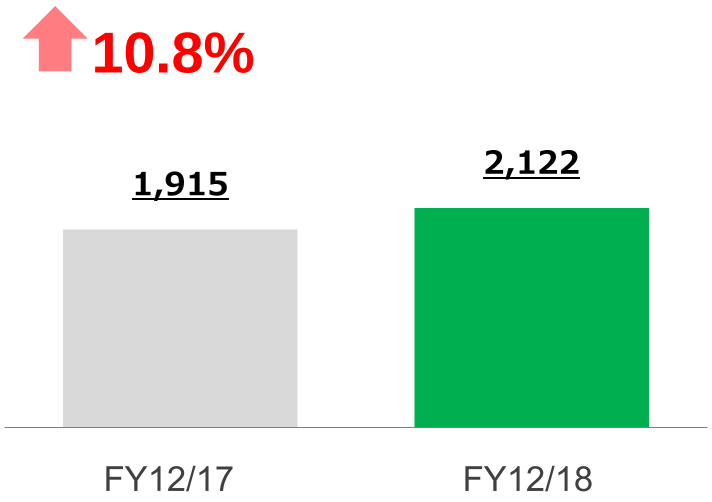
【Factors Behind the Change in Net Sales】

- Net sales increased by 10.8% year-on-year due mainly to an increase in the number of long-term security projects in the "Security Business", the core service of this segment.

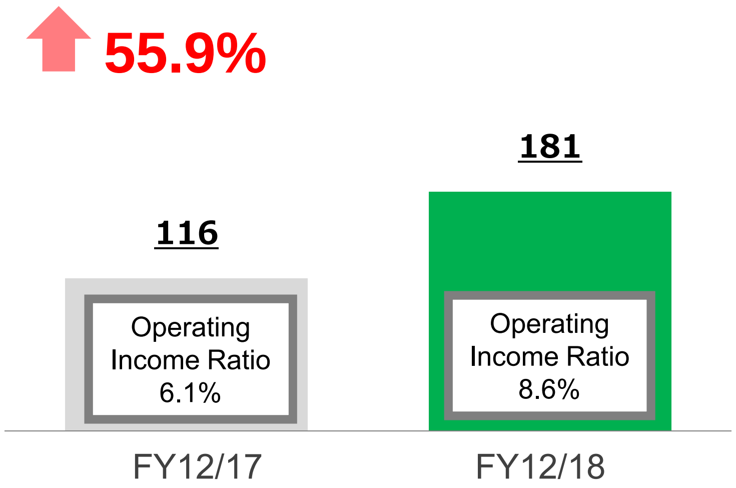
【Factors Behind the Change in Operating Income】

- Operating income increased by 55.9% year-on-year and the operating income ratio increased 2.5PT, due mainly to sales activities focused on raising profitability, improvements in gross margin by securing high profit margin long-term security projects, in addition to efforts to restrain SG&A expenses ratio.

Net Sales (Million yen)



Operating Income (Million yen)



FY12/18 Summary

Business Targets for the Fiscal Year Ended December 2018

- **Achieve record high profits*** by reinforcing group synergies and further increasing productivity

* "Record high profits" indicates operating income of 4,720 million yen recorded in the fiscal year ended September 2006.

Business Strategy for the Fiscal Year Ended December 2018

Strategy 1: Improve recruitment efficiency and staff operation rate

Strategy 2: Further strengthen Group synergies

Strategy 3: Expand BPO business and launch new services

Progress of Strategies 1 to 3

● Strategy 1: Improve Recruitment Efficiency and Staff Operation Rate

- We controlled recruitment expense ratio and made efforts to increase hiring efficiency throughout the year by continually reviewing the allocation of investments in recruitment expenses. In addition, we continued efforts to improve usability, etc. and secured the number of operating workers necessary to post results in excess of the revised business forecasts (See page 21).
- We considered replacement of our matching system and introduced a new system at the beginning of fiscal year ending December 2019 to improve usability and matching operation efficiencies.

● Strategy 2: Further Strengthen Group Synergies

- We encouraged our registered staff to register with other companies within the Fullcast Group to maximize staff utilization.

● Strategy 3: Expand BPO Business and Launch New Services

- We commenced a feasibility study on the “Employee Payroll” service.
- We continue to examine and prepare for the “Hiring Management” service (scheduled introduction in fiscal year ending December 2019 or thereafter).
- We established a dedicated sales team to strengthen expand sales of the BPO services menu offered by BOD Co., Ltd. to client companies of our entire Group. We will begin full scale expansion of these sales from the fiscal year ending December 2019.

➡ **These strategy are not temporary, medium to long-term issues. We will continue to prepare and optimize these strategies so that results can be realized in this fiscal year and next fiscal year and beyond.**

Strategy 4: Other Strategiy

Establishment of new company

Fullcast Global Co., Ltd. (Oct.)

- This company's mission is to expand the Short-Term Operational Support Business through job placement support for global human resources, identifying a new workforce segment and providing them to client companies.

M&A

BOD Co., Ltd. (Jan.)

- We acquired shares of BOD Co., Ltd. (51%) making it a consolidated subsidiary.
- To expand BPO services for client companies of the Group and further raise the productivity of both.

DeliArt Co., Ltd. (Jun.)

- We acquired shares of DeliArt Co., Ltd. (20%), making it an affiliate accounted for by the equity-method.
- We will now reinforce our growth strategy and boost earnings of both companies, with an eye to deploying our Group's services and know-how for the customer base of DeliArt Co., Ltd., which includes hotels and wedding venues.

Advancer Global Limited (Aug.)

- We acquired shares of Advancer Global Limited through a placement to increase its capital by way of third-party allotment (25.2% [including diluted shares]) and made it an affiliate accounted for by the equity-method.
- We aim to established a joint venture company this fiscal year that provides services for utilization of foreign national workers in Japan.

Minimaid Service Co., Ltd. (Aug.)

- We acquired all shares of Minimaid Service Co., Ltd. and made it a consolidated subsidiary.
- We seek to expand into the housekeeping field, which is a closely related domain that adds value to the "light work staffing service domain", an area where Fullcast Holdings Co., Ltd. excels.

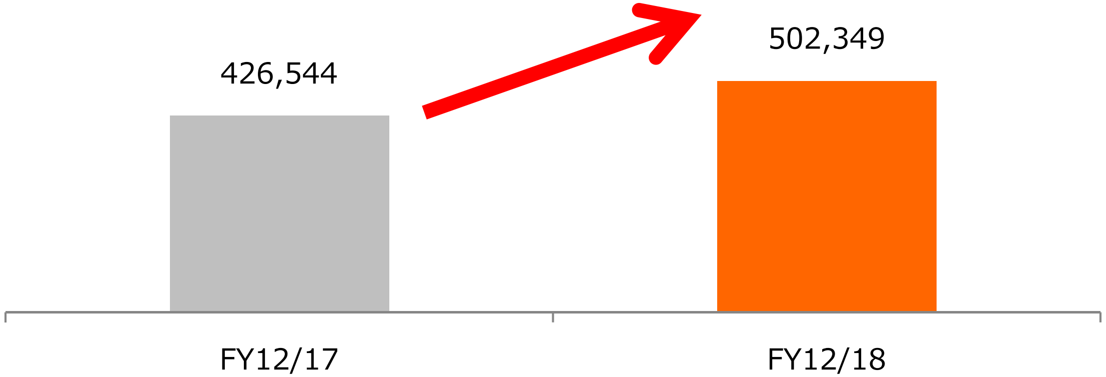
Business Alliance

Daiwa House Industry Co., Ltd. (Dec.)

- Daiwa House Industry Co., Ltd. will refer existing and new tenants in its logistics facilities to us, and we will provide staffing services to these companies, thereby contributing to the business development of both companies.

Ongoing Initiatives

Initiative 1: Increase Hiring Capability



- The number of hires was 502,349, which marks a 17.8% increase over the previous year.
- We lowered the recruitment expense to gross income ratio throughout the year and are now able to efficiently acquire large numbers of hires.

(Million yen)

	FY12/17	FY12/18	Difference
Recruitment expenses	439	510	72
Recruitment expense to gross income ratio	3.5%	3.1%	(0.4) PT

➢ The number of hires is the total of the number of hires at each company belonging to the Short-Term Operational Support Business.

Initiative 2: Increase the Number of Operating Workers

	FY12/17	FY12/18	Difference	Rate of change
Number of operating workers	231,222	269,073	37,851	16.4%

- The number of operating workers increased by 16.4% year-on-year to 269,073, which exceeded targets (257,400 people) for the final fiscal year of the Medium-Term Management Plan (FY16–FY20).

➢ The number of operating workers is the number of unique persons employed in services excluding "BPO" at each company belonging to the Short-Term Operational Support Business.

Initiative 3: Opening New Offices

- **We opened a total of 15 new offices.**

Fullcast Co., Ltd.
Akita, Akita Pref. (Feb. 1), Miyagi-Kita, Miyagi Pref. (Feb. 1), Yamaguchi, Yamaguchi Pref. (Feb. 1), Okinawa, Okinawa Pref. (Feb. 1), Miyazaki, Miyazaki Pref. (Jul. 17), Obihiro and Hakodate, Hokkaido (Sep. 1), Hachinohe, Aomori Pref. (Sep. 1), Joetsu, Niigata Pref. (Sep. 1), Nasu, Tochigi Pref. (Sep. 1), Yokosuka, Kanagawa Pref. (Sep. 1), Hirakata, Osaka Pref. (Sep. 1), and Shimane, Shimane Pref. (Sep. 1)

Top Spot Co., Ltd.
Sendai, Miyagi Pref. (Feb. 1) and Gifu, Gifu Pref. (Jul. 1)

FY12/19
Business Targets and Strategy

Business Targets and Strategy for the Fiscal Year Ending December 2019

Business Targets for the Fiscal Year Ending December 2019

- **Expand Short-Term Operational Support Business and promote to cultivate and gain new business opportunities in neighboring business fields**

Business Strategy for the Fiscal Year Ending December 2019

Strategy 1: Expand Short-Term Operational Support Business

Strategy 2: Improve recruitment efficiency and staff utilization rates

Strategy 3: Further strengthen Group synergies

Business Strategy for the Fiscal Year Ending December 2019

Expand Short-Term Operational Support Business

- Continue opening new offices to create new business locations (ca. 10 locations/year)
- Capture short-term demand from the Rugby World Cup and the Tokyo Olympics
- Improve BPO service menu and promote sales

Improve recruitment efficiency and staff utilization rates

- Continue to implement reviews of the allocation of investments in recruitment expenses
- Expand sharing of staff and orders across the entire Group
- Replace existing matching system

Further strengthen Group synergies

- Promote joint operations with BOD Co., Ltd.
- Strengthen recruiting and human support for Minimaid Service Co., Ltd.
- Establish and nurture a joint venture with Advancer Global Limited

FY12/19
Business Forecasts

FY12/19 Business Forecasts

- While maintaining a focus on expanding our mainstay Short-Term Operational Support Business, we will promote to cultivate and gain new business opportunities in neighboring business fields and endeavor to achieve further business growth by boosting sales across the entire Group. Also, we will continue to promote improvements in operational efficiencies across the entire Group to increase productivity and to achieve our forecasts for the fiscal year ending December 2019.
- We seek to achieve an ROE of 20% or more by conducting operations with an emphasis on capital efficiency.

(Million yen)

	FY12/19 business forecast for 1st Half	FY12/19 business forecast for full year	FY12/18 actual results for full year	Rate of Change (Full year)
Net Sales	19,800	42,300	38,852	8.9%
Gross Profit	8,853	18,811	16,656	12.9%
Operating Income	3,150	6,830	5,896	15.8%
Ordinary Income	3,194	6,930	5,286	31.1%
Net Income attributable to Fullcast Holdings Co., Ltd.	2,114	4,593	3,310	38.8%
Net Income per share (yen)	—	123.2	87.9	40.2%

(Reference)

ROE	—	33.6%	28.4%	5.2PT

FY12/19 Business Forecasts by Segment and Service Category

- We plan to increase profits by focusing on growth of our “Placement” and “BPO” services, which are the core services in our Short-Term Operational Support Business.
- “Outsourcing" will expand on the back of the addition of Minimaid Service Co., Ltd., which became a consolidated subsidiary, and its contributions to sales growth throughout the fiscal year.

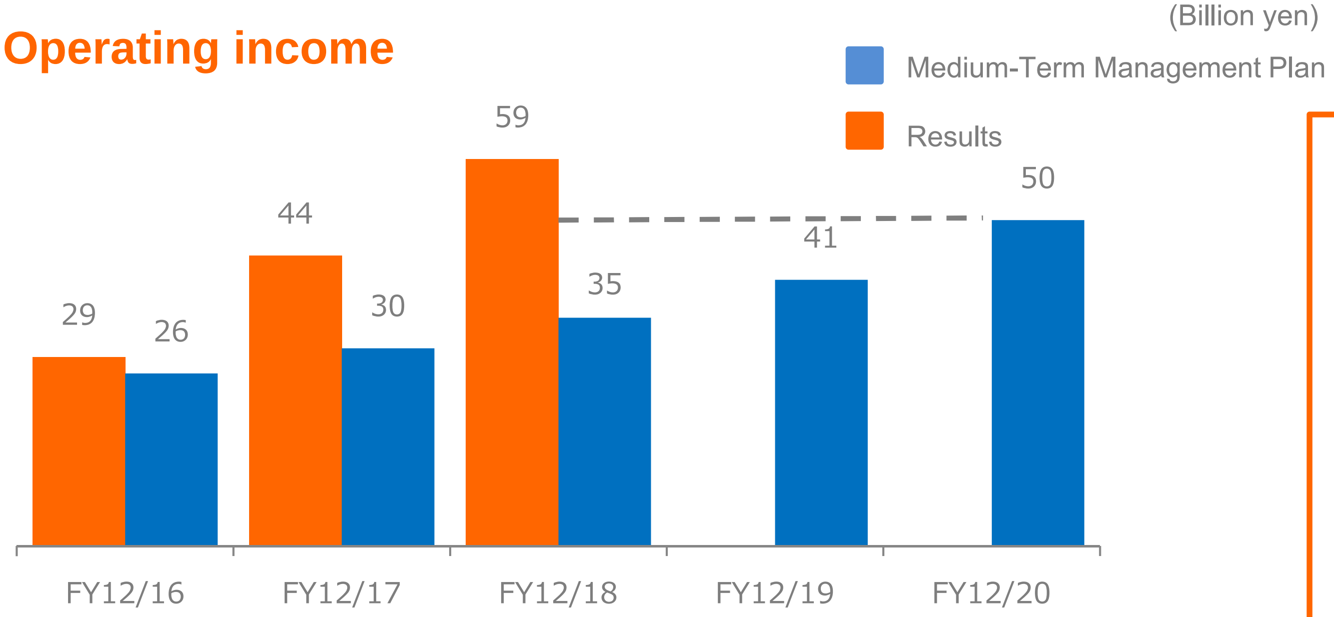
(Million yen)

		FY12/19 business forecast for full year	FY12/18 actual results for full year	Rate of Change
Short-Term Operational Support Business	Net Sales	36,766	33,417	10.0%
	Placement	6,417	5,704	12.5%
	BPO	6,578	5,916	11.2%
	Dispatching	19,726	18,385	7.3%
	Outsourcing	4,045	3,412	18.6%
Sales Support Business	Net Sales	3,317	3,313	0.1%
Security, Other Businesses	Net Sales	2,217	2,122	4.5%

Progress and Review of Medium-Term Management Plan (FY16–FY20)

Progress of Medium-Term Management Plan (FY16–FY20)

Operating income



- We achieved the final fiscal year target (fiscal year ending Dec. 2020) for the "Medium-Term Management Plan (announced Feb. 12, 2016) of 5.0 billion yen in operating income two years ahead of schedule.
- Similarly, we also exceeded the final fiscal year target of 257,400 operating workers.
- "Gross profit per 1 yen of personnel costs" in the fiscal year ended December 2018 was 2.6 yen, but remained at the same level as the final fiscal year target of 2.8 yen when the effect of BOD Co., Ltd. (newly included as a consolidated subsidiary this fiscal year) is excluded.

Number of operating workers (People)

	FY12/16	FY12/17	FY12/18	FY12/19	FY12/20
Plan	191,900	205,800	222,500	239,300	257,400
Results	187,922	231,222	269,073	—	—

Gross profit per 1 yen of personnel costs (Yen)

	FY12/16	FY12/17	FY12/18	FY12/19	FY12/20
Plan	2.4	2.5	2.7	2.8	2.8
Results	2.5	2.7	2.6	—	—

- The target figures in the MTP for operating workers represent the number of unique persons engaged in service provision other than the “Management” services provided by Fullcast Co., Ltd. and Top Spot Co., Ltd.
- The number of operating workers for the fiscal year ended December 2018 is the number of unique persons employed in services excluding BPO at each company belonging to the Short-Term Operational Support Business.

Review of Medium-Term Management Plan (FY19–FY20)

(Unit: billion yen, unless otherwise specified)

		FY12/19	FY12/20
Net sales	**Consolidated total**	**42.3**	**46.0**
	I. Short-Term Operational Support Business	36.8	39.9
	Placement	6.4	7.0
	BPO	6.6	7.3
	Dispatching	19.7	21.1
	Outsourcing	4.0	4.4
	II. Security, Other Businesses	2.2	2.3
	III. New Business Ventures & Global Business	3.3	3.8
Target	**Operating Income**	**6.8**	**7.9**
	Ordinary Income	**6.9**	**8.0**
	Number of operating workers (persons)	**293,000**	**320,000**
	Gross profit per 1 yen of personnel costs	**2.6** yen	**2.6** yen
Net Income attributable to Fullcast Holdings Co., Ltd.		**4.6**	**5.2**
Number of bases (offices)		**170**	**180**

- Based on the achievement of the Medium-Term Management Plan targets, we reviewed the Plan for the fiscal years ending December 2019 to 2020.
- Although the plan was reviewed, no changes were made to the plan's underlying assumptions, management strategy, and target levels for main management indicators.
- We estimated "Gross profit per 1 yen of personnel costs" to be at the same level as in the fiscal year ended December 2018 considering the influence of a company that became a subsidiary through M&A. But we will improve indicators by increasing productivity across the entire Group.
- Net income used for ROE and total return ratio until the fiscal year ended December 2018 was net income excluding the influence of income taxes-deferred arising from the recording of deferred tax assets for losses carried forward (adjusted net income). But given that deferred tax assets were eliminated, adjustments will not be made for these influences in the fiscal year ending December 2019 and thereafter.

Main Management Indicators of the Medium-Term Management Plan (FY16–FY20)

Indicators used to realize our vision of "enhancing sustained of corporate value"

ROE	20% or more

Indicator for shareholder returns

Total Return Ratio	50%

Indicator underpinning our "Basic Policy on Capital"

D/E Ratio	0.5x or less

We seek to achieve the above target indicators to realize our vision of "enhancing sustained of corporate value"

* Net income used for ROE and total return ratio is net income excluding the influence of income taxes-deferred arising from the recording of deferred tax assets for losses carried forward (adjusted net income). Furthermore, given that deferred tax assets were eliminated in the fiscal year ended December 2018, adjustments will not be made for these influences in the fiscal year ending December 2019 and thereafter.

Dividends and Dividend Forecasts for FY12/19

Dividend of Surplus and Share Repurchase Program

- At the Board of Directors' Meeting held on February 8, 2019, we passed a resolution to pay an 18 yen per share dividend from retained earnings.

Dividend details

	Amount determined	Most recent dividend forecast (Announced on Aug. 10, 2018)	Actual Results for Full Year(FY12/18)	Previous term results (FY12/17)
Record date	Dec. 31, 2018	Dec. 31, 2018	—	—
Amount available for distribution	4,775 million yen	—	—	—
Dividend per share	18 yen	16 yen	32 yen	26 yen
Total amount of dividend	677 million yen	–	1,203 million yen	985 million yen
Effective date	Mar. 15, 2019	–	–	–
Resources for dividend	Retained earnings	–	Retained earnings	Retained earnings

Dividend of Surplus and Share Repurchase Program

◆ At the Board of Directors' Meeting held on February 8, 2019, we passed a resolution regarding repurchase of treasury shares by partial tender offer in addition to market purchase.

■ Share Repurchase Program

Repurchase method	Type of stock	Total of acquirable shares	Total value of repurchases	Period
Tender offer	Common stock	440,000 shares (upper limit)	777 million yen (maximum)	Feb. 12, 2019 to Mar. 11, 2019
Market purchase	Common stock	—	—	Apr. 4, 2019 to Apr. 26, 2019
Total		450,000shares (upper limit)	827 million yen (maximum)	

■ Outline of the Tender Offer of Treasury Shares

- Purchase price: 1,767 yen per share
- Basis for calculating purchase price: A 10% of discount was applied to the closing price of our common stock for the business day February 7, the day before the Board of Directors' Meeting (February 8, 2019)
- Applicant shareholders: Hirano Associates Co., Ltd.
- Shares to be purchased by the applicant shareholders: 400,000 shares
- Commencement date of settlement : Wednesday, April 3, 2019

■ Total Return Ratio

	FY12/18	Previous term results (FY12/17)
Total return ratio to adjusted net income	60.0%	51.1%

◆ For this fiscal year, excluding an impairment loss (share of loss of entities accounted for using equity method) associated with a decline in share value of Advancer Global Limited (an affiliate under equity method), a dividend of 32 yen per share, an increase of 6 yen from the previous year and 2 yen increase from forecast, will be paid based on the concept achieving a total return ratio of 50% related adjusted net income. At the end of the fiscal year, a dividend of 18 yen per share will be offered and share repurchases totaling up to 827 million yen will be conducted. As a result, the total return ratio versus adjusted net income for the fiscal year ended December 2018 is expected to be 60.0%.

Dividends in the Coming Fiscal Year

Dividend Forecast

	End of 1H (Interim Dividend)	Year-End (Year-End Dividend)	Total
Record date	Jun. 30, 2019	Dec. 31, 2019	—
Dividend per share	19 yen	19 yen	38 yen
Previous term results (FY12/18)	14 yen	18 yen	32 yen

Policy for Next-Term Dividends

- In order to continue to realize ROE of over 20%, we will firmly maintain our target of a 50% total return ratio as part of our shareholders return policy. In order to efficiently carry out agile returns of profit, at the current point in time we have the option of offering a dividend and repurchasing shares. We forecast a dividend range that includes an interim dividend of 19 yen per share and a year-end dividend of 19 yen per share, for a total annual dividend of 38 yen per share, an increase of 6 yen from the previous year.

(Reference) Basic Stance on Capital Policy

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.

- **Maintain 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 for 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.**

Providing the best places for people to bring out their best.

ADR (American Depositary Receipts) Program:

Program Type: Sponsored Level 1

BNY MELLON
DEPOSITARY RECEIPTS

Exchange Ratio with Underlying Stock: 1ADR = 1 Underlying Stock
CUSIP Code: 35968P100

Symbol: FULCY
Depositary: The Bank of New York Mellon

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