February 14, 2025

Consolidated Financial Results Announcement for the Fiscal Year Ended 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: Takehito Hirano, President, Representative Director and CEO
Contact: Yasuomi Tomotake, General Manager of the IR and Finance Department
Telephone: +81-3-4530-4830
Date of Annual General Meeting of Shareholders (Planned): March 28, 2025
Date of submission of annual securities report (Planned): March 28, 2025
Date of dividend payments (Planned): March 13, 2025
Preparation of supplementary references regarding financial results: Yes (Shown on our website)
Briefing for financial results: Yes (For institutional investors and security analysts)

(Figures are rounded to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (January 1 to December 31, 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	%
FY12/24	68,556	(0.6)	7,133	(17.6)	7,312	(15.8)	5,493	(6.7)
FY12/23	68,974	6.7	8,658	(11.9)	8,686	(12.1)	5,889	(11.1)

(Note) Comprehensive income: FY12/24: 5,598 million yen ((8.1)%) FY12/23: 6,090 million yen ((11.4)%)

	Basic earnings per share	Diluted earnings per share	ROE	Ratio of ordinary profit to total assets	Ratio of operating profit to sales
	Yen	Yen	%	%	%
FY12/24	155.99	155.03	20.3	18.2	10.4
FY12/23	164.86	163.93	24.0	23.3	12.6

(Reference) Share of profit or loss of entities accounted for using equity method: FY12/24: 123 million yen FY12/23: 56 million yen

(2) Consolidated Financial Conditions

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY12/24 End	41,468	28,869	69.0	812.65
FY12/23 End	38,977	26,785	65.2	721.42

(Reference) Equity: 28,616 million yen as of December 31, 2024 25,401 million yen as of December 31, 2023

(3) Consolidated Cash Flows

	Net cash provided by (used in)			Cash and cash equivalents at end of period
	Operating activities	Investing activities	Financing activities	
	Million yen	Million yen	Million yen	Million yen
FY12/24	5,758	(470)	(2,225)	17,531
FY12/23	5,163	(6,366)	(4,954)	14,468

2. Dividend Status

	Dividend per share (yen)					Total amount of dividends (annual)	Payout ratio (consolidated)	Dividend on net assets ratio (consolidated)
	Q1 End	1H End	Q3 End	FY End	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY12/23	-	29.00	-	32.00	61.00	2,160	37.0	8.8
FY12/24	-	31.00	-	31.00	62.00	2,183	39.7	8.1
FY12/25 Forecast	-	31.00	-	32.00	63.00		39.9	

3. Consolidated Business Forecasts for the Fiscal Year Ending December 31, 2025 (January 1 to December 31, 2025)

(% = year-on-year change for each quarter and full-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
First half	35,312	4.9	4,219	(1.0)	4,284	(0.9)	2,754	(21.9)	78.93
Full year	73,020	6.5	8,325	16.7	8,529	16.6	5,482	(0.2)	157.53

* 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) 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

(3) Number of issued shares (Ordinary shares)

1) Number of issued shares at the term end (including treasury shares)	FY12/24	37,486,400	FY12/23	37,486,400
2) Number of treasury shares at the term end	FY12/24	2,272,851	FY12/23	2,277,051
3) Average number of shares outstanding during the current term	FY12/24	35,213,033	FY12/23	35,723,492

Reference: Non-Consolidated Financial Results

1. Financial Results for the Fiscal Year Ended December 31, 2024 (January 1 to December 31, 2024)

(1) Business Results (% = year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY12/24	8,194	(7.9)	4,371	(31.2)	4,405	(30.5)	5,522	(9.2)
FY12/23	8,897	10.4	6,357	12.0	6,335	11.2	6,083	18.4

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY12/24	156.82	155.86
FY12/23	170.27	169.31

(2) Financial Conditions

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY12/24 End	27,909	21,556	76.3	604.97
FY12/23 End	23,677	18,233	76.1	512.07

(Reference) Equity: 21,303 million yen as of December 31, 2024 18,030 million yen as of December 31, 2023

* Financial results are not subject to audit by a certified public accountant or auditing firm.

* 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 corporate infrastructure arising from disasters including earthquakes, and (3) changes in the relevant laws applicable to our Group's business activities, 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 5 "1. (3) Future Outlook" of the Appendix.

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1. Operating Results and Financial Position

(1) Summary of Operating Results

During 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, future trends in U.S. policies, 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 current fiscal year, our 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 decreased by 0.6% year-on-year to 68,556 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 17.6% year-on-year to 7,133 million yen, and consolidated ordinary profit declined by 15.8% year-on-year to 7,312 million yen due to a decrease in net sales and the booking of costs related to strategic investments (1,550 million yen).

Profit attributable to owners of parent decreased by 6.7% year-on-year to 5,493 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. Moreover, on October 9, 2024, our Company established GLOBEAT INTERNATIONAL INC, as a consolidated subsidiary. In addition, on November 29, 2024, our Company acquired shares of GLOBEAT EUROPE GmbH and made it a consolidated subsidiary. The impacts on the Group's consolidated business performance during the fiscal year ended December 31, 2024. are minimal.

Moreover, the accounting period for GLOBEAT JAPAN INC. in the "Restaurant Business" segment was changed this current fiscal year. This change in accounting period led to the incorporation of 13 months of results of the

“Restaurant Business” segment in the fiscal year ended December 31, 2024, from December 1, 2023 to 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” service, as well as other personnel and labor-related business process outsourcing (BPO) services such as the “My Number Management” service 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 business segments are as follows.

1) Short-Term Operational Support Business

Net sales of the “Short-Term Operational Support Business” decreased by 6.4% year-on-year to 55,228 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 10.7% year-on-year to 8,324 million yen mainly due to the decrease in net sales and the booking of costs related to strategic investments (just under 550 million yen).

2) Sales Support Business

During the fiscal year, in sales of Internet access, which is a mainstay business, net sales of the “Sales Support Business” increased by 6.8% year-on-year to 3,321 million yen due to the continued good performance of sales of telecommunications products using a network of agents.

In terms of profits, segment profit (operating profit) increased by 64.9% year-on-year to 222 million yen due to the growth in net sales.

3) Restaurant Business

Net sales of the “Restaurant Business” increased by 70.7% year-on-year to 7,640 million yen due to the inclusion of earnings for an irregular 13 months period, compared to just 8 months in the previous period. Furthermore, the active renovation of stores and the revision of various menus (including alcoholic and other beverages) in the domestic business also contributed to this favorable performance.

In terms of profits, segment profit (operating profit) increased by 191.8% year-on-year to 547 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” decreased by 0.1% year-on-year to 2,367 million yen mainly due to a decrease in the number of temporary security projects concerning COVID-19-related operations, despite the acquisition of permanent security projects.

In terms of profits, segment profit (operating profit) decreased by 14.4% year-on-year to 196 million yen mainly due to the decrease in net sales and the acquisition of temporary security projects concerning COVID-19-related operations with a relatively high gross margin in the previous fiscal year.

(2) Summary of Financial Position

1) Assets, Liabilities and Net Assets

At the end of the current fiscal year, total assets increased by 2,491 million yen from the end of the previous fiscal year to 41,468 million yen. Equity increased by 3,215 to 28,616 million yen (equity-to-asset ratio of 69.0%), and net assets grew by 2,084 to28,869 million yen.

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

With regards to assets, current assets increased by 2,619 million yen from the end of the previous fiscal year to 27,468 million yen. This growth is attributed mainly to rises in cash and deposits of 3,063 to 17,531 million yen and in other under current assets of 286 to 2,230 million yen caused mainly by an increase in accounts receivable - other of 165 to 1,744 million yen, which offset a decrease in notes and accounts receivable - trade of 759 to 7,657 million yen.

Non-current assets decreased by 128 million yen from the end of the previous fiscal year to 14,000 million yen. This decline is attributed mainly to falls in goodwill of 607 million yen to 5,223 million yen, and in trademark right of 93 million yen to 1,558 million yen, which offset increases in investment securities of 416 million yen to 2,740 million yen and in software of 185 million yen to 634 million yen.

With regard to liabilities, current liabilities increased by 398 million yen from the end of the previous fiscal year to 10,191 million yen. This growth is mainly attributed to increases in income taxes payable of 665 million yen to 1,915 million yen, and in other under current liabilities of 484 million yen to 2,326 million yen, mainly due to an increase in deposits received of 494 million yen to 1,702 million yen, which offset decreases in accrued consumption taxes of 354 million yen to 1,007 million yen, in accrued expenses of 204 million yen to 1,672 million yen and in provision for bonuses of 151 million yen to 26 million yen.

Non-current liabilities increased by 9 million yen from the end of the previous fiscal year to 2,408 million yen. This growth is attributed mainly to a rise in retirement benefit liability of 31 million yen to 924 million yen.

2) Cash Flows

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the fiscal year increased by 3,063 million yen from the end of the previous fiscal year to 17,531 million yen (compared with a decrease of 6,158 million yen in the previous fiscal year).

(Cash Flows from Operating Activities)

Funds provided by operating activities were 5,758 million yen (compared with 5,163 million yen provided in the previous fiscal year) due to profit before income taxes of 8,629 million yen, which covered income taxes paid of 2,409 million yen, gain on sale of shares of subsidiaries of 1,295 million yen, as well as income taxes refund of 550 million yen.

(Cash Flows from Investing Activities)

Funds used in investing activities were 470 million yen (compared with 6,366 million yen used in the previous fiscal year) due to additional purchase of investments in consolidated subsidiaries of 644 million yen, purchase of intangible assets of 394 million yen, purchase of property, plant and equipment of 286 million yen, and purchase of investment securities of 255 million yen, which offset proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation of 999 million yen.

(Cash Flows from Financing Activities)

Funds used in financing activities were 2,225 million yen (compared with 4,954 million yen used in the previous fiscal year) due to dividends paid of 2,217 million yen.

(Trends in Cash Flow Indexes)

	FY12/22	FY12/23	FY12/24
Equity (million yen)	23,732	25,401	28,616
Equity-to-asset ratio (%)	66.7	65.2	69.0
Ratio of interest-bearing debt to cash flow (%)	10.1	10.7	12.2
Interest coverage ratio (times)	1,468.1	1,402.9	729.3
Market capitalization-based equity-to-asset ratio (%)	286.4	165.6	125.9

Equity = Total net assets − Share acquisition rights − Non-controlling interests
Equity-to-asset ratio = Equity ÷ Total assets
Ratio of interest-bearing debt to cash flow = Interest-bearing debt ÷ Operating cash flow (before interest and income taxes)
Interest coverage ratio = Operating cash flow (before interest and income taxes) ÷ Interest paid
Market capitalization-based equity-to-asset ratio = Stock market price ÷ Total assets

Notes:
1. Each index is calculated using consolidated financial data.
2. For operating cash flows (before interest and income taxes), net cash provided by operating activities from the consolidated cash flows statement (before deducting the amount of payment of interest and income taxes) is used.
3. All debt involving the payment of interest and stated in the consolidated balance sheet are included in interest-bearing debt.
4. For interest payment, the amount of interest paid in the consolidated statement of cash flow is used.
5. Market capitalization = Stock price at the end of the term × Number of shares outstanding at the end of the term (excluding treasury shares).

(3) Future Outlook

In the fiscal year ending December 2025, our Group aims “The objective is to further strengthen the business foundation to better respond to the demand related 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 area in the short-term labor market, with the increased entry of players from other industries,” by implementing continuous and partial strategic investments of approximately 1 billion yen to prepare for intensifying competition. In addition, our Group continues promoting PMI for new consolidated subsidiaries and group-wide collaboration.

Consolidated business forecast for the fiscal year ending December 2025 (January 1 to December 31, 2025)

(Million yen)

	FY12/24 results	FY12/25 business forecast	Rate of change
Net sales	68,556	73,020	6.5%
Operating profit	7,133	8,325	16.7%
Ordinary profit	7,312	8,529	16.6%
Profit attributable to owners of parent	5,493	5,482	(0.2)%
Basic earnings per share	156.0	157.5	1.0%

Notes:
1. Basic earnings per share for fiscal year ending December 2025 are calculated in accordance with the formula below.

$$\text{Basic earnings per share} = \frac{\text{Forecast for profit applicable to ordinary shares}}{\text{Average expected number of shares outstanding during the fiscal year ending December 31, 2025}}$$

2. “Profit” used in the calculation of basic earnings per share is now “profit attributable to owners of parent.”

(4) Fundamental Policy for Allocation of Earnings and Dividends for the Current and Coming Fiscal Years

We maintain a policy of enhancing returns of profits to shareholders with a target of achieving total return ratio of 50%.

We will implement shareholder returns with a target of achieving a total return ratio of 50% by enhancing profitability and further improving management efficiencies, in addition to offering dividends and share buybacks.

Furthermore, we will seek to achieve our target indicator for “improvement of corporate value” of ROE of over 20%.

For the fiscal year ended December 2024, a total annual dividend will be 62 yen per share, increases of 1 yen compared to the previous year and in line with the forecast, based on the goal of achieving a total return ratio of 50%. At the end of the current fiscal year, our Company will pay a dividend of 31 yen per share (in line with the forecast) and acquire treasury shares up to a maximum of 564 million yen. As a result, the total return ratio for the fiscal year ended December 2024 is expected to exceed 50.0%.

Regarding dividends in the next fiscal year, we will maintain ROE of over 20% and a total return ratio of 50% as targets for our policy regarding returns of profits to shareholders. As part of our policy of maintaining a flexible return of profits to shareholders, we have the option to offer a dividend or share buyback, or both at the current point in time. We forecast an interim dividend of 31 yen per share and a year-end dividend of 32 yen per share, for a total annual dividend of 63 yen per share.

(5) Risks Associated with Our Businesses

The main risks recognized by management with the potential to seriously impact our consolidated financial position, business results, cash flow conditions and other matters concerning the business and accounting conditions appearing in our securities report, are as follows. As part of our policy of proactive disclosure of information to investors, descriptions of risks may also include matters that do not necessarily fall under the category of business risks, but those which may be regarded as important factors for investors in making investment decisions or understanding our Group’s business activities.

Furthermore, the possibility or timing for these risks to emerge and the impact for our Group’s business results if these risks will materialize, are not included because of the difficulty in making reasonable assessments of these.

Our Group seeks to proactively identify potential business risks, prevent their occurrence and take adequate measures to address them should they appear. The following statements may contain potential risk factors which may occur in the future, and they are based on our best judgment as of the date of reporting of these financial statements.

1) Fullcast Group’s Policy for Business Growth

We endeavor to raise our competitive position by strengthening corporate governance and by promoting speed in both our strategic decision-making process and in the implementation of various strategies by our management. However, should these decisions and implementation take longer than anticipated and the contribution to our earnings does not proceed as planned, our Group’s earnings could be negatively impacted.

Within the “Short-Term Operational Support Business,” our Company engages in both “Placement” and “BPO” services and other services in response to the Revised Worker Dispatching Act implemented on October 1, 2012. In addition, Minimaid Service Co., Ltd. provides “Housekeeping Services,” Hayfield inc. provides “Recruitment Agency Services Specializing in the Real Estate Industry,” and Imple Group provides “Job Search Application Services.” If these business results do not progress according to forecasts, our Group’s business results could be materially affected.

In the “Sales Support Business,” our Company engages in sales support for telecommunications products and call center operations. If business revenues are not generated in line with forecasts, or if large amounts of capital must be invested, or if the appeal of the products sold deteriorates, our Group’s business results could be affected.

In the “Restaurant Business,” we operate a restaurant chain business. If its business results do not progress according to forecasts, our Group’s business results could be affected.

In the “Security, Other Businesses,” we operate security services mainly for public facilities and ordinary corporations. If its business results do not progress according to forecasts, our Group’s business results could be affected.

In addition to reinforcing our existing businesses with a view to the future, our Group has the potential to launch new business ventures through the establishment of new companies, M&A, business tie-ups and among other means.

However, there are many elements of uncertainty surrounding new business ventures, and in cases where the initially expected synergies are not achieved and business profit does not meet forecasts due to changes in the business environment surrounding our Group or changes in legal regulations related to the new business venture, the performance of our Group could potentially be materially affected.

Moreover, due to the acquisition of overseas companies, our Group is exposed to foreign exchange risks, risks related to local regulations applied to businesses of acquired companies, and country risks. If these risks appear, they may adversely affect our Group's business results and financial condition.

We maintain a policy of selling shares in affiliates or marketable securities of companies which cease to provide synergies with our Group's various businesses. Also, our Group's earnings could be profoundly impacted by the implementation of impairment accounting related to goodwill as well as the shares of affiliated companies and investment securities during times when market capitalization or the actual value of companies whose shares we hold deteriorate.

2) Legal Regulations

a) Changes in Legal Regulations

If the laws and other related ordinances applied to the business operations of the Fullcast Group are enforced or revised or legal interpretations modified due to changes in societal conditions, these enforcement, revisions or new legal interpretations could materially affect the business performance of the Fullcast Group. Applicable laws include the Worker Dispatching Act, Labor Standards Act, Employment Security Act, Industrial Accident Compensation Insurance Act, Health Insurance Act, Employees Pension Insurance Act, the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures (My Number Act), and Immigration Control and Refugee Recognition Act (Immigration Control Act), Act on the Arrangement of Related Acts to Promote Work Style Reform (Work Style Reform Act), Food Sanitation Act, and Amusement Businesses Law. As a countermeasure against these risks, our Group endeavors to gather information in a timely manner concerning revisions to or changes in the interpretation of the laws and regulations applied to our Group's business operations, to address these in an appropriate manner, and quickly understand the impacts on our Group's results and financial condition.

b) Recruitment Agency Business

Our Group provides paid-for employment placement services under the license of Minister of Health, Labor and Welfare and in accordance with the Employment Security Act. This license is valid for 5 years, and if it cannot be renewed when required because of non-compliance with the licensing requirements of Article 31 of the Act, if there are grounds to disqualify our license as prescribed in Article 32 of the Act, or if there is grounds to cancel our license, our license could be canceled or orders to suspend or halt our operations could be issued. As a countermeasure against these risks, our Group is committed to implementing compliance and risk management to prevent any violation of acts and ordinances. However, if licenses are canceled or if other measures are taken due to some reason in the future, we may be unable to continue providing paid-for employment placement services and our Group's business performance could be seriously affected.

c) Worker Dispatching Service

Our Group provides worker dispatching services under the license of Minister of Health, Labor and Welfare in accordance with the Worker Dispatching Act. This license is valid for 5 years, and if it cannot be renewed when required because of non-compliance with the licensing requirements of Article 7, if there is a violation of relevant laws and regulations, if there are grounds to disqualify our license as prescribed in Article 6, or if there is grounds to cancel our license as prescribed in Article 14, our license could be canceled or orders to suspend or halt our operations could be issued.

As a countermeasure against these risks, our Group is committed to implementing compliance and risk management to prevent any violation of acts and ordinances. However, if licenses are canceled or if other measures are taken due to some reason in the future, we may be unable to continue providing worker dispatching services and our Group's business performance could be seriously affected.

d) Various Management Services Including Part-Time Worker Payroll Management Service

Because our Group conducts outsourcing services independent of the contracting client company based upon an outsourcing agreement, we may become liable for damages caused by the incompletion of outsourcing services or delays in reporting. Should this risk materialize, our Group will work to mitigate damages by reducing costs with internal efforts, such as increasing the efficiency of operations. However, depending upon the amount of compensation for damages, our Group's earnings could be adversely impacted if we cannot absorb these costs.

e) Onsite Subcontracting Service

As an onsite subcontracting service provider based on subcontracts, our Group completes its subcontracting services independently at the client company of said contracts. In carrying out the work involved, we follow commonly accepted practices (as defined in Notice No. 37 of 1986 by Japan's Ministry of Labor) that separates and distinguishes between the employee dispatching and the subcontracting services and other relevant laws and regulations.

Due to the nature of the subcontracting business, our Group is exposed to productivity risks and defective product risks. As a countermeasure against these risks, our Group will work to absorb damages by reducing costs with internal efforts, such as increasing efficiency of operations. However, our Group's earnings could be adversely impacted if we cannot absorb these costs.

f) Sharing of Social Insurance Contributions

If legal revisions further expand the scope of social insurance and employment insurance in the future, or if the number of employees enrolled in social insurance increases due to growth in the worker dispatch or subcontracting businesses owing to the prolonged need for short-term human resources arising from chronic labor shortages at customer companies, the amount of social insurance premiums borne by our Company will increase. Also, this could lead to an increase in the number of cases requiring procedures for obtaining or losing coverage qualifications, which in turn could increase costs for clerical work. As a countermeasure against these risks, our Group strives to quickly understand the impacts on our Group's business results and financial condition by gathering information in a timely manner concerning revisions to laws and regulations. At the same time, should this risk materialize, our Group will work to pass on the cost increase to the invoice amount for customers or make internal efforts to cut costs, such as increasing efficiency of operations. However, if the cost increase cannot be absorbed through these efforts, our Group's earnings could be materially impacted.

3) Economic Trends

Our Group's business composition focused upon the "Short-Term Operational Support Business" is not susceptible to the impacts of economic trends during the current environment where there is a worker shortage due to structural factors regarding the population. However, if the economy deteriorates beyond our Group's assumptions, our Group's business results and financial condition could be affected. As a countermeasure against these risks, our Group regularly monitors economic trends and market developments, and promotes a sales strategy tailored to specific geographic regions and characteristics of customer industry. In addition to improving sales capabilities, our Group continues to work on increasing profit margin by enhancing productivity, and then working to mitigate the said risk.

4) Managing the Database on Client Firms and Staff

Our Group always strives to provide staff best matched to the needs of client companies and deploy staff for clients promptly and efficiently. To facilitate this, our Group manages a database that contains information on staff work attitudes and experiences by job classification, and similar information regarding our clients.

To be prepared for the potential of a malfunction in servers, our Group makes backup databases and servers themselves are operated in a redundant configuration using multiple machines in preparation for any potential problems. However, if these servers were to fail simultaneously as a result of problems such as earthquakes or other natural disasters, cyberattacks, human errors or other factors, and this results in a system failure, our Group's operations could be seriously impeded and our earnings may be materially affected.

As a countermeasure against these risks in the future, our Group expects to make investments in information technologies as needed to help differentiate our Company from our competitors in terms of costs and services offered. Deterioration in the effectiveness of these investments could contribute to reductions in their contribution to sales growth in the future.

To appropriately manage personal information and other data, we endeavor to prevent unauthorized access, destruction, lost or unauthorized disclosure of personal information by establishing clear handling rules, strictly controlling access rights to the system and stepping up internal inspections. However, our Group's earnings could be affected by potential security breaches of personal information, and our Group could lose the trust of the public, suffer decreased sales, and become subject of claims for damages.

5) Workplace Accidents and Transaction-Related Trouble

a) Recruitment Agency Business

In the process of selecting staff members who apply for jobs, the client company may file a suit against us for breach of contract or demand other compensation in the event that our Company selects and places a staff member who does not meet the recruitment requirements of the client company due to our negligence. As a countermeasure against these risks, our Group has a compliance system under which it ensures personnel in charge of legal affairs can handle various legal risks. However, our performance may be seriously affected by accidents depending upon the legal nature and the amount of money involved.

b) Employee Dispatching Service

In the event that a staff member is injured, becomes ill or dies during the course of performing work tasks or due to causes attributable to work at the dispatched workplace, our Group as an employer may become responsible to pay compensation according to the relevant laws and regulations including the Labor Standards Act and the Industrial Accident Compensation Insurance Act (Destination business owners that are our clients bear the employer's liability in accordance with the Industrial Safety and Health Act, and are obliged to protect the safety of staff in accordance with the Civil Code.).

As a countermeasure against these risks, our Group fortifies staff awareness of safety by promoting occupational health and safety training for staff, as well as by posting and providing safety bulletins for on-the-job vigilance to prevent injury and illness. To provide better worker protection, our Group maintains a comprehensive general liability insurance and other insurances as an insurance program to pay agreed claims. However, should an accident not covered by this insurance occur, our Group could be forced to pay damages on the grounds of neglecting its duty to secure safety and tort liability as stipulated in labor contracts.

In addition, our Group could be sued or pressured to make other payments on allegations of accidents due to staff negligence, for violations of contracts with clients or for illegal activities of staff members in the course of performing services at the dispatched workplace. As a countermeasure against these risks, our Group has a compliance system under which it ensures personnel in charge of legal affairs can handle various legal risks. However, our performance may be seriously affected by accidents depending upon the legal nature and the amount of money involved.

6) Securing and Retaining Employees

In order to improve employee retention, our Group implements measures to enhance employee training and motivation. However, the loss of a greater than expected number of personnel could adversely influence the various business segments of our Group.

7) Exchange Risk

Our Group assumes foreign exchange risk because it receives remittances in the local currency when converting transactions denominated in a foreign currency, including conducting sales transaction with overseas companies and dividend incomes from overseas affiliated companies. In addition, and as a general rule, the financial statements of overseas affiliates are prepared in local currency and converted into yen when preparing consolidated financial statements. Therefore, even if the value in local currency does not change with the exchange rate at the time of closing, the value after the conversion to yen may affect our Group’s business results and financial statements. As a countermeasure against these risks, our Group works to mitigate risks by means of foreign exchange contracts as needed, while considering foreign currency trends.

8) Changes in Accounting or Tax Systems, Others.

The new introduction of or changes to accounting standards or tax systems that cannot be anticipated by our Group could affect our Group’s business results and financial condition. As a countermeasure against these risks, our Group strives to gather information in a timely manner concerning changes and the introduction of new accounting standards or tax systems in order to quickly understand impacts on our Group’s business results and financial condition.

9) Large-Scale Natural Disasters and Pandemics

Our Group has implemented countermeasures after working to put into place a crisis management system for contingencies. However, if natural disasters, such as typhoons, earthquakes or tsunamis, occur that exceed our Group’s expectations or a pandemic occurs and spreads far beyond our Group’s expectations, these events could impact the business activities of our Group or our Group’s business partners, and have a negative effect on our Group’s business results and financial position. As a countermeasure against these risks, the Fullcast Group has established a business continuity plan (BCP) that it reviews as necessary to be able to continue or quickly restore important business operations even during a contingency.

10) Climate Change

Opportunity losses and other factors resulting from the suspension of business activities could affect our Group's business results and financial position if our business offices and supply chains are damaged due to the intensification of natural disasters caused by climate change. Recently, social demands for climate change countermeasures have been increasing. As such, if these efforts are inadequate or do not gain sufficient understanding from stakeholders, our Group's business results and financial position may be affected by a decline in social credibility. Furthermore, if new laws and regulations related to climate change countermeasures are introduced, an increase in response costs may affect our Group's business results and financial position.

Our Group continuously analyzes the business impact of climate change-related risks and opportunities based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), striving to proactively disclose information.

2. Corporate Group

The Fullcast Group is engaged in the “Short-Term Operational Support Business” (providing timely short-term personnel services in response to changes in the amount of work at client companies), the “Sales Support Business” (mainly engaging in agency sales of telecommunications products focused on distributor networks and call center operations), the “Restaurant Business” (operating a restaurant chain business), and the “Security, Other Businesses” (providing security services mainly for public facilities and ordinary corporations, others.).

We provide descriptions of the status of affiliated companies and a diagram of our business activities as of December 31, 2024 as below.

(1) Status of Affiliated Companies

Company	Location	Capital (mil. yen)	Major business activities	Voting shares (%)	Issues to be noted
(Consolidated subsidiary) Fullcast Co., Ltd. (Notes 3, 11)	Shinagawa-ku, Tokyo	100	Short-Term Operational Support Business	100.0	- Provides services such as management advice, business outsourcing, and system leases. - Concurrent directorates: 1 - Provides financial support: borrowing and lending operating capital
Top Spot Co., Ltd	Shinagawa-ku, Tokyo	113	Short-Term Operational Support Business	100.0	- Provides services such as management advice, business outsourcing, and system leases. - Concurrent directorates: 1 - Provides financial support: borrowing and lending operating capital
Work & Smile Co., Ltd.	Shinagawa-ku, Tokyo	80	Short-Term Operational Support Business	100.0	- Provides services such as management advice, business outsourcing, and system leases. - Concurrent directorates: 1 - Provides financial support: borrowing and lending operating capital
Fullcast Senior Works Co., Ltd.	Shinagawa-ku, Tokyo	80	Short-Term Operational Support Business	100.0	- Provides services such as management advice, business outsourcing, and system leases. - Concurrent directorates: 1 - Provides financial support: borrowing and lending operating capital
Fullcast Porter Co., Ltd.	Shinagawa-ku, Tokyo	80	Short-Term Operational Support Business	100.0	- Provides services such as management advice, business outsourcing, and system leases. - Concurrent directorates: 1 - Provides financial support: borrowing and lending operating capital
Fullcast Global Co., Ltd.	Shinagawa-ku, Tokyo	80	Short-Term Operational Support Business	100.0	- Provides services such as management advice, business outsourcing, and system leases. - Concurrent directorates: 1 - Provides financial support: borrowing and lending operating capital
Fullcast International Co., Ltd.	Shinagawa-ku, Tokyo	50	Short-Term Operational Support Business	51.0	- Provides services such as business outsourcing, and system leases. - Concurrent directorates: 1 - Provides financial support: borrowing and lending operating capital
Otetsudai Networks Inc.	Shinagawa-ku, Tokyo	50	Short-Term Operational Support Business	100.0	- Sublets a part of our rented building to this company for office use. - Provides services such as management advice, business outsourcing, and system leases. - Concurrent directorates: 1 - Provides financial support: borrowing and lending operating capital
Minimaid Service Co., Ltd.	Shibuya-ku, Tokyo	30	Short-Term Operational Support Business	100.0	- Provides services such as management advice, business outsourcing, and system leases. - Concurrent directorates: 1 - Provides financial support: borrowing and lending operating capital
Hayfield inc.	Shinagawa-ku, Tokyo	4	Short-Term Operational Support Business	100.0	- Provides services such as management advice. - Concurrent directorates: 1

Imple, Inc. (Note 7)	Shinjuku-ku Tokyo	3	Short-Term Operational Support Business	100.0	- Concurrent directorates: 1
Releasebase Inc.	Shinjuku-ku Tokyo	1	Short-Term Operational Support Business	100.0 (100.0)	-
F-PLAIN Corporation. (Note 8)	Minato-ku, Tokyo	80	Sales Support Business	100.0	- Provides services such as management advice, business outsourcing, and system leases. - Concurrent directorates: 2
M’s Line Co., Ltd. (Note 8)	Minato-ku, Tokyo	1	Sales Support Business	100.0 (100.0)	- Provides services such as management advice and system leases.
FSP Co., Ltd. (Note 8)	Minato-ku, Tokyo	1	Sales Support Business	100.0 (100.0)	- Provides services such as management advice and system leases.
GLOBEAT JAPAN INC. (Note 3,11)	Suginami-ku Tokyo	10	Restaurant Business	100.0	- Concurrent directorates: 2 - Provides financial support: borrowing and lending operating capital
GLOBEAT INTERNATIONAL INC. （Note 9）	Suginami-ku Tokyo	1	Restaurant Business	100.0 (100.0)	-
GLOBEAT EUROPE GmbH (Note 10)	Germany	(thousand euros) 25	Restaurant Business	100.0 (100.0)	-
Fullcast Advance Co., Ltd.	Shinagawa-ku, Tokyo	50	Short-Term Operational Support Business Security, Other Businesses	100.0	- Sublets a part of our rented building to this company for office use. - Provides services such as management advice, business outsourcing, and system leases. - Concurrent directorates: 1 - Provides financial support: borrowing and lending operating capital
Fullcast Business Support Co., Ltd.	Shinagawa-ku, Tokyo	9	Whole company	100.0	- Sublets a part of our rented building to this company for office use. - Provides services such as business outsourcing and system leases. - Provides financial support: borrowing and lending operating capital
(Equity method affiliate) Beat Co., Ltd	Yokohama-shi, Kanagawa	50	Business process outsourcing Worker dispatch business	30.0	- Concurrent directorates: 1
(Equity method affiliate) DeliArt Co., Ltd.	Chiyoda-ku, Tokyo	43	Worker dispatch business	20.0	—
(Equity method affiliate) Advancer Global Limited (Note 2)	Singapore	(million Singapore dollars) 41	Employment services Facility management services	25.8	- Concurrent directorates: 1

Notes: 1. The “Major business activities” category follows the business segment classification.
2. The capital stock of Advancer Global Limited is the amount as of June 30, 2024
3. Specified subsidiary.
4. The ownership ratio of voting rights indicated in parentheses represents the ratio of voting rights held indirectly.
5. None of the companies have submitted annual securities report or securities registration statement.
6. On March, 29, 2024, our Group transferred all its shares of its consolidated subsidiary BOD Co., Ltd. and removed this company and its subsidiaries from the scope of consolidation.
7. On September 1, 2024, our Group implemented an absorption-type merger with Imple, Inc. as the surviving company and App X, Inc. as the absorbed company.
8. On September 30, 2024, our Group acquired additional shares of F-PLAIN Corporation., making this company and its subsidiaries wholly owned subsidiaries.
9. On October 9, 2024, our Company established GLOBEAT INTERNATIONAL, a company in the Restaurant Business, as a consolidated subsidiary.
10. On November 29, 2024, our Company acquired shares of GLOBEAT EUROPE GmbH and made it a consolidated subsidiary.
11.Sales by Fullcast Co., Ltd, GLOBEAT JAPAN INC.. account for over 10% of consolidated net sales (excluding internal sales

among consolidated companies).

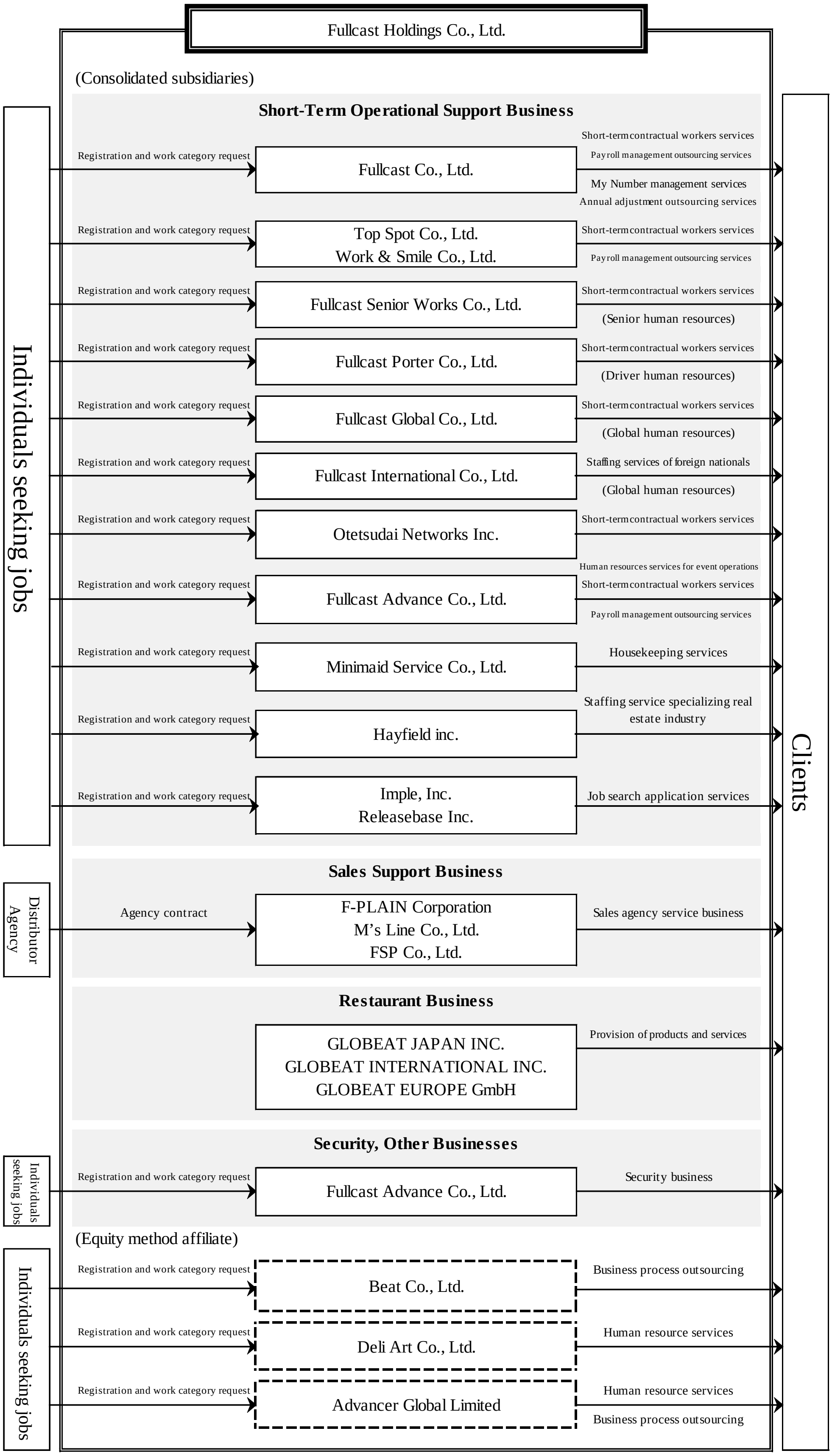
Key Information about Profit and Loss

(Million yen)

	Fullcast Co., Ltd.	GLOBEAT JAPAN INC.
Net sales	41,643	7,640
Ordinary profit	4,073	721
Profit	2,793	466
Net assets	2,946	6,741
Total assets	11,983	8,421

(2) Diagram of Business Activities

A diagram of our business activities is shown below.



Note 1: The above diagram is current as of December 31, 2024.

Note 2: [bold double box] is Fullcast Holdings Co., Ltd., [solid box] is a consolidated subsidiary, [dashed box] is an equity method affiliate.

3. Management Policies

(1) Fundamental Management Policies

Our Group considers the “sustained improvement of corporate value” to be one of its most important management issues.

We manage our business by focusing upon capital efficiency and identify ROE as a target indicator to reflect “improvement of corporate value” with the goal of realizing ROE in excess of our capital cost, which represents the expected returns by shareholders and investors from our company.

(2) Target Management Indicators

Our Group will endeavor to maximize corporate value by striking a balance between profitability and growth. At the same time, our management will endeavor maintain a solid financial standing and implement strategies that focus upon capital efficiency. Also, we maintain a goal of realizing a debt-to-equity ratio target of no more than 1.0 time to maintain appropriate debt levels that will enable us to make investments necessary to secure growth, while at the same time maintaining financial soundness. The Fullcast Group also seeks to achieve an ROE of over 20% as a target indicator of “improvement of corporate value.”

(3) Management Environment and Key Management Issues

Management Environment

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.

Our Group’s mainstay segment of “Short-Term Operational Support Business” accounts for a high percentage of our Group’s consolidated net sales at 80% over. The “Short-Term Operational Support Business” segment engages in the 4 services of placement, BPO, dispatching and outsourcing, and provides short-term staffing services in a timely manner based on changes in workload at customer companies. Our Company recognizes that the “Short-Term Operational Support Business” is moving from the conventional domain of providing necessary human resources in response to gaps in the busy period and slow periods of clients driven by the declining labor force population in Japan recently, to business domains for part-time workers directly hired by companies to maintain the minimum necessary workforce. Going forward, we will endeavor to the alleviate workers shortages in Japan by providing a more sophisticated of short-term staffing services.

Key Management Issues

To achieve the management policy in (1) and (2) and the management indicators, our Group recognizes that the business and financial issues to address in priority are as follows.

1) Sustained Improvement of Corporate Value

As stated in (1) Fundamental Management Policies and (2) Target Management Indicators, we consider the “sustained improvement of corporate value” as one of our most important management issues. Accordingly, we will manage our businesses by focusing upon capital efficiency through the maintenance of an appropriate level of shareholder equity while at the same time continuing to return profits to shareholders. In addition, we seek to realize further expansion of profits in the “Placement” and “BPO” services in the Group’s mainstay “Short-Term Operational Support Business”.

In the future, we will continue to promote rationalization as a means of fortifying our management structure, while at the same time assigning the highest priority to compliance. We also seek to further increase the confidence of all stakeholders in our Company.

2) Achievement of “Medium-Term Management Plan 2029”

Based on “Medium-Term Management Plan 2029,” we will work toward achieving consolidated operating profit of 12.5 billion yen in the final year of the plan.”

An outline of “Medium-Term Management Plan 2029” is presented below.

a) Applicable period

5 years from the fiscal year ending December 2025 to the fiscal year ending December 2029

b) Numerical Targets

Consolidated operating profit of 12.5 billion yen in the fiscal year ending December 2029

c) Key Performance Indicators (KPI)

Indicators for achieving “sustained improvement of corporate value”	: ROE of 20% or higher
Indicators related to shareholder returns	: Total return ratio of 50%
Indicators supporting “basic capital policy”	: D/E ratio 1.0 times (upper)

d) Summary of Business Strategy

■ Short-Term Operational Support Business

・By maximizing group synergies, expanding advertising and brand recognition and enhancing the added value of our services, we will establish our competitive advantage in the market and thus further develop our businesses.

■ Sales Support Business

・We will promote competitive sales support with new customer acquisition through the use of the cutting-edge marketing techniques, the expansion of a diverse product line-up, and the development of an entertainment business incorporating the latest trends.

■ Restaurant Business

・We will promote our businesses through both brand reinforcement and store expansion, and accelerate our global expansion, primarily through overseas store openings, to attract a new fan base and achieve sustainable growth.

■ Security, Other Businesses

・We will accelerate the growth of the security business through strict security guard training, the promotion of business partnerships, and the optimization of response to large-scale events such as Expo 2025 Osaka, Kansai, Japan and the World Athletics Championships Tokyo 2025.

3) Business Targets for the Fiscal Year Ending December 2025

The set objective for the fiscal year ending December 31, 2025 is “The objective is to further strengthen the business foundation to better respond to the demand related 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 area in the short-term labor market, with the increased entry of players from other industries,” and the following measures will be implemented.

■Continuous and partial implementation of strategic investments

We will implement continuous and partial strategic investments to prepare for intensifying competition.

・Media promotion centered on digital media deployment, which was validated for its effectiveness in the previous period

・Reinforce systems and strengthen operations

・Total amount 1,000 million yen

■ Continue promoting PMI at new consolidated subsidiaries (GLOBEAT JAPAN INC., Imple, Inc.)

■ Promote partnerships between Group subsidiaries

- Establishment of headquarters sales function

- ■ Strengthening new graduate recruitment for full-time employees
- ■ Longer staff working periods

4) "Fullcast Group Sustainability Basic Policy"

The Fullcast Group's basic policy on sustainability is to contribute to solving social issues and to win the trust of all stakeholders involved in our business by achieving sustainable enhancement of corporate value based on our corporate philosophy of "Providing the best place for people to bring out their best." We will implement the following sustainability activities.

1. As we are primarily engaged in short-term staffing services, it is difficult to imagine that climate change will have a major impact on our business. However, we will reduce our environmental impact and use resources efficiently in areas where we can contribute for the sustainable development of the global environment.
2. We will respond appropriately to the human rights impact and risks of corporate activities and strive to prevent human rights violations.
3. We are aware that the growth of our employees is the source of sustained enhancement of corporate value and we will strive for recruitment and training not tied to race, nationality, age, gender, and other attributes, as well as implement efforts to improve the working environment with a consideration to work-life balance.
4. We will strive to establish trust and engage in fair and appropriate transactions with jobseekers and client companies, our important business partners in operating the staffing services business.

4. Fundamental Principles on Selection of Accounting Standards

Our Group has a policy of preparing consolidated financial statements in accordance with Japanese Accounting Standards (Japanese GAAP) because of the ease of comparison with other companies and given the increased burden required to prepare consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).

Furthermore, we will continue to consider conditions in both Japan and abroad with regards to the potential implementation of IFRS.

5. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Million yen)

	FY12/23 End (December 31, 2023)	FY12/24 End (December 31, 2024)
ASSETS		
Current assets		
Cash and deposits	14,468	17,531
Notes and accounts receivable - trade	8,416	7,657
Merchandise	43	58
Supplies	30	16
Other	1,943	2,230
Allowance for doubtful accounts	(52)	(24)
Total current assets	24,849	27,468
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,965	1,871
Accumulated depreciation and impairment	(1,254)	(1,168)
Buildings and structures, net	712	704
Machinery, equipment and vehicles	8	8
Accumulated depreciation and impairment	(7)	(7)
Machinery, equipment and vehicles, net	1	0
Tools, furniture and fixtures	1,078	1,070
Accumulated depreciation and impairment	(894)	(890)
Tools, furniture and fixtures, net	184	180
Land	1,145	1,145
Construction in progress	-	51
Total property, plant and equipment	2,042	2,080
Intangible assets		
Software	448	634
Goodwill	5,829	5,223
Trademark right	1,650	1,558
Other	22	22
Total intangible assets	7,950	7,436
Investments and other assets		
Investment securities	2,324	2,740
Guarantee deposits	1,192	1,149
Deferred tax assets	477	476
Other	156	127
Allowance for doubtful accounts	(12)	(8)
Total investments and other assets	4,137	4,484
Total non-current assets	14,128	14,000
Total assets	38,977	41,468

(Million yen)

	FY12/23 End (December 31, 2023)	FY12/24 End (December 31, 2024)
LIABILITIES		
Current liabilities		
Notes and accounts payable - trade	537	582
Short-term borrowings	1,000	1,000
Accounts payable - other	1,751	1,664
Accrued expenses	1,876	1,672
Income taxes payable	1,250	1,915
Accrued consumption taxes	1,361	1,007
Provision for bonuses	177	26
Other	1,842	2,326
Total current liabilities	9,793	10,191
Non-current liabilities		
Retirement benefit liability	893	924
Asset retirement obligations	405	389
Deferred tax liabilities	620	634
Other	481	462
Total non-current liabilities	2,399	2,408
Total liabilities	12,192	12,599
NET ASSETS		
Shareholders’ equity		
Share capital	2,780	2,780
Capital surplus	2,006	1,888
Retained earnings	24,868	28,137
Treasury shares	(4,647)	(4,638)
Total shareholders’ equity	25,007	28,167
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	140	121
Foreign currency translation adjustment	253	329
Total accumulated other comprehensive income	394	450
Share acquisition rights	204	253
Non-controlling interests	1,181	-
Total net assets	26,785	28,869
Total liabilities and net assets	38,977	41,468

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

Consolidated Statement of Income

(Million yen)

	FY12/23 (January 1 to December 31, 2023)	FY12/24 (January 1 to December 31, 2024)
Net sales	68,974	68,556
Cost of sales	45,961	44,039
Gross profit	23,013	24,517
Selling, general and administrative expenses		
Salaries and bonuses	4,963	5,562
Other salaries	1,652	1,682
Provision for bonuses	(136)	(14)
Legal welfare expenses	971	1,043
Retirement benefit expenses	152	132
Communication expenses	369	356
Travel and transportation expenses	502	529
Rent expenses on land and buildings	1,153	1,309
Depreciation	351	434
Advertising expenses	374	1,776
Recruitment expenses	785	1,082
Provision of allowance for doubtful accounts	15	(19)
Amortization of goodwill	385	498
Other	2,819	3,015
Total selling, general and administrative expenses	14,355	17,384
Operating profit	8,658	7,133
Non-operating income		
Interest income	2	3
Dividend income	3	6
Share of profit of entities accounted for using equity method	56	123
Revenue - advertising	52	56
Other	62	61
Total non-operating income	175	248
Non-operating expenses		
Interest expenses	7	12
Handicapped employment fee	18	8
Settlement payments	48	17
Commission for purchase of treasury shares	24	-
Cost of revenue - advertising	9	8
Other	42	24
Total non-operating expenses	148	69
Ordinary profit	8,686	7,312

(Million yen)

	FY12/23 (January 1 to December 31, 2023)	FY12/24 (January 1 to December 31, 2024)
Extraordinary income		
Gain on sale of shares of subsidiaries	-	1,295
Other	412	63
Total extraordinary income	412	1,358
Extraordinary losses		
Loss on retirement of non-current assets	24	38
Other	0	3
Total extraordinary losses	24	41
Profit before income taxes	9,073	8,629
Income taxes - current	3,075	3,119
Income taxes - deferred	(25)	(31)
Total income taxes	3,050	3,088
Profit	6,024	5,541
Profit attributable to non-controlling interests	134	48
Profit attributable to owners of parent	5,889	5,493

Consolidated Statement of Comprehensive Income

(Million yen)

	FY12/23 (January 1 to December 31, 2023)	FY12/24 (January 1 to December 31, 2024)
Profit	6,024	5,541
Other comprehensive income		
Valuation difference on available-for-sale securities	(13)	(19)
Foreign currency translation adjustment	79	75
Total other comprehensive income	66	57
Comprehensive income	6,090	5,598
(Comprehensive income attributable to)		
Owners of parent	5,960	5,549
Non-controlling interests	130	49

(3) Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (January 1 to December 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,780	2,006	21,286	(2,664)	23,409
Changes during period					
Dividends of surplus			(2,297)		(2,297)
Profit attributable to owners of parent			5,889		5,889
Purchase of treasury shares				(2,001)	(2,001)
Disposal of treasury shares			(11)	18	7
Purchase of shares of consolidated subsidiaries					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	3,582	(1,983)	1,598
Balance at end of period	2,780	2,006	24,868	(4,647)	25,007

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	149	174	323	152	1,044	24,928
Changes during period						
Dividends of surplus						(2,297)
Profit attributable to owners of parent						5,889
Purchase of treasury shares						(2,001)
Disposal of treasury shares						7
Purchase of shares of consolidated subsidiaries						-
Net changes in items other than shareholders' equity	(8)	79	71	51	137	259
Total changes during period	(8)	79	71	51	137	1,857
Balance at end of period	140	253	394	204	1,181	26,785

Current consolidated fiscal year (January 1 to December 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,780	2,006	24,868	(4,647)	25,007
Changes during period					
Dividends of surplus			(2,218)		(2,218)
Profit attributable to owners of parent			5,493		5,493
Purchase of treasury shares					-
Disposal of treasury shares			(5)	9	3
Purchase of shares of consolidated subsidiaries		(118)			(118)
Net changes in items other than shareholders' equity					
Total changes during period	-	(118)	3,269	9	3,159
Balance at end of period	2,780	1,888	28,137	(4,638)	28,167

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	140	253	394	204	1,181	26,785
Changes during period						
Dividends of surplus						(2,218)
Profit attributable to owners of parent						5,493
Purchase of treasury shares						-
Disposal of treasury shares						3
Purchase of shares of consolidated subsidiaries						(118)
Net changes in items other than shareholders' equity	(19)	75	56	49	(1,181)	(1,076)
Total changes during period	(19)	75	56	49	(1,181)	2,084
Balance at end of period	121	329	450	253	-	28,869

(4) Consolidated Statement of Cash Flows

(Million yen)

	FY12/23 (January 1 to December 31, 2023)	FY12/24 (January 1 to December 31, 2024)
Cash flows from operating activities		
Profit before income taxes	9,073	8,629
Depreciation	363	455
Amortization of goodwill	385	498
Increase (decrease) in allowance for doubtful accounts	4	(32)
Increase (decrease) in provision for bonuses	(132)	37
Interest and dividend income	(5)	(9)
Interest expenses	7	12
Share of loss (profit) of entities accounted for using equity method	(56)	(123)
Gain on sale of shares of subsidiaries	-	(1,295)
Loss on retirement of non-current assets	24	38
Decrease (increase) in trade receivables	961	43
Decrease (increase) in accounts receivable - other	(855)	(698)
Increase (decrease) in trade payables	(204)	48
Increase (decrease) in accrued expenses	(33)	41
Increase (decrease) in accrued consumption taxes	(857)	(277)
Increase (decrease) in retirement benefit liability	78	31
Other, net	601	222
Subtotal	9,354	7,619
Interest and dividends received	5	9
Interest paid	(7)	(11)
Income taxes paid	(4,208)	(2,409)
Income taxes refund	18	550
Net cash provided by (used in) operating activities	5,163	5,758
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	1,158	-
Purchase of property, plant and equipment	(116)	(286)
Proceeds from sale of property, plant and equipment	266	38
Purchase of intangible assets	(183)	(394)
Proceeds from sale of intangible assets	-	20
Purchase of investment securities	(98)	(255)
Proceeds from sale of investment securities	346	31
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(7,511)	-
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	999
Additional purchase of investments in consolidated subsidiaries	(450)	(644)
Proceeds from collection of loans receivable	27	41
Other, net	196	(19)
Net cash provided by (used in) investing activities	(6,366)	(470)

(Million yen)

	FY12/23 (January 1 to December 31, 2023)	FY12/24 (January 1 to December 31, 2024)
Cash flows from financing activities		
Repayments of long-term borrowings	(604)	-
Purchase of treasury shares	(2,026)	-
Dividends paid	(2,295)	(2,217)
Other, net	(30)	(8)
Net cash provided by (used in) financing activities	(4,954)	(2,225)
Effect of exchange rate change on cash and cash equivalents	-	(1)
Net increase (decrease) in cash and cash equivalents	(6,158)	3,063
Cash and cash equivalents at beginning of period	20,626	14,468
Cash and cash equivalents at end of period	14,468	17,531

(5) Notes on Consolidated Financial Statements

(Notes on Going Concern Assumption)

There are no relevant matters.

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

There are no relevant matters.

(Segment Information and Others)

[Segment information]

Previous consolidated fiscal year (January 1 to December 31, 2023)

1. Description of reportable segments

Our Company’s reporting segments are business units for which financial information can be obtained independently from our Company’s various structural units, and they are subject to regular examination by the Board of Directors to form decisions about allocations of management resources and to evaluate their performance.

Our Group has 4 reporting segments: 1) “Short-Term Operational Support Business,” 2) “Sales Support Business,” 3) “Restaurant Business,” and 4) “Security, Other Businesses.” The “Short-Term Operational Support Business” provides timely short-term staffing services that cater to fluctuations in client companies’ workloads. The “Sales Support Business” mainly engages in agency sales of telecommunications products focused on distributor networks and call center operations. The “Restaurant Business” engages in restaurant chain management and the franchise business. The “Security, Other Businesses” mainly conducts security work for public facilities and general companies.

In the current fiscal year, our Group included 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. The new segment “Restaurant Business” was therefore created in the Reporting Segments. Moreover, on October 1, 2023, an absorption-type merger was conducted with GLOBEAT JAPAN INC. as the surviving company and GLOBEAT INC. and GLOBEAT HOLDINGS INC. as the absorbed companies.

2. Explanation of measurements of sales, profit (loss), asset, and other items for each reportable segment

The accounting methods for each segment reported are similar to those described in the “Significant Accounting Policies in the Preparation of the Consolidated Financial Statements.”

The profit of each reporting segment is an amount based upon its operating profit. Inter-segment profits and transfers are based on market prices.

3. Disclosure of sales, profit (loss), asset, and other items for each reportable segment

(Million yen)

	Reporting segment				Total	Adjustment amount (Note)	Amount in consolidated financial statement
	Short-Term Operational Support Business	Sales Support Business	Restaurant Business	Security, Other Businesses			
Net sales							
Sales to external customers	59,019	3,111	4,475	2,369	68,974	-	68,974
Inter-segment sales or transfers	13	18	-	8	39	(39)	-
Total	59,032	3,129	4,475	2,377	69,013	(39)	68,974
Segment profit	9,318	134	188	229	9,868	(1,210)	8,658
Segment assets	18,398	2,735	10,225	788	32,146	6,831	38,977
Other							
Depreciation	217	11	118	3	349	14	363

Amortization of goodwill	317	-	68	-	385	-	385
Increase of property, plant and equipment and intangible assets	74	3	64	0	142	158	299

Notes: 1. (12) million yen in inter-segment eliminations and (1,198) million yen in company-wide expenses not allocated to any specific reporting segment are included in the (1,210) 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 has been adjusted with the operating profit shown in the consolidated statement of income.
3. The amount of 6,831 million yen in adjustment of segment-based assets primarily consists of long-term investment assets (investment securities), assets involved in the administrative departments and other items incurred by the head office of the parent company.
4. The amount of 14 million yen for adjusting the depreciation expenses primarily consists of depreciation for the buildings and structures, and software of the head office of our Company.
5. The amount of 158 million yen in adjustment for increased amount of the property, plant and equipment, and intangible assets is primarily comprised of those for buildings and structures of the head office of our Company and tools, furniture and fixtures, and software for a new system.

Current consolidated fiscal year (January 1 to December 31, 2024)

1. Description of reportable segments

Our Company's reporting segments are business units for which financial information can be obtained independently from our Company's various structural units, and they are subject to regular examination by the Board of Directors to form decisions about allocations of management resources and to evaluate their performance.

Our Group has 4 reporting segments: 1) "Short-Term Operational Support Business," 2) "Sales Support Business," 3) "Restaurant Business," and 4) "Security, Other Businesses." The "Short-Term Operational Support Business" provides timely short-term staffing services that cater to fluctuations in client companies' workloads. The "Sales Support Business" mainly engages in agency sales of telecommunications products focused on distributor networks and call center operations. The "Restaurant Business" engages in restaurant chain management and the franchise business. The "Security, Other Businesses" mainly conducts security work for public facilities and general companies.

2. Explanation of measurements of sales, profit (loss), asset, and other items for each reportable segment

The accounting methods for each segment reported are similar to those described in the "Significant Accounting Policies in the Preparation of the Consolidated Financial Statements."

The profit of each reporting segment is an amount based upon its operating profit. Inter-segment profits and transfers are based on market prices.

3. Disclosure of sales, profit (loss), asset, and other items for each reportable segment

(Million yen)

	Reporting segment				Total	Adjustment amount (Note)	Amount in consolidated financial statement
	Short-Term Operational Support Business	Sales Support Business	Restaurant Business	Security, Other Businesses			
Net sales							
Sales to external customers	55,228	3,321	7,640	2,367	68,556	-	68,556
Inter-segment sales or transfers	32	13	0	1	46	(46)	-
Total	55,260	3,334	7,640	2,368	68,602	(46)	68,556
Segment profit	8,324	222	547	196	9,288	(2,155)	7,133
Segment assets	21,858	2,808	10,730	764	36,160	5,308	41,468
Other							
Depreciation	243	6	187	3	439	16	455
Amortization of goodwill	388	-	110	-	498	-	498
Increase of property, plant and equipment and intangible assets	73	4	145	0	222	458	680

Notes: 1. (26) million yen in inter-segment eliminations and (2,129) million yen in company-wide expenses not allocated to any specific reporting segment are included in the (2,155) 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 has been adjusted with the operating profit shown in the consolidated statement of income.
3. The amount of 5,308 million yen in adjustment of segment-based assets primarily consists of long-term investment assets (investment securities), assets involved in the administrative departments and other items incurred by the head office of the parent company.
4. The amount of 16 million yen for adjusting the depreciation expenses primarily consists of depreciation for the buildings and structures, and software of the head office of our Company.
5. The amount of 458 million yen in adjustment for increased amount of the property, plant and equipment, and intangible assets is primarily comprised of those for buildings and structures of the head office of our Company and tools, furniture and fixtures, and software for a new system.

(Related Information)

Previous consolidated fiscal year (January 1 to December 31, 2023)

1. Information about each product or service

Information in this section is omitted because it is similar to information disclosed in the segment information section.

2. Information for geographical regions

Information in this section is omitted, as we did not have any consolidated subsidiaries or offices located in foreign countries or regions outside of Japan.

3. Information about major customers

The information in this section is omitted, as there is no single external customer representing 10.0% or more of net sales of the consolidated statement of income.

Current consolidated fiscal year (January 1 to December 31, 2024)

1. Information about each product or service

Information in this section is omitted because it is similar to information disclosed in the segment information section.

2. Information for geographical regions

Information in this section is omitted, as we did not have any consolidated subsidiaries or offices located in foreign countries or regions outside of Japan.

3. Information about major customers

The information in this section is omitted, as there is no single external customer representing 10.0% or more of net sales of the consolidated statement of income.

(Information concerning impairment loss on non-current assets for each reporting segment)

Previous consolidated fiscal year (January 1 to December 31, 2023)

There are no relevant matters.

Current consolidated fiscal year (January 1 to December 31, 2024)

There are no relevant matters.

(Information regarding the amount of amortization of goodwill and unamortized balance for each reporting segment)

Previous consolidated fiscal year (January 1 to December 31, 2023)

(Million yen)

	Reporting segment					Company-wide/ amortization	Total
	Short-Term Operational Support Business	Sales Support Business	Restaurant Business	Security, Other Businesses	Total		
Amount of amortization for the fiscal year	317	-	68	-	385	-	385
Balance at end of period	3,860	-	1,969	-	5,829	-	5,829

Current consolidated fiscal year (January 1 to December 31, 2024)

(Million yen)

	Reporting segment					Company-wide/ amortization	Total
	Short-Term Operational Support Business	Sales Support Business	Restaurant Business	Security, Other Businesses	Total		
Amount of amortization for the fiscal year	388	-	110	-	498	-	498
Balance at end of period	3,364	-	1,859	-	5,223	-	5,223

(Information concerning gain on negative goodwill for each reporting segment)

Previous consolidated fiscal year (January 1 to December 31, 2023)

There are no relevant matters.

Current consolidated fiscal year (January 1 to December 31, 2024)

There are no relevant matters.

(Per-share Information)

FY12/23 (January 1 to December 31, 2023)		FY12/24 (January 1 to December 31, 2024)	
Net assets per share	721.42 yen	Net assets per share	812.65 yen
Basic earnings per share	164.86 yen	Basic earnings per share	155.99 yen
Diluted earnings per share	163.93 yen	Diluted earnings per share	155.03 yen

Notes: The basis for calculating basic earnings per share and diluted earnings per share in the current fiscal year is as follows.

Item	FY12/23 (January 1 to December 31, 2023)	FY12/24 (January 1 to December 31, 2024)
Basic earnings per share		
Profit attributable to owners of parent (million yen)	5,889	5,493
Profit attributable to owners of parent related to ordinary shares (million yen)	5,889	5,493
Profit not available to ordinary shares (million yen)	-	-
Average number of ordinary shares outstanding during the period (shares)	35,723,492	35,213,033
Diluted earnings per share		
Adjusted profit attributable to owners of parent (million yen)	-	-
Increase of ordinary shares (shares)	202,713	217,478
(of these, share acquisition rights [shares])	(202,713)	(217,478)
Overview of potential stock not included in calculation of diluted earnings per share because the stock has no dilution effect	-	-

(Major Subsequent Events)

(Purchase of treasury shares)

Fullcast Holdings Co., Ltd. passed a resolution at the Board of Directors meeting held on February 14, 2025 on matters related to the acquisition of treasury shares pursuant to the provisions of Article 156 of the Companies Act as applied mutatis mutandis pursuant to the provision of Article 165, Paragraph 3 of the same act.

(1) Reason:	Treasury shares will be acquired in order to provide greater returns to shareholders as well as to implement a flexible capital policy to enhance capital efficiency.
(2) Type of shares to be acquired:	Ordinary shares
(3) Number of shares to be acquired:	500,000 shares (max.)
(4) Total value of repurchases:	564 million yen (max.)
(5) Acquisition period:	February 17 to March 24, 2025
(6) Acquisition method:	Purchase on the open market of the Tokyo Stock Exchange

(Cancellation of treasury shares)

Fullcast Holdings Co., Ltd. passed a resolution at the Board of Directors meeting held on February 14, 2025 on matters related to the cancellation of treasury shares pursuant to the provisions of Article 178 of the Companies Act.

(1) Type of shares to be canceled:	Ordinary shares
(2) Total number of shares to be canceled:	2,270,951 shares (percentage of total number of issued shares prior to cancellation [incl. treasury shares]: 6.06%)
(3) Total number of issued shares after cancellation:	35,215,449 shares
(4) Planned cancellation date:	February 21, 2025