



June 23, 2023

For Immediate Release

Company name: Fullcast Holdings Co., Ltd.
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(Stock code: 4848: TSE Prime Market)
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Announcement Regarding the Acquisition of Shares (Transformation into a Subsidiary) of GLOBEAT INC.

Fullcast Holdings Co., Ltd. announced today that a resolution was passed as follows at the Board of Directors' Meeting held on June 23, 2023 to acquire all shares of GLOBEAT INC. and make it a consolidated subsidiary.

1. Reason for Acquisition of the Shares

GLOBEAT INC. is the sole parent company of its subsidiary GLOBEAT HOLDINGS INC. and its sub-subsidiary GLOBEAT JAPAN INC., the sub-subsidiary which handles business activities, was founded 29 years ago. The entity is a restaurant chain operator focused on ramen with 199 directly-managed or franchised locations within Japan (as of April 30, 2023) as well as an overseas presence in Shanghai, Taiwan and Thailand. It enjoys a competitive advantage thanks notably to provision of popular staple products as a core offering, coupled with its regular launches of new products and introduction of collaboration projects with well-known establishments. For this reason, it has delivered solid results in the highly competitive and mature market of Chinese food and ramen.

This same company now intends to break away from family management, improve its creditworthiness by becoming affiliated to a listed company, as well as expand its management base. In reaction to this offer, Fullcast Holdings Co., Ltd. conducted discussions regarding an acquisition.

During the last 3 terms, GLOBEAT JAPAN INC., the sub-subsidiary which handles operations, faced difficult market conditions due to the impact of the COVID-19 pandemic and recorded an operating loss. However, before the pandemic, it steadily posted an EBITDA of more than 500 million yen. Additionally, the company expects to recover with a surplus similar to pre-coronavirus levels in the advanced phase of the post-coronavirus era and possesses solid strengths.

Furthermore, Fullcast Holdings Co., Ltd. has verified that, in this industry where top-down management is common, the development structure does not depend on an individual director or an individual employee in the development department. The current team of directors will also remain as a management team after the acquisition.

This conclusion was reached based on the aforementioned business conditions and the results of due diligence and valuation efforts conducted by third party institutions, and as a result of reviews by the Board of Directors.

While the business in question represents an advance into a new business category for Fullcast Holdings Co., Ltd., the primary objective is to raise the revenue base and EPS. An additional goal is the creation of synergies through the provision of human resources to GLOBEAT INC., which has struggled in its recruitment efforts,

and the provision of a management base.

2. Overview of the transferred subsidiary (GLOBEAT INC.)

(1)	Corporate name	GLOBEAT INC.			
(2)	Home office address	1-14-5 Kamiogi, Suginami-ku, Tokyo			
(3)	Representative	Shinichi Kurosu, Representative Director and President Yoshihiro Tsurumi, Representative Director and Vice-President			
(4)	Business	Holding company and owner of the sub-subsidiary GLOBEAT JAPAN INC. which manages restaurant chains (ramen restaurants) and franchise businesses. Brands operated by GLOBEAT JAPAN INC.: RAMEN KAGETSU ARASHI CHABUYA TONKOTSU RAMEN CHABUTON			
(5)	Capital	1 million yen			
(6)	Date of establishment	February 22, 2017			
(7)	Major shareholders and ratio of shareholdings	Shinichi Kurosu 32.5% Yoshihiro Tsurumi 32.5% <u>Three individuals 35.0%</u> Total 100% ※ After the acquisition of all shares of GLOBEAT INC., Fullcast Holdings Co., Ltd. will proceed with the merger of the three companies GLOBEAT INC., GLOBEAT HOLDINGS INC. and GLOBEAT JAPAN INC.			
(8)	Relationship between Fullcast Holdings Co., Ltd. and GLOBEAT INC.	Capital relationship	None		
		Personnel relationship	None		
		Transactions relationship	None		
(9)	Operating results and financial position of GLOBEAT INC. over the last four-year period				
	End of fiscal Year	June 2019	June 2020	June 2021	June 2022
	Cash and Deposits	158 million yen	84 million yen	72 million yen	32 million yen
	Net Assets	617 million yen	725 million yen	724 million yen	723 million yen
	Total Assets	890 million yen	816 million yen	763 million yen	724 million yen
	Net assets per Share	1,774 yen	2,084 yen	2,081 yen	2,079 yen
	Net Sales	200 million yen	200 million yen	0 million yen	0 million yen
	Operating Profit	200 million yen	200 million yen	(0) million yen	(0) million yen
	Ordinary Profit	194 million yen	197 million yen	(1) million yen	(0) million yen
	Profit	194 million yen	197 million yen	(1) million yen	(1) million yen
	Basic earnings per Share	558 yen	567 yen	(3) yen	(2) yen
	Dividend per Share	—	—	—	—
(10)	For reference; simple totalizations of the operating results and financial position of GLOBEAT INC., its subsidiary and its sub-subsidiary during the last four years				
	End of fiscal Year	June 2019	June 2020	June 2021	June 2022
	Cash and Deposits	2,703 million yen	2,288 million yen	2,991 million yen	3,590 million yen
	Net Assets	5,829 million yen	5,541 million yen	5,814 million yen	6,282 million yen
	Total Assets	7,526 million yen	7,366 million yen	7,341 million yen	7,911 million yen
	Net assets per Share*	16,758 yen	15,932 yen	16,715 yen	18,062 yen

Net Sales	6,854 million yen	5,894 million yen	5,186 million yen	5,149 million yen
Operating Profit	683 million yen	220 million yen	47 million yen	(47) million yen
Ordinary Profit	717 million yen	288 million yen	476 million yen	746 million yen
Profit	569 million yen	302 million yen	472 million yen	468 million yen
Basic earnings per Share*	1,636 yen	869 yen	1,358 yen	1,347 yen
Dividend per Share*	—	—	—	—

※ The per-share indicators were calculated using the number of GLOBEAT INC.'s issued shares.

3. Overview of Counterparty of Share Acquisition

(1) Name	Four shareholders mentioned in the above section 2-(7) Major shareholders and ratio of shareholdings, including Shinichi Kurosu
(2) Address	Setagaya-ku, Tokyo, and others
(3) Relationship between Fullcast Holdings Co., Ltd. and this individual	None

4. Number of Shares Acquired, Acquisition Amount and Status of Shareholdings Before and After Acquisition

(1) Number of shareholdings before transfer	Ordinary shares of GLOBEAT INC. — shares (Number of voting rights: —) (Ratio of voting rights: —%)
(2) Number of shares acquired	Ordinary shares of GLOBEAT INC. 340,140 shares (Number of voting rights: 340,140)
(3) Acquisition amount	Ordinary shares of GLOBEAT INC. 8,000 million yen Advisory expenses etc. (estimated amount) 10 million yen Total (estimated amount) 8,010 million yen
(4) Number of shareholdings after transfer	Ordinary shares of GLOBEAT INC. 340,140 shares (Number of voting rights: 340,140) (Ratio of voting rights: 100.0%)

5. Schedule

(1) Date of Board of Directors' resolution	June 23, 2023
(2) Date of share purchase agreement signing	June 23, 2023
(3) Date of share transfer execution	June 23, 2023

6. Future Outlook

With respect to the impact on future business performance, Fullcast Holdings Co., Ltd. recognizes that this matter does not require a revision of earnings projections. Details will be promptly announced if matters requiring disclosure arise.