

# **FULLCAST HLDGS.**

## **FULLCAST HOLDINGS CO., LTD. (4848) Consolidated Business Results for the First Quarter of the Fiscal Year Ending December 2023 (Jan.–Mar. 2023)**

**May 12, 2023**

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# Agenda

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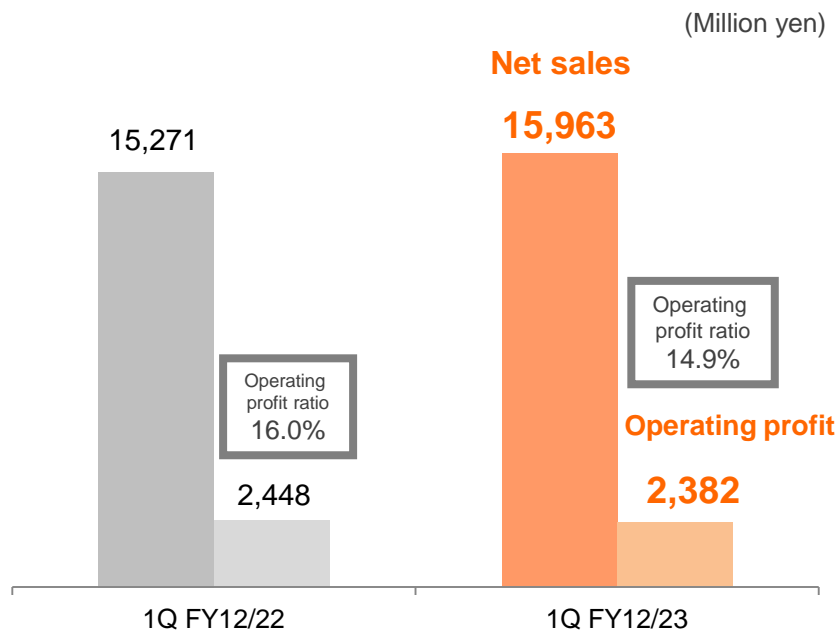
- 1 1Q FY12/23 Consolidated Business Highlights (Jan.–Mar. 2023)**
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# 1Q FY12/23 Consolidated Business Highlights (Jan.–Mar. 2023)

# Consolidated: 1Q FY12/23 Year-on-Year Comparison

Because of the growth in the mainstay “Placement” and “BPO” services by capturing short-term staffing needs, **net sales increased by 4.5% year-on-year** due mainly to increased sales of the “Short-Term Operational Support Business” and despite a decline in public sector projects related to COVID-19-related operations due to the reduced risk of the pandemics.

**Operating profit declined by 2.7% year-on-year (operating profit ratio declined by 1.1 PT)** despite the increase in net sales, mainly because portion of social insurance premiums increased owing to the expansion of social insurance coverage.



**Net sales  
+ 4.5%**

**Operating profit  
(2.7)%**

# Consolidated: 1Q FY12/23 Year-on-Year Comparison

Ordinary profit declined by 3.7% year-on-year, due to the same factors as operating profit.

Profit attributable to owners of parent declined by 8.6% year-on-year, because of the 69 million yen in gain on sale of investment securities booked as an extraordinary income following the divestment of investment securities held in the same period of the previous year.

(Million yen)

	1Q FY12/22	1Q FY12/23	Difference	Rate of change
Net sales	15,271	15,963	692	4.5%
Gross profit	5,207	5,255	47	0.9%
SG&A expenses	2,759	2,872	113	4.1%
Operating profit	2,448	2,382	(66)	(2.7)%
Operating profit ratio	16.0%	14.9%	-	(1.1)PT
Ordinary profit	2,485	2,393	(92)	(3.7)%
Profit attributable to owners of parent	1,727	1,578	(148)	(8.6)%

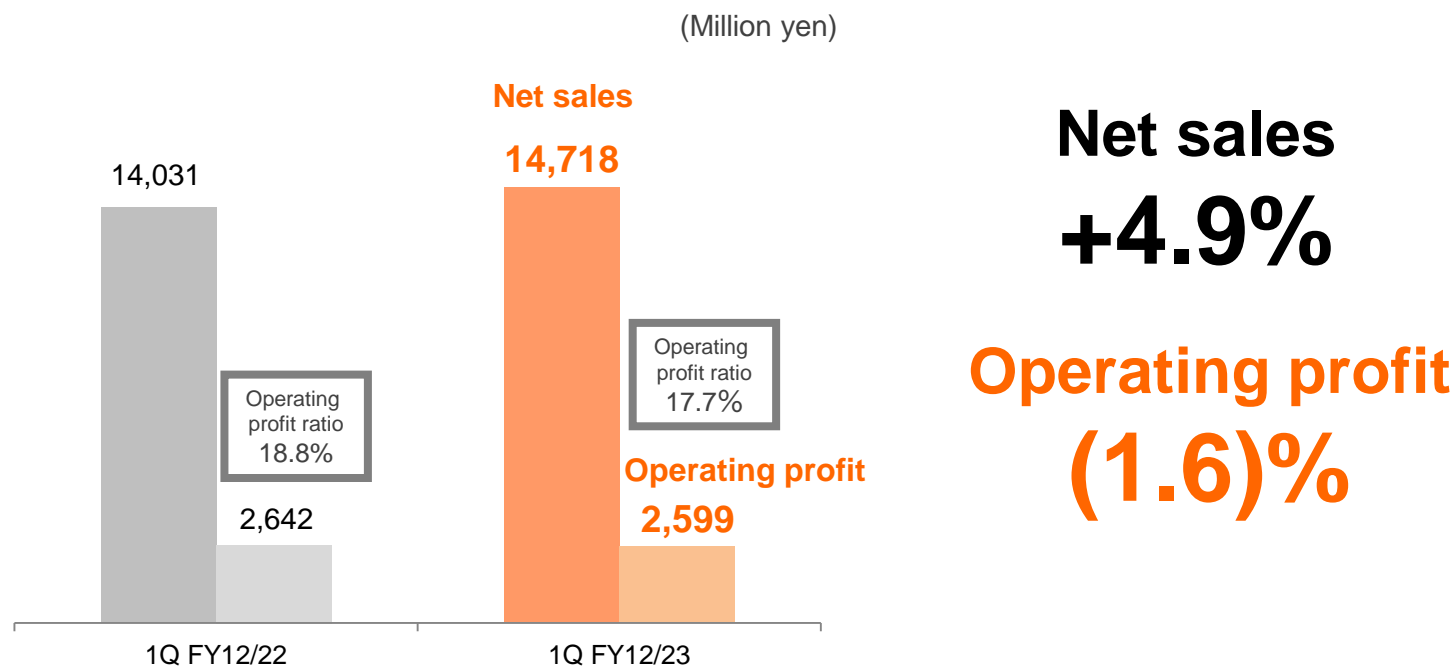
**1Q FY12/23**  
**Segment Highlights (Jan.–Mar. 2023)**

## Short-Term: 1Q FY12/23 Year-on-Year Comparison

Because of the increase in the mainstay “Placement” and “BPO” services by capturing short-term staffing needs, **net sales increased by 4.9% year-on-year** despite a decrease in public sector projects related to COVID-19-related operations.

**Operating profit declined by 1.6% year-on-year (operating profit ratio declined by 1.2 PT)** despite the increase in net sales, mainly because portion of social insurance premiums increased owing to the expansion of social insurance coverage.

Organic gross profit was higher than that in the same period of the previous year when the impact of the COVID-19-related operations are excluded.



# Short-Term: 1Q FY12/23 Year-on-Year Comparison (By Service Category)

(Million yen)

	1Q FY12/22	1Q FY12/23	Difference	Rate of change
Net sales	14,031	<b>14,718</b>	686	4.9%
Placement	1,362	<b>1,581</b>	218	16.0%
BPO	2,261	<b>2,569</b>	308	13.6%
Dispatching	8,560	<b>8,553</b>	(7)	(0.1)%
Outsourcing	1,848	<b>2,015</b>	168	9.1%
Gross profit	4,866	<b>4,948</b>	82	1.7%
Placement	1,318	<b>1,545</b>	228	17.3%
BPO	1,592	<b>1,757</b>	165	10.3%
Dispatching	1,280	<b>897</b>	(383)	(29.9)%
Outsourcing	677	<b>749</b>	72	10.7%

## [Placement and BPO]

Amid the ongoing recovery in client demand, sales of mainstay “Placement” and “BPO” services increased and gross profit also rose.

## [Dispatching]

Following the acquisition of long-term staffing needs of client companies, particularly in the logistics and manufacturing industries, net sales of “Dispatching” services decreased only by 0.1% year-on-year despite a decrease in public sector projects related to COVID-19-related operations. Due to the expansion of social insurance coverage, however, gross profit in “Dispatching” services declined by 29.9% year-on-year primarily because of an increase in the portion of social insurance premiums needed for temporary staff.

## [Outsourcing]

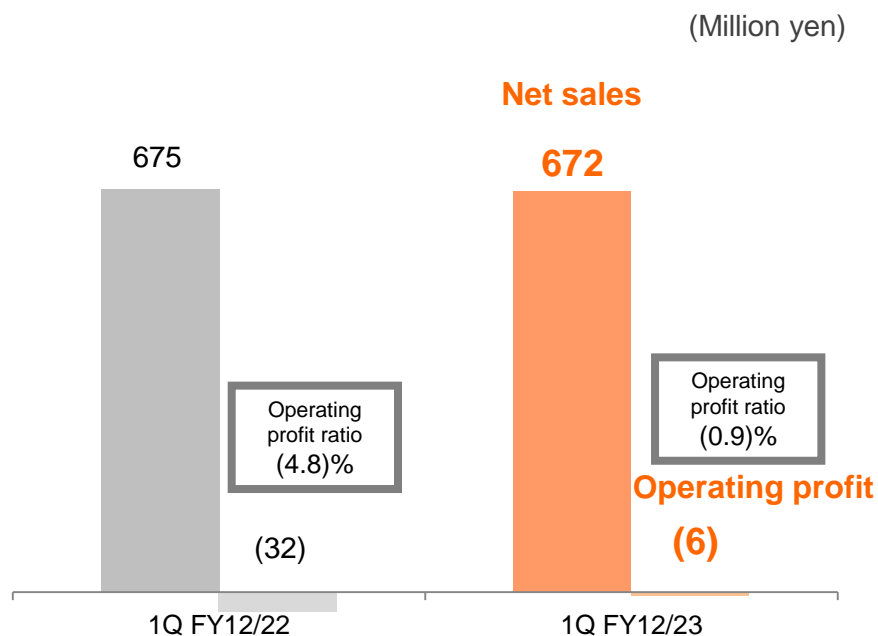
Because of the continued acquisition of logistics subcontracting projects, the organic results grew despite a decline in public sector projects related to COVID-19-related operations. As a result, net sales of “Outsourcing” services increased and gross profit also rose.



# Sales Support: 1Q FY12/23 Year-on-Year Comparison

Net sales declined by 0.5% 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 26 million yen year-on-year due to SG&A expenses being curtailed despite lower sales.



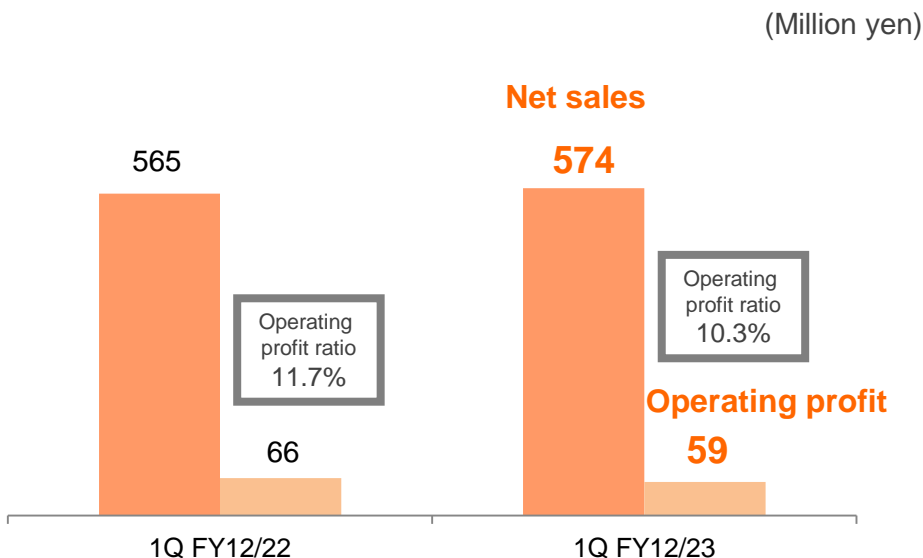
**Net sales  
(0.5)%**

**Operating profit  
+26 million yen**

# Security, Other: 1Q FY12/23 Year-on-Year Comparison

Net sales increased by 1.5% year-on-year due to an increase in the number of temporary security projects acquired.

Operating profit decreased by 11.0% year-on-year (operating profit ratio declined by 1.5 PT) despite an increase in net sales, and due mainly to a decrease in COVID-19-related operations which carried high gross profit margin and an increase in the portion of social insurance premiums for security staff owing to the expansion of social insurance coverage.



**Net sales  
+1.5%**

**Operating profit  
(11.0)%**

# **1Q FY12/23**

## **Progress Relative to Business Forecast**

# Consolidated: 1Q FY12/23 Progress Relative to Business Forecast

Our consolidated business performance is trending steadily centered on the mainstay “Short-Term Operational Support Business” within the assumptions estimated at 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 revising the business forecast, our Company do not revise the business forecasts for the first half of the current fiscal year and that for the full year ending December 31, 2023.

(Million yen)

		1Q FY12/23 Results	Business forecasts for 1H FY12/23	Rate of progress	Business forecasts for FY12/23	Rate of progress
Net sales		15,963	31,065	51.4%	66,260	24.1%
Gross profit		5,255	10,622	49.5%	22,310	23.6%
Operating profit		2,382	4,700	50.7%	10,000	23.8%
Ordinary profit		2,393	4,717	50.7%	10,000	23.9%
Profit attributable to owners of parent		1,578	3,176	49.7%	6,668	23.7%
Short-Term Operational Support Business	Net sales	14,718	-	-	60,891	24.2%
	Placement	1,581	-	-	7,342	21.5%
	BPO	2,569	-	-	9,902	25.9%
	Dispatching	8,553	-	-	36,284	23.6%
	Outsourcing	2,015	-	-	7,362	27.4%
Sales Support Business	Net sales	672	-	-	2,918	23.0%
Security, Other Businesses	Net sales	574	-	-	2,451	23.4%

## **(Reference) Basic Stance on Capital Policy**

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### **■ 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

Our 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		BOD Co., Ltd.	Provides services such as data entry and order management outsourcing, credit sales screening agency, billing agency and processing outsourcing, payment management, order management, account recording and accounting outsourcing
	Fullcast Business Support Co., Ltd.	Consolidates and conducts various intra-Group operations on behalf of our Group		HR Management Co., Ltd.	Provides services in recruitment agency, training support, establishment of personnel system, and risk management and auditing, and meeting management
	Fullcast Co., Ltd.	Provides short-term human resource services in various business sectors		Progress, Inc.	Provides general office work agency and outsourcing services, administrative work services for life and non-life insurance
	Top Spot Co., Ltd.	Community-based brand, provides short-term human resource services focused on specific Regions		Minimaid Service Co., Ltd.	Provides housekeeping services
	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		Hayfield inc.	Human resource placement specializing in the real estate industry
	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		F-PLAIN Corporation.	
	Fullcast Senior Works Co., Ltd.	Provides human resource services for active seniors focused on the Tokyo metropolitan area (Tokyo City and three prefectures)		M's Line Co., Ltd.	Operates the sales agency service business for IT and telecommunications products utilizing a distributor agency network and call centers
	Fullcast Porter Co., Ltd.	Provides human resource services with an exclusive focus on drivers		FSP Co., Ltd.	
	Otetsudai Networks Inc.	Operates "Otetsudai Networks," short-term human resource services that utilize location information		Beat Co., Ltd.	Provides comprehensive human resource outsourcing services, mainly business process outsourcing
	Fullcast Global Co., Ltd.	Provides human resources services focused on foreign nationals		Deli Art Co., Ltd.	Provides human resource outsourcing services
	Fullcast International Co., Ltd.	Provides human resource placement services for placement of foreign nationals with specified skill visas who are ready to work immediately		Advancer Global Limited	Provides human resource services for foreign national workers, focused on Southeast Asia

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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 and Hayfield inc.'s staffing service specializing in the real estate industry 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. 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 FY12/23

- 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.**

[Inquiries]

IR : +81-3-4530-4830

URL : <https://www.fullcastholdings.co.jp/en/>

Email : [IR@fullcast.co.jp](mailto:IR@fullcast.co.jp)