

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.



November 8, 2024

Consolidated Financial Results Announcement for the First Three Quarters of the Fiscal Year Ending December 31, 2024 [Japanese Standards] (Consolidated)

Company name: Fullcast Holdings Co., Ltd.
 Stock exchange listing: TSE Prime Market
 Stock code: 4848
 URL: <https://www.fullcastholdings.co.jp>
 Representative: Kazuki Sakamaki, President, Representative Director and CEO
 Contact: Yasuomi Tomotake, General Manager of the IR and Finance Department
 Telephone: +81-3-4530-4830
 Date of commencements of dividend payments (Planned): -
 Preparation of supplementary references regarding financial results: Yes (shown on our website)
 Briefing for financial results: None

(Figures are rounded to the nearest million yen)

1. Consolidated Financial Results for the First Three Quarters of the Fiscal Year Ending December 31, 2024 (January 1 to September 30, 2024)

(1) Consolidated Business Results

(% = year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q-3Q FY12/24 (September 30, 2024)	50,520	0.3	5,223	(21.0)	5,324	(19.2)	4,140	(9.3)
1Q-3Q FY12/23 (September 30, 2023)	50,373	6.6	6,613	(11.4)	6,590	(12.5)	4,566	(10.3)

(Note) Comprehensive income: 4,197 million yen ((12.0)%) as of September 30, 2024 4,769 million yen ((10.5)%) as of September 30, 2023

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
1Q-3Q FY12/24 (September 30, 2024)	117.57	116.88
1Q-3Q FY12/23 (September 30, 2023)	127.54	126.83

(2) Consolidated Financial Conditions

	Total assets	Net assets	Equity-to-asset ratio
	Million yen	Million yen	%
3Q FY12/24 End (September 30, 2024)	38,332	27,456	71.0
FY12/23 End	38,977	26,785	65.2

(Reference) Equity: 27,215 million yen as of September 30, 2024 25,401 million yen as of December 31, 2023

2. Dividend Status

	Dividend per share (Yen)				
	1Q End	1H End	3Q End	FY End	Annual
	Yen	Yen	Yen	Yen	Yen
FY12/23	-	29.00	-	32.00	61.00
FY12/24	-	31.00	-		
FY12/24 Forecast				31.00	62.00

(Note) Revision of dividends forecast most recently announced: None

3. Consolidated Business Forecasts for the Fiscal Year Ending December 31, 2024 (January 1 to December 31, 2024)

(% = year-on-year change)

Fiscal Year	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	70,500	2.2	7,200	(16.8)	7,233	(16.7)	5,045	(14.3)	143.29

(Note) Revision of consolidated business forecasts most recently announced: None

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

New: - (company name: -) Exception: 4 (company name: BOD Co., Ltd., HR Management Co., Ltd., Progress, Inc., BPC, Inc.)

(2) Application of special accounting treatment in the production of quarterly consolidated financial statements: None

(3) Changes in accounting principles, accounting estimates, and re-presentation of changes

1) Changes in accounting policies associated with revisions of accounting principles and others: None

2) Changes in accounting policies other than those mentioned in 1) above: None

3) Changes in accounting estimates: None

4) Re-presentation of changes: None

(4) Number of issued shares (Ordinary shares)

1) Number of issued shares at the term end (Including treasury shares)

3Q FY12/24	37,486,400	FY12/23	37,486,400
3Q FY12/24	2,272,851	FY12/23	2,277,051
3Q FY12/24	35,212,859	3Q FY12/23	35,796,077

2) Number of treasury shares at the term end

3) Average number of shares outstanding during the current term

* Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: Yes (optional)

* Explanation of the proper use of financial and business forecasts and other important notes.

Of all plans, business forecasts, strategies and other information provided within this document, those which are not historical facts are future outlooks based upon certain conditions and our management's judgments based upon currently available data. Therefore, we warn against relying solely upon these outlooks in assessing our business results, corporate value and other factors. Please also be informed that actual financial results may vary widely from our business forecasts due to various factors. Important factors that may have an impact upon our actual financial results include: (1) economic and financial conditions surrounding our Company and changes in the employment situation, (2) damages to infrastructure arising from disasters including earthquakes, and (3) changes in the relevant laws, including the Labor Standards Act and the Worker Dispatching Act, and in interpretations of these Acts. However, factors that affect our financial results are not limited to only these. Furthermore, please note that we may choose not to reexamine our business forecasts in response to new data, future events or other factors. For assumptions underlying our business forecasts and related issues, please refer to Page 4 "1. (3) Explanation of Consolidated Business Forecasts" of the "Appendix."

<Table of Contents of Appendix>

1. Qualitative Information Concerning Performance for the Current Quarter	2
(1) Explanation of Consolidated Operating Results	2
(2) Explanation of Consolidated Financial Position	3
(3) Explanation of Consolidated Business Forecasts	4
2. Quarterly Consolidated Financial Statements and Primary Notes	5
(1) Quarterly Consolidated Balance Sheet	5
(2) Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income ...	7
Quarterly Consolidated Statement of Income	7
First three quarters	7
Consolidated Statement of Comprehensive Income	8
First three quarters	8
(3) Notes on Quarterly Consolidated Financial Statements	9
(Notes on Going Concern Assumption)	9
(Notes on Significant Change of Shareholders' Equity)	9
(Segment Information and Others)	9
(Notes on the Statement of Cash Flows)	10

1. Qualitative Information Concerning Performance for the Current Quarter

(1) Explanation of Consolidated Operating Results

During the first three quarters of the current fiscal year, Japan's economy continued to recover gradually due signs of recovery in personal consumption, improvements in both corporate earnings and business confidence, and continued recovery in capital investments, despite lingering stagnation in some spots of personal consumption. Economic conditions are expected to continue to recover gradually given the effects of various government policies under the improving employment and wage environment. However, the economic horizon remains clouded due to a number of uncertainties including rising prices, the situation in the Middle East, and fluctuations in financial and capital markets, all of which require close attention to assess their potential impacts, in addition to risks of a downturn in Japan's economy caused by a weakening in overseas economies amid the effects of continuously high interest rates in Europe and America and remaining stagnation in the Chinese real estate market.

With regards to the current operating environment surrounding the staffing service industry, the employment situation is showing signs of a recovery. This is indicated by a stabilization in the jobs offers-to-applicants ratio at a high level although it remains flat, an improvement in the ratio of new job offers-to-applicants, and the continuing increase in the employment rate. As for the future outlook, the operating environment is expected to continue to recover.

Against this backdrop, in the first three quarters of the current fiscal year, our Group implemented group management activities to achieve our goal of "to further strengthen the business foundation to better respond to the demand related to the restart of various activities following the COVID-19 pandemic and to the labor shortage under the declining labor force, and to address the business environment where competition is expected to intensify in the spot work market, where the entry of players from other industries is also regarded as certain." Our Group also carried out marketing activities focused on boosting overall profitability of our Group, particularly in the mainstay "Placement" (Note 1) and "BPO" (Note 2) services. In addition, our Company worked to further expand its business while maximizing profits by continuing to increase productivity and promote operational efficiencies across our entire Group.

Consolidated net sales increased by 0.3% year-on-year to 50,520 million yen, due to the drop in COVID-19-related special demand and My-Number-related special demand, as expected, and the exclusion of BOD Co., Ltd. from the scope of consolidation from the first half of the current fiscal year, despite the inclusion of profit and loss from the "Restaurant Business" and the acquisition of the expanding customer demand related to the revitalization of economic and social activities as the impact from COVID-19 subsided leading to growth of the mainstay "Placement" service in the "Short-Term Operational Support Business."

In terms of profits, consolidated operating profit declined by 21.0% year-on-year to 5,223 million yen, and consolidated ordinary profit declined by 19.2% year-on-year to 5,324 million yen due to the booking of costs related to strategic investments (just under 1,400 million yen), in addition to a slight increase of net sales.

Profit attributable to owners of parent decreased by 9.3% year-on-year to 4,140 million yen, due to the booking of a 1,295 million yen gain on sale of shares of subsidiaries as extraordinary income following the transfer of the consolidated subsidiary BOD Co., Ltd. in the first half of the current fiscal year.

Our Group transferred all its shares of its consolidated subsidiary BOD Co., Ltd. on March, 29, 2024. As a result, our Group includes three months of profits and losses of this company and its subsidiaries HR Management Co., Ltd., Progress, Inc. and BPC, Inc. into our results.

Our Group implemented an absorption-type merger with Imple, Inc. as the surviving company and App X, Inc. as the absorbed company on September 1, 2024. In addition, we acquired additional shares of F-PLAIN Corporation on September 30, 2024, turning it and its subsidiaries into wholly owned subsidiaries of our Group. These events are expected to have an insignificant impact on the Company's consolidated financial results for the fiscal year ending December 31, 2024.

Notes: 1. The "Part-Time Worker Placement" service, Hayfield inc.'s staffing service specializing in the real estate industry and Imple Group's job search application service are referred to as "Placement."
2. The "Part-Time Worker Payroll Management" services, as well as other personnel and labor-related business process outsourcing (BPO) services such as the "My Number Management" and "Year-End Tax Adjustment Management," and the back office BPO services by BOD Group are referred to as "BPO." Furthermore, our Group transferred all its

shares of its consolidated subsidiary BOD Co., Ltd. on March, 29, 2024. As a result, our Group includes three months of profits and losses of this company and its subsidiaries HR Management Co., Ltd., Progress, Inc. and BPC, Inc. into our results.

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

1) Short-Term Operational Support Business

Net sales of the “Short-Term Operational Support Business” decreased by 6.7% year-on-year to 40,973 million yen due to the drop in COVID-19-related special demand and My-Number-related special demand, as expected, and the exclusion of BOD Co., Ltd. from the scope of consolidation from the first half of the current fiscal year, despite the acquisition of the expanding customer demand related to the revitalization of economic and social activities as the impact from COVID-19 subsided leading to growth of the mainstay “Placement” service in the “Short-Term Operational Support Business.”

In terms of profit, segment profit (operating profit) declined by 11.3% year-on-year to 6,351 million yen mainly due to the decrease in net sales and the booking of costs related to strategic investments (just under 400 million yen).

2) Sales Support Business

In sales of Internet access, which is a mainstay business, net sales of the “Sales Support Business” increased by 7.9% year-on-year to 2,546 million yen due to the continued good performance of sales of telecommunications products using a network of agents, in line with the first half of the current fiscal year.

In terms of profits, segment profit (operating profit) increased by 94.6% year-on-year to 171 million yen due to the growth in net sales.

3) Restaurant Business

Net sales of the “Restaurant Business” increased by 125.1% year-on-year to 5,238 million yen due to the inclusion of results for the full financial period this time, compared to five months in the previous period, in addition to the actively renovating stores and the revising various menus (including alcohol and beverages) in the domestic business.

In terms of profits, segment profit (operating profit) increased by 3,243.7% year-on-year to 385 million yen due to the increase in net sales and the effect of cuts in SG&A expenses.

The new segment “Restaurant Business” was created in the first half of the previous fiscal year.

4) Security, Other Businesses

Net sales of “Security, Other Businesses” increased by 0.8% year-on-year to 1,764 million yen mainly due to the acquisition of permanent security projects, despite a decrease in the number of temporary security projects concerning COVID-19-related operations.

In terms of profits, despite an increase in net sales, segment profit (operating profit) decreased by 9.9% year-on-year to 151 million yen mainly due to the acquisition of temporary security projects concerning COVID-19-related operations with a relatively high gross margin in the previous fiscal year.

(2) Explanation of Consolidated Financial Position

Assets, Liabilities and Net Assets

At the end of the third quarter, total assets decreased by 646 million yen from the end of the previous fiscal year to 38,332 million yen. Equity increased by 1,814 to 27,215 million yen (equity-to-asset ratio of 71.0%), and net assets grew by 671 to 27,456 million yen.

Details of major changes in assets and liabilities are described as follows.

With regards to assets, current assets decreased by 501 million yen from the end of the previous fiscal year to 24,348 million yen. This decline is attributed mainly to falls in notes and accounts receivable - trade of 1,323 to 7,093 million yen and in other under current assets of 180 to 1,764 million yen caused mainly by an decrease in accounts receivable - other of 318 to 1,261 million yen, which offset an increase in cash and deposits of 980 to 15,448 million yen.

Non-current assets decreased by 144 million yen from the end of the previous fiscal year to 13,984 million yen. This decline is attributed mainly to a fall in goodwill of 478 million yen to 5,351 million yen, which offset an increase in investment securities of 309 to 2,633 million yen.

With regard to liabilities, current liabilities decreased by 1,258 million yen from the end of the previous fiscal year to 8,534 million yen. This decline is mainly attributed to decreases in accrued consumption taxes of 695 million yen to 666 million yen, in accrued expenses of 649 million yen to 1,227 million yen, and in other under current liabilities of 320 million yen to 1,521 million yen caused mainly by an decrease in social insurance deposits of 356 million yen to 133 million yen, which offset an increases in accounts payable - other of 303 million yen to 2,054 million yen.

Non-current liabilities decreased by 58 million yen from the end of the previous fiscal year to 2,341 million yen. This decline is mainly attributed to a decrease in other under non-current liabilities of 50 million yen to 1,456 million yen caused mainly by a decrease in asset retirement obligations of 32 million yen to 373 million yen.

(3) Explanation of Consolidated Business Forecasts

Our business forecasts for the current fiscal year incorporate expenses for strategic investments concentrated in the second half of the fiscal year, and costs related to strategic investments were booked during the third quarter as expected. For these reasons, consolidated results are progressing largely in line with our forecasts. Since our consolidated business results for the full year, made up of our results for the first three quarters of the fiscal year added to our forecast for the fourth quarter, have progressed to a level that does not require revisions to our business forecasts, our Company does not revise the business forecasts for the full year ending December 31, 2024 announced on February 9, 2024.

2. Quarterly Consolidated Financial Statements and Primary Notes**(1) Quarterly Consolidated Balance Sheet**

(Million yen)

	FY12/23 End (December 31, 2023)	3Q FY12/24 End (September 30, 2024)
ASSETS		
Current assets		
Cash and deposits	14,468	15,448
Notes and accounts receivable - trade	8,416	7,093
Merchandise	43	70
Supplies	30	31
Other	1,943	1,764
Allowance for doubtful accounts	(52)	(58)
Total current assets	24,849	24,348
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	712	673
Tools, furniture and fixtures, net	184	195
Land	1,145	1,145
Other, net	1	52
Total property, plant and equipment	2,042	2,064
Intangible assets		
Goodwill	5,829	5,351
Trademark right	1,650	1,586
Other	470	619
Total intangible assets	7,950	7,556
Investments and other assets		
Investment securities	2,324	2,633
Other	1,824	1,739
Allowance for doubtful accounts	(12)	(9)
Total investments and other assets	4,137	4,363
Total non-current assets	14,128	13,984
Total assets	38,977	38,332

(Million yen)

	FY12/23 End (December 31, 2023)	3Q FY12/24 End (September 30, 2024)
LIABILITIES		
Current liabilities		
Notes and accounts payable – trade	537	682
Short-term borrowings	1,000	1,000
Accounts payable - other	1,751	2,054
Accrued expenses	1,876	1,227
Income taxes payable	1,250	1,227
Accrued consumption taxes	1,361	666
Provision for bonuses	177	157
Other	1,842	1,521
Total current liabilities	9,793	8,534
Non-current liabilities		
Retirement benefit liability	893	886
Other	1,506	1,456
Total non-current liabilities	2,399	2,341
Total liabilities	12,192	10,876
NET ASSETS		
Shareholders' equity		
Share capital	2,780	2,780
Capital surplus	2,006	1,888
Retained earnings	24,868	26,785
Treasury shares	(4,647)	(4,638)
Total shareholders' equity	25,007	26,814
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	140	116
Foreign currency translation adjustment	253	286
Total accumulated other comprehensive income	394	401
Share acquisition rights	204	240
Non-controlling interests	1,181	-
Total net assets	26,785	27,456
Total liabilities and net assets	38,977	38,332

(2) Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

[First Three Quarters of the Current Fiscal Year]

	(Million yen)	
	1Q-3Q FY12/23 (January 1 to September 30, 2023)	1Q-3Q FY12/24 (January 1 to September 30, 2024)
Net sales	50,373	50,520
Cost of sales	33,660	32,534
Gross profit	16,713	17,986
Selling, general and administrative expenses	10,100	12,763
Operating profit	6,613	5,223
Non-operating income		
Dividend income	3	5
Share of profit of entities accounted for using equity method	-	56
Revenue - advertising	46	39
Other	38	48
Total non-operating income	86	148
Non-operating expenses		
Interest expenses	5	9
Share of loss of entities accounted for using equity method	15	-
Settlement payments	43	13
Other	46	24
Total non-operating expenses	109	47
Ordinary profit	6,590	5,324
Extraordinary income		
Gain on sale of shares of subsidiaries	-	1,295
Other	415	14
Total extraordinary income	415	1,309
Extraordinary losses		
Loss on retirement of non-current assets	20	26
Other	0	-
Total extraordinary losses	20	26
Profit before income taxes	6,986	6,608
Income taxes - current	2,264	2,441
Income taxes - deferred	67	(22)
Total income taxes	2,331	2,419
Profit	4,654	4,189
Profit attributable to non-controlling interests	89	48
Profit attributable to owners of parent	4,566	4,140

Quarterly Consolidated Statement of Comprehensive Income
 [First Three Quarters of the Current Fiscal Year]

	(Million yen)	
	1Q–3Q FY12/23 (January 1 to September 30, 2023)	1Q–3Q FY12/24 (January 1 to September 30, 2024)
Profit	4,654	4,189
Other comprehensive income		
Valuation difference on available-for-sale securities	17	(24)
Foreign currency translation adjustment	98	32
Total other comprehensive income	115	8
Comprehensive income	4,769	4,197
(Comprehensive income attributable to)		
Owners of parent	4,678	4,148
Non-controlling interests	92	49

(3) Notes on Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

There are no relevant matters.

(Notes on Significant Change of Shareholders' Equity)

There are no relevant matters.

(Segment Information and Others)

[Segment information]

First Three Quarters of the Previous Fiscal Year (January 1 to September 30, 2023)

1. Information Concerning Net Sales, Profits and Losses for Each Reporting Segment

(Million yen)

	Reporting segment				Total	Adjustment amount (Note 1)	Quarterly consolidated statement of income amount (Note 2)
	Short-Term Operational Support Business	Sales Support Business	Restaurant Business	Security, Other Businesses			
Net sales							
Sales to external customers	43,937	2,359	2,327	1,750	50,373	-	50,373
Inter-segment sales or transfers	7	15	-	7	29	(29)	-
Total	43,944	2,374	2,327	1,757	50,402	(29)	50,373
Segment profit	7,156	88	12	168	7,424	(811)	6,613

- Notes: 1. (7) million yen in inter-segment eliminations and (803) million yen in company-wide expenses not allocated to any specific reporting segment are included in the (811) million yen segment profit adjustment amount. Company-wide expenses are mainly general and administrative expenses that do not belong to any specific reporting segments.
2. Segment profit is adjusted with operating profit as listed in quarterly consolidated statement of income.

2. Information Concerning Assets by Reported Segment

(Considerable growth of assets due to the acquisition of subsidiaries)

In the first half of the current fiscal year, our Group includes GLOBEAT INC., whose shares we acquired, its consolidated subsidiary GLOBEAT HOLDINGS INC., and its consolidated sub-subsidiary GLOBEAT JAPAN INC. within the scope of the consolidation. Assets in the "Restaurant Business" segment have increased by 8,930 million yen compared to the last day of the previous fiscal year. The amount of assets for said segment is calculated on a provisional basis, as the allocation of the cost of acquisition at the end of the first three quarters of the current fiscal year is ongoing.

First Three Quarters of the Current Fiscal Year (January 1 to September 30, 2024)

Information Concerning Net Sales, Profits and Losses for Each Reporting Segment

(Million yen)

	Reporting segment				Total	Adjustment amount (Note 1)	Quarterly consolidated statement of income Amount (Note 2)
	Short-Term Operational Support Business	Sales Support Business	Restaurant Business	Security, Other Businesses			
Net sales							
Sales to external customers	40,973	2,546	5,238	1,764	50,520	-	50,520
Inter-segment sales or transfers	12	9	0	1	23	(23)	-
Total	40,985	2,555	5,238	1,765	50,543	(23)	50,520
Segment profit	6,351	171	385	151	7,058	(1,835)	5,223

- Notes: 1. (8) million yen in inter-segment eliminations and (1,827) million yen in company-wide expenses not allocated to any specific reporting segment are included in the (1,835) million yen segment profit adjustment amount. Company-wide expenses are mainly general and administrative expenses that do not belong to any specific reporting segments.
2. Segment profit is adjusted with operating profit as listed in quarterly consolidated statement of income.

(Notes on the Statement of Cash Flows)

Quarterly consolidated statements of cash flows have not been prepared for the first three quarters of the current fiscal year. Amounts of depreciation (including depreciation of intangible assets) and amortization of goodwill for the first three quarters of the current fiscal year are as follows.

	(Million yen)	
	1Q-3Q FY12/23 (January 1 to September 30, 2023)	1Q-3Q FY12/24 (January 1 to September 30, 2024)
Depreciation	228	323
Amortization of goodwill	269	369