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For Immediate Release:

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### **Notice of Partial Revision of the “Basic Policy on the Internal Control System”**

Fullcast Holdings Co., Ltd. announces that the following decisions regarding partial revision of the “Basic Policy on the Internal Control System” were taken at the meeting of the board of directors held today.

\* The revised portions are underlined.

A system to ensure that the enforcement of duties by directors comply with laws and ordinances as well as articles of incorporation, and a system to ensure the appropriateness of other duties as well

1. The following measures shall be taken in order to ensure a system of preventive measures regarding risk, compliance with laws and ordinances, and risk management (hereinafter, Risk Management System) at meetings of the board of directors.

(1) For matters that can affect our entire company—such as important non-customary transactions, important accounting estimates, transactions with companies and directors, and important transactions with subsidiaries—decisions must be made by the board of directors.

(2) The Chief Executive Officer (hereinafter, CEO) regularly report to the board of directors about efforts being made for the Risk Management System and business process improvement. When serious scandals arise, they report immediately to the meeting of the board of directors.

2. The following measures shall be taken to ensure the Risk Management System in the performance of duties by directors and employees (the same Risk Management System detailed in 1.).

(1) The CEO shall be placed as chief of risk management, and the Chief Compliance Officer (hereinafter, CCO) as the chief of risk management practices.

Risk managers in charge of each Group company shall be placed within the Company, while the CCO, under the direction of the CEO, will supervise practices of (2) through (7).

(2) Put in place administrative authority regulations, and work to establish internal control systems that will prevent authority from being centralized on specific people.

(3) Pursuant to Basic Risk Management regulations, the Risk Management System shall be constructed according to the same regulations.

(4) Create standards for important information that must be reported immediately to the board of directors, and disclosure standards, to carry out timely disclosure of issues of noncompliance, risks and other important information.

(5) Provide specific training for directors, managerial employees and regular employees. In cases where

relevant laws have been enacted or revised, or where major scandals or accidents have arisen in the Group or other companies, we quickly provide any necessary guidance.

(6) With the rigorous Risk Management System in business management and internal auditing being conducted, through the risk managers placed within the Company who are in charge of each Group company, every effort shall be made to ensure the thorough Risk Management System at each Group company.

(7) In transactions throughout all of our businesses, processes created by financial statements, and business accounting systems we check all events for the possibility of misstatements or mistakes, and streamline systems to ensure that no fraudulent actions are taken during business processes. Also, when and where necessary, we set up lateral organizations for the specific purpose of streamlining various processes.

3. The following measures shall be taken in order to develop a system for storing and managing information.

(1) The CCO will instruct directors and employees to appropriately store and manage documents based on document management rules.

(2) The CCO shall store and manage materials relating to the following documents (including electromagnetic records) for at least ten years:

- Minutes from annual general meeting of shareholders
- Minutes of the meeting of the board of directors
- Financial documents
- Other documents determined by meeting of the board of directors

(3) Directors and auditors can always review documents in (2) above.

4. The following measures shall be taken to ensure that the directors execute their duties efficiently.

(1) Each term, at the beginning of each meeting of the board of directors, directors shall develop a business plan toward achieving the common goals of all employees.

Directors and auditors shall regularly review the results with the board of directors.

(2) As a basis for a system to ensure that the directors execute their duties effectively, a meeting of the board of directors shall be held at least once a month, with appropriate extraordinary sessions to be held as necessary.

(3) Regarding execution of work based on decisions made at the meeting of the board of directors, organizational rules, division of duties regulations, and administrative authority regulations, their responsibilities and execution procedures shall be decided.

5. The following measures shall be taken in order to develop a system for ensuring proper operations in the business group.

(1) The Company shall draw up a Fullcast Group employee code of conduct for all Group companies, and work to gain compliance by all employees. As well as making ensuring compliance by the whole company, directors at Group companies will also lead by example in acting based on this code of conduct.

(2) Where they have discovered serious legal violations by Group companies or other important facts concerning risk, directors and employees at Group companies must report to the CCO, who shall in turn report them to the CEO. Under the direction of the CEO, the CCO will conduct and supervise an audit of the reported facts, and where deemed necessary will decide upon appropriate countermeasures.

Also, where necessary, the CEO shall report the matter to the board of directors, and the CCO shall report it to the board of auditors.

(3) The CCO will instruct the Group companies to put in place appropriate internal control systems.

6. The following measures shall be taken to develop a system for ensuring the effectiveness of audits carried out by auditors.

(1) Where a request is made by an auditor for an employee to be allocated to assist in their work, The Company's employees shall be assigned to provide them with assistance.

Assistant auditors shall not be subject to the direction of directors, and auditors shall conduct their performance reviews. Consent must be gained from the board of auditors to transfer or reprimand those people assisting them.

- (2) Auditor's assistants shall not jointly take on posts that involve execution of work.
- (3) Where directors or employees have discovered facts about legal violations or matters that may cause significant damage to the Company, they must promptly report these facts to an auditor.
- (4) When asked to report on matters concerning execution of work by an auditor, directors and employees must promptly report these.
- (5) Auditors may attend the meetings of the board of directors of subsidiary companies.

7. The following measures shall be taken to develop a basic concept toward eliminating anti-social forces and to ensure its effectiveness.

- (1) The Company and Group companies shall act in accordance with the Fullcast Group Employee Code of Conduct, sever relations with anti-social forces, and not conduct any transactions with such forces.
- (2) Information on anti-social forces shall be collected in-house, managed as well as used with information from external specialized agencies, which is in turn used to determine whether or not the counterpart is anti-social.
- (3) Unreasonable requests from anti-social forces shall be firmly rejected.  
Further, the unreasonable demands shall be handled with a firm stance as an organization.
- (4) Links with external specialized agencies shall be created in order to provide access to cooperation and appropriate advice on elimination of anti-social forces.

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