

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.



November 10, 2023

## Consolidated Financial Results Announcement for the First Three Quarters of the Fiscal Year Ending December 31, 2023 [Japanese Standards] (Consolidated)

Company name: Fullcast Holdings Co., Ltd.  
 Stock exchange listing: TSE Prime Market  
 Stock code: 4848  
 URL: <https://www.fullcastholdings.co.jp>  
 Representative: Kazuki Sakamaki, President, Representative Director and CEO  
 Contact: Yasuomi Tomotake, General Manager of the IR and Finance Department  
 Telephone: +81-3-4530-4830  
 Date of submission of quarterly report (Planned): November 13, 2023  
 Date of commencements of dividend payments (Planned): -  
 Preparation of supplementary references regarding financial results: Yes (shown on our website)  
 Briefing for quarterly results: None

(Figures are rounded to the nearest million yen)

### 1. Consolidated Financial Results for the First Three Quarters of the Fiscal Year Ending December 31, 2023 (January 1 to September 30, 2023)

#### (1) Consolidated Business Results

(% = year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q-3Q FY12/23 (September 30, 2023)	50,373	6.6	6,613	(11.4)	6,590	(12.5)	4,566	(10.3)
1Q-3Q FY12/22 (September 30, 2022)	47,259	24.1	7,467	28.7	7,534	29.3	5,090	32.6

(Note) Comprehensive income: 4,769 million yen ((10.5)%) as of September 30, 2023 5,330 million yen (29.2%) as of September 30, 2022

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
1Q-3Q FY12/23 (September 30, 2023)	127.54	126.83
1Q-3Q FY12/22 (September 30, 2022)	140.66	139.92

#### (2) Consolidated Financial Conditions

	Total assets	Net assets	Equity-to-asset ratio
	Million yen	Million yen	%
3Q FY12/23 End (September 30, 2023)	36,386	26,227	68.4
FY12/22 End	35,604	24,928	66.7

(Reference) Equity: 24,901 million yen as of September 30, 2023 23,732 million yen as of December 31, 2022

### 2. Dividend Status

	Dividend per share (Yen)				
	1Q End	1H End	3Q End	FY End	Annual
	Yen	Yen	Yen	Yen	Yen
FY12/22	-	23.00	-	35.00	58.00
FY12/23	-	29.00	-		
FY12/23 Forecast				30.00	59.00

(Note) Revision of dividends forecast during the current third quarter: None

### 3. Consolidated Business Forecasts for the Fiscal Year Ending December 31, 2023 (January 1 to December 31, 2023)

(% = year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	67,200	4.0	8,400	(14.5)	8,400	(15.0)	5,735	(13.4)	160.59

(Note) Revision of consolidated business forecasts in the current third quarter: Yes

#### \* Notes

(1) Important changes of subsidiaries during the current first three quarters: None

(Changes in specific subsidiaries involving changes in our scope of consolidation)

(2) Application of special accounting treatment in the production of quarterly consolidated financial statements: None

(3) Changes in accounting principles, accounting estimates, and re-presentation of changes

1) Changes in accounting policies associated with revisions of accounting principles and others: Yes

2) Changes in accounting policies other than those mentioned in 1) above: None

3) Changes in accounting estimates: None

4) Re-presentation of changes: None

(4) Number of issued shares (Ordinary shares)

1) Number of issued shares at the term end (Including treasury shares)

3Q FY12/23	37,486,400	FY12/22	37,486,400
3Q FY12/23	1,855,651	FY12/22	1,377,051
3Q FY12/23	35,796,077	3Q FY12/22	36,182,704

2) Number of treasury shares at the term end

3) Average number of shares outstanding during the current term

\* Quarterly financial results are not subject to quarterly review by a certified public accountant or auditing firm.

#### \* Explanation of the proper use of financial and business forecasts and other important notes.

Of all plans, business forecasts, strategies and other information provided within this document, those which are not historical facts are future outlooks based upon certain conditions and our management's judgments based upon currently available data. Therefore, we warn against relying solely upon these outlooks in assessing our business results, corporate value and other factors. Please also be informed that actual financial results may vary widely from our business forecasts due to various factors. Important factors that may have an impact upon our actual financial results include: (1) economic and financial conditions surrounding our Company and changes in the employment situation, (2) damages to infrastructure arising from disasters including earthquakes, and (3) changes in the relevant laws, including the Labor Standards Act and the Worker Dispatching Act, and in interpretations of these Acts. However, factors that affect our financial results are not limited to only these. Furthermore, please note that we may choose not to reexamine our business forecasts in response to new data, future events or other factors. For assumptions underlying our business forecasts and related issues, please refer to Page 4 "1-(3) Explanation of Consolidated Business Forecasts" of the "Appendix."

**<Table of Contents of Appendix>**

1. Qualitative Information Concerning Performance for the Current Quarter .....	2
(1) Explanation of Consolidated Operating Results.....	2
(2) Explanation of Consolidated Financial Position.....	3
(3) Explanation of Consolidated Business Forecasts .....	4
2. Quarterly Consolidated Financial Statements and Primary Notes .....	5
(1) Quarterly Consolidated Balance Sheet .....	5
(2) Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income .....	7
(3) Notes on Quarterly Consolidated Financial Statements .....	9
(Notes on Going Concern Assumption) .....	9
(Notes on Significant Change of Shareholders' Equity) .....	9
(Changes in Accounting Policies) .....	9
(Additional Information) .....	9
(Segment Information and Others) .....	10
(Major Subsequent Events) .....	11

## 1. Qualitative Information Concerning Performance for the Current Quarter

### (1) Explanation of Consolidated Operating Results

During the first three quarters of the current fiscal year, Japan's economy continued to recover gradually due to gradual improvements in corporate earnings, signs of improvement in corporate business conditions, and continued signs of recovery in personal consumption and capital investments. Economic conditions are expected to continue to recover gradually given the effects of various government policies under the employment and wage environment are improving. Amid financial tightening around the world and the uncertainty of the economic outlook in China, however, the economic horizon remains clouded due to a number of uncertainties including rising prices and fluctuations in financial and capital markets, in addition to risks of a downturn in Japan's economy caused by a weakening in overseas economies, all of which requires close attention to assess their potential impacts.

With regards to the current operating environment surrounding the staffing service industry, the employment situation is showing signs of a recovery. This is indicated by a stabilization in the new job offers ratio and the jobs offers-to-applicants ratio at high levels, and the continuing improvement of the employment ratio. As for the future outlook, the operating environment is expected to continue to recover.

Against this backdrop, in the first three quarters of the current fiscal year, our Group implemented group management activities to achieve our goal of "Aiming for create of the Group structure to flexibly address changes in the business environment, and business expansion by improving customer satisfaction based on further service improvement including DX." Our Group also carried out marketing activities focused on boosting overall profitability of our Group, particularly in the mainstay "Placement" (Note 1) and "BPO" (Note 2) services. In addition, our Company worked to further expand its business while maximizing profits by continuing to increase productivity and promote operational efficiencies across our entire Group.

Consolidated net sales increased by 6.6% year-on-year to 50,373 million yen, due to the successful growth of the mainstay "Placement" and "BPO" services in the "Short-Term Operational Support Business" by the capture of the demand for human resources related to restart of various activities following the COVID-19 pandemic, and the inclusion of profit and loss from the "Restaurant Business."

In terms of profits, despite the increase in net sales, consolidated operating profit declined by 11.4% year-on-year to 6,613 million yen and consolidated ordinary profit decreased by 12.5% year-on-year to 6,590 million yen. This was mainly due to an increase in the portion of social insurance premiums owing to the expansion of social insurance coverage, and to the greater-than-expected drop in COVID-19-related special demand, which has a high gross profit margin.

Profit attributable to owners of parent decreased by 10.3% year-on-year to 4,566 million yen, because of the 346 million yen in gain on sale of investment securities booked as an extraordinary income following the divestment of investment securities held in the second quarter of the current fiscal year.

In the second quarter of the current fiscal year, our Group included GLOBEAT INC., whose shares we acquired on June 23, 2023, and its consolidated subsidiary GLOBEAT HOLDINGS INC., and its consolidated sub-subsidiary GLOBEAT JAPAN INC. within our scope of consolidation. Moreover, results for the first three quarters of the current fiscal year include the profits and losses of the three aforementioned companies during the five months of April and August 2023.

Notes: 1. The mainstay "Part-Time Worker Placement" service and Hayfield inc.'s staffing service specializing in the real estate industry are referred to as "Placement."  
2. The mainstay "Part-Time Work Payroll Management" services, as well as other personnel and labor-related business process outsourcing (BPO) services such as the "My Number Management" service, and the back office BPO services of BOD Group are referred to as "BPO."

The results for each of our operating business segments are as follows.

In the second quarter of the current fiscal year, our Group included GLOBEAT INC., whose shares we acquired, its consolidated subsidiary GLOBEAT HOLDINGS INC., and its consolidated sub-subsidiary GLOBEAT JAPAN INC. within our scope of consolidation. The new segment "Restaurant Business" has been created consequently as a reported segment.

**1) Short-Term Operational Support Business**

Net sales in the “Short-Term Operational Support Business” increased by 1.4% year-on-year to 43,937 million yen, due to the greater-than-expected drop in COVID-19-related special demand, despite the successful growth of the mainstay “Placement” and “BPO” services in the “Short-Term Operational Support Business” by the capture of the demand for human resources related to restart of various activities following the COVID-19 pandemic.

In terms of profit, segment profit (operating profit) declined by 10.1% year-on-year to 7,156 million yen despite the increase in net sales, mainly because an increase in the portion of social insurance premiums owing to the expansion of social insurance coverage and the greater-than-expected drop in COVID-19-related special demand, which has a high gross profit margin.

**2) Sales Support Business**

Net sales of the “Sales Support Business” increased by 5.8% year-on-year to 2,359 million yen, due to sales of telecommunications products continuing to surpass the previous year’s result in the sale of Internet access, which is a mainstay business.

In terms of profits, segment profit (operating profit) increased by 14.6% year-on-year to 88 million yen due to a curb in sales, general and administrative expenses, in addition to the growth in net sales.

**3) Restaurant Business**

Net sales in the “Restaurant Business” was 2,327 million yen, due to the booking of result related to the restaurant chain business during 5 months, and segment profit (operating profit) was 12 million yen, due to recording goodwill amortization expenses during 5 months after tentatively setting the goodwill amortization period to 20 years.

Year-on-year comparisons are not stated because the “Restaurant Business” was added as a new reported segment in the second quarter of the current fiscal year.

**4) Security, Other Businesses**

Net sales of “Security, Other Businesses” increased by 1.9% year-on-year to 1,750 million yen, due mainly to an increase in the number of temporary security projects acquired as the COVID-19-related risks decreased.

In terms of profits, despite an increase in net sales, segment profit (operating profit) declined by 12.4% year-on-year to 168 million yen due mainly to a decrease in COVID-19-related operations with relatively 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.

**(2) Explanation of Consolidated Financial Position****Assets, Liabilities and Net Assets**

At the end of the third quarter, total assets increased by 782 million yen from the end of the previous fiscal year to 36,386 million yen. Equity increased by 1,169 to 24,901 million yen (equity-to-asset ratio of 68.4%), and net assets grew by 1,299 to 26,227 million yen.

Details of major changes in assets and liabilities are described as follows.

With regards to assets, current assets decreased by 4,217 million yen from the end of the previous fiscal year to 25,750 million yen. This decline is attributed mainly to falls in cash and deposits of 4,865 to 15,761 million yen and in notes and accounts receivable - trade of 865 to 8,121 million yen, which offset an increase in other under current assets of 1,484 to 1,840 million yen caused mainly by an increase in accounts receivable - other of 1,383 to 1,452 million yen.

Non-current assets increased by 4,999 million yen from the end of the previous fiscal year to 10,636 million yen. This growth is attributed mainly to increases in goodwill of 3,235 million yen to 4,540 million yen, in buildings

and structures, net of 602 million yen to 871 million yen, in land of 521 million yen to 705 million yen and in other under investments and other assets of 387 million yen to 1,603 million yen mainly due to an increase in leasehold deposits of 314 million yen to 876 million yen.

With regard to liabilities, current liabilities decreased by 770 million yen from the end of the previous fiscal year to 8,889 million yen. This decline is mainly attributed to decreases in income taxes payable of 1,101 million yen to 609 million yen, in accrued consumption taxes of 782 million yen to 1,381 million yen, and in accounts payable-other of 291 million yen to 1,569 million yen, which offset increases in other under current liabilities of 893 million yen to 1,608 million yen, mainly due to an increases in deposits received of 898 million yen to 919 million yen, and in notes and accounts payable-trade of 555 million yen to 607 million yen.

Non-current liabilities increased by 253 million yen from the end of the previous fiscal year to 1,271 million yen. This growth is mainly attributed to an increase in other under non-current liabilities of 215 million yen to 416 million yen, mainly due to an increase in long-term guarantee deposits of 147 million yen to 174 million yen.

### **(3) Explanation of Consolidated Business Forecasts**

As mentioned in the “Announcement on Revisions to the Full-Year Consolidated Business Forecast” published on November 10, 2023, consolidated business results for the first three quarters of the fiscal year ending December 31, 2023 indicate that the rate of progress of net sales exceeded 75% of the full-year forecast due to the capture of the demand for human resources related to re-openings following the COVID-19 pandemic and the inclusion of net sales from the “Restaurant Business.” However, operating profit, ordinary profit, and profit attributable to owners of parent each fell below 75%, mainly due to the greater-than-expected drop in COVID-19-related special demand, which has a high gross profit margin. In the fourth quarter, a decline in the COVID-19-related special demand is expected, as well as the expansion of “Year-End Tax Adjustment Management” services within “BPO” services in the “Short-Term Operational Support Business,” where only expenses are recorded during the period. Additional temporary M&A costs will also be recorded. For these reasons, the consolidated business forecast for the full fiscal year ending December 31, 2023 was revised downward.

Note that our actual earnings could differ largely from forecasts due to various factors.

Moreover, our year-end dividend forecast announced on February 10, 2023 will not be revised.

**2. Quarterly Consolidated Financial Statements and Primary Notes****(1) Quarterly Consolidated Balance Sheet**

(Million yen)

	FY12/22 End (December 31, 2022)	3Q FY12/23 End (September 30, 2023)
<b>ASSETS</b>		
Current assets		
Cash and deposits	20,626	15,761
Notes and accounts receivable - trade	8,986	8,121
Merchandise	30	55
Supplies	20	33
Other	356	1,840
Allowance for doubtful accounts	(50)	(59)
<b>Total current assets</b>	<b>29,967</b>	<b>25,750</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	269	871
Tools, furniture and fixtures, net	160	276
Land	184	705
Other, net	4	1
<b>Total property, plant and equipment</b>	<b>617</b>	<b>1,852</b>
Intangible assets		
Goodwill	1,305	4,540
Other	395	431
<b>Total intangible assets</b>	<b>1,699</b>	<b>4,971</b>
Investments and other assets		
Investment securities	2,111	2,220
Other	1,217	1,603
Allowance for doubtful accounts	(7)	(9)
<b>Total investments and other assets</b>	<b>3,321</b>	<b>3,813</b>
<b>Total non-current assets</b>	<b>5,637</b>	<b>10,636</b>
<b>Total assets</b>	<b>35,604</b>	<b>36,386</b>

(Million yen)

	FY12/22 End (December 31, 2022)	3Q FY12/23 End (September 30, 2023)
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable – trade	52	607
Short-term borrowings	1,000	1,000
Accounts payable - other	1,860	1,569
Accrued expenses	1,874	1,807
Income taxes payable	1,710	609
Accrued consumption taxes	2,163	1,381
Provision for bonuses	286	309
Other	715	1,608
Total current liabilities	9,659	8,889
Non-current liabilities		
Retirement benefit liability	816	854
Other	202	416
Total non-current liabilities	1,017	1,271
Total liabilities	10,676	10,160
<b>NET ASSETS</b>		
Shareholders' equity		
Share capital	2,780	2,780
Capital surplus	2,006	2,006
Retained earnings	21,286	23,546
Treasury shares	(2,664)	(3,867)
Total shareholders' equity	23,409	24,466
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	149	163
Foreign currency translation adjustment	174	272
Total accumulated other comprehensive income	323	435
Share acquisition rights	152	191
Non-controlling interests	1,044	1,136
Total net assets	24,928	26,227
Total liabilities and net assets	35,604	36,386



**(2) Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**

## Quarterly Consolidated Statement of Income

[First Three Quarters of the Current Fiscal Year]

	(Million yen)	
	1Q-3Q FY12/22 (January 1 to September 30, 2022)	1Q-3Q FY12/23 (January 1 to September 30, 2023)
Net sales	47,259	50,373
Cost of sales	31,323	33,660
Gross profit	15,936	16,713
Selling, general and administrative expenses	8,469	10,100
Operating profit	7,467	6,613
Non-operating income		
Dividend income	2	3
Share of profit of entities accounted for using equity method	71	-
Revenue - advertising	34	46
Other	29	38
Total non-operating income	136	86
Non-operating expenses		
Interest expenses	5	5
Share of loss of entities accounted for using equity method	-	15
Settlement payments	41	43
Other	23	46
Total non-operating expenses	69	109
Ordinary profit	7,534	6,590
Extraordinary income		
Gain on sale of investment securities	69	346
Gain on sale of non-current assets	-	69
Other	13	-
Total extraordinary income	82	415
Extraordinary losses		
Loss on retirement of non-current assets	23	20
Loss on COVID-19	19	-
Other	-	0
Total extraordinary losses	42	20
Profit before income taxes	7,575	6,986
Income taxes - current	2,499	2,264
Income taxes - deferred	(92)	67
Total income taxes	2,407	2,331
Profit	5,168	4,654
Profit attributable to non-controlling interests	78	89
Profit attributable to owners of parent	5,090	4,566

Quarterly Consolidated Statement of Comprehensive Income  
 [First Three Quarters of the Current Fiscal Year]

	(Million yen)	
	1Q–3Q FY12/22 (January 1 to September 30, 2022)	1Q–3Q FY12/23 (January 1 to September 30, 2023)
Profit	5,168	4,654
Other comprehensive income		
Valuation difference on available-for-sale securities	3	17
Foreign currency translation adjustment	159	98
Total other comprehensive income	162	115
Comprehensive income	5,330	4,769
(Comprehensive income attributable to)		
Owners of parent	5,246	4,678
Non-controlling interests	84	92

### **(3) Notes on Quarterly Consolidated Financial Statements**

(Notes on Going Concern Assumption)

There are no relevant matters.

(Notes on Significant Change of Shareholders' Equity)

There are no relevant matters.

(Changes in Accounting Policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

Our Company applied "Implementation Guideline on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021, hereinafter the "Fair Value Measurement Standards") from the beginning of the first quarter of the current fiscal year. In accordance with the transitional treatment stipulated in Paragraph 27-2 of the Fair Value Measurement Standards, the new accounting policy stipulated by the Fair Value Measurement Standards is to be applied into the future. This will have no impact on the quarterly consolidated financial statements.

(Additional Information)

(Accounting Estimates Associated with the Impact of the COVID-19 Pandemic)

In the accounting estimates associated with the impact of the COVID-19 pandemic, no material change has been made to our assumptions published in the "Additional Information" section of the Securities Report for the previous fiscal year.

(Application of Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System)

Effective from the first quarter of the current fiscal year, our Company and some of its subsidiaries have shifted to the Group Tax Sharing System from the Consolidated Taxation System. Accordingly, the accounting treatment and disclosure of income taxes, local income taxes, and tax effect accounting are in accordance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42; August 12, 2021, hereinafter "ASBJ PITF No. 42"). In accordance with Paragraph 32 (1) of the ASBJ PITF No. 42, our Company has assumed that there is no impact from the change in accounting policy resulting from the application of the ASBJ PITF No. 42.

## (Segment Information and Others)

[Segment information]

First Three Quarters of the Previous Fiscal Year (January 1 to September 30, 2022)  
Information Concerning Net Sales, Profits and Losses for Each Reporting Segment

(Million yen)

	Reporting segment				Total	Adjustment amount (Note 1)	Quarterly consolidated statement of income amount (Note 2)
	Short-Term Operational Support Business	Sales Support Business	Restaurant Business	Security, Other Businesses			
Net sales							
Sales to external customers	43,312	2,229	-	1,718	47,259	-	47,259
Inter-segment sales or transfers	7	9	-	6	21	(21)	-
Total	43,318	2,238	-	1,723	47,280	(21)	47,259
Segment profit	7,962	76	-	192	8,230	(763)	7,467

- Notes: 1. (5) million yen in inter-segment eliminations and (758) million yen in company-wide expenses not allocated to any specific reporting segment are included in the (763) million yen segment profit adjustment amount. Company-wide expenses are mainly general and administrative expenses that do not belong to any specific reporting segments.
2. Segment profit is adjusted with operating profit as listed in quarterly consolidated statement of income.

## First Three Quarters of the Current Fiscal Year (January 1 to September 30, 2023)

## 1. Information Concerning Net Sales, Profits and Losses for Each Reporting Segment

(Million yen)

	Reporting segment				Total	Adjustment amount (Note 1)	Quarterly consolidated statement of income Amount (Note 2)
	Short-Term Operational Support Business	Sales Support Business	Restaurant Business	Security, Other Businesses			
Net sales							
Sales to external customers	43,937	2,359	2,327	1,750	50,373	-	50,373
Inter-segment sales or transfers	7	15	-	7	29	(29)	-
Total	43,944	2,374	2,327	1,757	50,402	(29)	50,373
Segment profit	7,156	88	12	168	7,424	(811)	6,613

- Notes: 1. (7) million yen in inter-segment eliminations and (803) million yen in company-wide expenses not allocated to any specific reporting segment are included in the (811) million yen segment profit adjustment amount. Company-wide expenses are mainly general and administrative expenses that do not belong to any specific reporting segments.
2. Segment profit is adjusted with operating profit as listed in quarterly consolidated statement of income.

## 2. Information Concerning Assets by Reported Segment

(Considerable growth of assets due to the acquisition of subsidiaries)

In the second quarter of the current fiscal year, our Group includes GLOBEAT INC., whose shares we acquired, its consolidated subsidiary GLOBEAT HOLDINGS INC., and its consolidated sub-subsidiary GLOBEAT JAPAN INC. within the scope of the consolidation. Assets in the "Restaurant Business" segment have increased by 8,930 million yen compared to the last day of the previous fiscal year. The amount of assets for said segment is calculated on a provisional basis, as the allocation of the cost of acquisition at the end of the first three quarters of the current fiscal year is ongoing.

## 3. Notes Concerning Changes, etc. in Reported Segments

In the second quarter of the current fiscal year, our Group included GLOBEAT INC., whose shares we

acquired, its consolidated subsidiary GLOBEAT HOLDINGS INC., and its consolidated sub-subsidiary GLOBEAT JAPAN INC. within the scope of the consolidation. The new segment “Restaurant Business” is created consequently. Moreover, segment information for the first three quarters of the previous fiscal year reflect the reclassification of segments.

(Major Subsequent Events)

(Business Combination by Acquisition of Shares)

At a the Board of Directors’ Meeting held on October 23, 2023, we resolved to acquire all shares of App X, Inc. and make it a subsidiary. On the same day, our Company entered into a share transfer agreement and acquired all of App X, inc. on October 27, 2023.

(1) Overview of the Business Combination

1) Name of the acquired company and details of the business

Corporate name: App X, Inc.

Business: Special purpose company and owner of the subsidiary Imple, Inc. which operates a job search application business

2) Main reasons for the business combination

Imple, Inc., the subsidiary of App X, Inc., develops and operates job search applications for Hello Work and other organizations, and through our cultivated know-how and ability to attract and send customers to our clients, supports job seekers in their optimal job search and has become an essential presence for companies posting jobs to attract job seekers.

This business will be able to create strong synergy effects by mutually sending customers to our Group, which also has strong recruiting capabilities. This will enable us to improve customer satisfaction and expand our customer base more than ever. We believe that there is sufficient room for business expansion in light of the aforementioned social environment and labor market support, and we expect further growth in the future.

3) Date of the business combination

October 27, 2023 (Deemed acquisition date October 1, 2023)

4) Legal form of the business combination

Acquisition of shares for cash

5) Name of the company after the combination

No change.

6) Percentage of voting rights acquired

Percentage of voting rights 100.00%

7) Main grounds for defining the acquiring company

Our Company acquired 100% of the voting rights through the acquisition of shares for cash.

(2) Acquisition cost of the acquired company and its breakdown

<u>Acquisition compensation</u>	Cash	<u>2,552 million yen</u>
Acquisition cost		2,552 million yen

(3) Details and amount of major acquisition-related expenses

Advisory expenses etc. (estimated amount) 123 million yen

(4) Amount of goodwill incurred, reason for incurrence, amortization method and amortization period

Not confirmed at the present time.

(5) Amounts of assets received and liabilities assumed on the date of business combination and their breakdown

Not confirmed at the present time.

(Purchase of treasury shares)

Our Company passed a resolution at the Board of Directors meeting held on November 10, 2023 to acquire treasury shares pursuant to the provisions of Article 156 of the Companies Act as applied mutatis mutandis pursuant to the provision of Article 165, Paragraph 3 of the same act.

(1) Reasons for the acquisition of treasury shares

Our Company will acquire treasury shares in order to provide greater returns to shareholders and to enhance capital efficiency, as part of our execution of a flexible capital policy.

(2) Details relating to the acquisition

- |                               |   |
|-------------------------------|---|
| 1) Type of shares             | Ordinary shares   |
| 2) Total of acquirable shares | 600,000 shares (max.)<br>(1.68% of total number of shares issued [excluding treasury shares]) |
| 3) Total acquisition cost     | 784 million yen (max.)  |
| 4) Acquisition period         | November 13 - December 22, 2023   |