

May 8, 2025

Consolidated Financial Results for the Three Months Ended March 31, 2025 (Under Japanese GAAP)

Company name: FAN Communications, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 2461
 URL: <https://www.fancs.com/>
 Representative: Koji Ninomiya, Representative Director and President
 Inquiries: Takashi Yoshinaga, Director, Executive Vice President and Executive Officer, Head of Corporate Department
 Telephone: +81-3-5766-3530
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2025	1,855	9.0	594	68.7	565	59.4	389	(24.4)
March 31, 2024	1,702	(11.3)	352	(43.9)	355	(41.8)	515	32.2

Note: Comprehensive income For the three months ended March 31, 2025: ¥366 million [(33.1)%]
 For the three months ended March 31, 2024: ¥548 million [39.6%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2025	5.88	-
March 31, 2024	7.78	-

Note: Quarterly net income per share adjusted for potential shares is not included because there are no potential shares that have a dilution effect.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	22,882	17,168	74.8	258.31
December 31, 2024	23,356	18,059	77.1	271.77

Reference: Equity
 As of March 31, 2025: ¥17,112 million
 As of December 31, 2024: ¥18,004 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	0.00	-	19.00	19.00
Fiscal year ending December 31, 2025	-				
Fiscal year ending December 31, 2025 (Forecast)		8.00		19.00	27.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending June 30, 2025	3,350	(1.6)	800	13.3	805	3.0	510	(38.6)	7.70

Fiscal year ending December 31, 2025	7,200	3.4	1,810	13.4	1,820	9.0	1,180	(16.9)	17.81
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Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

Note: Changes in accounting policies due to revisions to accounting standards, etc., are described in "2. Quarterly Consolidated Financial Statements and Major Notes (3) Notes on Quarterly Consolidated Financial Statements (Notes on Changes in Accounting Policy)".

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	66,248,429 shares
As of December 31, 2024	76,930,032 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2025	0 shares
As of December 31, 2024	10,681,603 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2025	66,248,429 shares
Three months ended March 31, 2024	66,248,429 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: nothing

* Proper use of earnings forecasts, and other special matters

Please note that the forecasted figures presented above are outlooks based on information currently available and include a considerable number of uncertain factors. Actual results may differ from the above forecasts due to changes in business conditions and other factors. Please refer to page 3 of the attachment for information related to the above forecasts.

Quarterly consolidated balance sheet

(Thousands of yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	16,917,898	14,672,764
Accounts receivable - trade	3,121,756	3,037,507
Securities	399,523	299,609
Other	358,350	401,804
Allowance for doubtful accounts	(11,574)	(9,148)
Total current assets	20,785,954	18,402,535
Non-current assets		
Property, plant and equipment		
Buildings, net	49,622	47,946
Tools, furniture and fixtures, net	3,889	21,717
Total property, plant and equipment	53,512	69,664
Intangible assets		
Goodwill	555,390	524,535
Other	461,296	485,628
Total intangible assets	1,016,687	1,010,163
Investments and other assets		
Investment securities	1,140,546	3,072,213
Other	361,306	329,234
Allowance for doubtful accounts	(1,170)	(1,422)
Total investments and other assets	1,500,682	3,400,025
Total non-current assets	2,570,881	4,479,853
Total assets	23,356,835	22,882,389

	As of December 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	4,425,209	4,232,100
Income taxes payable	18,368	208,348
Provision for point card certificates	24,275	24,168
Provision for bonuses	4,345	7,862
Other	710,738	1,127,830
Total current liabilities	5,182,938	5,600,309
Non-current liabilities		
Other	114,262	113,213
Total non-current liabilities	114,262	113,213
Total liabilities	5,297,200	5,713,523
Net assets		
Shareholders' equity		
Share capital	1,173,673	1,173,673
Capital surplus	278,373	278,373
Retained earnings	21,212,893	15,564,595
Treasury shares	(4,779,247)	-
Total shareholders' equity	17,885,693	17,016,642
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	118,807	96,073
Total accumulated other comprehensive income	118,807	96,073
Share acquisition rights	55,134	56,150
Total net assets	18,059,635	17,168,866
Total liabilities and net assets	23,356,835	22,882,389

Quarterly consolidated statement of income

(Thousands of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Net sales	1,702,476	1,855,719
Cost of sales	313,685	200,511
Gross profit	1,388,791	1,655,208
Selling, general and administrative expenses	1,036,551	1,061,065
Operating profit	352,240	594,142
Non-operating income		
Interest income	2,504	9,988
Foreign exchange gains	25,399	-
Other	2,129	3,758
Total non-operating income	30,032	13,747
Non-operating expenses		
Loss on investments in investment partnerships	27,271	11,687
Foreign exchange losses	-	30,309
Other	0	31
Total non-operating expenses	27,271	42,029
Ordinary profit	355,001	565,860
Extraordinary income		
Gain on sale of businesses	-	3,000
Other	-	19,454
Total extraordinary income	-	22,454
Extraordinary losses		
Loss on valuation of investment securities	-	9,994
Total extraordinary losses	-	9,994
Profit before income taxes	355,001	578,320
Income taxes - current	46,729	199,783
Income taxes - deferred	(207,323)	(11,131)
Total income taxes	(160,593)	188,651
Profit	515,595	389,668
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	515,595	389,668

Quarterly consolidated statement of comprehensive income

(Thousands of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Profit	515,595	389,668
Other comprehensive income		
Valuation difference on available-for-sale securities	33,160	(22,733)
Total other comprehensive income	33,160	(22,733)
Comprehensive income	548,756	366,935
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	548,756	366,935
Comprehensive income attributable to non-controlling interests	-	-

(Notes on segment information, etc.)
Segment Information
I. the three months of the previous fiscal year (January 1, 2024 to March 31, 2024)
1. Information on sales and the amount of profit or loss for each reported segment

(Unit: 1 thousand yen)

	Reportable segments			Adjustment amount (Note) 1	Quarterly Consolidated Statements of Income (Note)2
	Cost Per Action Solution Business	Strategic Business	Total		
Sales					
Revenues from external customers	1,422,922	279,554	1,702,476	-	1,702,476
Transactions with other segments	61,650	-	61,650	(61,650)	-
Total	1,484,572	279,554	1,764,127	(61,650)	1,702,476
Segment profit (loss)	768,160	(198,678)	569,481	(217,241)	352,240

Note: 1. Adjustments for segment profits or losses (loss) are company-wide expenses that have not been allocated to each reporting segment. Corporate expenses are general and administrative expenses that are not attributable to the reporting segment.
2. Segment profit or loss (loss) is adjusted for operating income in the quarterly consolidated statements of income.
2. Information on impairment losses or goodwill on fixed assets by reporting segment
Not applicable.
II. the three months of the current fiscal year (January 1, 2025 to March 31, 2025)
1. Information on sales and the amount of profit or loss for each reported segment

(Unit: 1 thousand yen)

	Reportable segments			Adjustment amount (Note) 1	Quarterly Consolidated Statements of Income (Note)2
	Cost Per Action Solution Business	Strategic Business	Total		
Sales					
Revenues from external customers	1,538,658	317,061	1,855,719	-	1,855,719
Transactions with other segments	46,735	23,504	70,240	(70,240)	-
Total	1,585,394	340,566	1,925,960	(70,240)	1,855,719
Segment profit (loss)	1,045,090	(154,173)	890,916	(296,773)	594,142

Note: 1. Adjustments for segment profits or losses (loss) are company-wide expenses that have not been allocated to each reporting segment. Corporate expenses are general and administrative expenses that are not attributable to the reporting segment.
2. Segment profit or loss (loss) is adjusted for operating income in the quarterly consolidated statements of income.
3. From the first quarter of the current fiscal year, the name of the reporting segment, which was previously called "New Business," was changed to "Strategic Business."The change is only the name of the reporting segment and does not affect the segment information. Accordingly, segment information for the three months of the previous fiscal year is shown with the changed segment name.
2. Information on impairment losses or goodwill on fixed assets by reporting segment
Not applicable.