

The logo for FULLCAST HLDGS. features the word 'FULLCAST' in a large, bold, black sans-serif font. A small orange circle is positioned above the first 'F'. Below 'FULLCAST', the word 'HLDGS.' is written in a smaller, bold, black sans-serif font.

Consolidated Business Results for the First Half of the Fiscal Year Ending December 2024 (Jan.–Jun. 2024)

August 9, 2024

FULLCAST HOLDINGS CO., LTD. (4848)

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**1H FY12/24
Consolidated Business
Highlights
(Jan.–Jun. 2024)**

Consolidated: 1H FY12/24 Comparison vs. Business Forecast

Results progressed within our range of the assumptions made at the start of the period, primarily in our mainstay “Short-Term Operational Business,” due to acquisition of the expanding client demand following the revitalization of economic and social activities in the post-COVID-19 era. As a result, consolidated business results were in line with our consolidated business forecasts for the first half of the fiscal year ending December 31, 2024.

In the first half of the current fiscal year, profit attributable to owners of parent exceeded the forecast, 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.

Starting from the first half of the current fiscal year, BOD Co., Ltd. has been excluded from the scope of consolidation due to the transfer of its shares on March 29, 2024.

(Million yen)

	Results for 1H FY12/24	Business forecasts for 1H FY12/24	Difference	Achievement rate
Net sales	33,657	34,756	(1,099)	96.8%
Gross profit	12,169	12,292	(123)	99.0%
Operating profit	4,264	4,200	64	101.5%
Ordinary profit	4,321	4,202	119	102.8%
Profit attributable to owners of parent	3,525	2,906	619	121.3%

Consolidated: 1H FY12/24 Year-on-Year Comparison

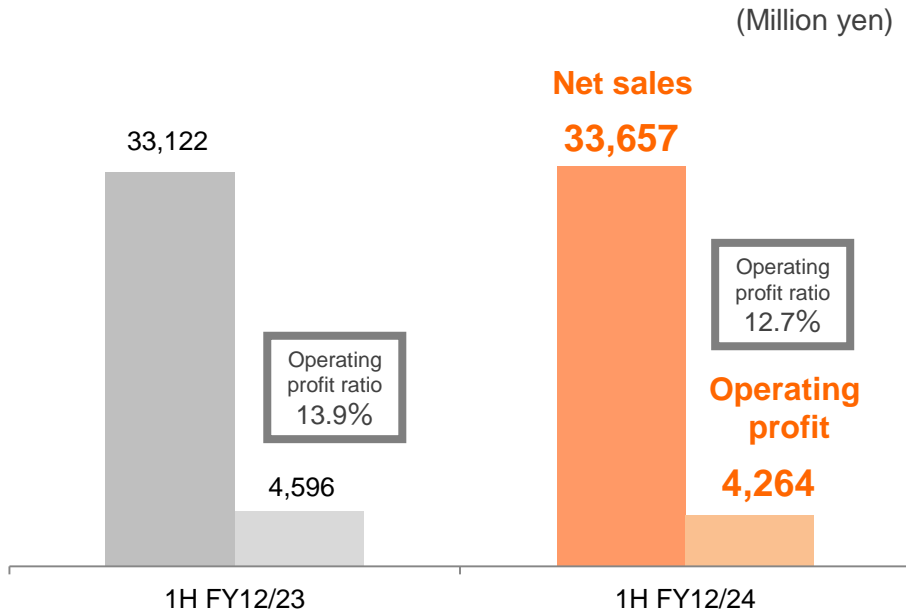
Net sales increased by 1.6% year-on-year, due to the inclusion of profit and loss from the “Restaurant Business.”

Operating profit declined by 7.2% year-on-year (operating profit ratio declined by 1.2PT) due to the drop in COVID-19-related special demand and My-Number-related special demand in the first half of the current fiscal year, 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.”

Organic gross profit, which excludes the impact of the “Restaurant Business,” COVID-19-related special demand, My-Number-related special demand and BOD Co., Ltd., exceeded that of the same period of the previous year.

**Net sales
+ 1.6%**

**Operating profit
(7.2)%**



Consolidated: 1H FY12/24 Year-on-Year Comparison

Ordinary profit declined by 5.4% year-on-year, due to the same factors as operating profit.

Profit attributable to owners of parent increased by 10.1% year-on-year, 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.

(Million yen)

	1H FY12/23	1H FY12/24	Difference	Rate of change
Net sales	33,122	33,657	535	1.6%
Gross profit	10,933	12,169	1,237	11.3%
SG&A expenses	6,337	7,906	1,569	24.8%
Operating profit	4,596	4,264	(332)	(7.2)%
Operating Profit Ratio	13.9%	12.7%	—	(1.2)PT
Ordinary profit	4,566	4,321	(245)	(5.4)%
Profit attributable to owners of parent	3,201	3,525	324	10.1%

**1H FY12/24
Segment Highlights
(Jan.–Jun. 2024)**

Short-Term: 1H FY12/24 Year-on-Year Comparison

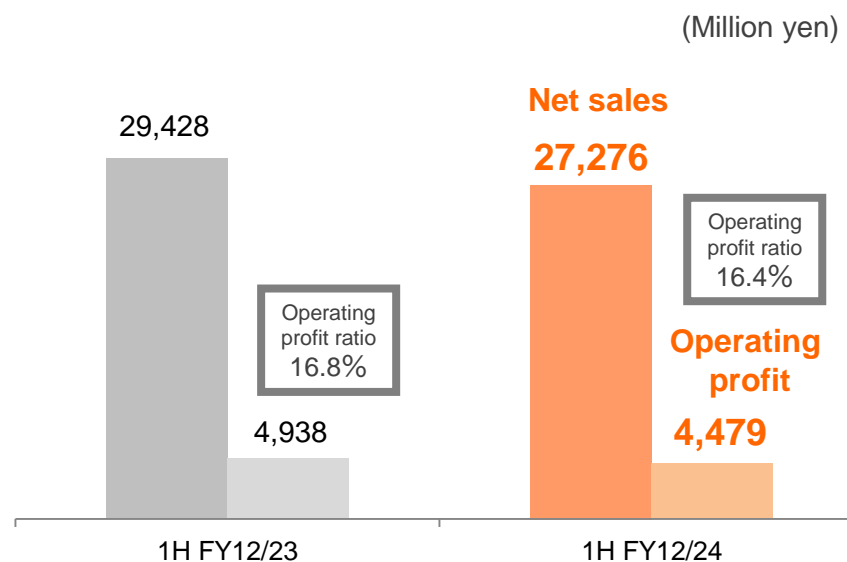
Net sales decreased by 7.3% year-on-year due to the drop in COVID-19-related special demand and My-Number-related special demand in the first half of the current fiscal year, as expected, and the exclusion of BOD Co., Ltd. from the scope of consolidation from the first half of the current fiscal year, 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.”

Operating profit declined by 9.3% year-on-year (operating profit margin decreased by 0.4PT) mainly due to the decrease in net sales.

Organic gross profit, which excludes the impact of the COVID-19-related special demand, My-Number-related special demand and BOD Co., Ltd., continued to exceed that of the same period of the previous year.

Net sales (7.3)%

Operating profit (9.3)%



Short-Term: 1H FY12/24 Year-on-Year Comparison (By Service Category)

[Placement and BPO]

During the first half of the current fiscal year, gross profit in the mainstay “Placement” services increased due to the capture of customer demand related to re-openings.

With the exclusion of BOD Co., Ltd. from the scope of consolidation from the first half of the current fiscal year, net sales and gross profit of the “BPO” services decreased.

Excluding BOD Co., Ltd., the gross profit of the “BPO” services increased.

[Dispatching]

In “Dispatching,” net sales and gross profit decreased by 5.6% and 1.8% year-on-year, respectively, mainly due to a fall in COVID-19-related special demand, in addition to a fall in My-Number-related special demand in the first half of the current fiscal year.

[Outsourcing]

Net sales and gross profit decreased in “Outsourcing,” mainly due to a fall in COVID-19-related special demand and My-Number-related special demand in the first half of the current fiscal year. Excluding these effects, gross profit in “Outsourcing” remains roughly at a similar level as the same period the previous year.

(Million yen)

	1H FY12/23	1H FY12/24	Difference	Rate of change
Net sales	29,428	27,276	(2,151)	(7.3)%
Placement	3,190	3,970	780	24.4%
BPO	4,612	3,692	(920)	(20.0)%
Dispatching	17,069	16,105	(964)	(5.6)%
Outsourcing	4,557	3,510	(1,047)	(23.0)%
Net sales	9,752	9,669	(84)	(0.9)%
Placement	3,124	3,875	751	24.0%
BPO	3,157	2,931	(226)	(7.2)%
Dispatching	1,877	1,842	(34)	(1.8)%
Outsourcing	1,595	1,021	(574)	(36.0)%

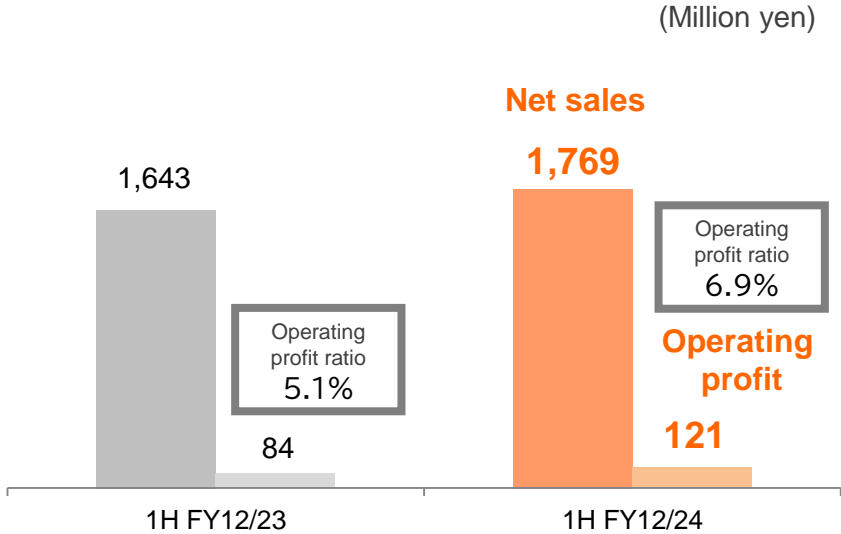
Sales Support: 1H FY12/24 Year-on-Year Comparison

In sales of Internet access, which is a mainstay business, net sales increased by 7.7% year-on-year due to the good performance of sales of telecommunications products using a network of agents throughout the first half of the current fiscal year.

Operating profit increased by 44.7% year-on-year (operating profit margin improved by 1.8PT) due to the growth in net sales.

**Net sales
+ 7.7%**

**Operating profit
+44.7%**



Restaurant: 1H FY12/24 Year-on-Year Comparison

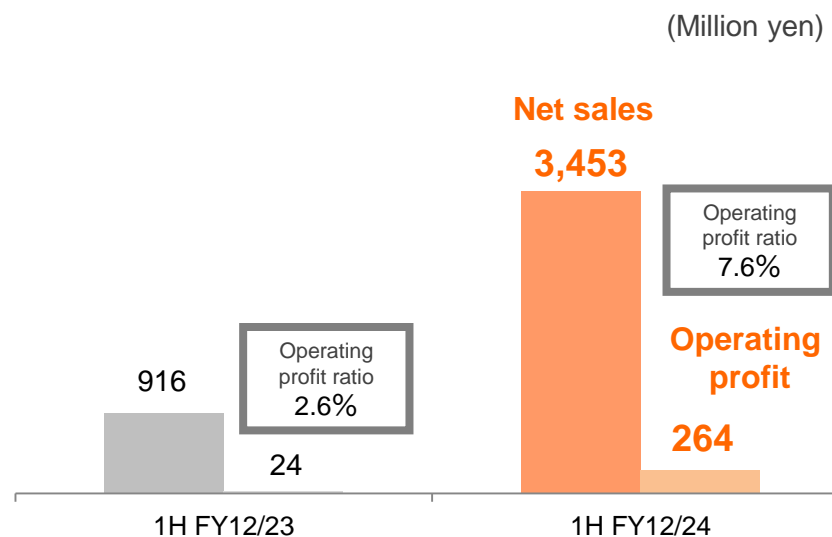
Net sales increased by 277.2% year-on-year due to the inclusion of results for the full financial period this time, compared to two months in the previous period, in addition to the continued recovery trend in demand in the domestic business.

Operating profit increased by 998.7% year-on-year 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 fiscal year ended December 31, 2023.
- ※ The first half of the fiscal year ended December 31, 2023, the comparative period, contained two months of profits and losses of the "Restaurant Business."

Net sales + 277.2%

Operating profit + 998.7%



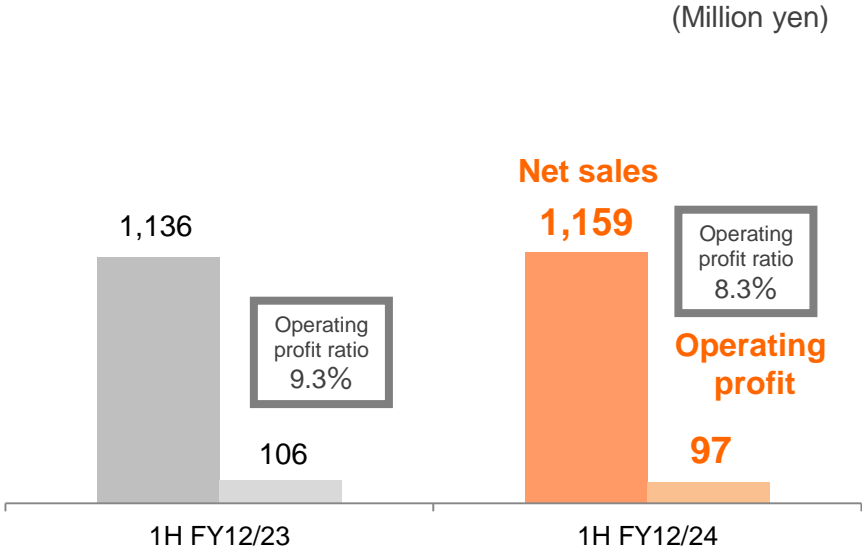
Security, Other: 1H FY12/24 Year-on-Year Comparison

Net sales increased by 2.0% year-on-year, mainly due to the acquisition of permanent security projects, despite a decrease in the number of temporary security projects concerning COVID-19-related operations.

Despite the increase in net sales, operating profit decreased by 8.5% year-on-year (operating profit margin decreased by 1.0 PT), mainly due to the acquisition of temporary security projects concerning COVID-19-related operations with a relatively high gross margin in the previous fiscal year.

Net sales
+ 2.0%

Operating profit
(8.5)%



FY12/24
Progress of
Strategy Implementation
and Ongoing Initiatives

FY12/24 Business Targets and Strategy

- Targets for fiscal year 2024
 - We will 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.
 - We will address the business environment where competition is expected to intensify in the spot work market, where the entry of players from other industries is regarded as certain.
- Measures during fiscal year 2024
 - Implementation of strategic investments
 - We will quickly and further develop the business foundation and quickly capture demand through concentrated capital investment limited to the current fiscal year.
 - ✓ Strengthen sales
 - ◆ Increase in sales staff and use of web advertising
 - ✓ Media promotion, including digital media development, to strengthen the brand and increase recognition
 - ✓ Strengthen hiring
 - ◆ Strengthen placement on job ads, social media, etc.
 - ✓ Reinforce systems and strengthen operations
 - ◆ Move registration procedures, contracts, and various ledgers for clients online and promote client introduction
 - ◆ Improve web-based staffing order system and matching system
 - ◆ Improve and update the UI of the “Cast Portal,” the dedicated website for registered staff, and its app version, revise rules of use, revise payroll flow
 - ✓ Total amount 2,000 million yen
 - Promote PMI at new consolidated subsidiaries (GLOBEAT JAPAN INC., Imple, Inc.)
 - Promote partnerships between Group subsidiaries

FY12/24 Business Targets and Strategy

- Measures during fiscal year 2024
 - Implementation of strategic investments
 - Initiatives in the first half of the fiscal year 2024
 - ✓ Strengthen hiring
 - ◆ Strengthen placements of digital advertisements including SNS and search advertisements
 - ✓ Strengthen sales
 - ◆ Increase sales staff and use web advertising
 - Initiatives in the second half of the fiscal year 2024
 - ✓ Media promotion, including digital media development, to strengthen our brand and increase recognition
 - ◆ Implement promotion activities through the broadcast of television commercials from July 2024
 - ✓ Reinforce systems and strengthen operations
 - ◆ Move registration procedures, contracts, and various ledgers for clients online and promote client introduction
 - ◆ Improve web-based staffing order system and matching system
 - ◆ Improve and update the UI of the “Cast Portal,” the dedicated website for registered staff, and its app version, revise rules of use and payroll flow
 - ✓ Total amount 2,000 million yen
 - ⇒ Verify the effectiveness of the primary initiative for media promotion aimed at strengthening the brand and increasing awareness, and decide whether to continue the promotion, to strengthen sales and to reinforce systems and operations.
 - Promote PMI at new consolidated subsidiaries (GLOBEAT JAPAN INC., Imple, Inc.)
 - GLOBEAT JAPAN INC.
 - ✓ Continue to extend business hours, renovate some stores, revise menus, and strengthen the outside sales business
 - Imple, Inc.
 - ✓ Promote the use of a job vacancy search app by directing Group-registered staff who aspire to become full-time employees to the app
 - Promote partnerships between Group subsidiaries

Ongoing Initiatives

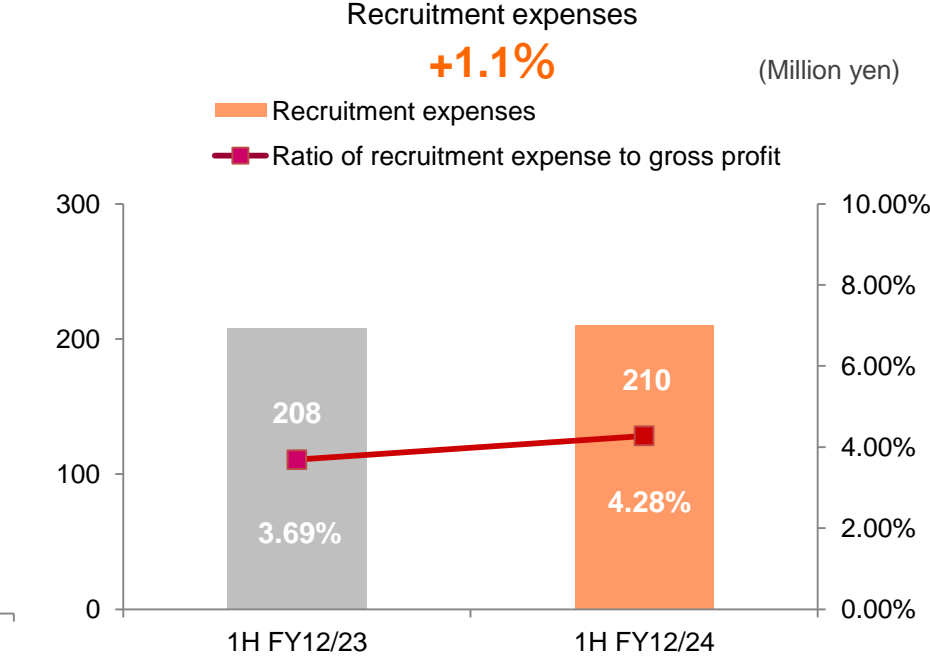
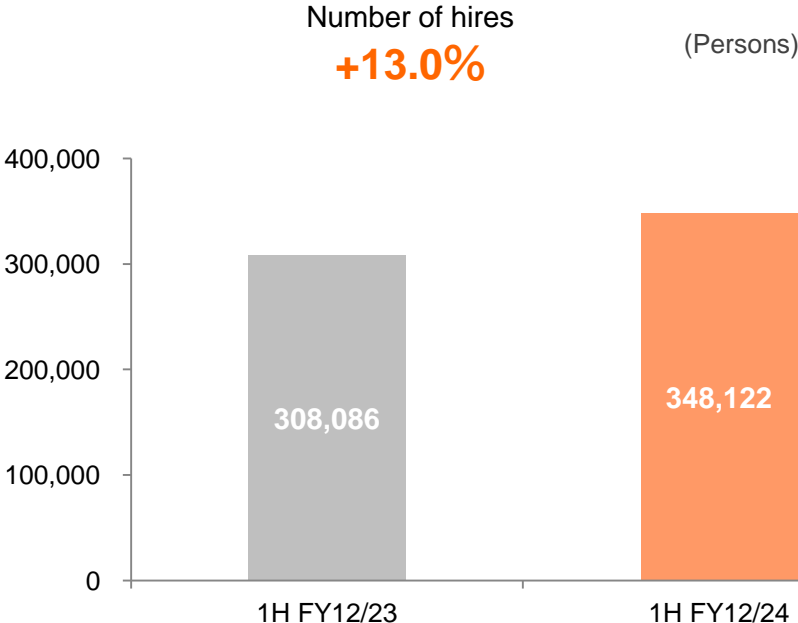
Initiative 1: New sales offices openings

	New office openings in 1H (opened Feb. 1)	New office openings in 2H (opening Sept. 1)
Fullcast Co., Ltd.	Sagamihara, Kanagawa Pref.; Sanjo, Niigata Pref.	Otaru, Hokkaido Pref.; Ito, Shizuoka Pref.; Takaoka, Toyama Pref.; Kurashiki, Okayama Pref.; Omuta, Fukuoka Pref.; Zama, Kanagawa Pref

Initiative 2: Trend in the number of hires and recruitment expenses

Number of hires Hiring activities were carried out following the recovery trend in client company demand; therefore, the number of hires totaled 348,122 persons (up 13.0% year-on-year).

Recruitment expenses As a result of recruiting activities aligned with the recovery of customer demand, recruitment expenses increased by 1.1% year-on-year, and the recruitment expense ratio (as a percentage of gross profit) increased by 0.59 PT.

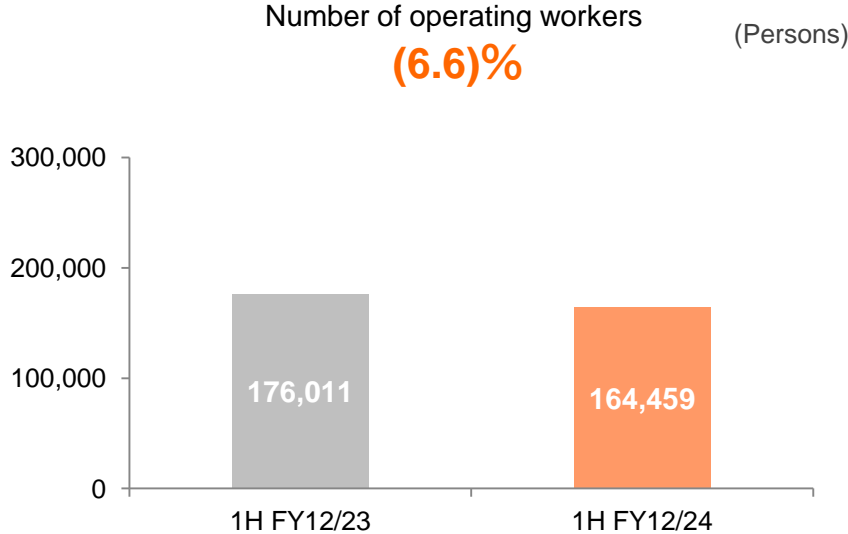


Ongoing Initiatives

Initiative 3: Trend in the number of operating workers

Number of operating workers

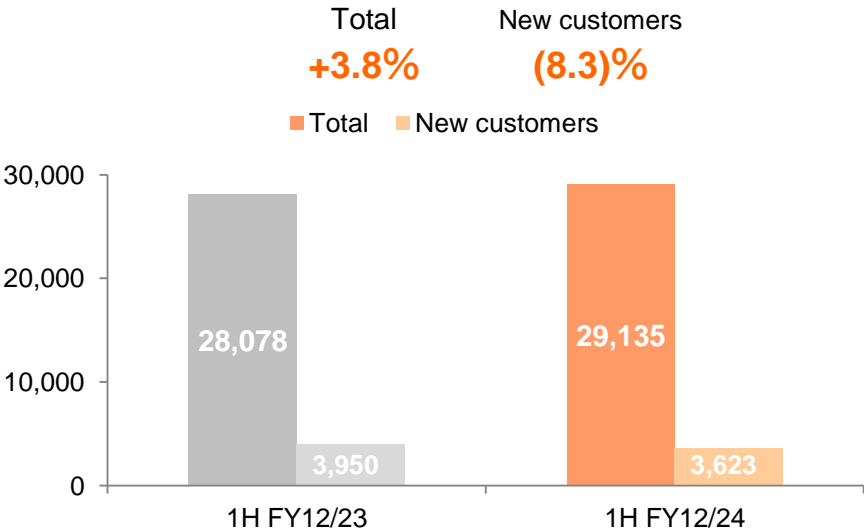
The number of operating workers was 164,459 (a decrease of 6.6% year-on-year), mainly due to the decrease of operating workers in COVID-19-related special demand and My-Number-related special demand, amid a decrease of these operations.



Initiative 4: Trend in the number of customers

Number of customers

Total number of customers increased by 3.8% year-on-year thanks to the continued recovery of customer demand and the acquisition of projects from existing customers, despite the decrease of 8.3% year-on-year in the number of new customers during the same period due to a decrease in the acquisition of new projects from COVID-19-related special demand and My-Number-related special demand.



Initiative 5: Gross profit per 1 yen of personnel costs

Gross profit per 1 yen of personnel costs (yen)

	1H FY12/23	1H FY12/24	Rate of change
Gross profit per 1 yen of personnel costs (yen)	2.9	2.8	(3.1)%

“Gross profit per 1 yen of personnel costs” decreased by 3.1% year-on-year to 2.8 yen, mainly due to the downward pressure on gross profit caused by falls in COVID-19-related special demand and My-Number-related special demand.

1H FY12/24
Progress Relative to
Business Forecast

Consolidated: 1H FY12/24 Progress Relative to Business Forecast

The progress rate of consolidated operating and ordinary profits exceeded 50% of our full-year forecasts, as these forecasts initially incorporated the fact that expenses for strategic investments would be concentrated in the second half of the year. In addition, the progress rate of our profit attributable to owners of parent against the full-year forecast was 69.9%, due to the booking of a gain on sale of shares of subsidiaries as extraordinary income in the first half of the current fiscal year following the transfer of the consolidated subsidiary BOD Co., Ltd.

Since our consolidated business results for the full year, made up of our results for the first half of the fiscal year added to our forecast for the second half, have not progressed at a level that requires revising the business forecasts, our Company has not revised our business forecasts for the full year ending December 31, 2024.

(Million yen)

		Results for 1H FY12/24	Full-year business forecasts for FY12/24	Rate of progress
Net sales		33,657	70,500	47.7%
Gross profit		12,169	25,030	48.6%
Operating profit		4,264	7,200	59.2%
Ordinary profit		4,321	7,233	59.7%
Profit attributable to owners of parent		3,525	5,045	69.9%
Short-Term Operational Support Business	Net sales	27,276	58,565	46.6%
	Placement	3,970	8,695	45.7%
	BPO	3,692	6,976	52.9%
	Dispatching	16,105	35,493	45.4%
	Outsourcing	3,510	7,402	47.4%
Sales Support Business	Net sales	1,769	3,121	56.7%
Restaurant Business	Net sales	3,453	6,428	53.7%
Security, Other Businesses	Net sales	1,159	2,387	48.6%

FY12/24 Interim Dividends

FY12/24 Dividends from surplus (interim dividends)

At the Board of Directors' Meeting held on August 9, 2024, we passed a resolution to pay a dividend (interim dividend) from retained earnings of 31 yen per share as forecast.

We plan to firmly maintain our target of a total return ratio of 50% and return profits to shareholders, in order to realize ROE of 20% or higher. To return profits in a flexible manner, at the current point in time, we will select both the dividend and the purchase of treasury shares as options, based on a year-end dividend forecast of 31 yen per share, exactly as stated in the most recent dividend forecast.

Details of dividends

	Authorized amount	Latest dividend forecast (Announced on Feb. 9, 2024)	Results for the previous term (Interim dividend for FY12/23)
Record date	June 30, 2024	June 30, 2024	June 30, 2023
Dividend paid per share	31 yen	31 yen	29 yen
Total amount of dividend	1,092 million yen	—	1,033 million yen
Effective date	September 2, 2024	—	September 4, 2023
Resource for dividend	Retained earnings	—	Retained earnings

■ Basic Stance on Capital Policy

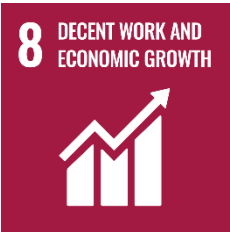
The Fullcast Group maintains a basic policy of maximizing capital efficiency and securing financial soundness to achieve sustained improvement in corporate value.

- Maintaining a total return ratio of 50% relative to shareholders as an indicator to support sustained improvement in corporate value and to maximize capital efficiency.**
- Our goal of enhancing corporate value is to maintain an ROE of 20% or greater.**
- We will maintain a maximum D/E ratio of 1.0x in order to enhance corporate value and to maintain financial soundness.**

(Reference) Sustainability Policy

We endorse all 17 goals of SDGs.

In addition, we consider contributing to the following the goals of SDGs by implementing and promoting our corporate philosophy of “Providing the best place for people to bring out their best” as a core value of our Company.



8. Decent Work and Economic Growth

The Group will constantly offer employment opportunities to job seekers and a workforce to hiring companies by continually providing matching opportunities for short-term positions to job seekers and hiring companies. Thereby, we will contribute to providing decent work for job seekers and economic growth for hiring companies.



5. Gender Equality

We will contribute to gender equality by providing job seekers with employment opportunities not tied to age, gender or attribution.



10. Reduced Inequalities

We will contribute to reducing inequalities by providing job seekers with employment opportunities not tied to region or nationality.



9. Industry, Innovation and Infrastructure

In response to Japan’s labor environment, which is experiencing a declining workforce, we will contribute to industrial growth and building infrastructures for technological innovation by providing matching services for short-term positions to companies seeking growth or innovation, thus expanding their workforce in the process.

(Reference) Group Companies List

	Fullcast Holdings Co., Ltd.	Optimizes Group-wide resources and strategies, as well as directing the business operations of group companies		Minimaid Service Co., Ltd.	Provides housekeeping services
	Fullcast Business Support Co., Ltd.	Consolidates and conducts various intra-Group operations on behalf of our Group		Hayfield inc.	Human resource placement specializing in the real estate industry
	Fullcast Co., Ltd.	Provides short-term human resource services in various business sectors		App X, Inc. Imple, Inc. Releasebase Inc.	Job search application services, software development
	Top Spot Co., Ltd.	Community-based brand, provides short-term human resource services focused on specific Regions		F-PLAIN Corporation.	
	Fullcast Advance Co., Ltd.	Provides business process outsourcing, including construction, repairs, and event planning and management, human resource services for reception and information services, and security services, including permanent security, crowd control, and traffic security		M's Line Co., Ltd.	Operates the sales agency service business for IT and telecommunications products utilizing call centers and a distributor agency network
	Work & Smile Co., Ltd.	Provides “prompt” and “reliable” services centered on the Tokyo metropolitan area to meet the human resource needs that arise in various industries and business sectors		FSP Co., Ltd.	
	Fullcast Senior Works Co., Ltd.	Provides human resource services for active seniors focused on the Tokyo metropolitan area (Tokyo City and three prefectures)		GLOBEAT JAPAN INC.	Restaurant chains businesses
	Fullcast Porter Co., Ltd.	Provides human resource services with an exclusive focus on drivers		Beat Co., Ltd.	Provides comprehensive human resource outsourcing services, mainly business process outsourcing
	Otetsudai Networks Inc.	Operates “Otetsudai Networks,” short-term human resource services that utilize location information		Deli Art Co., Ltd.	Provides human resource outsourcing services
	Fullcast Global Co., Ltd.	Provides human resources services focused on foreign nationals		Advancer Global Limited	Provides human resource services for foreign national workers, focused on Southeast Asia
	Fullcast International Co., Ltd.	Provides human resource placement services for placement of foreign nationals with specified skill visas who are ready to work immediately			

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Notes

About this Document

- In this document, the “Short-Term Operational Support Business” is referred to as “Short-Term”, the “Sales Support Business” is referred to as “Sales,” the “Restaurant Business” as “Restaurant,” and the “Security, Other Businesses” as “Security, Other” in some parts.
- In this document, names of services are written in an abbreviated form; “Part-Time Worker Placement” service, Hayfield inc.'s staffing service specializing in the real estate industry and job search application service by App X Group are referred to as “Placement”; and “Part-Time Worker Payroll Management”, “My Number Management”, “Year-End Tax Adjustment Management”, and the back office BPO services by BOD Group are referred to as “BPO” in the “Short-Term Operational Support Business”, which were launched along with the implementation of the Revised Worker Dispatching Act on October 1, 2012. However, as all shares of BOD Co., Ltd. were transferred on March 29, 2024, the BOD Group has been excluded from the scope of consolidation from the first half of the fiscal year ending December 31, 2024. In addition, “Long-Term Dispatching” services with a contract period of 31 days or longer, which has been conducted after the implementation of the Revised Worker Dispatching Act, is referred to as “Dispatching.”
- The number of hires, number of operating workers, recruitment expenses, and recruitment expense ratio in this report are counted only in relation to the hiring of job seekers in the “Short-Term Operational Support Business.” Plus, recruitment expenses, are limited to and counted with expenses related to the hiring of job seekers.
- “Gross profit per 1 yen of personnel costs” appears rounded off to the first decimal place.

Short-Term Operational Support Business

- “BPO” services represent the aggregated total of “Part-Time Worker Payroll Management”, “My Number Management”, “Year-End Tax Adjustment Management”, and the back office BPO services by BOD Group. However, as all shares of BOD Co., Ltd. were transferred on March 29, 2024, the BOD Group has been excluded from the scope of consolidation from the first half of the fiscal year ending December 31, 2024.
- The figures for each service category of the “Short-Term Operational Support Business” segment represent reference figures and have not been audited by our accounting auditor.

Sales Support Business

- The “Sales Support Business” segment is mainly comprised of the “call center”, “online”, “alliance”, and “entertainment” businesses.
- The “call center”, “online” and “alliance” businesses each involve the sale of Internet access.

Restaurant Business

- The new segment “Restaurant Business” was created in the first half of the fiscal year ended December 31, 2023.

Providing the **best place for
people to bring out **their best**.**

[Inquiries]

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