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May 9, 2025

Consolidated Financial Results Announcement for the First Quarter of the Fiscal Year Ending December 31, 2025 [Japanese Standards] (Consolidated)

Company name: Fullcast Holdings Co., Ltd.
 Stock exchange listing: TSE Prime Market
 Stock code: 4848
 URL: <https://www.fullcastholdings.co.jp>
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 Date of commencements of dividend payments (Planned): –
 Preparation of supplementary references regarding financial results: Yes (shown on our website)
 Briefing for quarterly results: None

(Figures are rounded to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2025 (January 1 to March 31, 2025)

(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 FY12/25 (March 31, 2025)	16,625	(3.0)	2,084	(11.5)	2,107	(9.6)	1,363	(38.1)
1Q FY12/24 (March 31, 2024)	17,133	7.3	2,356	(1.1)	2,332	(2.5)	2,202	39.5

(Note) Comprehensive income: 1,309 million yen ((42.6)%) as of March 31, 2025 2,280 million yen (38.1%) as of March 31, 2024

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
1Q FY12/25 (March 31, 2025)	38.81	38.56
1Q FY12/24 (March 31, 2024)	62.55	62.21

(2) Consolidated Financial Conditions

	Total assets	Net assets	Equity-to-asset ratio
	Million yen	Million yen	%
1Q FY12/25 (March 31, 2025)	40,640	28,537	69.6
FY12/24 End	41,468	28,869	69.0

(Reference) Equity: 28,272 million yen as of March 31, 2025 28,616 million yen as of December 31, 2024

2. Dividend Status

	Dividend per share (yen)				
	1Q End	1H End	3Q End	FY End	Annual
	Yen	Yen	Yen	Yen	Yen
FY12/24	-	31.00	-	31.00	62.00
FY12/25	-	-	-	-	-
FY12/25 Forecast	-	31.00	-	32.00	63.00

(Note) Revision of dividend forecasts in the current first quarter: None

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

(Note) Revision of consolidated business forecasts in the current first quarter: None

* Notes

- (1) Significant changes in the scope of consolidation during the current first quarter: None
- (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: Yes
- 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)
- 2) Number of treasury shares at the term end
- 3) Average number of shares outstanding during the current term

Q1 FY12/25	35,215,449	FY12/24	37,486,400
Q1 FY12/25	350,900	FY12/24	2,272,851
Q1 FY12/25	35,121,026	1Q FY12/24	35,211,472

* Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

* Explanation of the proper use of 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."

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1. Qualitative Information Concerning Performance for the Current Quarter

(1) Explanation of Consolidated Operating Results

During the first quarter of the current fiscal year, Japan's economy continued to recover gradually, supported by signs of improvements in personal consumption, improvements in corporate earnings and business sentiment, and the continued recovery in capital investments, although some signs of stagnation continued to appear in certain areas of the economy. Overall economic conditions are expected to continue to recover gradually given the effects of various government policies against the backdrop of the improvements in the employment and wage environment. However, the economic horizon remains clouded due to numerous uncertainties, including fluctuations in financial and capital markets, which require close attention to assess their potential impacts upon the economy. In addition, there are risks of a potential downturn in Japan's economy caused by the negative impact of lingering inflation on personal consumption that could lead to weakening in consumer sentiment, and the negative impact of U.S. policy trends, especially on trade.

With regards to the current operating environment surrounding the staffing service industry, the employment situation is showing signs of a recovery. This is notably reflected by an increase in the number of workers year-on-year. As for the future outlook, the operating environment is expected to continue to recover gradually.

Against this backdrop, in the first quarter of the current fiscal year, our Group implemented group management activities to achieve our goal of "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." 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 the entire Fullcast Group.

Consolidated net sales decreased by 3.0% year-on-year to 16,625 million yen, due to the exclusion of BOD Co., Ltd. from the scope of consolidation from the first half of the previous fiscal year, and despite the acquisition of the expanding customer demand leading to the growth of "Part-Time Work Payroll Management Outsourcing" and "Year-End Tax Adjustment Management," in the mainstay "Placement" and "BPO" services within the "Short-Term Operational Support Business."

In terms of profits, consolidated operating profit declined by 11.5% year-on-year to 2,084 million yen, and consolidated ordinary profit declined by 9.6% year-on-year to 2,107 million yen due to the decline in net sales and the booking of costs related to strategic investments (226 million yen).

Profit attributable to owners of parent decreased by 38.1% year-on-year to 1,363 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 previous fiscal year.

On January 31, 2025, our Company acquired shares of Tuclicks Inc, and made it a consolidated subsidiary.

- 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 provided 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 earnings of this company and its subsidiaries HR Management Co., Ltd., Progress, Inc. and BPC, Inc. into our consolidated results in the previous consolidated fiscal year.

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

1) Short-Term Operational Support Business

Net sales in the "Short-Term Operational Support Business" declined by 4.6% year-on-year to 13,367 million

yen, due to the exclusion of BOD Co., Ltd. from the scope of consolidation from the first half of the previous fiscal year, and despite the acquisition of the expanding customer demand leading to the growth of “Part-Time Work Payroll Management Outsourcing” and “Year-End Tax Adjustment Management,” in the mainstay “Placement” and “BPO” services within the “Short-Term Operational Support Business.”

In terms of profits, segment profit (operating profit) declined by 5.9% year-on-year to 2,296 million yen due to a decrease in net sales and the booking of costs related to strategic investments (93 million yen).

2) Sales Support Business

Net sales of the “Sales Support Business” increased by 5.7% year-on-year to 880 million yen due to the continued favorable sales of telecommunications products and services using a network of agents, in sales of Internet access, which is a mainstay business.

In terms of profits, segment profit (operating profit) increased by 141.6% year-on-year to 69 million yen due to the growth in net sales.

3) Restaurant Business

Net sales in the “Restaurant Business” increased by 2.0% year-on-year to 1,737 million yen due to stronger customer traffic driven by the active renovation of stores and the revision of various menus in the domestic business.

In terms of profits, despite the increase in net sales, segment profit (operating profit) declined by 11.8% year-on-year to 125 million yen, mainly due to a sharper-than-expected rise in food ingredient costs and other expenses.

4) Security, Other Businesses

Net sales of “Security, Other Businesses” increased by 8.5% year-on-year to 642 million yen, mainly due to the acquisition and stable operation of permanent security projects.

In terms of profits, despite the increase in net sales, segment profit (operating profit) decreased by 3.0% year-on-year to 55 million yen, mainly due to the increase in personnel hiring and the rise of costs related to equipment preparation and training efforts to respond to projects related to the Expo 2025 being held in Osaka, Japan.

(2) Explanation of Consolidated Financial Position

Assets, Liabilities and Net Assets

At the end of the first quarter, total assets decreased by 828 million yen from the end of the previous fiscal year to 40,640 million yen. Equity decreased by 344 to 28,272 million yen (equity-to-asset ratio of 69.6%), while net assets decreased by 332 to 28,537 million yen.

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

With regards to assets, current assets decreased by 3,953 million yen from the end of the previous fiscal year to 23,515 million yen. This decrease is attributed mainly to decreases in cash and deposits of 3,512 million yen to 14,018 million yen, in other under current assets of 250 million yen to 1,979 million yen caused mainly by a decrease in accounts receivable - other of 187 million yen to 1,557 million yen, and in notes and accounts receivable - trade of 217 million yen to 7,441 million yen.

Non-current assets increased by 3,125 million yen from the end of the previous fiscal year to 17,125 million yen. This increase is mainly attributed to increases in goodwill of 1,022 million yen to 6,245 million yen, in land of 1,354 million yen to 2,499 million yen and in buildings and structures, net of 719 million yen to 1,423 million yen.

With regard to liabilities, current liabilities decreased by 1,421 million yen from the end of the previous fiscal year to 8,770 million yen. This decrease is mainly attributed to decreases in income taxes payable of 915 million yen to 1,000 million yen, in other under current liabilities of 645 million yen to 1,681 million yen caused mainly by decreases in social insurance deposits of 399 million yen to 124 million yen, in deposits received of 347 million

yen to 1,356 million yen, and in accrued expenses of 487 million yen to 1,184 million yen, which offset increases in accrued consumption taxes of 290 million yen to 1,297 million yen, in provision for bonuses of 149 million yen to 175 million yen and in accounts payable – other of 130 million yen to 1,794 million yen.

Non-current liabilities increased by 925 million yen from the end of the previous fiscal year to 3,334 million yen. This increase is attributed mainly to an increase in other under non-current liabilities of 542 million yen to 2,026 million yen caused mainly by increases in deferred tax liabilities of 518 million yen to 1,152 million yen and in long-term borrowings of 376 million yen to 376 million yen.

(3) Explanation of Consolidated Business Forecasts

Our consolidated business performance in the first quarter of the current fiscal year trended steadily centered on the mainstay “Short-Term Operational Support Business” within the assumptions of our estimated made the beginning of the fiscal year. Since our Group’s consolidated business performance during the current consolidated first quarter was progressing at a level which does not require revisions to our business forecasts, our Company will not revise its consolidated business forecasts for the fiscal year ending December 2025 (first half and full-year), released on February 14, 2025.

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

(Million yen)

	FY12/24 End (December 31, 2024)	1Q FY12/25 End (March 31, 2025)
ASSETS		
Current assets		
Cash and deposits	17,531	14,018
Notes and accounts receivable - trade	7,657	7,441
Merchandise	58	87
Supplies	16	17
Other	2,230	1,979
Allowance for doubtful accounts	(24)	(27)
Total current assets	27,468	23,515
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	704	1,423
Tools, furniture and fixtures, net	180	266
Land	1,145	2,499
Other, net	51	0
Total property, plant and equipment	2,080	4,189
Intangible assets		
Goodwill	5,223	6,245
Trademark right	1,558	1,537
Other	655	630
Total intangible assets	7,436	8,412
Investments and other assets		
Investment securities	2,740	2,704
Other	1,753	1,834
Allowance for doubtful accounts	(8)	(14)
Total investments and other assets	4,484	4,525
Total non-current assets	14,000	17,125
Total assets	41,468	40,640

(Million yen)

	FY12/24 End (December 31, 2024)	1Q FY12/25 End (March 31, 2025)
LIABILITIES		
Current liabilities		
Notes and accounts payable - trade	582	609
Short-term borrowings	1,000	1,000
Current portion of long-term borrowings	-	29
Accounts payable - other	1,664	1,794
Accrued expenses	1,672	1,184
Income taxes payable	1,915	1,000
Accrued consumption taxes	1,007	1,297
Provision for bonuses	26	175
Other	2,326	1,681
Total current liabilities	10,191	8,770
Non-current liabilities		
Long-term borrowings	-	376
Retirement benefit liability	924	931
Other	1,485	2,026
Total non-current liabilities	2,408	3,334
Total liabilities	12,599	12,104
NET ASSETS		
Shareholders' equity		
Share capital	2,780	2,780
Capital surplus	1,888	1,888
Retained earnings	28,137	23,784
Treasury shares	(4,638)	(575)
Total shareholders' equity	28,167	27,876
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	121	111
Foreign currency translation adjustment	329	285
Total accumulated other comprehensive income	450	396
Share acquisition rights	253	264
Total net assets	28,869	28,537
Total liabilities and net assets	41,468	40,640

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

Quarterly Consolidated Statement of Income

[First Quarter of the Current Fiscal Year]

(Million yen)

	1Q FY12/24 (January 1 to March 31, 2024)	1Q FY12/25 (January 1 to March 31, 2025)
Net sales	17,133	16,625
Cost of sales	10,814	10,299
Gross profit	6,319	6,326
Selling, general and administrative expenses	3,963	4,242
Operating profit	2,356	2,084
Non-operating income		
Dividend income	1	3
Share of profit of entities accounted for using equity method	-	20
Revenue - advertising	8	14
Other	17	27
Total non-operating income	26	65
Non-operating expenses		
Interest expenses	4	3
Share of loss of entities accounted for using equity method	34	-
Settlement payments	5	3
Business commencement expenses	-	21
Other	6	14
Total non-operating expenses	49	41
Ordinary profit	2,332	2,107
Extraordinary income		
Gain on sale of non-current assets	3	15
Gain on sale of shares of subsidiaries	1,295	-
Other	0	-
Total extraordinary income	1,299	15
Extraordinary losses		
Loss on retirement of non-current assets	19	4
Total extraordinary losses	19	4
Profit before income taxes	3,612	2,118
Income taxes - current	1,488	852
Income taxes - deferred	(114)	(97)
Total income taxes	1,374	755
Profit	2,238	1,363
Profit attributable to non-controlling interests	36	-
Profit attributable to owners of parent	2,202	1,363

Quarterly Consolidated Statement of Comprehensive Income

[First Quarter of the Current Fiscal Year]

(Million yen)

	1Q FY12/24 (January 1 to March 31, 2024)	1Q FY12/25 (January 1 to March 31, 2025)
Profit	2,238	1,363
Other comprehensive income		
Valuation difference on available-for-sale securities	4	(10)
Foreign currency translation adjustment	37	(44)
Total other comprehensive income	42	(54)
Comprehensive income	2,280	1,309
(Comprehensive income attributable to)		
Owners of parent	2,244	1,309
Non-controlling interests	36	-

(3) Notes on Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

There are no relevant matters.

(Notes on Significant Change of Shareholders' Equity)

(Cancellation of treasury shares)

The Company cancelled 2,270,951 treasury shares on February 21, 2025 based on the resolution passed at the meeting of the Board of Directors held on February 14, 2025. As a result, in the current first quarter, retained earnings and treasury shares each declined by 4,621 million yen, and as of the end of the quarter, retained earnings totaled 23,784 million yen and treasury shares, 575 million yen.

(Changes in Accounting Policies)

(Application of the Accounting Standard for Current Income Taxes)

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised 2022 Accounting Standard") and related guidance have been applied from the beginning of the current fiscal year.

With regard to the amendments concerning the classification of income taxes (taxes on other comprehensive income), transitional measures prescribed in the proviso to paragraph 20-3 of the Revised 2022 Accounting Standard and in the proviso to paragraph 65-2(2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised 2022 Implementation Guidance") have been adopted. These changes in accounting policies had no impact on the consolidated financial statements.

For amendments related to the revised accounting treatment in consolidated financial statements when gains or losses on the sale of subsidiary shares resulting from transactions between consolidated companies are deferred for tax purposes, the Revised 2022 Implementation Guidance has been applied from the beginning of the current fiscal year. These changes in accounting policies have been applied retrospectively, and the prior year's consolidated financial statements have been restated accordingly. However, there was no impact on the consolidated financial statements for the prior fiscal year as a result of these changes.

(Segment Information and Others)

[Segment information]

First Quarter of the Previous Fiscal Year (January 1 to March 31, 2024)

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

	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	14,007	832	1,702	591	17,133	-	17,133
Inter-segment sales or transfers	4	3	-	1	8	(8)	-
Total	14,011	835	1,702	592	17,141	(8)	17,133
Segment profit	2,441	29	142	57	2,669	(313)	2,356

Notes: 1. (4) million yen in inter-segment eliminations and (309) million yen in company-wide expenses not allocated to any specific reporting segment are included in the (313) 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 or loss is adjusted with operating profit as listed in our quarterly consolidated statement of income.

First Quarter of the Current Fiscal Year (January 1 to March 31, 2025)

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	13,367	880	1,737	642	16,625	-	16,625
Inter-segment sales or transfers	3	4	0	0	7	(7)	-
Total	13,370	884	1,737	642	16,632	(7)	16,625
Segment profit	2,296	69	125	55	2,546	(462)	2,084

- Notes: 1. (2) million yen in inter-segment eliminations and (459) million yen in company-wide expenses not allocated to any specific reporting segment are included in the (462) 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 or loss is adjusted with operating profit as listed in our quarterly consolidated statement of income.

(Notes on Statement of Cash Flows)

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

(Million yen)

	1Q FY12/24 (January 1 to March 31, 2024)	1Q FY12/25 (January 1 to March 31, 2025)
Depreciation	107	117
Amortization of goodwill	129	120