



FULLCAST
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FULLCAST HOLDINGS CO., LTD. (4848)

Consolidated Business Results for the First Quarter of the Fiscal Year Ending December 2022 (Jan.–Mar. 2022)

May 13, 2022

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Agenda

- | 1Q FY12/22 Consolidated Business Highlights (Jan.–Mar. 2022)**
- | 1Q FY12/22 Segment Highlights (Jan.–Mar. 2022)**
- | 1Q FY12/22 Progress Relative to Business Forecast**

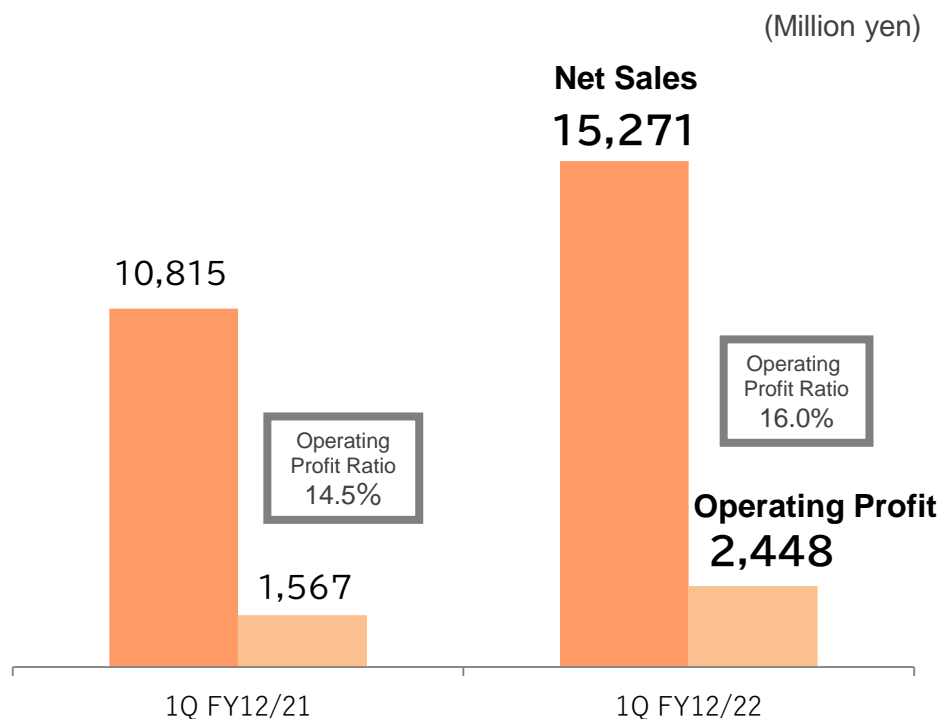
1Q FY12/22 Consolidated Business Highlights(Jan.–Mar. 2022)

Consolidated: 1Q FY12/22 Year-on-Year Comparison

Net sales increased by 41.2% year-on-year due mainly to the acquisition of projects accompanying the recovery in short-term staffing demand that had been greatly impacted by the pandemic, as well as the continued acquisition of public sector projects mainly supporting public vaccinations and growth of the “Short-Term Operational Support Business”, amid the ongoing recovery in client demand despite the COVID-19 pandemic raged on.

Operating profit increased by 56.2% year-on-year (operating profit ratio rose by 1.5 PT) driven mainly by the ongoing recovery in client demand and increased sales of the “Short-Term Operational Support Business.”

In line with the recovery in client demand, we controlled and booked costs appropriately, which lowered the SG&A expense ratio for the current first quarter year-on-year.



**Net Sales
+41.2%**

**Operating Profit
+56.2%**

Consolidated: 1Q FY12/22 Year-on-Year Comparison

Ordinary profit increased by 59.7% year-on-year buoyed by the same factors as operating profit.

Profit attributable to owners of parent increased by 64.1% year-on-year following the 69 million yen in gain on sale of investment securities booked as an extraordinary income following the divestment of investment securities held.

(Million yen)

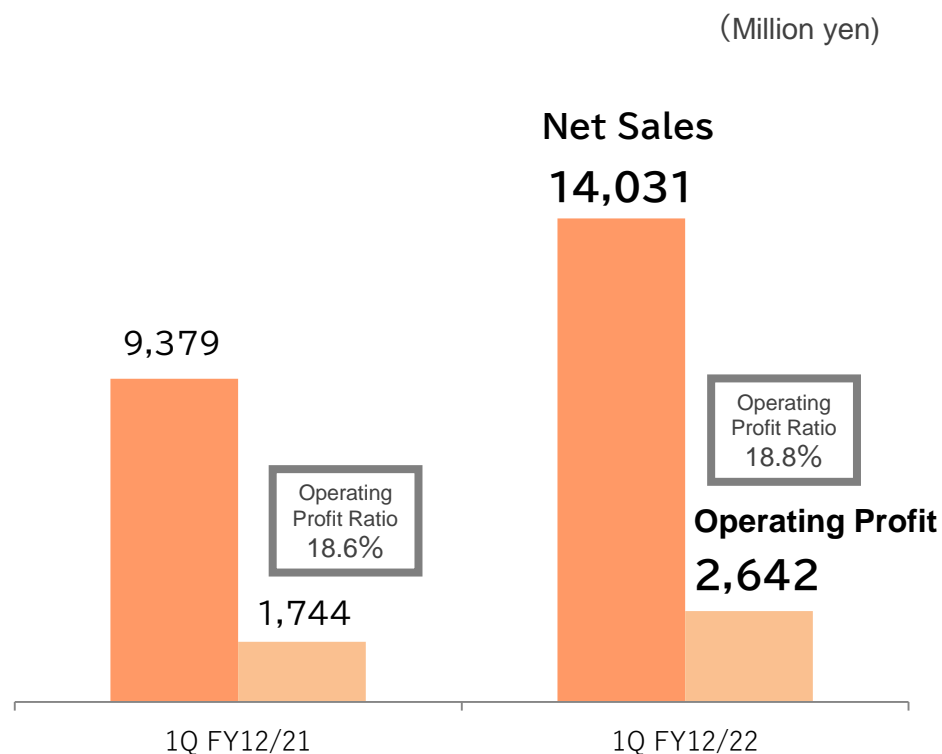
	1Q FY12/21	1Q FY12/22	Difference	Rate of change
Net sales	10,815	15,271	4,457	41.2%
Gross profit	3,995	5,207	1,212	30.3%
SG&A expenses	2,428	2,759	331	13.7%
Operating profit	1,567	2,448	881	56.2%
Operating profit ratio	14.5%	16.0%	-	1.5PT
Ordinary profit	1,556	2,485	928	59.7%
Profit attributable to owners of parent	1,052	1,727	674	64.1%

1Q FY12/22 Segment Highlights (Jan.–Mar. 2022)

Short-Term: 1Q FY12/22 Year-on-Year Comparison

Net sales increased by 49.6% year-on-year due mainly to the acquisition of projects accompanying the recovery in “Placement” service that had been impacted by the pandemic, as well as the continued acquisition of public sector projects mainly supporting public vaccinations, amid the ongoing recovery in client demand despite the COVID-19 pandemic raged on.

Operating profit increased by 51.5% year-on-year (operating profit ratio rose by 0.2 PT) driven mainly by the ongoing recovery in client demand and increased sales.



**Net Sales
+49.6%**

**Operating Profit
+51.5%**

Short-Term: 1Q FY12/22 Year-on-Year Comparison (By Service Category)

(Million yen)

	1Q FY12/21	1Q FY12/22	Difference	Rate of change
Net Sales	9,379	14,031	4,653	49.6%
Placement	1,055	1,362	308	29.1%
BPO	1,707	2,261	554	32.5%
Dispatching	5,930	8,560	2,631	44.4%
Outsourcing	687	1,848	1,161	169.0%
Gross profit	3,517	4,866	1,349	38.4%
Placement	1,029	1,318	288	28.0%
BPO	1,261	1,592	331	26.3%
Dispatching	946	1,280	334	35.3%
Outsourcing	280	677	396	141.3%

Amid the ongoing recovery in client demand, sales of mainstay “Placement” and “BPO” services increased and gross profit also rose. Demand has yet to fully return to the restaurant, accommodation, and event sectors and “Placement” services did not recover to the level of the first quarter of the fiscal year ended December 2019 prior to the COVID-19 pandemic, but the rate of decline improved compared to the fourth quarter of the fiscal year ended December 2021.

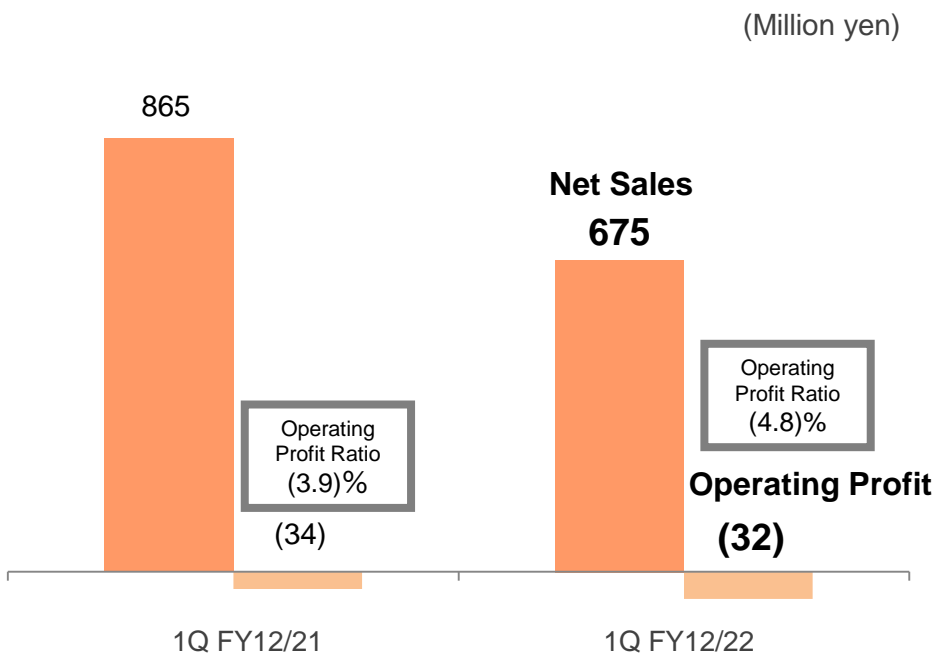
Following the acquisition of public sector projects supporting public vaccinations, which has continued from the previous fiscal year, and the growth in logistics subcontracting projects, sales of “Outsourcing” services increased and gross profit also rose.

Sales of “Dispatching” services increased and gross profit also rose mainly because we responded to the long-term staffing needs of client companies, particularly in the logistics and manufacturing industries and captured public sector projects supporting public vaccinations, similar to “Outsourcing” services.

Sales Support: 1Q FY12/22 Year-on-Year Comparison

Net sales declined by 22.0% year-on-year due to the downturn in sales of telecommunications products in the sale of Internet access, which is a mainstay business.

Operating profit increased by 1 million yen year-on-year amid SG&A expenses being curtailed compared to the previous year.



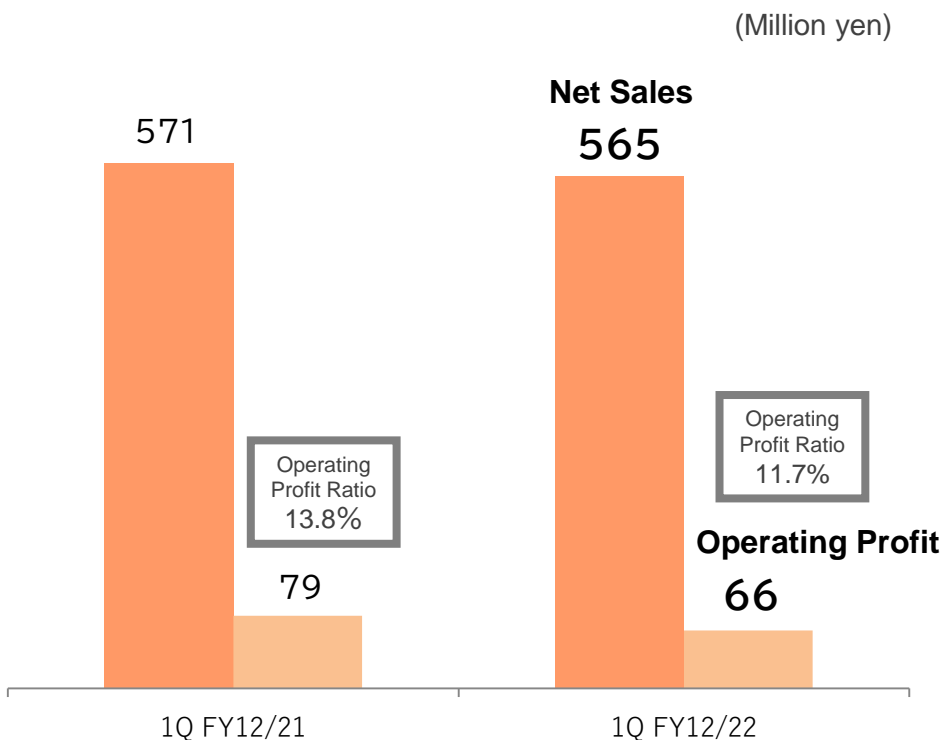
Net Sales
(22.0)%

Operating Profit
+1 million yen

Security, Other: 1Q FY12/22 Year-on-Year Comparison

Net sales declined 1.0% year-on-year due to a slowdown in the number of new temporary and permanent security projects.

Operating profit declined by 15.7% year-on-year (operating profit ratio declined by 2.1 PT) due to the decrease in net sales.



Net Sales
(1.0)%

Operating Profit
(15.7)%

| 1Q FY12/22

Progress Relative to Business Forecast

Consolidated: 1Q FY12/22 Progress Relative to Business Forecast

Consolidated performance trended steadily centered on the mainstay “Short-Term Operational Support Business”, and the rate of progress versus the first half business forecast exceeded 50% for both net sales and each profit indicator.

(Million yen)

	1Q FY12/22 Results	Business forecasts for 1H FY12/22	Rate of progress	Business forecasts for FY12/22	Rate of progress
Net Sales	15,271	26,670	57.3%	54,730	27.9%
Gross Profit	5,207	9,300	56.0%	18,990	27.4%
Operating Profit	2,448	3,990	61.4%	8,000	30.6%
Ordinary profit	2,485	4,020	61.8%	8,030	30.9%
Profit attributable to owners of parent	1,727	2,676	64.5%	5,316	32.5%

Short-Term Operational Support Business	Net Sales	14,031	-	-	48,781	28.8%
	Placement	1,362	-	-	5,387	25.3%
	BPO	2,261	-	-	7,554	29.9%
	Dispatching	8,560	-	-	30,387	28.2%
	Outsourcing	1,848	-	-	5,454	33.9%
Sales Support Business	Net Sales	675	-	-	3,552	19.0%
Security, Other Businesses	Net Sales	565	-	-	2,397	23.6%

(Reference) Basic Stance on Capital Policy

■ Basic Stance on Capital Policy

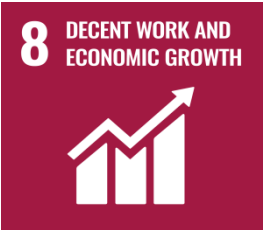
The Fullcast Group maintains a basic policy of maximizing capital efficiency and securing financial soundness to achieve sustained improvement in corporate value.

- 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.

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Notes

About this Document

- In this document, the “Short-Term Operational Support Business” is referred to as “Short-Term”, and the “Sales Support Business” is referred to as “Sales” in some parts.
- In this document, names of services are written in an abbreviated form; “Part-Time Worker Placement” service is 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. 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.”

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.
- 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.

Business Forecasts for FY12/22

- The business forecasts of the first half for segment net sales has not been disclosed.

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

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