



Consolidated Business Results for the First Half of the Fiscal Year Ending December 2017 (Jan. - Jun. 2017)

**FULLCAST
HLDGS.**

August 4, 2017
FULLCAST HOLDINGS CO., LTD.(4848)

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- In this document, the “Short-term Operational Support Business” is referred to as “Short-Term”, and the “Sales Support Business”, which mentioned as below, is referred to as “Sales” in some parts.
- A new reporting segment called “Sales Support Business” has been created accompanying the acquisition of the shares of F-PLAIN Corporation during the first quarter of fiscal year ending December 2017 and its new inclusion within the scope of consolidation, also with its subsidiary M’s Line Co., Ltd. Since there are no comparable results for new business segment in previous fiscal year, there is no year-on-year comparison is made and only the first half results have been disclosed.
- Accompanying the acquisition of the shares of Dimension Pockets Co., Ltd. during the third quarter of the previous fiscal year ended December 2016 and its new inclusion in the scope of consolidation, the name of the former “Security business” segment has been changed to the “Security, other businesses” segment.
- Of the Company’s consolidated subsidiaries, the account settlement date of Dimension Pockets Co., Ltd. is January 31 and the account settlement date for F-PLAIN Corporation and its subsidiaries M’s Line Co., Ltd. is September 30. Consolidated financial statements were prepared based on a provisional settlement conducted on the consolidated account settlement date. The final day of the business year of other consolidated subsidiaries all match the consolidated account settlement date.
- In this document, names of services are written in an abbreviated form; “Part-Time Worker Placement” service as well as “Part-Time Worker Payroll Management”, “My Number Management” and “Year-End Tax Adjustment Management” services in the Short-Term Operational Support Business, which were launched along with the implementation of the Revised Worker Dispatching Act on October 1, 2012, are referred to as “Placement” and “Management,” respectively. 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.”

1H FY2017 Summary of Business Performance

1H FY2017 – Summary of Business Performance

● Consolidated results exceeded the business forecasts for the first half of the fiscal year ending December 2017

- Due primarily to higher sales of the mainstay services of “Placement” and “Management” services within the “Short-Term Operational Support Business”, and successful efforts to reduce SG&A expenses, mainly consisting of personnel expenses, consolidated results exceeded the business forecasts for the first half of the fiscal year ending December 2017, with a **107.5% achievement rate for net sales, a 146.5% achievement rate for operating income, and a 144.0% achievement rate for ordinary income.**
- **The achievement rate for quarterly net income attributable to Fullcast Holdings Co., Ltd. was 167.5%** compared to the earnings forecasts for the first half of the fiscal year ending December 2017 due mainly to exceeds in ordinary income, also 167 million yen of gain on step acquisitions posted as extraordinary income accompanying the acquisition of shares of F-PLAIN Corporation during the first quarter of the current fiscal year.

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

● The full-year business forecasts for the fiscal year ending December 2017 have been revised upwardly.

- As the earnings trends seen during the first half of the fiscal year ending December 2017 are expected to continue from the third quarter onwards, the Company is expected to be able to continue to capture strong customer demand until the end of the fiscal year by strengthening its human resources supply capabilities. Consequently, the earnings forecasts of the full year for the fiscal year ending December 2017 have been revised upward from released on February 10, 2017.
- Based on the revision in the full-year business forecasts, the year-end dividend forecast will be increased by 1 yen over the dividend forecast to **13 yen per share.**



1H FY2017 Differences Between Earnings Forecast and Financial Results, and Revision in the Full-year Earnings Forecasts

1H FY2017 Differences Between Earnings Forecast and Financial Results

- ✓ Due primarily to higher sales of the mainstay services of “Placement” and “Management” services within the “Short-Term Operational Support Business”, and successful efforts to reduce SG&A expenses, mainly consisting of personnel expenses, consolidated results exceeded the business forecasts for the first half of the fiscal year ending December 2017, with a **107.5% achievement rate for net sales**, a **146.5% achievement rate for operating income**, and a **144.0% achievement rate for ordinary income**.
- ✓ The **achievement rate for quarterly net income attributable to Fullcast Holdings Co., Ltd. was 167.5%** compared to the earnings forecasts for the first half of the fiscal year ending December 2017 due mainly to exceeds in ordinary income, also 167 million yen of gain on step acquisitions posted as extraordinary income accompanying the acquisition of shares of F-PLAIN Corporation during the first quarter of the current fiscal year.

(Million yen)

| | 1H FY2017 | 1H FY2017 Business Forecasts | Difference | Achievement rate |
|--|-----------|---------------------------------|------------|------------------|
| Net Sales | 15,394 | 14,323 | 1,071 | 107.5% |
| Gross profit | 6,127 | 5,559 | 568 | 110.2% |
| Operating Income | 2,128 | 1,452 | 675 | 146.5% |
| Ordinary Income | 2,144 | 1,489 | 656 | 144.0% |
| Quarterly Net Income attributable to Fullcast Holdings Co., Ltd. | 1,543 | 921 | 622 | 167.5% |

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

Revision in the Full-Year Earnings Forecasts (the full-year earnings forecasts and the year-end dividend forecast)

- ✓ As the earnings trends seen during the first half of the fiscal year ending December 2017 are expected to continue from the third quarter onwards, the Company is expected to be able to continue to capture strong customer demand until the end of the fiscal year by strengthening its human resources supply capabilities. Consequently, the earnings forecasts of the full year for the fiscal year ending December 2017 have been revised upward from released on February 10, 2017
- ✓ Based on the revision in the full-year business forecasts, the year-end dividend forecast will be increased by 1 yen over the dividend forecast to 13 yen per share.

(Million yen)

| | Previously announced projections (A) | Revised projections (B) | Difference (B - A) | Rate of change |
|--|--|----------------------------|-----------------------|----------------|
| Net Sales | 30,000 | 31,300 | 1,300 | 4.3% |
| Gross profit | 11,592 | 12,331 | 739 | 6.4% |
| Operating Income | 3,230 | 4,000 | 770 | 23.8% |
| Ordinary Income | 3,300 | 4,020 | 720 | 21.8% |
| Quarterly Net Income attributable to Fullcast Holdings Co., Ltd. | 2,123 | 2,727 | 604 | 28.4% |
| Net income per share (yen) | 56.1 | 71.8 | 15.7 | 28.1% |
| Year-end dividend forecast | | | | |
| Dividend per share(Yen) | 12 | 13 | 1 | — |
| (Reference) | | | | |
| ROE | 22.2% | 27.7% | — | 5.5PT |
| Adjusted net Income | 2,391 | 2,991 | 600 | 25.1% |
| Adjusted net income per share (yen) | 63.2 | 78.8 | 15.6 | 24.7% |
| Adjusted ROE | 25.0% | 30.3% | — | 5.4PT |

* "Adjusted Net Income" refers to net income excluding the influence of income taxes-deferred arising from recording of deferred tax assets for deduction of loss 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.

Revision in the Full-Year Earnings Forecast (Net sales by segments)

✓ We will aim to achieve the revised forecasts by focusing on growth in “Placement” and “Management” services that are mainstay services of the “Short-Term Operational Support Business.”

(Million yen)

| | | Previously announced projections (A) | Revised projections (B) | Difference (B – A) | Rate of change |
|---|-------------|--|----------------------------|-----------------------|----------------|
| Short-Term Operational Support Business | Net sales | 24,956 | 25,961 | 1,006 | 4.0% |
| | Placement | 4,186 | 4,587 | 401 | 9.6% |
| | Management | 2,635 | 2,786 | 151 | 5.7% |
| | Dispatching | 14,758 | 15,293 | 535 | 3.6% |
| | Outsourcing | 3,377 | 3,296 | (81) | (2.4%) |
| Sales Support Business | Net sales | 3,114 | 3,447 | 333 | 10.7% |
| Security, Other Businesses | Net sales | 1,931 | 1,892 | (38) | (2.0%) |
| Consolidated | Net sales | 30,000 | 31,300 | 1,300 | 4.3% |

1H FY2017

**Consolidated Business Highlights
(Jan. – Jun. 2017)**

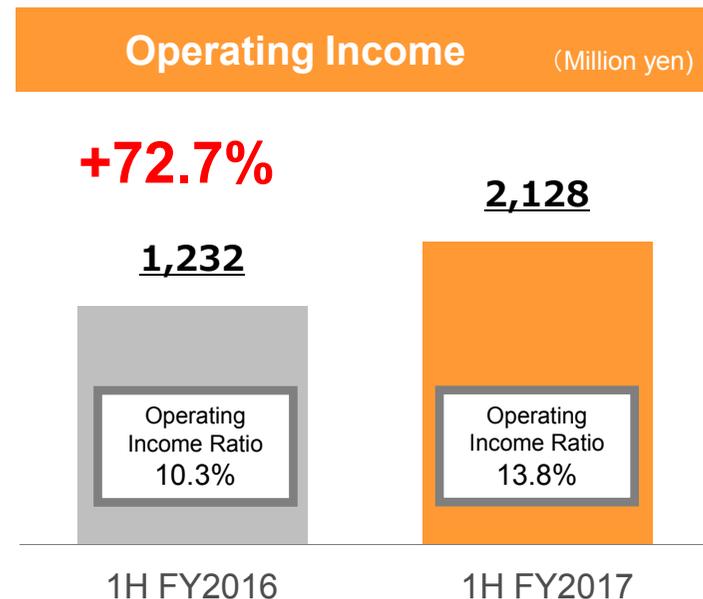
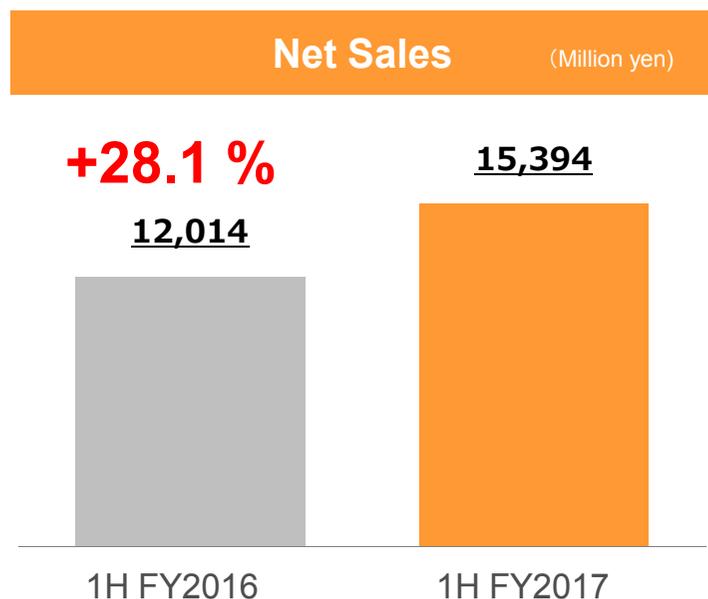
Consolidated: 1H FY2017 Year-on-Year Comparison

【Factors behind the change in Net Sales】

- ✓ Net sales **increased 28.1%** year on year to 15,394 million yen. This sales growth was attributed to an increase in sales of “Placement” and “Management” services, which are both mainstay services within the “Short-Term Operational Support Business”, and the consolidation of F-PLAIN Corporation and subsequent inclusion of earnings of F-PLAIN Corporation and its subsidiary M’s Line Co., Ltd.

【Factors behind the change in Operating Income】

- ✓ Operating income **rose by 72.7%** year on year to 2,128 million yen due to higher sales of the “Short-Term Operational Support Business”, profits from the “Sales Support Business”, and efforts to curtail SG&A expenses, mainly personnel costs, within the “Short-Term Operational Support Business”.



Consolidated: 1H FY2017 Year-on-Year Comparison

- ✓ Ordinary income **increased 60.1%** year on year because of growth in operating income, despite a year on year drop in equity accounting method profits arising from the conversion of F-PLAIN Corporation into a consolidated subsidiary.
- ✓ Quarterly net income attributable to Fullcast Holdings Co., Ltd. **increased 42.8%** year on year due mainly to growth in operating income and 167 million yen of gain on step acquisitions posted as extraordinary income accompanying the acquisition of the shares of F-PLAIN Corporation during the first quarter of the current fiscal year, despite an increase in corporate, resident and business taxes accompanying the exhausting of losses carried forward.

(Million yen)

| | 1H FY2016 | 1H FY2017 | Difference | Rate of change |
|--|-----------|-----------|------------|----------------|
| Net sales | 12,014 | 15,394 | 3,380 | 28.1% |
| Gross profit | 4,354 | 6,127 | 1,773 | 40.7% |
| SG&A expenses | 3,122 | 4,000 | 877 | 28.1% |
| Operating Income | 1,232 | 2,128 | 896 | 72.7% |
| Operating Income Ratio | 10.3% | 13.8% | — | 3.6PT |
| Ordinary Income | 1,340 | 2,144 | 805 | 60.1% |
| Quarterly Net Income attributable to Fullcast Holdings Co., Ltd. | 1,081 | 1,543 | 462 | 42.8% |

| | 1H FY2016 | 1H FY2017 | Rate of change |
|---|-----------|-----------|----------------|
| Gross profit per yen of personnel costs | 2.4 | 2.8 | 17.8% |

- ✓ Gross profit per 1 yen of personnel costs **increased 17.8%** year on year to **2.8 yen** as a result improvements in productivity for the entire Group.

➤ “Gross profit per yen of personnel costs” appears rounded off to the second decimal place.

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

1H FY2017 Segment Highlights

Short-Term Operational Support Business Earnings

(Jan. – Jun. 2017)

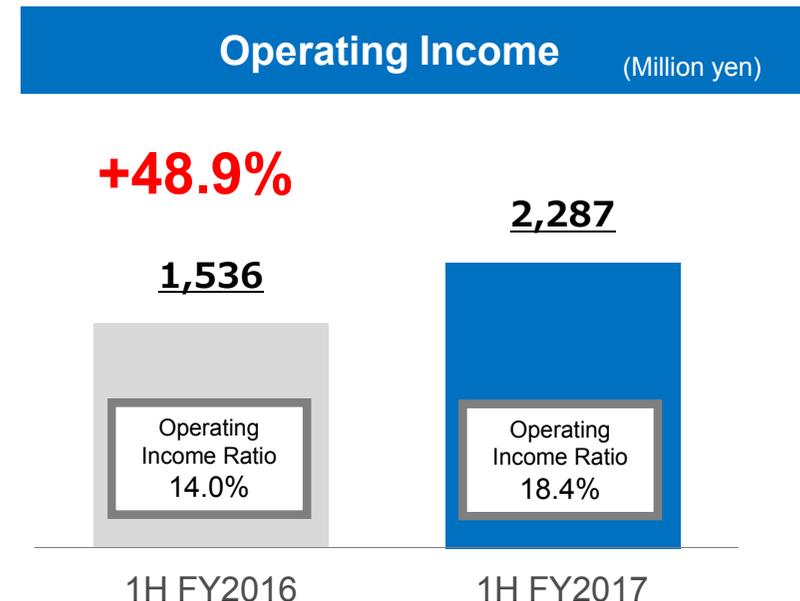
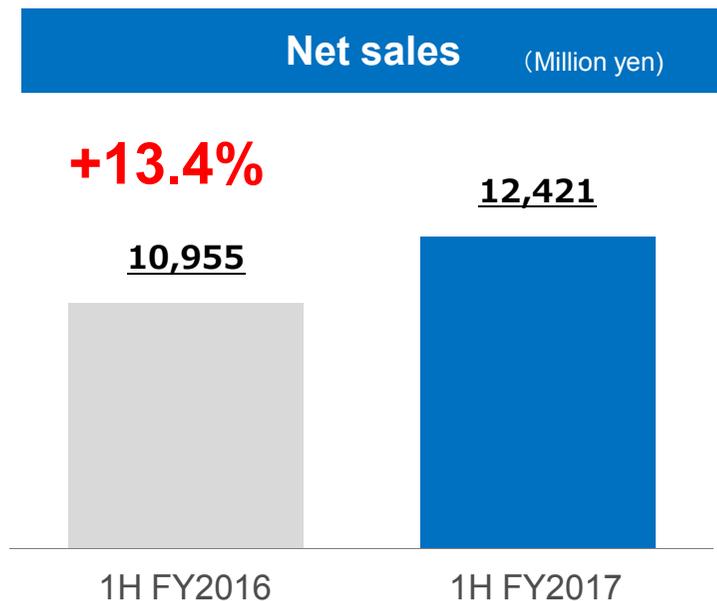
Short-Term: 1H FY2017 Year-on-year Comparison

【Factors behind the change in Net Sales】

- ✓ Net sales **increased 13.4%** year on year driven mainly by growth in the mainstay “Placement” and “Management” services as we fortified our human resources supply capabilities in response to robust demand for short-term human resources.

【Factors behind the change in Operating Income】

- ✓ Operating income **rose 48.9%** year on year due to the increase in net sales, while greater ongoing improvements to productivity were achieved through changes to daily operations and restraint in SG&A expenses including personnel costs.



Short-Term: 1H FY2017 Year-on-year Comparison (Service Category)

(Million yen)

| | 1H FY2016 | 1H FY2017 | Difference | Rate of Change |
|--------------|-----------|-----------|------------|----------------|
| Net sales | 10,955 | 12,421 | 1,466 | 13.4% |
| Placement | 1,732 | 2,231 | 499 | 28.8% |
| Management | 1,169 | 1,384 | 215 | 18.4% |
| Dispatching | 6,527 | 7,347 | 820 | 12.6% |
| Outsourcing | 1,527 | 1,459 | (68) | (4.5%) |
| Gross profit | 4,163 | 5,006 | 843 | 20.2% |
| Placement | 1,657 | 2,154 | 498 | 30.0% |
| Management | 1,163 | 1,381 | 218 | 18.8% |
| Dispatching | 1,029 | 1,160 | 131 | 12.7% |
| Outsourcing | 315 | 311 | (4) | (1.4%) |



“Placement” and “Management” services grew as we managed to ensure human resources supply capabilities in response to robust needs for short-term human resources with the increase in the number of hiring people along with the number of customers.

| | 1H FY2016 | 1H FY2017 | Difference | Rate of Change |
|-------------------------|-----------|-----------|------------|----------------|
| Number of customers | 10,558 | 14,170 | 3,612 | 34.2% |
| Number of new customers | 1,891 | 3,270 | 1,379 | 72.9% |

- “Management” services includes the total of “Part-Time worker Payroll Management,” “My Number Management” and “Year-End Tax Adjustment Management” services.
- Starting from “the Consolidated Business Results for the Fiscal Year Ended December 2016” disclosed on Feb. 10, 2017, the way which net sales and gross profit by service are aggregated for the “Short-Term Operational Support Business” has been adjusted. The previous year’s performance has therefore also been retroactively adjusted using the new aggregation method.
- The results of Fullcast Senior Works Co., Ltd., which began operations on March 1, 2017, have been included in overall results from the first quarter.
- “Number of customers” is calculated as the simple sum of the number of service-specific unique clients (i.e. businesses) for the “placement”, “management”, “dispatching” and “outsourcing” services of Fullcast Co., Ltd., Top Spot Co., Ltd., Work & Smile Co., Ltd., and Fullcast Senior Works Co., Ltd. as well as the short-term operational support business of Fullcast Advance Co., Ltd.
- Numerical data represent reference figures. This data has not been audited by the accounting auditor.

1H FY2017 Segment Highlights

Sales Support Business Earnings (Jan. – Jun. 2017)

- A new reporting segment called “Sales Support Business” has been created accompanying the acquisition of the shares of F-PLAIN Corporation during the first quarter of fiscal year ending December 2017 and its new inclusion within the scope of consolidation, also with its subsidiary M’s Line Co., Ltd. Since there are no comparable results for new business segment in previous fiscal year, there is no year-on-year comparison is made and only the first half results have been disclosed.
- The account settlement date of F-PLAIN Corporation and its subsidiaries M’s Line Co., Ltd., which belongs to the “Sales Support Business”, is September 30. Consolidated financial statements were prepared based on a provisional settlement conducted on the consolidated account settlement date.

Sales: 1H FY2017 Results

【Net Sales】

- ✓ Net sales totaled 2,033 million yen as a result of the busy season for the Internet service subscription business that is the main business of F-PLAIN Corporation, and the success of measures to expand the dealer network.

【Operating Income】

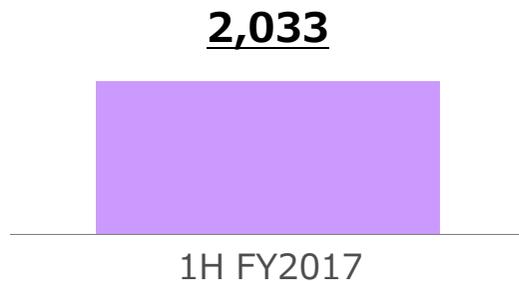
- ✓ Operating income totaled 203 million yen because of net sales increased to business forecasts, despite goodwill amortization resulting from the acquisition of the shares of F-PLAIN Corporation in this segment booked as SG&A expense.

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

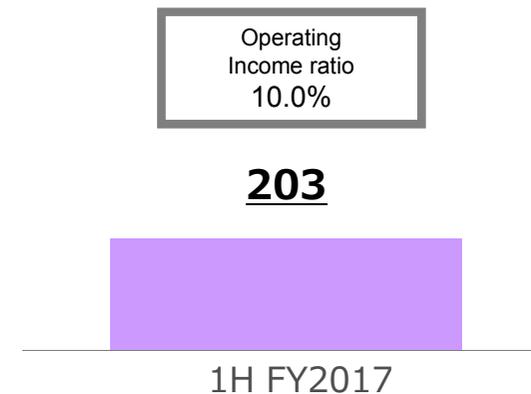
*The "call center", "online" and "alliance" businesses each involve the sale of Internet Access.

*Only results for the first half of the fiscal year ending December 2017 are presented here because results from previous fiscal years are not disclosed.

Net Sales (Million yen)



Operating Income (Million yen)



1H FY2017 Segment Highlights

Security, Other Businesses Earnings (Jan. - Jun. 2017)

- Accompanying the acquisition of the shares of Dimension Pockets Co., Ltd. during the third quarter of the previous fiscal year ended December 2016 and its new inclusion in the scope of consolidation, the name of the former “Security business” segment has been changed to the “Security, other businesses” segment.
- The account settlement date of Dimension Pockets Co., Ltd., which belongs to the “Security, Other Businesses”, is January 31. Consolidated financial statements were prepared based on a provisional settlement conducted on the consolidated account settlement date.



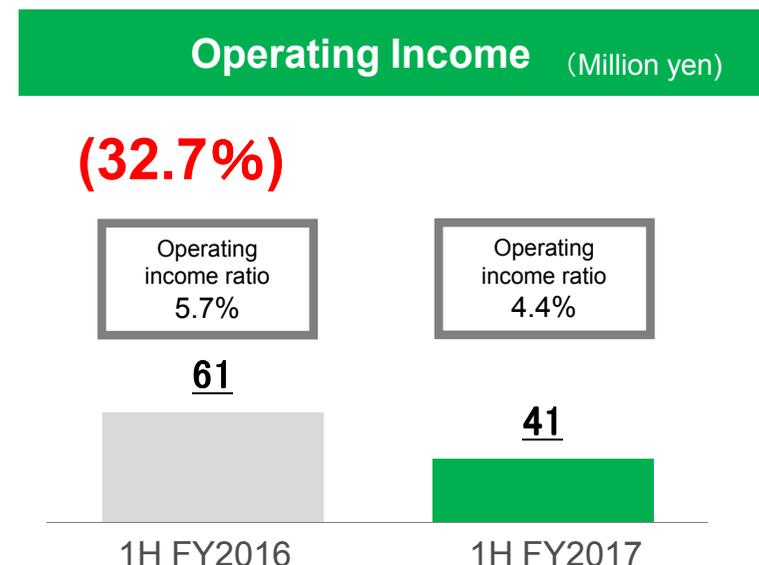
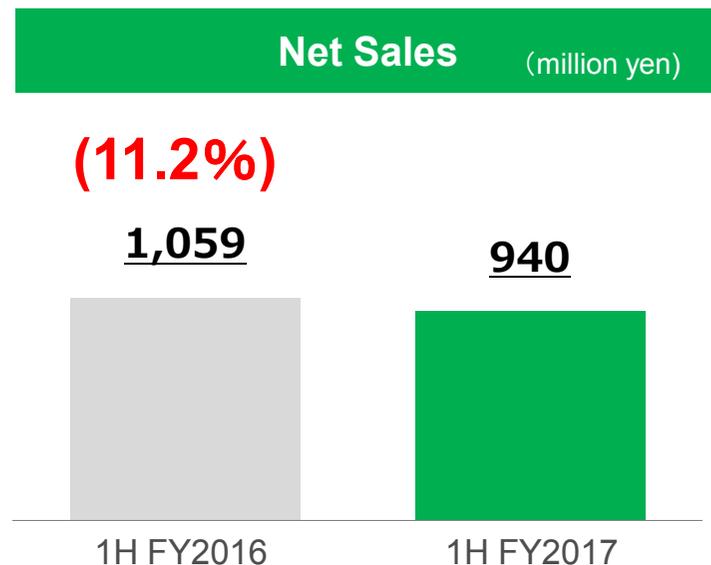
Security, Other: 1H FY2017 Year-on-Year Comparison

【Factors behind the change in Net Sales】

- ✓ Net sales fell 11.2% year on year due mainly to a decline in the number of temporary security projects compared to the previous year.

【Factors behind the change in Operating Income】

- ✓ Operating income for the entire segment fell 20 millions yen(32.7%) year on year mainly to the inclusion of earnings from the seasonally slow period from November 2016 to April 2017 for the hotel and restaurant services positioned as “Other Business”, despite the efforts booking the equivalent operating income to the previous year in the “Security Business”, which is the main business of this segment, due to reducing SG&A expenses including personnel and recruitment expenses.



FY2017

**Progress of Strategy Implementation
and Ongoing Initiatives**

Business Targets and Strategy for the Fiscal Year Ending December 2017

Business Targets for the Fiscal Year Ending December 2017

● Realize increased profit through deployment of the Group's collective strengths and improved productivity

- By working to strengthen synergy within the group and to intensify development of existing businesses, increase sales revenue by boosting sales across the Fullcast Group, focusing in particular on the "Placement" and "Management" services that constitute main services offerings; also achieve an increase in earnings by continuing to improve operational efficiency throughout the group and enhancing productivity.

Business Strategy for the Fiscal Year Ending December 2017

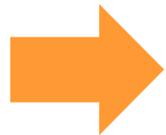
Strategy 1) Enhance productivity through the strengthening of synergy within the group

Strategy 2) Expansion of business through the growth of new brands and launch of new services

Strategy 3) Expand BPO business

Initiative 1) Enhance productivity through the strengthening of synergy within the group

- In order to support the diverse working style needs of staff, we have continuously revised our dedicated portal site for staff and developed access routes so that it is easier for job seekers to find the work they are looking for.
- We have worked to encourage the registration of staff registered with each group company with an appropriate group company depending on the age, attributes, and needs of the job seekers.
- We have worked to improve the operational efficiency of the entire Group by utilizing our network of business locations nationwide that is the strength of Fullcast Co., Ltd. to develop a system in which Fullcast Co., Ltd. is entrusted to conduct registration briefings from each group company.



We will continue to work to strengthen the human resources supply capabilities of the entire Group by developing mechanisms for the simultaneous registration of staff and sharing job offer information between group companies and implementing of these mechanisms.

Strategy 2) Expansion of business through the growth of new brands and launch of new services

● Initiative 1) Expansion of the business of the new brand Work & Smile Co., Ltd.

- In an effort to expand the “Short-Term Operational Support Business” with the purpose of strengthen Group synergies in staff hiring and sales activities, **we expanded Work & Smile Co., Ltd. sales network in the Kansai area** and established Kansai Sales Section.

● Initiative 2) Commenced operations at Fullcast Senior Works Co., Ltd.

- In an effort to enhance the “Short-Term Operational Support Business”, by uncovering potential sources of labor through job hunting support for seniors and providing this labor to client companies, **Fullcast Senior Works Co., Ltd. operations were started** mainly in the Tokyo Metropolitan Area **from March 1, 2017.**

● Initiative 3) Consolidation of F-PLAIN Corporation

- We acquired the shares of F-PLAIN Corporation, an affiliate under the equity method (as of December 31, 2016; 23.8% of voting rights), on January 26, 2017, making it a consolidated subsidiary (78.2% of voting rights).
- The call center business that is the core business of F-PLAIN Corporation has a high degree of affinity with the Fullcast Group’s core staffing services and BPO related services within the “Short-Term Operational Support Business”. By making it a consolidated subsidiary, we will aim to reinforce future growth strategy under a robust capital relationship, facilitate the mutual utilization of each other’s management resources, further stabilize our management foundation, and increase profits going forward.

● Initiative 4) Establishment of Fullcast Porter Co., Ltd.

FULLCAST PORTER

Name: Fullcast Porter Co., Ltd.

Paid –in Capital: 80 million yen

Business lines: driver dispatching

✓ Fullcast Porter Co., Ltd. was established on March 7, 2017 and commenced operations mainly in the Tokyo Metropolitan Area on July 1, 2017 in order to offer human resource services specialized in driver human resources for which there are remarkable needs.

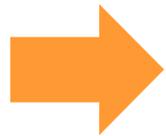
Strategy 3) Expand BPO business

● Initiative 1) Fine tuning of “My Number Management” service

- In comparison with the fiscal year ended December 2016 when the service was commenced, the need of clients has shifted from My Number “Gathering” to “Maintenance & Management”.
- We maintained a high contract renewal rate (98%) by fine tuning our services and providing high value-added services aimed at improving customer satisfaction.

● Initiative 2) Booked profits related to the “Year-End Adjustment Management” service

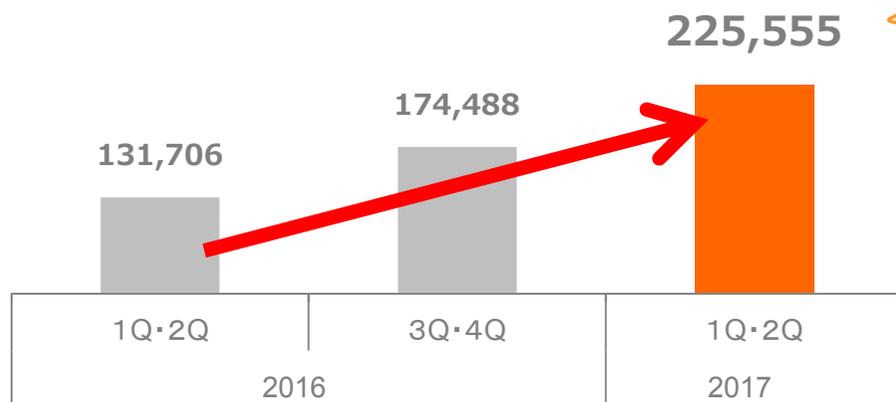
- In the first half of fiscal year ending December 2017, we booked profit related to the “Year-End Adjustment Management” service that was commenced from October 2016.
- We will conduct sales activities aimed at increasing profits even further in the fiscal year ending December 2018 in the second half of the fiscal year ending December 2017.



We will expand our BPO business by preparing to offer the new “Employee Payroll Management” service as we continue to offer a BPO service menu that includes “Part-Time Worker Payroll Management”, “My Number Management” and “Year-End Adjustment Management”.

Ongoing initiatives

● Initiative 1) Increase hiring capability



✓ The number of new hires rose 71.3% year on year to 225,555 people mainly as a result of the improvement in adopt efficiency of the web registration service and changes to the allocation of investments in recruitment expenses and SEO measures.

➤ The “number of hires” is the sum total of the number of hires at Fullcast Co., Ltd., Top Spot Co., Ltd., Work & Smile Co., Ltd. and Fullcast Senior Works Co., Ltd., as well as the number of hires in the short-term operational support business at Fullcast Advance Co., Ltd.

● Initiative 2) Increasing the number operating workers

| | 1H FY2016 | 1H FY2017 | Difference | Rate of change |
|-----------------------------|-----------|-----------|------------|----------------|
| Number of operating workers | 109,623 | 137,144 | 27,521 | 25.1% |

✓ Thanks to the implementation of assignment promotion activities, the number of operating workers rose to 137,144.

➤ The “number of operating workers” is the total number of unique individuals working at Fullcast Co., Ltd., Top Spot Co., Ltd., Work & Smile Co., Ltd. and Fullcast Senior Works co., Ltd., as well as in the short-term operational support business at Fullcast Advance Co., Ltd., excluding those working in the “management” service area.

● Initiative 3) Opening new offices

Opened 6 sales offices in medium-sized cities where considerable market growth is expected. Plans to open 10 sales offices during the second half.

● Sales offices opened in the first half

[Fullcast Co., Ltd.]
 Hikone (2/1), Oita (2/1), Toyama (2/6), Aomori (2/13)
 [Work & Smile Co., Ltd.]
 Kansai (2/1)
 [Fullcast Senior Works Co., Ltd.]
 Head Office (Ueno) (3/1)

● Sales offices opening scheduled in the second half

[Fullcast Co., Ltd.]
 Fukushima(9/1), Saku, Karuizawa (9/1), Wakayama (9/1), Tokushima (9/1), Nagasaki (9/1), Narita (9/15)
 [Top Spot Co. Ltd.]
 Shizuoka (7/25), Fukuoka (8/1), Kobe (9/1)
 [Fullcast Porter Co., Ltd.]
 Head Office (Shinjuku) (7/1)

FY2017

Progress in Business Forecast

FY2017 Progresses in Business Forecasts

- ✓ The rate of progress toward the revised business forecast for the first half of the fiscal year ending December 2017, was **49.2%** for sales, 53.2% for operating income, **53.3%** for ordinary income, and **56.6%** for quarterly net income attributable to Fullcast Holdings Co., Ltd.
- ✓ We aim to achieve the revised business forecast by continuing to strengthen the human resources supply capabilities in order to capture growing customer demand towards the end of the fiscal year.
- ✓ The rate of progress of “Placement” and “Management” services that are mainstay services within the “Short-Term Operational Support Business” toward the revised business forecast is **48.6%** for “Placement” and **49.7%** for “Management”.

(Million yen)

| | 1H FY2017 | FY2017 Business Forecasts (Revised business forecasts) | Rate of progress |
|--|-----------|--|------------------|
| Net sales | 15,394 | 31,300 | 49.2% |
| Gross profit | 6,127 | 12,331 | 49.7% |
| Operating income | 2,128 | 4,000 | 53.2% |
| Ordinary income | 2,144 | 4,020 | 53.3% |
| Quarterly Net Income attributable to Fullcast Holdings Co., Ltd. | 1,543 | 2,727 | 56.6% |
| Short-Term Operational Support Business | | | |
| Net sales | 12,421 | 25,961 | 47.8% |
| Placement | 2,231 | 4,587 | 48.6% |
| Management | 1,384 | 2,786 | 49.7% |
| Dispatching | 7,347 | 15,293 | 48.0% |
| Outsourcing | 1,459 | 3,296 | 44.3% |
| Sales Support Business | | | |
| Net sales | 2,033 | 3,447 | 59.0% |
| Security, Other Businesses | | | |
| Net sales | 940 | 1,892 | 49.7% |

FY2017 Interim Dividends

✓ We passed a resolution during the Board of Directors Meeting held on August 4, 2017 to pay **12-yen per share** dividend from retained earnings.

| | Amount determined | Most recent divided forecasts (Announced on Feb.10, 2017) | Previous term results (Interim dividend for FY 2016) |
|----------------------------------|--------------------|--|---|
| Record date | Jun. 30, 2017 | Jun. 30, 2017 | Jun. 30, 2016 |
| Funds available for distribution | 2,710 million yen | — | — |
| Dividend per share | 12 yen | 12 yen | 10 yen |
| Total amount of dividends | 455 million yen | — | 383 million yen |
| Effective date | Sep. 4, 2017 | — | Sep. 5, 2016 |
| Resource for dividends | Retaining earnings | — | Retaining earnings |

Based on the revision in the full-year business forecasts, the year-end dividend forecast will be increased by 1 yen to **13 yen per share**, which is a 4 yen increase year on year (full year). To continuously realize over 20% of ROE related to adjusted net income (*), and we will maintain the target of a 50% total return ratio relative to adjusted net income as part of our shareholders return policy.

*"Adjusted net income" represents net income attributable to Fullcast holdings Co., Ltd. excluding the effects of income taxes—deferred associated with the booking of deferred tax assets within the loss carried forward. "Adjusted net income" is used as the based for calculating the total return ratio.

(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.

- ✓ Maintaining a total return ratio of 50% relative to adjusted net income (*) targeted at providing returns 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 relative to adjusted net income.
- ✓ We will maintain a maximum D/E ratio of 0.5x in order to enhance corporate value and to maintain financial soundness.

*“Adjusted net income” represents net income attributable to Fullcast Holdings Co., Ltd. excluding the effects of income taxes -deferred associated with the booking of deferred tax assets within the loss carried forward. “Adjusted net income” is used as the based for calculating the total return ratio and ROE.

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ADR (American Depositary Receipts) Program:

Program Type: Sponsored Level 1

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

Symbol: FULCY

Depository: The Bank of New York Mellon

101 Barclay Street, New York, NY 10286, U.S.A.

TEL : (212) 815-2077

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