

Integrated Report

2024



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

Japan faces the urgent task of creating a “new labor force” that underpins the growth and competitiveness of its companies. Yet those who can be the main participants in this new labor force are students, homemakers, and other adults who already have “commitments” that make it difficult to make long-term commitments to employment.

At the same time, more and more people are looking for employment opportunities that are “more fulfilling and enjoyable.”

By supplying people with short-term work opportunities tailored to their lifestyle needs, our Group is able to “unlock a new labor force” and support every person to “success in workplaces where they can shine.”

We believe this is our mission.

Editorial Policy

The Fullcast Group has published an integrated report since the fiscal year ended December 31, 2022 in order to deepen stakeholders' understanding of its management and overall corporate activities aimed at the sustainable creation of our Group's corporate value. This integrated report focuses on conveying the overall picture of our Group to stakeholders. This includes featuring information essential to investors, introducing our Group's vision, initiatives in each business segment and current situation, as well as our Group's platform for value creation underpinning these efforts. Going forward, we will continually work to increase the quality of our integrated report while reflecting the views of our stakeholders.

<Referenced Guidelines>

“International Integrated Reporting Framework,” International Integrated Reporting Council (IIRC)

<Scope of Report>

Period: Fiscal year ended December 31, 2023
(January 1, 2023 to December 31, 2023)

Scope: The Fullcast Group and its subsidiaries and affiliates

Figures: As of December 31, 2023

<Cautionary Statement Regarding Forward-Looking Statements>

The opinions and forecasts contained in this report are based on our Company's judgment at the time of preparation and involve risks and uncertainties. Our Company does not guarantee or promise the accuracy or completeness of such information. Please also be informed that actual financial results may vary widely from our business forecasts due to various important factors.

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President, Representative Director and CEO
Kazuki Sakamaki

Strategic investments responding to the business environment

Our Company plans to realize strategic investments worth 2 billion yen in fiscal year 2024. We believe we will be able to realize organic growth in the Short-Term Operational Support Business in fiscal 2024, subtracting the impact of the special demand related to the COVID-19 pandemic, due to the acquisition of human resources demand, where growth is expected. However, we also feel the need to respond more strongly than before to the reopening-related demand in the post-coronavirus era, and to labor shortages related to the decline in the labor force. In addition, in the spot work market, which is close to our business areas, the entry of companies from other industries is seen as a certainty, with competition expected to further intensify. As a response to this environment, we have decided to realize strategic investments in fiscal 2024 to strengthen sales, brand power and recognition, hiring, reinforce systems and strengthen operations. More specifically, we are implementing measures such as the increase in the number of sales personnel, the utilization of web advertisement, media promotion including developing digital media, the strengthening of placements on recruiting advertising and social media for instance. These are both opportunities/offensive measures and threats/defensive measures for our Company, and will be implemented in order to further ensure future growth. When taking into account these strategic investments in the forecast, we expect a decrease in profits in fiscal 2024 compared to fiscal 2023, which we have disclosed, but we understand that the investments are meaningful and worth making, despite the profit decrease. We are concentrating on quickly and further developing the business foundation and quickly capture demand through concentrated capital investment limited to one fiscal year.

Changes in the Short-Term Operational Support Business since our founding

We specialize in short-term human resource services, primarily meeting the needs of our corporate clients for personnel during annual business fluctuations or emergencies.

Since our founding, we have operated a business model centered on short-term temporary staffing. However, with the revision of the Dispatch Act in October 2012, short-term temporary staffing, which was our main service, was in

Message from the CEO

Realize sustainable corporate growth by promptly responding to a shifting business environment.

principle prohibited, forcing us to transform our business model. From that point on, we began offering placement and payroll agent services as new services.

After the conversion to the new services, our performance temporarily declined, but we have been able to grow steadily thanks to the understanding of our customers and, at the same time, a tailwind from the gradual emergence of labor shortages in Japan. In addition to the need to fill gaps during the traditional business fluctuations, one of the background factors is the reception of orders from companies that are unable to recruit their own employees due to the declining labor force in Japan.

In fiscal 2020, our performance was also affected by the COVID-19 pandemic, but we have been able to maintain profitability by continuing to accurately catch up with the needs that arise even as the overall Japanese economy stagnates. Since then, we have steadily captured customer demand, which increased with the recovery of the economic environment, as well as the special demand generated by the coronavirus pandemic, and recorded a record-high operating income of 9.8 billion yen in fiscal 2022.

In fiscal 2023, the previous fiscal year, operating profit decreased mainly due to the drop in special demand related to COVID-19 and an increase in companies' portion of social insurance premiums following the expansion of social insurance coverage. However, organic gross profit and operating profit in the Short-Term Operational Support Business, excluding the special demand related to COVID-19, exceeded those of the previous year and we are not concerned about the business environment itself. Going forward, we believe that we can continue to grow in the Japanese environment, where the economy is expected to improve due to acute labor shortages and the progress of the reopening process. With respect to services, we continue to engage in their improvement, including DX. We will continue to improve our services with the target of expanding our business by increasing convenience and satisfaction for both clients and staff. Furthermore, we are working to expand into peripheral domains, such as services exclusively for seniors and foreign nationals, housekeeping services to increase opportunities for women to work, and sales-related administrative services of personnel administration services that go beyond conventional personnel administrative systems and, in recent years, have been newly developing real estate human resource placement services and job search application services.

Creation of social value and significance through human resource services

In Japan, the aging of the population and the declining birthrate are leading to labor shortages unique in the world, making it difficult for some companies to maintain their current number of employees, let alone increase their workforce for corporate growth. This state of affairs is expected to intensify in the future.

In addition, the employment rate of adult men, who have been the core of Japan's labor force, has almost reached a threshold, making it difficult to expect them to contribute additional labor. We are proud to be in a certain position where we are able to reach out to those who can only work or want to work on a short-term basis but still have room for labor participation, such as freelancers, workers with side jobs, students, women, and the elderly. We believe that we are playing a role in providing a solution to Japan's labor shortages by contributing additional labor in the form of short-term jobs to the country's increasingly tight labor market.

Initiatives regarding sustainability management

Shareholders, investors, and other stakeholders are demanding increasingly high standards of sustainability management, and the revision of the Cabinet Office Ordinance announced in January 2023 has expanded the disclosure of non-financial information (overall sustainability, human capital, and corporate governance) in securities reports and other documents, while other disclosure requirements are also increasing. In addition to disclosing items related to our approach and initiatives on sustainability from this fiscal year, we have started to aggregate Scope 3 emissions in our climate change-related disclosures, and are working to enhance the quality and quantity of our disclosures by disclosing certain categories of emissions. Going forward, we will continue to take appropriate action on matters related to sustainability in general, as well as enhance the disclosure of related information. We also believe that through the services we provide, it is important to contribute to solving the problem of a declining workforce due to Japan's declining birthrate and aging population. Through these initiatives, we will work to sustainably increase corporate value.

We will continue to reliably respond to the ever-growing demand for human resources and ensure future growth.



Director and Chairman
Takehito Hirano

President, Representative Director and CEO
Kazuki Sakamaki

Please give us a review of the second year of the Medium-Term Management Plan.

Sakamaki With regard to the “Medium-Term Management Plan 2024,” in fiscal 2022, the first year of the plan, we were able to record consecutive record-high profits and post an operating profit of 9.8 billion yen, thanks to our acquisition of the customer demand related to recovery from COVID-19, as well as the special demand generated by the pandemic, including support for vaccinations. In fiscal 2023, the second year of the plan, we had planned to achieve our Medium-Term Management Plan target of 10 billion yen in operating profit one year ahead of schedule. However, due to the greater-than-expected drop in special COVID-19-related demand and the expansion of social insurance coverage, results for fiscal 2023 were lower than in fiscal 2022. However, in the Short-Term Operational Support Business, which is the mainstay of our business, organic gross profit and operating profit, excluding the impact of the special COVID-19-related demand, continued to increase, and we recognize that the need for short-term human resources is

steadily increasing due to labor shortages.

Hirano For fiscal 2024, the current fiscal year, we have announced a forecast of 7.2 billion yen for the operating profit. This figure is based on the strategic investments planned to be made in fiscal 2024, which were not assumed when the “Medium-Term Management Plan 2024” was drawn up. Excluding the impact of these investments, the actual result is expected to be higher than in fiscal year 2023.

Sakamaki We have realized 4 M&A operations during the most recent fiscal years, which are the previous fiscal year and the fiscal year before last. M&A has different purposes: providing our registered staff with opportunities to work as full-time employees while creating profit-earning opportunities for us in the event that they wish to become full-time employees, entering the Restaurant Business, and expanding our business domain in the back-office BPO business. However, the growth potential of each of these businesses is expected to be greater than in the past, and they are also expected to contribute to the earnings of our Group. In the current fiscal 2024 and beyond, we are properly promoting

post-merger integration (PMI) in individual companies and deepening cooperation with companies within the Group to reap the fruits of our efforts. We will strive to further increase corporate value in a sustainable manner, by promoting PMI of new companies acquired through M&A, as well as solidifying the foundation through strategic investments.

Can you explain the strategic investments planned for fiscal 2024 in more detail?

Sakamaki We envision a program of strategic investments, but our main focus is on “strengthening recognition and recruiting capabilities.”

We are working to further enhance our competitiveness by increasing our visibility to both clients and registered staff, an important component of our value chain, and by strengthening our recruiting capabilities to meet the expected increase in demand for short-term human resources. We expect these new initiatives to be particularly effective, as branding and promotion to client companies and registered staff has been virtually nonexistent.

We will increase the degree of recognition of our Company, strengthen our systems and infrastructure to ensure stronger recruiting capabilities, and pursue convenience for client companies and registered staff to increase satisfaction for both. Doing so, we will further solidify the value chain and enhance sales personnel to avoid opportunity losses.

What do you regard as the driving force behind the growth of the Company?

Hirano We believe one factor is our ability to quickly adapt to the changing needs of both workers and client companies since our founding in 1992, as well as our continued ability to respond appropriately to the changing business environment, including in terms of compliance, as exemplified by the shift in our business model in response to the revision of the Dispatch Act in 2012. We think that the realization of these objectives has allowed our Company to continue to grow even after COVID-19.

What are your thoughts on sustainability management?

Sakamaki In considering sustainability management, I believe it is necessary to consider both sides of the matter, based on the concept of double materiality: how to realize the sustainable enhancement of the Group’s own corporate value, and how the Group can solve social issues and contribute to the sustainability of society. In “Medium-Term Management Plan 2024,” in addition to the business strategy for each segment, which is the backbone of the plan, and the expansion of new businesses established in the previous MTMP, we have been striving to realize “Fullcast Group’s

support for ‘work’ in life” by expanding business domains in our M&A strategy. By acquiring profit-earning opportunities that did not exist in the past in terms of skills, life stages and life events, and employment status, the Group will achieve sustainable enhancement of its own corporate value, and by acquiring and providing a diverse menu of services, contribute to solving social issues in Japan in the context of a declining labor force.

How do you view the business environment in terms of diversity promotion and diverse working styles?

Sakamaki The short-term staffing business is a service that provides employment opportunities to those who do not want or cannot work full-time during the periods when they can and want to work. We believe that as the concepts of promoting diversity and diversifying work styles become more prevalent among both workers and client companies, it will provide a tailwind for our business.

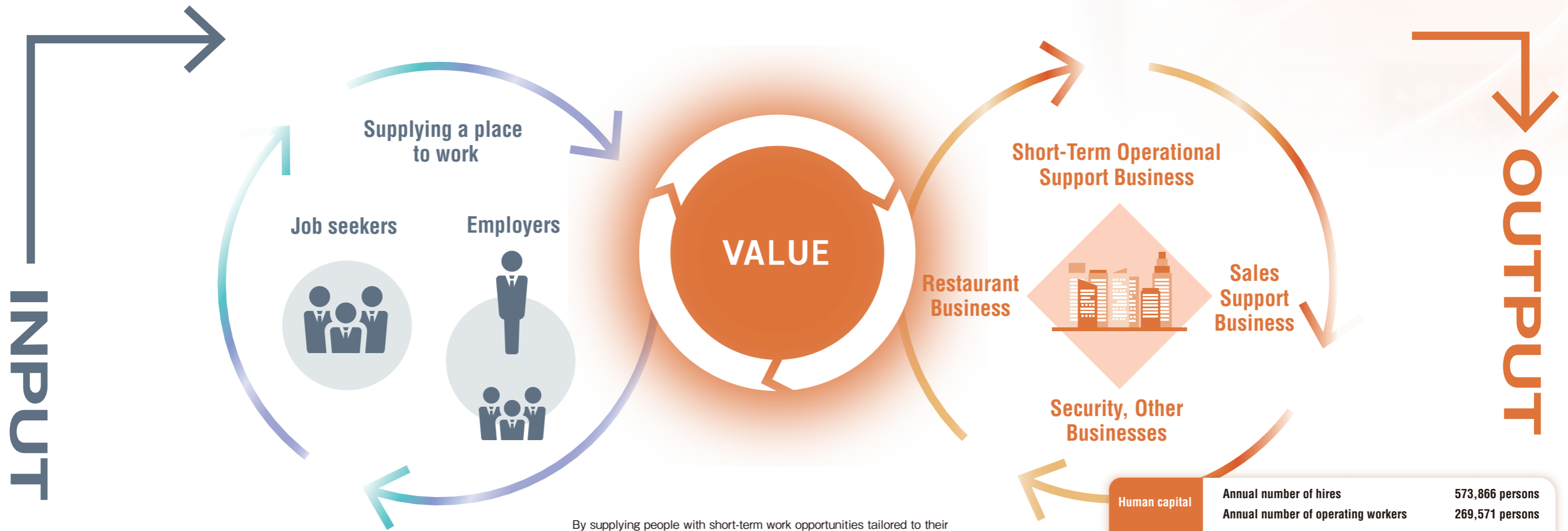
Are you focusing on the management of human capital?

Hirano With regard to human capital initiatives, we believe that they are critical for the Group to achieve sustainable enhancement of corporate value. We also continue to review our human resource development policy and internal environment improvement policy, as well as our efforts to ensure diversity regardless of gender, nationality, age, work experience or other attributes, and we will continue to consider expanding our human capital indicators and targets from those currently disclosed and connecting them to the management plan.

How do you ensure transparency in governance?

Hirano Our Company has adopted the structure of a company with a Audit & Supervisory Committee as its institutional form. With the selection of at least 1/3 of the Board of Directors as Independent Outside Directors, we strive to strengthen the supervisory function of the Board of Directors and enhance discussions for the sustainable enhancement of corporate value in our Group.

Sakamaki In addition, we have established a Nomination Committee and a Remuneration Committee on a voluntary basis, which consist of three Independent Outside Directors and myself, to discuss the nature of succession planning and remuneration decisions in a transparent and fair manner. Currently, we do not have any female or non-Japanese directors, but are deepening our discussions from the perspective of ensuring diversity on the Board of Directors.



Human capital	Number of employees	1,568 persons
	Number of temporary employees	2,686 persons
Social capital	Years in business	31 years
	Number of clients	85,443 companies
	Number of registrations	8.34 million people
Financial capital	Equity	25,401 million yen
	Equity-to-asset ratio	65.2%
	Cash and cash equivalents	14,468 million yen
Manufactured capital	Number of consolidated subsidiaries	23 companies
	Number of Group Networks	262 sites
	Amount of capital investment	299 million yen

By supplying people with short-term work opportunities tailored to their lifestyle needs, the Fullcast Group is able to “unlock a new labor force” and support every person to “success in workplaces where they can shine.” We believe this is our mission. We will create diverse value in the “Short-Term Operational Support Business,” which is also the core business of our Group, and will leverage our brand to recruit many people who want to work, as well as focusing on actualizing the potential labor force and developing the capabilities of short-term human resources. We will contribute to building a sustainable society through the realization of our Company’s corporate philosophy, which is “Providing the best place for people to bring out their best.”

Figures as of December 31, 2023

Human capital	Annual number of hires	573,866 persons
	Annual number of operating workers	269,571 persons
Social capital	Annual number of customers	38,500 companies
	Annual number of new customers	8,258 companies
Diversity capital	Percentage of female employees, including permanent and temporary employees	61.52%
	Percentage of female managers	14.1%
	Percentage of female operating workers in Placement and Dispatching, etc. in the “Short-Term Operational Support Business”	50.42%
Financial capital	Net sales	68,974 million yen
	Operating profit	8,658 million yen
	EPS	164.9 yen
	Free cash flow	(1,203) million yen
	ROE	23.97%
Manufactured capital	Annual number of matches	6,743,121
	Number of matching per hour	3,413

OUTCOME

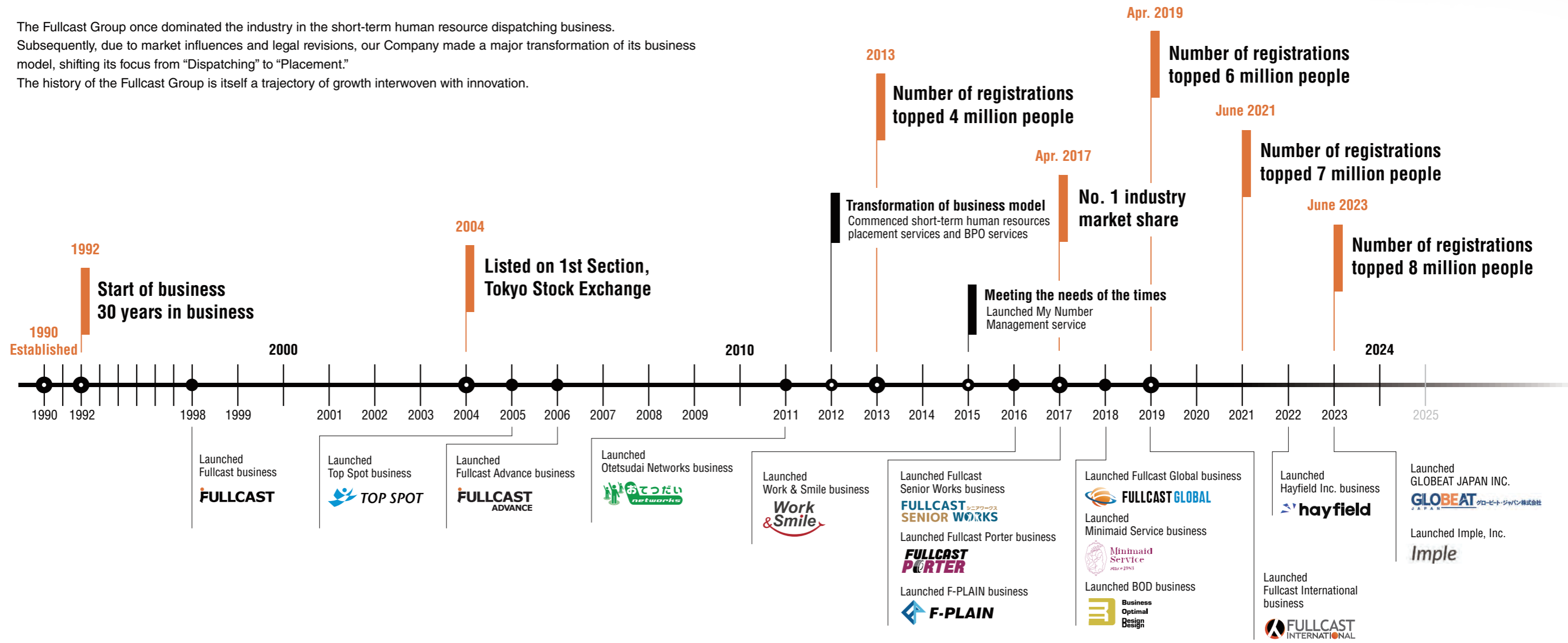
Recognized social issues

Sustainability and Corporate Governance

Corporate History

The Fullcast Group's journey follows a trajectory of innovation and growth

The Fullcast Group once dominated the industry in the short-term human resource dispatching business. Subsequently, due to market influences and legal revisions, our Company made a major transformation of its business model, shifting its focus from "Dispatching" to "Placement."
The history of the Fullcast Group is itself a trajectory of growth interwoven with innovation.



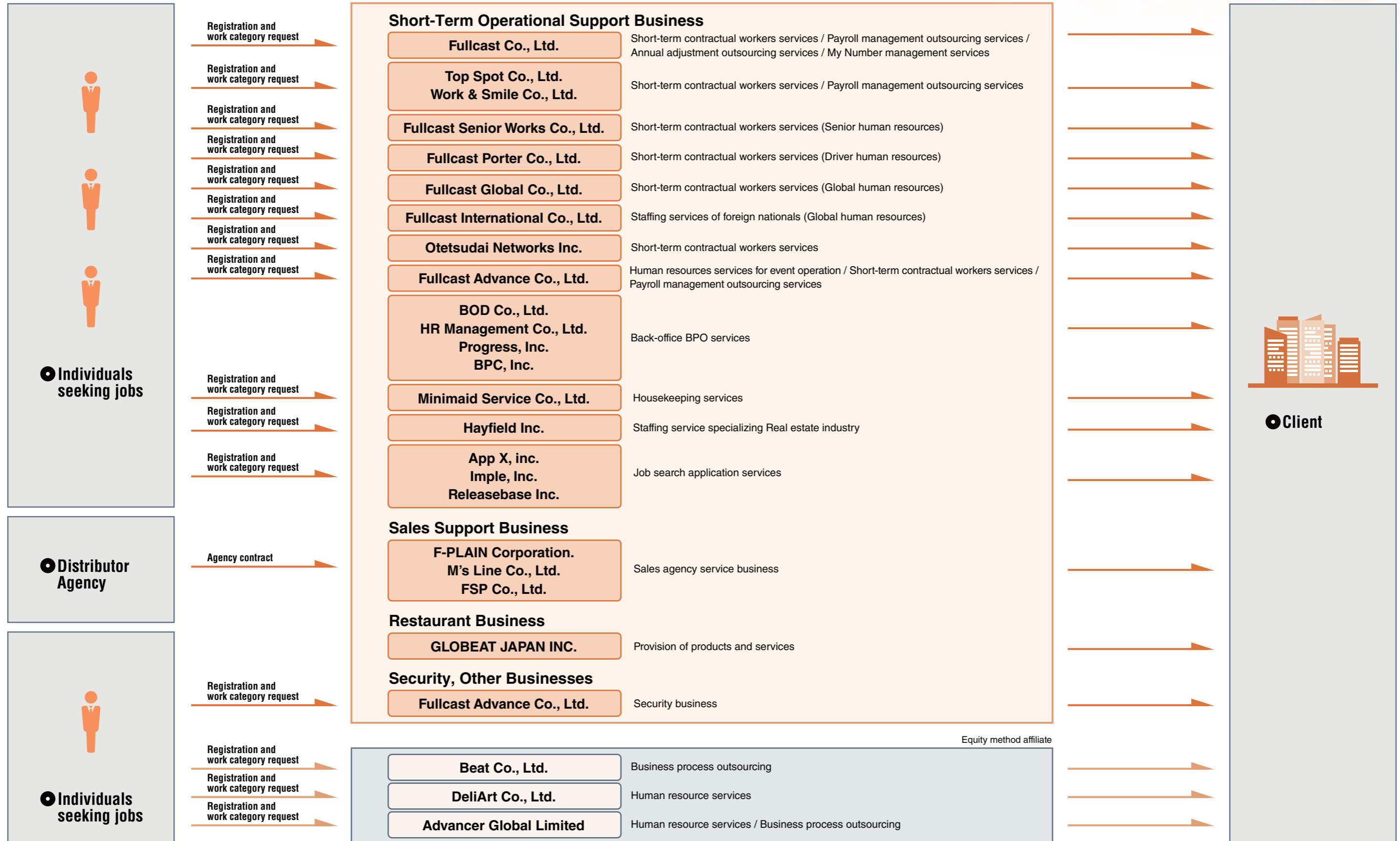
<p>Start up period</p> <p>Started out as a venture in the light work outsourcing business. The business model was developed in response to the needs of the times, such as paying registered staff on the same day, when it was customary to pay them the following week.</p>	<p>Expansion period</p> <p>We achieved rapid growth by developing services to match market needs. We listed shares on the JASDAQ market in 2001, the 2nd Section of the Tokyo Stock Exchange in 2003, and 1st Section of the Tokyo Stock Exchange in 2004.</p>	<p>Transformation period</p> <p>In light of the GFC and the enforcement of the revised Worker Dispatching Act, we shifted our business model from "Dispatching" to "Placement." We achieved a V-shaped recovery through thorough compliance and management reform.</p>	<p>Growth and expansion period</p> <p>We aim to expand our business with an eye on global expansion by further strengthening recruiting capabilities, enhancing the service lineup, and providing higher value-added services.</p>
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Business Model

The Fullcast Group is expanding the “Short-Term Operational Support Business” (providing timely short-term personnel services in response to changes in the amount of work at client companies), the “Sales Support Business” (mainly engaging in agency sales of telecommunications products and others focused on distributor networks and call center operations), the “Restaurant Business” (operating a restaurant chain business) and the “Security, Other Businesses” (providing security services mainly for public facilities and ordinary corporations, others.).

Fullcast Holdings Co., Ltd.

Consolidated subsidiaries



Fullcast Group Sustainability Basic Policy

Fundamental Policy

Our Group's basic policy on sustainability is to contribute to solving social issues and to win the trust of all stakeholders involved in our business by achieving sustainable enhancement of corporate value with a corporate philosophy of "Providing the best place for people to bring out their best." We will implement the following sustainability activities.

1. Our Group will respond reduce environmental impact and use resources efficiently in areas where it can contribute for the sustainable development of the global environment.
2. We will appropriately to the human rights impact and risks of corporate activities and strive to prevent human rights violations.
3. We are aware that the growth of employees is the source of sustained enhancement of corporate value and we will strive for recruitment and training not tied to race, nationality, age, gender, and other attributes, as well as for improvements in the working environment giving consideration to work-life balance.
4. We will strive to establish trust and engage in fair and appropriate transactions with jobseekers and client companies, our important business partners in operating the staffing services business.

Process for Identifying Materiality

1. Understand the SDGs.
2. Align the Corporation Philosophy, Vision, and Strategy with the SDGs.
3. Identify issues based on our own strategy.
4. Identify key issues (materiality).

Materiality/Initiatives

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 among people and countries 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.

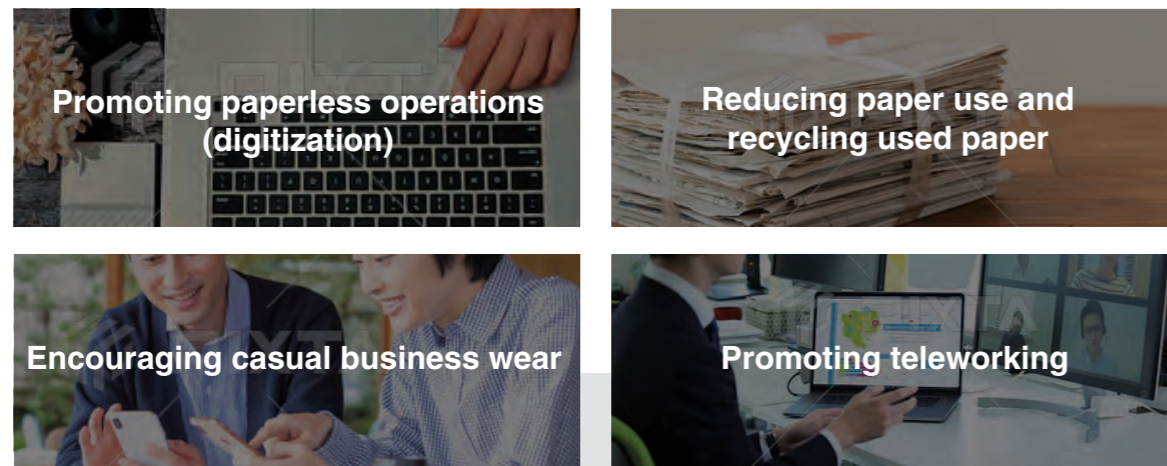
ESG Information

Environment

Basic Approach Our Group will promote the mitigation of environmental impacts and the efficient use of resources in the areas in which we can contribute for the sustainable development of the global environment.

Approach to Climate Change Our Group's basic policy on sustainability is to contribute to solving social issues and to win the trust of all stakeholders involved in our business by achieving sustainable enhancement of corporate value with a corporate philosophy of "Providing the best place for people to bring out their best." Our Group has identified climate-related risks, considering the impact of climate change issues caused by global warming on our businesses and finances. In addition to addressing the risks already identified from a risk management perspective, we also performed a scenario analysis of climate change-related risks and possibilities in accordance with the framework proposed by the TCFD (Task Force on Climate-related Financial Disclosure). From now on, we will understand the climate change impact on our Group's business, take necessary measures, and enhance the disclosure of related information. Starting from the fiscal year ended December 2022, we are disclosing information on "Governance," "Strategy," "Risk Management," and "Indicators and Targets," as recommended by the TCFD. Please refer to the page at right for our Group's climate-related information based on the framework proposed by the TCFD.

Environmental Initiatives



i. Governance

(a) Supervision system for climate-related risks and opportunities led by the Board of Directors

Our Group has established a system for reporting and resolving climate change related policies and important matters at the Board of Directors' Meetings, in order to strengthen and promote the sustainability of its business operations. Under the "Fullcast Group Sustainability Basic Policy," the Board of Directors receives reports on climate change and supervises actions.

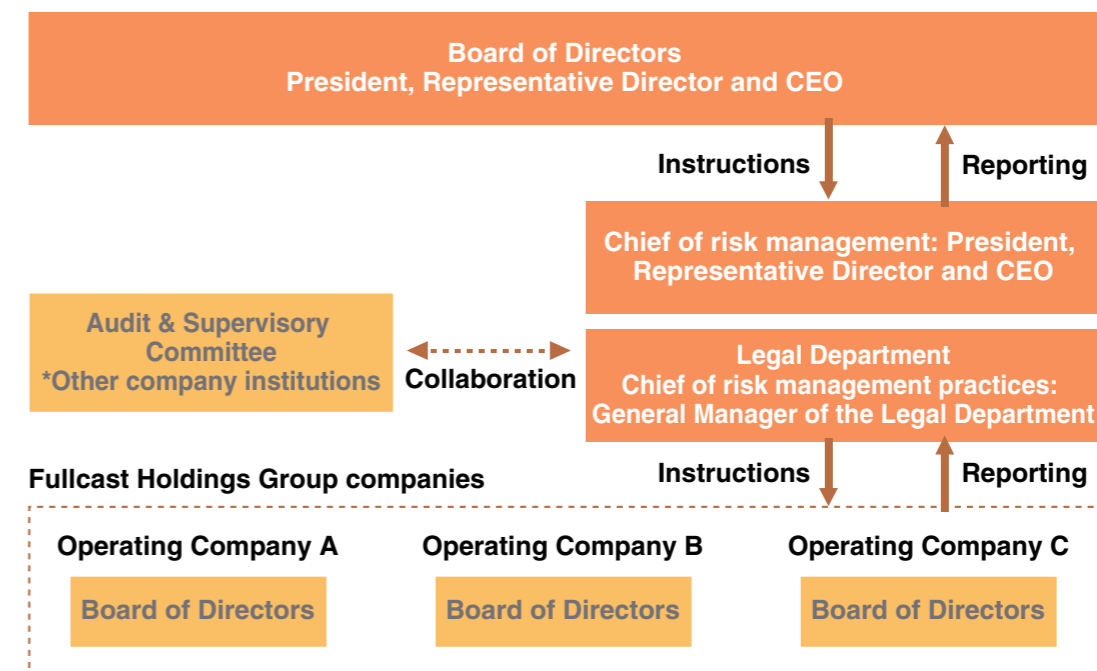
Our Group does not have a committee dedicated to climate change; instead, there is a system in place to report on these matters in a timely manner whereby the Legal Department takes the lead in identifying and discussing sustainability issues, including climate change, covering the entire Group. Additionally, in order to appropriately manage risks in our Group's organizations, the President, Representative Director and CEO serves as the chief of risk management and the General Manager of the Legal Department serves as the chief of risk management practices.

The General Manager of the Legal Department, following the instructions of the President, Representative Director and CEO, works with our Company's institutions including the Audit & Supervisory Committee to assist in the execution of duties of the President, Representative Director and CEO.

(b) Role of executive management in evaluating and managing climate-related risks and opportunities

The President, Representative Director and CEO serves as the chief officer for our Group's sustainability management. He/She manages climate-related risks and opportunities holistically and is the ultimate person in charge of management decisions related to environmental issues.

Risk Management System



ESG Information

Environment

ii. Strategy

(a) Assumptions of strategy

Our Group evaluated the potential occurrence and financial impacts of risks and opportunities by the fiscal year ending December 31, 2030 based on multiple climate change scenarios, and confirms countermeasures for mitigation of main risks and seizing opportunities at meetings of the Board of Directors' Meetings. Additionally, during scenario analysis, our Group referred to reports, of the International Energy Agency (IEA) and Intergovernmental Panel on Climate Change (IPCC), and identified the impacts on business, strategy and financial plan of the organization caused by climate change risks and opportunities under the 4°C and 1.5–2°C scenarios. The specific scenarios referenced are as follows.

•4°C scenario*1

IEA's "Stated Policies Scenario"

IPCC RCP 8.5

•1.5–2°C scenario*2

IEA's "Sustainable Development Scenario"

IEA's "Net Zero Emissions Scenario"

IPCC RCP 2.6

*1 4°C scenario: 3.2–5.4°C higher than Industrial Revolution levels if no additional measures against global warming are taken. Progress is not made with the policies/legislation on climate change countermeasures or the transition to a decarbonized society, and physical risks of climate change emerge.

*2 1.5–2°C scenario: 0.9–2.3°C higher than Industrial Revolution levels if strict measures are taken. Policies/legislation on climate change countermeasures are significantly strengthened, causing social changes toward decarbonization, and transition risks of climate change emerge.

(b) Main risks and opportunities associated with climate change

In identifying climate change-risks and opportunities, risks are largely categorized into transition risks and physical risks, and further classified into policy and legal risks, reputational risks, acute risks and chronic risks, while opportunities are categorized according to energy source, products/services, and resilience. Our Company predicted and analyzed the impacts on its business activities and revenue for each of these classifications. The potential occurrence and financial impacts of the main risks identified through scenario analysis for our Group can be found on the page at right.

Through this analysis, in terms of transition risks, our Company recognized reputational risk related to reputational damage caused by delay in climate change related initiatives or violations of laws and regulations, and changes in reputation among stakeholders such as client companies, employees and investors. Going forward, our Company will establish a carbon neutrality target for our Group, disclose climate change related initiatives appropriately, and deepen reviews of initiatives for reducing our Group's greenhouse gas emissions, and will work to mitigate impacts involving these risks. In terms of physical risks, by establishing a business continuity plan (BCP) and reviewing it as necessary, our Company has prepared to ensure the continuity or early restoration of its important business operations during a contingency. Therefore, our Company did not identify major physical risks that will impact our Group's business strategy. Going forward, our Company will focus on how climate change impacts our Group as well as continuously review its assessments and further enhance its information disclosures.

<Main risks associated with climate change>

Large classification	Middle classification	Small classification	Financial impact		Countermeasures and initiatives
			4°C	2°C	
Transition Risk	Policy and Legal Risk	<ul style="list-style-type: none"> Introduction of carbon pricing systems including carbon taxes and carbon trading system, and soaring carbon tax Introduction of GHG emission control systems and obligatory reporting of GHG emissions 	—	Low	Reduce GHG emissions by continuously implementing energy-saving countermeasures
	Reputation Risk	<ul style="list-style-type: none"> Reputational damage caused by delay in climate change related initiatives or violations of laws and regulations Changes in reputation among stakeholders (customers, employees, investors) 	Med.	Med.	Set carbon neutrality target Disclose climate change related initiatives appropriately Implement initiatives to reduce GHG emissions
Physical Risk	Acute Risk	<ul style="list-style-type: none"> Increasing severity of extreme weather (typhoons, torrential rainfall, landslides, storm surge, etc.) System failure due to server flooding or damage 	Low	Low	Continuously review BCP plan Enhance ability to manage human resources taking labor environment into account
	Chronic Risk	<ul style="list-style-type: none"> Deteriorating labor environment due to rising average temperature Rising risk of infectious diseases 	Low	Low	

Additionally, the potential occurrence and financial impacts of the main opportunities identified through scenario analysis for our Group are as follows.

Through this analysis, our Company confirmed that promoting further business growth centered around the Short-Term Operational Support Business, a medium- to long-term management strategy of our Group, will enable it to seize climate change opportunities. Going forward, our Group will carefully monitor trends in society and among stakeholders in terms of climate change and identify changes so as to seize climate change opportunities.

<Main opportunities associated with climate change>

Large classification	Middle classification	Small classification	Financial impact		Countermeasures and initiatives
			4°C	2°C	
Opportunity	Energy Source	<ul style="list-style-type: none"> Reduced operating expenses 	Low	Low	Use energy sources and services with low cost and low environmental impact promote sales offices to adopt EVs as sales vehicles and so forth
	Products and Services	<ul style="list-style-type: none"> Provision of short-term staffing services and BPO services, etc. in environmental related domains Capturing staffing needs for achieving a low carbon society 	Low	Low	Expand clients using short-term staffing services and BPO services, including environmental related domains, or increase revenue by capturing staffing needs Increase revenue by entering new business domains through establishment of new subsidiaries or M&A
	Resilience	<ul style="list-style-type: none"> Review and strengthening of BCP plan Promotion of energy-saving countermeasures 	Low	Low	Continuously review BCP plan Continuously implement energy-saving countermeasures

ESG Information

Environment

iii. Risk Management

(a) Identification and assessment process of climate-related risks

Our Group, following the framework advocated by the TCFD, predicted changes in the external environment using scenario analysis methodology, and analyzed the climate change risks and opportunities that will impact its business operations. In fiscal 2023, following fiscal 2022 which was the first fiscal year for this initiative, our Company narrowed its analysis to the Group's Short-Term Operational Support Business, which has the largest impact. Climate-related risks and opportunities are identified and assessed at the Group's Board of Directors Meetings. First, the Legal Department will collect information from each department in an effort to identify the current situation of climate-related risks and opportunities. The Board of Directors will identify risks and opportunities in the 4°C and 1.5–2°C scenarios based on the information compiled by the Legal Department. In assessing these risks and opportunities, our Company will analyze the financial impacts that the identified risks and opportunities will have on our Group's business activities and earnings, and assess these impacts. Based on these assessment results, the Board of Directors discusses and determines action plans containing targets and specific measures for mitigating risks and maximizing opportunities. The matters discussed and determined by the Board of Directors will be conveyed to each department via the Legal Department where they will be put into practice.

(b) Management process of climate-related risks and situation of integrating the Group's management risks

Our Group defines basic matters concerning its risk management system under its "Basic Risk Management Regulations", and integrates operations for efficient and reliable risk management, including climate change-related risks, within its risk management system. The General Manager of the Legal Department is the chief of risk management practices. The General Manager of the Legal Department, following the instructions of the President, Representative Director and CEO, who also serves as the chief of risk management, works with the Company's institutions including the Audit & Supervisory Committee to assist the execution of duties of the President, Representative Director and CEO. Additionally, the President, Representative Director and CEO regularly reports to the Board of Directors on the development of initiatives and operational processes for the risk management system, and immediately reports to the Board of Directors in case of a serious event.

iv. Indicators and Targets

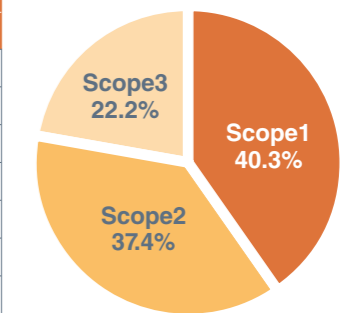
(a) GHG emissions

Our Group selects GHG emissions (Scope 1, 2) as indicators for measuring and managing climate related risks and opportunities. GHG emissions are calculated following the GHG Protocol. In addition to the Group's Scope 1 and Scope 2 GHG emissions, GHG emissions for Scope 3 categories, "6. Business trips" and "7. Commuting by Employees," were calculated for the fiscal year ended December 31, 2023. Our Group's Scope 1, Scope 2, and Scope 3 GHG emissions for the fiscal year ended December 31, 2021 through the fiscal year ended December 31, 2023 can be found on the page at right.

GHG emissions within our Group (Scope 1, 2, and 3)

Item	Unit	Results			
		FY12/21	FY12/22	FY12/23	
Greenhouse gas emissions (Scope 1, 2, and 3)	Scope 1	1,359	1,311	1,189	
	Scope 2	1,038	1,117	1,103	
	Scope 1, 2 total	2,397	2,248	2,292	
	Scope 3 categories				
	Category 6: Business trips	—	—	303	
	Category 7: Commuting	—	—	352	
	Scope 3 total	—	—	655	
Scope 1, 2, and 3 total		2,397	2,428	2,947	
CO ₂ emissions intensity (Scope 1, 2, and 3)	Total	t-CO ₂ /million yen	0.05	0.04	0.04

Comparison of greenhouse gases (Scope 1, 2, and 3)



* The scope of emissions for Scope 1 through Scope 3 covers the entire Group, excluding GLOBEAT JAPAN INC., App X, Inc., Imple, Inc., Releasebase Inc., and BPC, Inc., which became consolidated subsidiaries in the fiscal year ended December 31, 2023, as well as equity-method affiliates. We are considering calculating and disclosing Scope 3 emissions outside of categories 6 and 7.

(b) GHG reduction target

Our Group is considering its target for GHG reduction. Going forward, our Group will develop a roadmap for achieving carbon neutrality and expand upon its reviews regarding the formulation and disclosure of targets.

(c) Initiatives to reduce GHG emissions and conserve energy

GHG emissions in our Group's industrial domain are rather small compared to other industries. Additionally, given its business characteristics, our Group has not identified serious risks related to climate change that could directly impact its business activities or revenue. Furthermore, the Group's Scope 1, Scope 2, and Scope 3 GHG emissions are believed to be relatively small. Nevertheless, there are risks associated with the introduction of tax systems or stricter regulatory requirements in the future. Therefore, our Group will work to the extent possible to reduce its GHG emissions. In calculating these emissions, our Group will use a similar methodology in an effort to obtain objective data. Our Group remains committed to reducing environmental impacts and using resources efficiently wherever possible to contribute to solutions to climate change issues. As initiatives for reducing CO₂ and promoting energy savings within our Group, we are exploring the utilization of low cost energy sources and services with a low environmental impact, such as promoting paperless operations (digitization), reducing paper usage, recycling used paper, recommending a business casual dress code, promoting telework, and switching sales vehicles at our sales offices to EVs.

ESG Information

Society

Basic Approach We will respond appropriately to the human rights impact and risks of corporate activities and strive to prevent human rights violations. In addition, we are aware that the growth of employees is the source of sustained enhancement of corporate value and we will strive for recruitment and training not tied to race, nationality, gender, age, and other attributes, as well as for improvements in the working environment giving consideration to work-life balance. Moreover, we will strive to establish trust and engage in fair and appropriate transactions with jobseekers and client companies, our important business partners in operating the staffing services business. As a good corporate citizen, we actively participate in social contribution activities and strive to contribute to the development of society.

Scope of application The scope of application extends to all executives and regular employees (hereafter as “officers and employees”) of the Group. We also expect understanding and compliance from our business partners.

Approach to Health and Safety We prioritize health and safety in the workplace and strive to provide employees with workplaces that are healthy and safe. Additionally, we understand and fully abide by laws and regulations concerning occupational health and safety. In case of an occupational accident, we have put into place prescribed procedures to immediately report incidents in order to minimize damages and prevent reoccurrence.

Prohibition of forced labor and child labor We do not tolerate any labor practices that violate human rights, including all forms of forced labor, human trafficking, and child labor.

Employee welfare and wages We establish rules for appropriate working hours and rest periods, overtime, late-night work, holidays, and leaves of absence in accordance with the Labor Standards Act and labor-management agreements. We also establish payroll regulations that comply with legal requirements regarding minimum wages, legal benefits and deductions, overtime, etc., and pay wages directly to employees.

Respect of the right to exercise freedom of association and collective bargaining We respect fundamental labor rights, including freedom of association and collective bargaining rights for workers.

Protection of privacy and respect for freedom of expression We ensure the protection of our customers’ privacy through strict security measures and appropriate personal information management, while respecting freedom of communication and expression on the Internet in all countries and regions.

Prohibition of discrimination and harassment We will operate our business with consideration for regional and cultural differences and diversity, and prohibit discrimination and all forms of harassment based on race, religion, gender, sexual orientation, gender identity, age, nationality, origin, illness, disability, etc.

Anti-corruption and bribery policy Within the Employee Behavioral Charter, provisions require that we strive to create sound and transparent relationships based on actions in compliance with regulations on donations and political contributions and that we keep business entertainment and gift giving within generally accepted social practices, in an effort to prevent corruption.

Approach to Ensuring Diversity Our Group will promote diversity not tied to attributes such as gender, nationality, age, and work history, not only in core human resources, but also among its regular employees, temporary employees, and jobseekers via dispatching or placement through our Group. Opportunities are always equal, and hiring, placement, evaluation, compensation and promotion are based on a person’s abilities, experience and achievements. As of December 31, 2023, the ratio of female employees, including regular and temporary employees working for our Group, was 61.5%, and we will maintain a minimum ratio of 50.0%. The ratio of female managers at our Group was 14.1% as of December 31, 2023. Furthermore, we will promote the enhancement of our personnel system and training programs to maintain the ratio of female managers at 15.0% and increase it by the end of December 2025. As we do not anticipate any differences in the promotion of foreign nationals and midcareer hires to management positions in terms of nationality or recruitment period, we have not set or disclosed goals for promotion to management positions at the current time.

Education and training Appropriate training is provided to all officers and employees to ensure that policies is understood and effectively implemented.

Persons in charge The Board of Directors is responsible for establishing a system to implement such policies and overseeing compliance with and implementation of such policies.

ESG Information

Society

Talent Development Policy and Policy on Development of In-House Environment

In order for our Group to realize sustainable enhancement in corporate value, it is essential for new graduates and midcareer hires to quickly become competitive after joining, and we have a full menu of training programs with a focus on practical training for employees up to their third year.

Every fiscal year, we review our training programs in order to increase the precision and opportunities offered by these programs and gradually expand the menu for each level of upper management. In addition, we are preparing for the establishment of training systems to raise awareness of sustainability among officers and employees, including the formulation of a training program.

Investment in Human Capital and Intellectual Property

With regard to investment in human capital, increasing the number of personnel is essential for our Group to achieve sustainable enhancement of corporate value, and we are making the necessary investments to enable us to continually recruit new graduates and midcareer hires, with an annual increase. Besides this, our Group will also increase the number of personnel by regularly providing the opportunity for our Group's temporary employees and staff dispatched and placed through our Group to become regular employees. In addition, as stated in the "Talent Development Policy and Policy on Development of In-House Environment", for our Group to achieve sustained enhancement of corporate value, it is essential for new graduates and midcareer hires to quickly become competitive after joining, and we have a full menu of training programs with a focus on practical training for employees up to their third year. In addition to increasing the precision and opportunities offered by our menu of training programs, we will consider gradually expanding the menu for each level of upper management and establishing training programs aimed at increasing awareness of sustainability among both our officers and employees. All regular employees are also periodically interviewed to evaluate their performance for the current fiscal year and to share issues and points for skill development for the

following fiscal year, as well as to listen to their wishes regarding long-term career design and skill development.

With regard to investment in intellectual property, improving the convenience and efficiency of core systems related to human resource matching is essential for our Group to carry out its mainstay staffing service business. This will not only streamline internal operations, but will also contribute to improving the satisfaction of job seekers who are dispatched or placed through our Group and customer experience of client companies, thereby supporting the sustainable enhancement of our Group's corporate value. Therefore, we will continue to invest in this area. In addition, due to the speedup and sophistication of digital and IT technologies, as well as the proliferation of these technologies among job seekers and client companies, there are increasing opportunities for digital transformation (DX) in all the business processes of the staffing services industry, where digitization and use of IT has been slow to penetrate. Our Group will make the necessary investment to actively utilize these opportunities.

Indicators and targets related to human capital and diversity

Our Group uses the following indicators in its policy on personnel development including ensuring the diversity of personnel and its policy on improving the internal environment. The targets and results regarding said indicators are as follows.

Indicators	Targets	Target year	Results (full fiscal year under review)
Percentage of female employees, including permanent and temporary employees	50% (maintain)	2025	61.5%
Percentage of female managers	15% or above (maintain)	2025	14.1%
Percentage of female operating workers in Placement and Dispatching, etc. in the "Short-Term Operational Support Business"	50% (maintain)	2025	50.4%

Internal reporting system

We have established an internal reporting system that is available to all officers and employees working for the Group and has an external contact point for reporting. In addition, the contact point is made known on the internal bulletin board on the web. In addition, the confidentiality of information providers and the prohibition of disadvantageous treatment are stipulated in the system to ensure appropriate business operations.

ESG Information

Corporate Governance

Response to Corporate Governance

Basic Approach

Our Group considers the basic principles and aims of corporate governance to ensure transparent management for all concerned interested parties including shareholders, as well as to improve the efficiency of management in order to realize the “sustained improvement of corporate value.”

Basic Policy

Our Group is now working to strengthen corporate governance following the basic policy outlined below.

(1) Secure shareholders' rights and equality

In order to ensure that the rights of shareholders are substantially guaranteed and effectively exercised, our Company will take appropriate actions in accordance with laws and regulations as described below, and will give consideration to the equal treatment of all shareholders, including minority shareholders and foreign shareholders.

a) We provide necessary information in a timely and accurate manner.

b) We send out the convocation notice of the General Meeting of Shareholders early and post it on our website by the day before the date of dispatch to allow shareholders enough time to fully consider its contents.

c) To ensure that all shareholders can exercise their voting rights appropriately, we provide an appropriate environment for the exercise of voting rights, including the use of an electronic voting platform and the publication of an English translation of the convocation notice.

d) We fully explain capital and other policies that materially affect the interests of shareholders.

(2) Appropriate collaboration with stakeholders other than shareholders

Our Company strives to engage in appropriate cooperation with all stakeholders by implementing management that places its top priority on compliance, given the awareness that our Company's staffing services are highly social and public in their nature.

(3) Ensure appropriate information disclosures and transparency
Our Company will disclose not only financial information, but also non-financial information, in an appropriate and proactive manner, with emphasis placed on fairness, equality, and speed. We will also ensure the transparency of this information.

(4) Duties of the Board of Directors, others.

Our Company will strive to make the decision making of management more efficient and streamlined by clearly demarcating the roles and duties of the Board of Directors, the Audit & Supervisory Committee Members, and the Audit & Supervisory Committee.

(5) Constructive engagement with shareholders

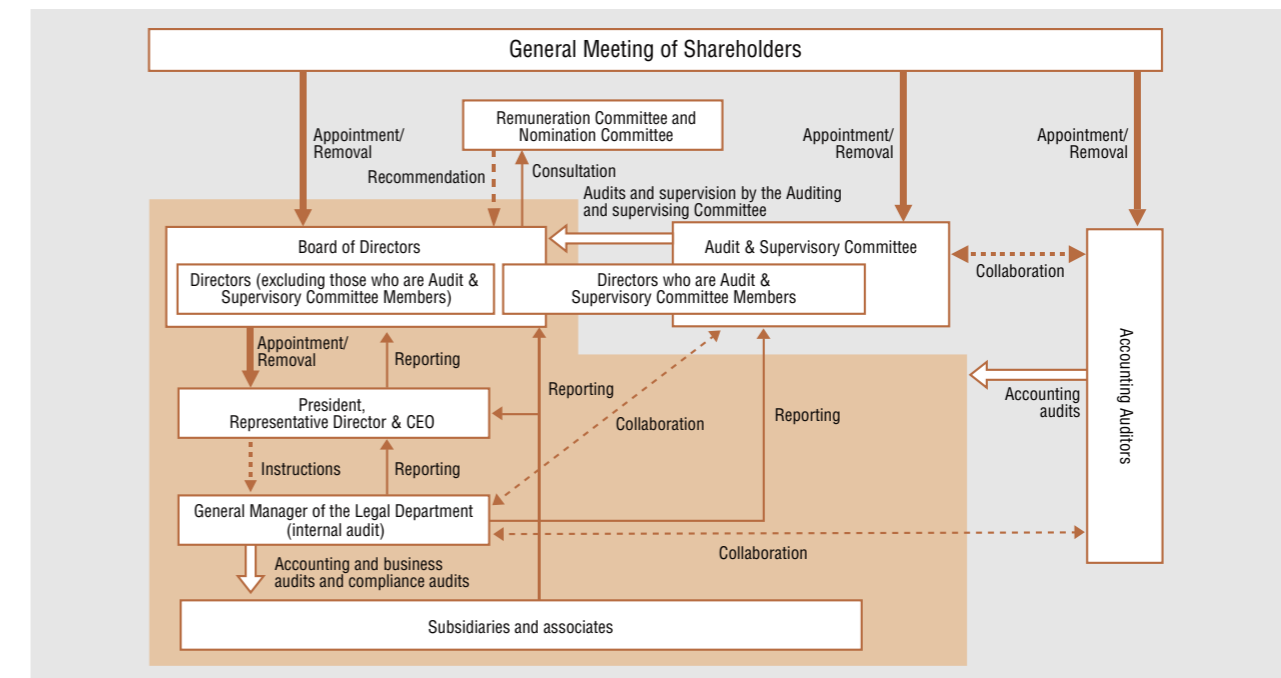
Our Company will engage with shareholders through our General Manager of the Finance and IR Department, with our the President, Representative Director and CEO supervising our engagements, in order to contribute the sustained improvement of corporate value. These roles will be supplemented by our dedicated department in charge of investor relations. This structure will ensure constructive engagement takes place with shareholders.

Corporate Governance and Internal Control

Fullcast Holdings Co., Ltd. is a company with the Board of Directors, which is comprised of 7 Directors, including 4 Directors (excluding those who are Audit & Supervisory Committee Members) and 3 Directors who are Audit & Supervisory Committee Members, and also a company with an Audit & Supervisory Committee, which is comprised of the 3 Directors who are Audit & Supervisory Committee Members.

In order to realize the basic principles and goals of corporate governance, it is our policy for the composition of the Board of Directors to consist of at least one-third outside directors and to report all outside directors as independent officers as stipulated by the Tokyo Stock Exchange. Regarding Directors who are Audit & Supervisory Committee Members, by appointing all 3 as Outside Directors (one of them being a fulltime Audit & Supervisory Committee Member), we perform effective and appropriate oversight of business execution by Directors, and have put in place a system that ensures objectivity and neutrality.

Corporate Governance System



Basic Policy on Information Security

Our Group considers sales information, customer information, and personal information of registered staff and employees, which it obtains in the course of providing services to customers, to be important information assets. Therefore, recognizing that it has a serious responsibility to properly manage information assets and prevent information leaks and unauthorized use, our Group has established the “Basic Policy on Information Security.”

- (1) Our Group shall ensure and maintain the confidentiality, security and availability of information.
- (2) In order to operate, maintain, and manage the information security management system, the General Manager of the Legal Department shall periodically review the basic policy and information security measures.
- (3) Our Group shall comply with legal, regulatory, and contractual requirements.
- (4) Our Group shall establish criteria for evaluating risk and

procedures for risk assessment.

- (5) Our Group shall take information security measures to reduce the level of risks identified through risk assessment.
- (6) Our Group shall develop and periodically review prevention and recovery procedures to ensure that business activities are not interrupted by a major failure or disaster.
- (7) Our Group shall provide information security education to managers and employees on a regular basis.
- (8) Our Group shall take preventive and corrective actions to prevent information security breaches, incidents, and accidents.
- (9) Our Group shall review the information security management system as needed in accordance with changes in business processes, the surrounding environment, and technological trends.

Corporate Governance

Overview of Current Corporate Governance System

1. Board of Directors

It is our policy for the composition of the Board of Directors to consist of at least one-third Outside Directors and to report all Outside Directors as Independent Officers as stipulated by the Tokyo Stock Exchange.

As of December 31, 2023, the Board of Directors was comprised of 4 Directors (excluding those who are Audit & Supervisory Committee Members) and 3 Directors who are Audit & Supervisory Committee Members (3 of whom are Outside Directors) for a total of 7 members (7 males and no female). The Board of Directors ensures transparent management and makes decisions on matters of importance for management, such as supervision of execution of overall management of our Group, decisions on Group optimization strategies that are vital to Group management, and responses to common challenges facing our Group. The Board of Directors comprises 7 members: President, Representative Director and CEO Kazuki Sakamaki, Chairperson of the Board of Directors Takehito Hirano, Director Takahiro Ishikawa, Director Shiro Kaizuka, Audit & Supervisory Committee Member Kouji Sasaki, Audit & Supervisory Committee Member Masataka Uesugi, and Audit & Supervisory Committee Member Hideyuki Totani. The Board of Directors Meeting is basically presided by Kazuki Sakamaki. The meeting of Board of Directors was held 12 times during the fiscal year ended December 2023 and all Directors attended all of the meetings. The main matters considered included financial results and the forecast, shareholder returns and the capital policy, M&A and business alliances, internal control and compliance, officer remuneration, corporate governance (including an examination of the appropriateness of retaining cross-shareholdings and an evaluation of the effectiveness of the Board of Directors), and related party transactions.

2. Audit & Supervisory Committee

The Audit & Supervisory Committee consists of 3 Outside Directors who are independent and Audit & Supervisory Committee Members (3 males and no female) and discusses, deliberates and makes decisions on important matters concerning audits. The Audit & Supervisory Committee also works to establish ties in which it can receive timely reports from Accounting Auditors. The Audit & Supervisory Committee is comprised of 3 members: Audit & Supervisory Committee Member Kouji Sasaki who serves as the Chairperson, Audit & Supervisory Committee Member Masataka Uesugi, and Audit & Supervisory Committee Member Hideyuki Totani.

3. Nomination Committee

The Nomination Committee consists of 4 members: 3 independent Outside Directors who are Audit & Supervisory Committee Members, and the President and CEO (4 men and 0 women). The Nomination Committee deliberates on matters related to the nomination of directors and reports to the Board of Directors. The Nomination Committee comprises 4 members: Kazuki Sakamaki who serves as the chairperson, and Audit & Supervisory Committee Members Kouji Sasaki, Masataka Uesugi and Hideyuki Totani.

4. Remuneration Committee

The Remuneration Committee consists of 4 members: 3 independent Outside Directors who are Audit & Supervisory

Committee Members, and the President and CEO (4 men and 0 women). The Remuneration Committee deliberates on matters related to the remuneration of directors and reports to the Board of Directors.

The Remuneration Committee comprises 4 members: Kouji Sasaki who serves as the chairperson, and Audit & Supervisory Committee Members Kouji Sasaki, Masataka Uesugi and Hideyuki Totani.

5. General Manager of the Legal Department

The General Manager of the Legal Department works to promote a climate of compliance awareness, which is a prerequisite for company management throughout the entire group of companies and promote compliance with social and in-house rules. In addition, evaluation for improvement, maintenance and validity of the internal control system and guidelines related to financial reporting, and internal auditing work including information security system organization are used to improve the corporate value of our Group.

6. Accounting Auditors

As an auditing company in charge of accounting audits, our Company has entered into contracts with PricewaterhouseCoopers Japan LLC for audits based upon the Financial Instruments and Exchange Act and the Companies Act. In addition to regular audits, our Company also receives confirmation on issues regarding accounting and internal control as required, and endeavor to ensure that our accounting practices and internal control systems are adequate.

7. Policy and procedure for the election and dismissal of management executives by the Board of Directors and nomination of candidates for Directors and Directors who are Audit & Supervisory Committee Members

The nomination of candidates for Directors (excluding those who are Audit & Supervisory Committee Members) and Directors who are Audit & Supervisory Committee Members and the selection of executive management by the Board of Directors is made involving persons determined to have appropriate knowledge, experience and skills to fulfill their duties, irrespective of age, gender and nationality, from the perspective of contributing to sustainable growth and enhancing to long-term corporate value. The Board of Directors, including 3 Independent Outside Directors, resolutions and proposals from our President, Representative Director and CEO and makes decisions only after ensuring objectivity and fairness. Our Company has a policy to dismissing the President, Representative Director and CEO, if necessary, based on deliberations by the Board of Directors including 3 independent outside directors, in cases where it has acknowledged the President, Representative Director and CEO did not fully exhibit fulfill their roles, taking into account an appropriate evaluation of business performance and other factors. Our Company also established the Nomination Committee, which consists of 3 Independent Outside Directors who are Audit & Supervisory Committee Members, and the President, Representative Director and CEO, in order to strengthen the supervisory function of the Board of Directors and enhance the corporate governance system by increasing the transparency and objectivity of the evaluation and decision-making process

regarding the nomination of Directors. The majority of the members of the Nomination Committee are Independent Outside Directors. In addition, in terms of its authority and roles, the Nomination Committee deliberates and reports to the Board of Directors on the following matters referred to it by the Board of Directors.

8. Rules on Remuneration for Directors

Our Company resolved "Policy for Determining the Details of Remuneration of Individual Directors," as its policy and procedure for determining the remuneration of Directors (excluding those who are Audit & Supervisory Board Members). The remuneration of Directors who are Audit & Supervisory Committee Members is determined through discussions among the Directors who are Audit & Supervisory Committee Members.

i. Fundamental policy

The fundamental policy for the determination of remuneration of our Company's individual directors shall be to set this remuneration at an appropriate level based on the importance of each of their duties and their achievements using a remuneration system linked to our Company's business performance and return to shareholders so that remuneration works sufficiently as an incentive for the sustainable enhancement of corporate value. Specifically, the remuneration of the President, Representative Director and CEO who serves as an executive director and the Director responsible for supervisory functions (excluding those who are Audit & Supervisory Committee Members) shall be comprised of base remuneration (monetary remuneration) as the fixed remuneration and performance-linked remuneration (monetary remuneration) and stock-based compensation (non-monetary remuneration). The remuneration of outside directors who are Audit & Supervisory Committee Members shall be comprised of only base pay as fixed remuneration in view of their duties.

ii. Policy regarding the amount of remuneration for each individual in terms of base remuneration (monetary remuneration)

The base remuneration of our Company's Directors shall be comprised of monthly fixed remuneration, which shall be determined holistically while considering the level of other companies, our Company's performance, and the level of employee pay with relation to the Director's position, duties, and number of years in office.

iii. Policy regarding the details and amount or calculation method of performance-linked remuneration and non-monetary remuneration

Performance-linked remuneration shall be comprised of cash remuneration reflecting key performance indicators (KPI) to elevate awareness about improving business performance each business year. The amount calculated is based on the level of achievement of targets for consolidated operating profit for each respective business year and shall be paid monthly in conjunction with monthly fixed remuneration. The target KPIs and their values, in principle, shall be set when formulating a plan that is consistent with the Medium-Term Management Plan or medium-term consolidated operating profit targets set by our Company, and will be reviewed as necessary based on changes in the operating environment. Non-monetary remuneration shall be comprised of remuneration-type stock options and adopt consolidated operating profit, a primary financial target of the Medium-Term Management Plan or medium-term consolidated

operating profit targets set by our Company, as the indicator related to performance-linked remuneration. Of those share acquisition rights allocated, only a limited number of share acquisition rights can be exercised depending on the level of achievement of the consolidated operating profit target for the final year of the Medium-Term Management Plan or of medium-term consolidated operating profit target.

iv. Policy regarding determination of the proportion of monetary remuneration, performance-linked remuneration or non-monetary remuneration for each Director

The ratio of each type of remuneration for executive director and Director (excluding those who are Audit & Supervisory Committee Members) shall be determined considering remuneration levels of other companies engaged in related business types or formats or whose business size is similar to our Company. Furthermore, the benchmark ratio of each type of remuneration shall be 8: 1: 1 representing base remuneration: performance-linked remuneration: non-monetary remuneration (in case the level of KPI achievement is 100%).

v. Matters regarding the determination of details of remuneration for individual Directors

The remuneration amount and each type of remuneration of the President, Representative Director and CEO who serves as an executive director and the Director (excluding those who are Audit & Supervisory Committee Members) will be proposed by the President, Representative Director and CEO who serves as an executive director that will include the total amount of remuneration following the aforementioned fundamental policy on determining remuneration and individual policies. Next, the Board of Directors passes a resolution on the total amount of remuneration (each amount of base remuneration, performance-linked remuneration and stock-type remuneration, if applicable), timing, conditions and other important matters, if any. The specific details of each individual Director are entrusted to the discretion of the President, Representative Director and CEO who serves as an executive director. The details of this authority shall comprise the amount of base remuneration of each Director and performance-linked remuneration of each Director. However, our Company will establish a Remuneration Committee comprised of 3 independent outside directors who are Audit & Supervisory Committee members and the Representative Director and CEO who serves as an executive director to prevent arbitrary decisions on remuneration by the President, Representative Director and CEO who serves as an executive director and ensure that authority is exercised appropriately. The Remuneration Committee deliberates on whether the individual remuneration proposals established by the President, Representative Director and CEO who serves as an executive director are appropriate or not in accordance with the above mentioned policies for determination of remuneration. After this, revisions are made if necessary and the Remuneration Committee establishes a remuneration proposal within the scope of the total amount approved by the Board of Directors. The Remuneration Committee submits its proposal to the President, Representative Director and CEO who serves as an executive director, and the President, Representative Director and CEO who serves as an executive director determines the remuneration amount for individual Directors while respecting the details of this proposal.

Note: Performance-linked remuneration shall be cash remuneration and non-monetary remuneration shall be remuneration-type stock options.

Overview of the management strategy

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.

Targets and policy for fiscal 2024

Targets for fiscal 2024

- We will further strengthen the business foundation to better respond to the demand related to the restart of various activities following the COVID-19 pandemic and to the labor shortage under the declining labor force.
- We all address the business environment where competition is expected to intensify in the spot work market, where the entry of players from other industries is regarded as certain.

Measures for fiscal 2024

Implementation of strategic investments

We will quickly and further develop the business foundation and quickly capture demand through concentrated capital investment limited to the current fiscal year.

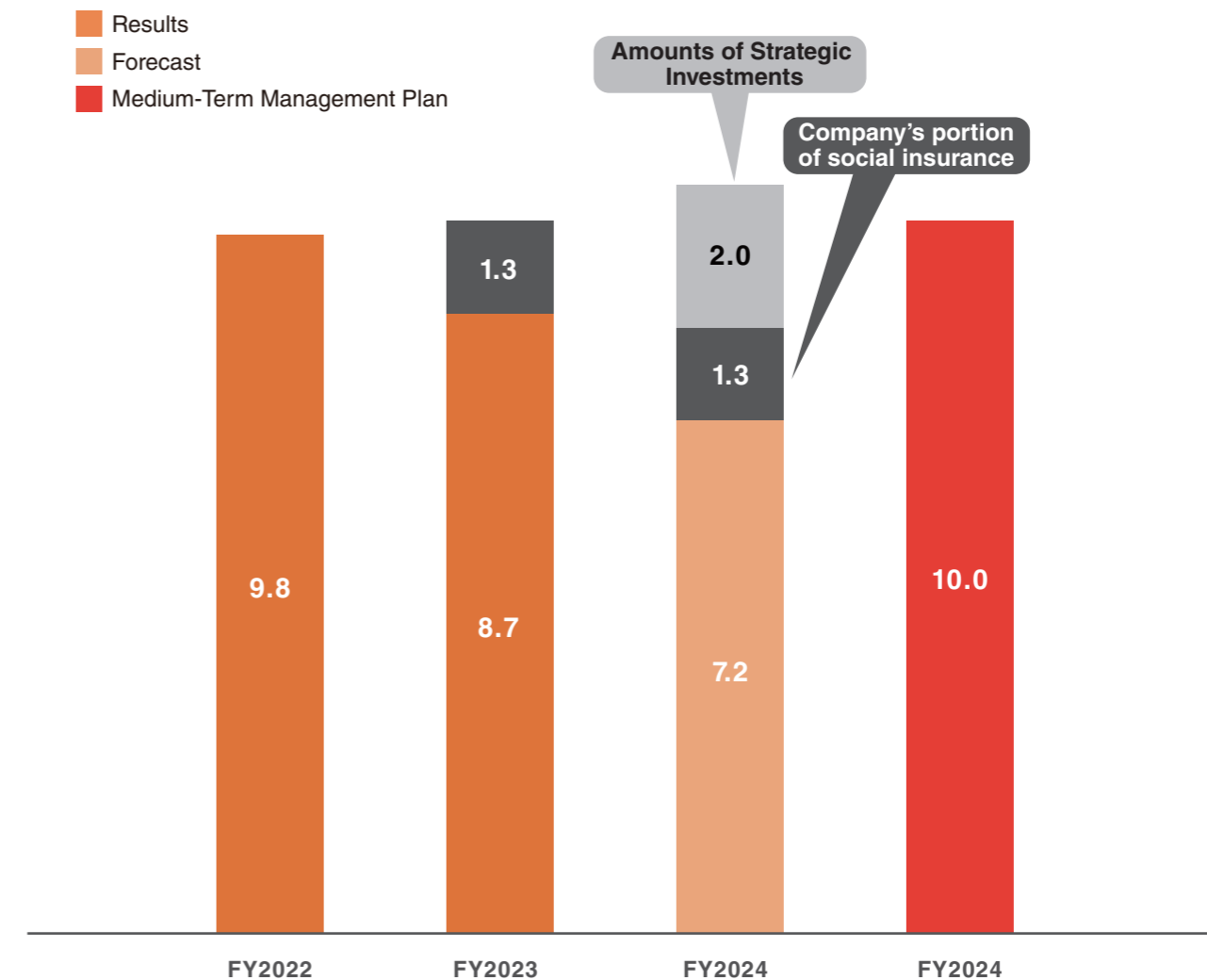
- ▶ **Strengthen sales**
 - Increase in sales staff and use of web advertising
- ▶ **Media promotion, including digital media development, to strengthen the brand and increase recognition**
- ▶ **Strengthen hiring**
 - Strengthen placement on job ads, social media, etc.
- ▶ **Reinforce systems and strengthen operations**
 - Move registration procedures, contracts, and various ledgers for clients online and promote client introduction
 - Improve web-based staffing order system and upgrade matching system
 - Improve and update the UI of the “Cast Portal,” the dedicated website for registered staff, and its app version, revise rules of use, revise payroll flow
- ▶ **Total amount 2,000 million yen**

Promote PMI at new consolidated subsidiaries (GLOBEAT JAPAN INC., Imple, Inc.)

Promote partnerships between Group subsidiaries

Progress of the Medium-Term Management Plan 2024

Operating profit (billion yen)



Operating profit, a key KPI, was 8.7 billion yen in the fiscal year ended December 2023, due to a greater-than-expected drop in COVID-19-related special demand and an increase in the portion of social insurance premiums (equivalent to 1.3 billion yen), which was not anticipated when the plan was formulated. In the fiscal year ending December 2024, the final fiscal year of the plan, we forecast an operating profit of 7.2 billion yen, compared to our target of 10 billion yen. This forecast takes into account 1.3 billion yen of portion of social insurance premiums and 2 billion yen of strategic investments, which were not anticipated when the plan was formulated. Excluding these two factors, the forecast for operating profit would be 10.5 billion yen, essentially the level as the plan target.

Short-Term Operational Support Business



Business Environment

The “Short-Term Operational Support Business” is our Group’s core business and provides short-term contractual workers services in a timely manner in response to increases and decreases in workload at client companies.

Review of FY2023

Net sales of mainstay “Placement” and “BPO” services increased and gross profit also rose, amid the acquisition of short-term staffing demand associated with the recovery in client demand throughout the period. Gross profit in “Outsourcing” decreased by 13.1% year-on-year due to a greater-than-expected decline in public sector projects related to COVID-19-related operations, despite the successful growth of the organic categories by an increase in the quantities of beverages sold owing to the additional handling of one professional baseball stadium, and the steady acquisition of logistics subcontracting projects. Although we acquired long-term staffing needs of client companies, particularly in the logistics and manufacturing industries, “Dispatching” declined greater-than-expected in public sector projects related to COVID-19-related operations. In addition, gross profit in “Dispatching” declined 22.2% year-on-year, mainly due to an increase in the portion of social insurance premiums for temporary staff as a result of the expansion of social insurance coverage.

Strengths and Strategy

● **Short-Term Operational Support Business**

Achieve an unrivaled service level by combining our Group’s strength of “195 brick- and-mortar locations nationwide in Japan connecting clients” with “digital transformation (DX)” powered by the latest digital technologies. The staff-centered strengths of the Short-Term Operational Support Business include the vast selection of jobs, the wide range of jobs in terms of type and scheduling which can be tailored to one’s own working style, and standardized services nationwide which means staff can work from anywhere. The client-centered strengths include full sales capabilities/detailed workflow (customer contacts/flexibility) and the ability to engage in selection based on clients needs, such as matching the right persons to the right jobs, addressing absences, and providing experienced workers, thus addressing a broad range of needs as a Group. In addition, with the introduction of DX and FinTech, we have improved convenience, including the evolution of automated matching, real-time pay, digitalization of ledgers, and development of an online environment.

Future Outlook

We will actively invest in M&A while aiming for steady growth in net sales and improved earnings of existing businesses to take our Group’s business portfolio to the next stage of growth.

Sales Support Business



Business Overview

The “Sales Support Business” mainly engaging in sales agency service business for telecommunications products and others focused on distributor agency networks and call center operations.

Review of FY2023

Sales were down compared to the previous fiscal year due to the downturn in sales of telecommunications products in the sale of Internet access, which is a mainstay business, but profits increased thanks to our efforts to control SG&A expenses.

Strengths and Strategy

● **Alliance Business**

We work together with telecommunications carriers, manufacturers, and distributors to build and implement sales strategies to achieve our goals in accordance with acquisition methods and needs for any product, regardless of whether it is B2C or B2B, including various telecommunications products, water dispensers, and welfare services. This includes working with real estate agents and moving companies to provide tenants with information on internet access that matches their wishes and acting as an agent for access applications to access providers.

● **Internet Business**

We operate a listing business that sells internet access via banner ads on the internet.

● **Call Center Business**

We engage in the business of selling internet access through call centers.

● **Entertainment Business**

Our strength lies in the operation of numerous official fan websites for all internet environments, including official telecommunications carrier sites (smartphones and mobile phones) and members’ sites that use PCs as platforms. We provide total support for all operations related to official fan sites, including planning, production, management, and customer support, from the perspective of both content owners and users.

Future Outlook

We continue to work on building a management system to improve profitability. We will work to build a management system where we can achieve increased profits even during downturns in sales. We will strive to enhance and review our service lineup and diversify our call center business, which specializes in outbound calls and sales agency, and also to capture the expected recovery in demand in the period after COVID-19.

Restaurant Business

GLOBEAT グローバル・ジャパン株式会社 **GLOBEAT JAPAN INC.**

Improving
profitability

Menu
revision

Opening new
stores
domestically
and overseas

Business Overview

The “Restaurant Business” segment mainly engages in the operating a restaurant chain business.

Review of FY2023

Net sales in the Restaurant Business were 4,475 million yen due to the recovery of demand in the domestic business, and segment profit (operating profit) was 188 million yen due to the effect of cuts in sales, general and administrative expenses.

Strengths and Strategy

● **Restaurant Business**

While maintaining a core lineup of popular standard products, the Company also has a competitive advantage with the introduction of new products and collaborations with famous shops on a regular basis, and has a solid track record in the highly competitive and mature Chinese food and ramen market. In addition, we have established a development system that does not depend on individual executives or individuals in development divisions.

Future Outlook

We are working to incorporate the demand recovery associated with the normalization of economic activities and to build an administrative and operational structure to improve profitability.

Security, Other Businesses

FULLCAST
ADVANCE **Fullcast Advance Co., Ltd.**

Reinforce
full-time
security
services

Promote
business
partnerships

Bolster the
Group
collaboration

Business Overview

The “Security, Other Businesses” segment mainly engages in the security business for public facilities and general companies.

Review of FY2023

Sales increased year-on-year due to an increase in the number of temporary security projects acquired as the COVID-19-related risks decreased, but profits declined due to 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.

Strengths and Strategy

● **Security, Other Businesses**

Specializing in human security, we not only provide full-time security for public facilities, department stores, shopping malls, etc., but also temporary security for traffic direction, sports and music events, etc. In addition, with 9 sales offices nationwide, we are able to respond to requests on a nationwide scale, and with our Group’s recruiting capabilities, we can flexibly accommodate urgent or large-scale requests from client companies, especially in the area of temporary security services. We also respond to various requests from client companies in collaboration with our Group’s “Short-Term Operational Support Business” and “Sales Support Business.”

Future Outlook

We will continue to expand our business operations by enhancing the volume and accuracy of matching through collaborations with our Group and by utilizing our Group’s strong recruiting capabilities to capture temporary security services, especially for sports and events, where demand is expected to return, and by expanding our customer base by acquiring permanent security services.

Introduction to Officers



Kazuki Sakamaki
[President, Representative Director and CEO]
Fullcast Holdings Co., Ltd.

Career highlights

- Apr. 1989 Joined AI Tsusho Co., Ltd.
- Feb. 1995 Joined Fullcast Co., Ltd. (currently Fullcast Holdings Co., Ltd.)
- Oct. 2005 Representative Director of Fullcast HR Institute Co., Ltd. (currently Fullcast Co., Ltd.)
- Oct. 2007 Corporate Executive Officer, General Manager of the Business Engineering Dept. of Fullcast Co., Ltd.
- Oct. 2008 Corporate Executive Officer, General Manager of the Tokai & Kansai Sales Dept. of Fullcast Co., Ltd.
- June 2009 Representative Director of Fullcast Co., Ltd.
- Dec. 2011 Director of our Company
- Jan. 2013 President and Representative Director of Fullcast Co., Ltd. (present post)
- Jan. 2014 President, Representative Director and CEO of our Company (present post)



Takehito Hirano
[Director and Chairperson]
Fullcast Holdings Co., Ltd.

Career highlights

- Apr. 1984 Joined Harvest Futures Inc.
- Sept. 1990 Established Resort World Co., Ltd. (currently Fullcast Holdings Co., Ltd.) and served as President, Representative Director
- July 2006 President, Representative Director of Fullcast Marketing Co., Ltd. (currently F-PLAIN Corporation)
- Sept. 2007 Director of our Company
- Dec. 2009 Director and Advisor of our Company
- Mar. 2015 Director and Chairman of our Company (present post)
- Apr. 2017 Representative Director and Chairman of F-PLAIN Corporation (present post)
- Oct. 2018 Director of Advancer Global Limited (present post)



Takahiro Ishikawa
[Director]
Fullcast Holdings Co., Ltd.

Career highlights

- Sept. 1990 Senior Managing Director of Resort World Co., Ltd. (currently Fullcast Holdings Co., Ltd.)
- Sept. 2000 Representative Director of Fullcast Factory Co., Ltd.
- Apr. 2006 Representative Director of Fullcast Central Co., Ltd.
- Jan. 2012 Director of STARTLINE Co., Ltd. (present post)
- May 2012 President and Representative Director of Beat Co., Ltd.
- Dec. 2014 President and Representative Director of Beattech Co., Ltd.
- Mar. 2016 Director of our Company (present post)
- Apr. 2016 Representative Director and Chairman of Beat Co., Ltd. (present post)
- Jan. 2017 Representative Director and Chairman of Beattech Co., Ltd. (present post)



Shiro Kaizuka
[Director]
Fullcast Holdings Co., Ltd.

Career highlights

- Sept. 1990 Senior Managing Director of Resort World Co., Ltd. (currently Fullcast Holdings Co., Ltd.)
- May 2002 Representative Director of Fullcast Technology Co., Ltd. (currently YUME TECHNOLOGY Co., Ltd.)
- Oct. 2002 Director of Interbiz Limited (present post)
- Feb. 2010 Representative Director of Reario Co., Ltd. (present post)
- Sept. 2013 Representative Director of Dimension Pockets Co., Ltd. (present post)
- Apr. 2016 Representative Partner of IPM G.K. (present post)
- June 2016 Representative Partner of One Suite G.K. (present post)
- Mar. 2017 Director of our Company (present post)



Kouji Sasaki
[Director, Full-time Audit & Supervisory Committee Member]
Fullcast Holdings Co., Ltd.

Career highlights

- Apr. 1966 Joined Tokyo Regional Taxation Bureau and worked in the general affairs division, before later working in tax offices
- Dec. 1984 Passed the tax accountant examination
- June 1995 Retired as a special examiner at Nakano tax office
- Sept. 1995 Opened Sasaki Tax Accounting Office (Director) (present post)
- Dec. 1999 Outside Audit & Supervisory Board Member of our Company
- Sept. 2008 Audit & Supervisory Board Member of Fullcast HR Research Institute Co., Ltd. (currently Fullcast Co., Ltd.)
- Mar. 2016 Director (full-time Audit & Supervisory Committee Member) of our Company (present post)



Masataka Uesugi
[Director, Audit & Supervisory Committee Member]
Fullcast Holdings Co., Ltd.

Career highlights

- Apr. 1995 Registered as an attorney-at-law (Tokyo Bar Association)
- Apr. 1999 Founded Uesugi Law Office
- June 2003 Partner of Amlec Law and Accounting Firm
- June 2003 Audit & Supervisory Board Member of Digital Arts Inc.
- June 2004 Audit & Supervisory Board Member of Nextech Co., Ltd.
- June 2007 Outside Audit & Supervisory Board Member of jig.jp Co., Ltd. (present post)
- Dec. 2012 Outside Audit & Supervisory Board Member of F-PLAIN Corporation
- June 2013 Outside Audit & Supervisory Board Member of Commerce One Holdings Inc. (present post)
- Dec. 2013 Outside Audit & Supervisory Board Member of Ceres Inc.
- Nov. 2014 Outside Audit & Supervisory Board Member of Aiming Inc. (present post)
- Mar. 2015 Founded Sakurada Dori Partners (partner, present post)
- Mar. 2016 Director (Audit & Supervisory Committee Member) of our Company (present post)
- June 2016 Outside Director (Audit & Supervisory Committee Member) of Digital Arts Inc. (present post)
- Mar. 2021 Outside Director (Audit & Supervisory Committee Member) of Ceres Inc. (present post)



Hideyuki Totani
[Director, Audit & Supervisory Committee Member]
Fullcast Holdings Co., Ltd.

Career highlights

- Oct. 2003 Joined Ernst & Young ShinNihon LLC
- June 2007 Registered as Certified Public Accountant
- July 2007 Partner at Seiwa Audit Corporation (currently RSM Seiwa Audit Corporation)
- June 2013 Outside Audit & Supervisory Board Member of F-PLAIN Corporation
- July 2014 Outside Audit & Supervisory Board Member of Ichigo Holdings, Inc. (present post)
- Dec. 2015 Auditor of F-PLAIN Corporation (present post)
- Mar. 2016 Director (Audit & Supervisory Committee Member) of our Company (present post)
- July 2016 Representative at RSM Seiwa Audit Corporation
- July 2021 President of RSM Seiwa (present post)

Directors' Skills

		Management	Business strategy	Compliance	M&A	Industry experience	ESG	Law	Finance, Accounting, Tax
Director and Chairperson	Takehito Hirano	●				●			
President, Representative Director and CEO	Kazuki Sakamaki	●	●	●	●	●	●		
Director	Takahiro Ishikawa	●				●			
Director	Shiro Kaizuka	●				●			
Director, Full-time Audit & Supervisory Committee Member, Independent Outside Director	Kouji Sasaki	●							●
Director, Audit & Supervisory Committee Member, Independent Outside Director	Masataka Uesugi	●					●	●	
Director, Audit & Supervisory Committee Member, Independent Outside Director	Hideyuki Totani	●							●

The above table shows the areas in which the Directors can demonstrate their expertise based on their experience and professional careers, and does not list all the knowledge they possess.

Financial Analysis

Operating Results and Financial Position

Consolidated net sales increased by 6.7% year-on-year to 68,974 million yen, due to the successful growth of the mainstay “Placement” and “BPO” services in the “Short-Term Operational Support Business” through 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.”

However, consolidated operating profit declined by 11.9% year-on-year to 8,658 million yen and consolidated ordinary profit decreased by 12.1% year-on-year to 8,686 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 with high gross profit margin. The results for each business segment are as follows.

Net sales of the Short-Term Operational Support Business,

our mainstay segment, decreased by 0.7% year-on-year to 59,019 million yen and segment profit (operating profit) decreased by 11.5% to 9,318 million yen, due to the previously mentioned growth in Placement and BPO services, the greater-than-expected drop in the special COVID-19-related demand, and the increase in companies’ portion of social insurance premiums.

Net sales of the “Sales Support Business” increased by 7.9% year-on-year to 3,111 million yen, due to sales of telecommunications products continuing to surpass the previous year’s result over the period in the sale of Internet access, which is a mainstay business.

In terms of profits, segment profit (operating profit) increased by 50.7% year-on-year to 134 million yen due to a curb in sales, general and administrative expenses, in addition to the growth in net sales.

Net sales in the Restaurant Business were 4,475 million yen due to the recovery of demand in the domestic

business, and segment profit (operating profit) was 188 million yen due to the effect of cuts in sales, general and administrative expenses.

In “Security, Other Businesses,” net sales were 2,369 million yen (up 1.9% year-on-year) mainly due to an increase in the acquisition of temporary security projects as COVID-19-related risks decreased. However, segment

profit (operating profit) was 229 million yen (down 12.9% year-on-year), 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 with high gross profit margin.

Overview of Management Indicators

Our Group maintains a basic capital policy of securing appropriate capital efficiency and financial soundness to achieve “improvement of corporate value.”

We have established ROE of at least 20%, total return ratio of 50%, and D/E ratio of a maximum 1.0 time as management indicators.

With regards to ROE, we manage our business by focusing upon capital efficiency and by identifying ROE as a target indicator to reflect “improvement of corporate value” based on the goal of realizing ROE in excess of our capital cost, which represents the expected returns by shareholders and investors from our Company. ROE at the end of FY2023 was 24.0%, and while this represents a decrease of 6.6 points from 30.6% at the end of the previous fiscal year, it remains above our target of 20%.

For FY2023, a dividend of 61 yen per share (an increase of 3 yen compared to the previous year and 2 yen above the forecast) was paid based on the goal of achieving a total return ratio of 50%. At the end of the fiscal year, a dividend of 32 yen per share (2 yen above the forecast) was offered. Additionally, our Company acquired treasury shares totaling 784 million yen by December 2023. Considering the year-end dividend, the total return ratio was 50.0%. The D/E ratio was 4.0% in FY2023, compared to 4.2% at the end of the previous fiscal year. In order to maximize corporate value by practicing management that emphasizes capital efficiency and balancing profitability and growth while ensuring financial soundness, our Group has set a policy for an upper limit of 1.0 on the D/E ratio.

Financial Indicators

(Million yen)

Fiscal year:	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fiscal year									
: Net sales	22,618	25,340	32,066	38,852	44,479	43,226	52,366	64,645	68,974
: Operating profit	2,297	2,882	4,424	5,896	7,224	6,131	7,592	9,823	8,658
: Profit attributable to owners of parent	1,765	2,529	2,994	3,310	4,644	4,113	5,012	6,622	5,889
: Free cash flows	1,043	1,425	3,714	1,604	5,417	3,890	6,269	5,838	(1,203)
: EBITDA	2,441	3,280	4,837	5,679	7,550	6,655	8,056	10,282	9,440
As of fiscal year end									
: Total assets	11,622	13,272	16,813	19,808	23,464	23,953	29,484	35,604	38,977
: Equity*1	7,530	9,200	10,866	12,474	15,447	16,504	19,526	23,732	25,401
: Total number of issued shares (shares)	38,486,400	38,486,400	38,486,400	38,486,400	38,486,400	38,486,400	37,486,400	37,486,400	37,486,400
Per share									
: Net assets	195.65	239.98	286.81	331.68	415.71	449.58	535.40	657.21	721.42
: Dividend	18	21	26	32	40	41	44	58	61
: Profit	45.85	65.92	78.87	87.90	124.59	111.69	137.34	183.11	164.86
Management Indicators (%)									
: Ratio of operating profit to net sales	10.2	11.4	13.8	15.2	16.2	14.2	14.5	15.2	12.6
: Ratio of SG&A expenses to net sales	26.3	25.2	25.8	27.7	26.1	26.8	19.9	18.0	20.8
: Return on equity (ROE)	24.8	30.2	29.8	28.4	33.3	25.7	27.8	30.6	24.0
: Return on assets (ROA)	15.9	20.3	19.9	18.1	21.4	17.3	18.8	20.3	15.8
: EBITDA margin	10.8	12.9	15.1	14.6	17.0	15.4	15.4	15.9	13.7
: Liquidity ratio	282.2	317.2	303.8	241.0	279.6	338.1	311.7	310.2	253.8
: Equity-to-asset ratio	64.8	69.3	64.6	63.0	65.8	68.9	66.2	66.7	65.2
: Interest coverage ratio*2	283.5	386.2	439.6	972.2	603.6	956.5	1073.5	1470.6	1399.5
: Debt equity ratio	13.3	11.8	11.7	10.0	6.5	6.0	5.1	4.2	4.0
: Payout ratio	39.3	31.9	33.0	36.4	32.1	36.7	32.0	31.7	37.0

*1 Equity = Total net assets – Share acquisition rights – Non-controlling interests

*2 Interest coverage ratio = Operating cash flow (before interest and corporate taxes, etc.) ÷ Interest expenses

*3 Our Company applied “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) from the beginning of the fiscal year ended December 31, 2019.

The primary management indicators related to the fiscal year ended December 31, 2018 represent the indicators after retrospective application of this accounting standard.

*4 Our Company applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) from the beginning of the fiscal year ended December 31, 2022. The key performance indicators related to the fiscal year ended December 31, 2022 and beyond represent the indicators after application of this accounting standard.

Future Outlook

For the fiscal year ending December 31, 2024, actual demand is expected to grow steadily in our mainstay “Short-Term Operational Support Business,” although public sector projects related to COVID-19-related operations and Individual Number-related operations will strongly decline.

The forecast of operating profit for the fiscal year ending December 31, 2024 is 7,200 million yen, a decrease of 1,458 million yen year-on-year, due to the booking of strategic investments totaling 2,000 million yen to further strengthen the business foundation to better respond to the demand related to the restart of various activities following the COVID-19 pandemic, and to the labor shortage under the declining labor force, and to address the business environment where competition is expected

to intensify in the spot work market, where the entry of players from other industries is also regarded as certain. Actual results could differ significantly due to a variety of factors. The following are the assumptions for the business forecast by segment and service category.

In both “Dispatching” and “Outsourcing” in the “Short-Term Operational Support Business,” the net sales forecast is based on the expectation that public sector projects related to COVID-19-related operations and Individual Number-related operations will strongly decline. Excluding the above-mentioned factors of net sales decline, we expect actual demand to grow steadily in all segments, and we will achieve an overall increase in net sales.

Financial Data

Consolidated Balance Sheet (BS)

		(Million yen)				(Million yen)	
		FY12/22	FY12/23	FY12/22	FY12/23		
		(December 31, 2022)	(December 31, 2023)	(December 31, 2022)	(December 31, 2023)		
ASSETS				LIABILITIES			
Current assets				Current liabilities			
Cash and deposits	20,626	14,468	Notes and accounts payable - trade	52	537		
Notes and accounts receivable - trade	8,986	8,416	Short-term borrowings	1,000	1,000		
Merchandise	30	43	Accounts payable - other	1,860	1,751		
Supplies	20	30	Accrued expenses	1,874	1,876		
Other	356	1,943	Income taxes payable	1,710	1,250		
Allowance for doubtful accounts	(50)	(52)	Accrued consumption taxes	2,163	1,361		
Total current assets	29,967	24,849	Provision for bonuses	286	177		
Non-current assets			Other	715	1,842		
Property, plant and equipment			Total current liabilities	9,659	9,793		
Buildings and structures	682	1,965	Non-current liabilities				
Accumulated depreciation and impairment	(413)	(1,254)	Retirement benefit liability	816	893		
Buildings and structures, net	269	712	Asset retirement obligations	111	405		
Machinery, equipment and vehicles	8	8	Deferred tax liabilities	60	620		
Accumulated depreciation and impairment	(6)	(7)	Other	30	481		
Machinery, equipment and vehicles, net	1	1	Total non-current liabilities	1,017	2,399		
Tools, furniture and fixtures	805	1,078	Total liabilities	10,676	12,192		
Accumulated depreciation and impairment	(645)	(894)	NET ASSETS				
Tools, furniture and fixtures, net	160	184	Shareholders' equity				
Land	184	1,145	Share capital	2,780	2,780		
Construction in progress	3	-	Capital surplus	2,006	2,006		
Total property, plant and equipment	617	2,042	Retained earnings	21,286	24,868		
Intangible assets			Treasury shares	(2,664)	(4,647)		
Software	373	448	Total shareholders' equity	23,409	25,007		
Goodwill	1,305	5,829	Accumulated other comprehensive income				
Trademark rights	0	1,650	Valuation difference on available-for-sale securities	149	140		
Other	22	22	Foreign currency translation adjustment	174	253		
Total intangible assets	1,699	7,950	Total accumulated other comprehensive income	323	394		
Investments and other assets			Share acquisition rights	152	204		
Investment securities	2,111	2,324	Non-controlling interests	1,044	1,181		
Guarantee deposits	576	1,192	Total net assets	24,928	26,785		
Deferred tax assets	551	477	Total liabilities and net assets	35,604	38,977		
Other	89	156					
Allowance for doubtful accounts	(7)	(12)					
Total investments and other assets	3,321	4,137					
Total non-current assets	5,637	14,128					
Total assets	35,604	38,977					

Consolidated Statement of Income (PL) and Consolidated Statement of Comprehensive Income

		(Million yen)				(Million yen)	
		FY12/22	FY12/23	FY12/22	FY12/23		
		(January 1 to December 31, 2022)	(January 1 to December 31, 2023)	(January 1 to December 31, 2022)	(January 1 to December 31, 2023)		
[Consolidated Statement of Income (PL)]				[Consolidated Statement of Comprehensive Income]			
Net sales	64,645	68,974	Extraordinary income				
Cost of sales	43,184	45,961	Gain on sale of investment securities	69	346		
Gross profit	21,460	23,013	Gain on sales of non-current assets	-	66		
Selling, general and administrative expenses			Subsidy income	16	-		
Salaries and bonuses	3,807	4,963	Total extraordinary income	84	412		
Other salaries	1,492	1,652	Extraordinary losses				
Provision for bonuses	126	(136)	Loss on retirement of non-current assets	25	24		
Legal welfare expenses	820	971	Loss on COVID-19	22	-		
Retirement benefit expenses	107	152	Other	-	0		
Communication expenses	360	369	Total extraordinary losses	47	24		
Travel and transportation expenses	433	502	Profit before income taxes	9,922	9,073		
Rent expenses on land and buildings	893	1,153	Income taxes - current	3,293	3,075		
Depreciation	214	351	Income taxes - deferred	(112)	(25)		
Advertising expenses	303	374	Total income taxes	3,181	3,050		
Recruitment expenses	691	785	Profit	6,741	6,024		
Provision of allowance for doubtful accounts	44	15	Profit attributable to non-controlling interests	119	134		
Amortization of goodwill	164	385	Profit attributable to owners of parent	6,622	5,889		
Other	2,185	2,819					
Total selling, general and administrative expenses	11,637	14,355					
Operating profit	9,823	8,658					
Non-operating income							
Interest income	0	2					
Dividend income	3	3					
Share of profit of entities accounted for using equity method	64	56					
Revenue-advertising	39	52					
Other	38	62					
Total non-operating income	144	175					
Non-operating expenses							
Interest expenses	7	7					
Handicapped employment fee	2	18					
Settlement package	47	48					
Commission for purchase of treasury shares	4	24					
Other	23	51					
Total non-operating expenses	83	148					
Ordinary profit	9,884	8,686					

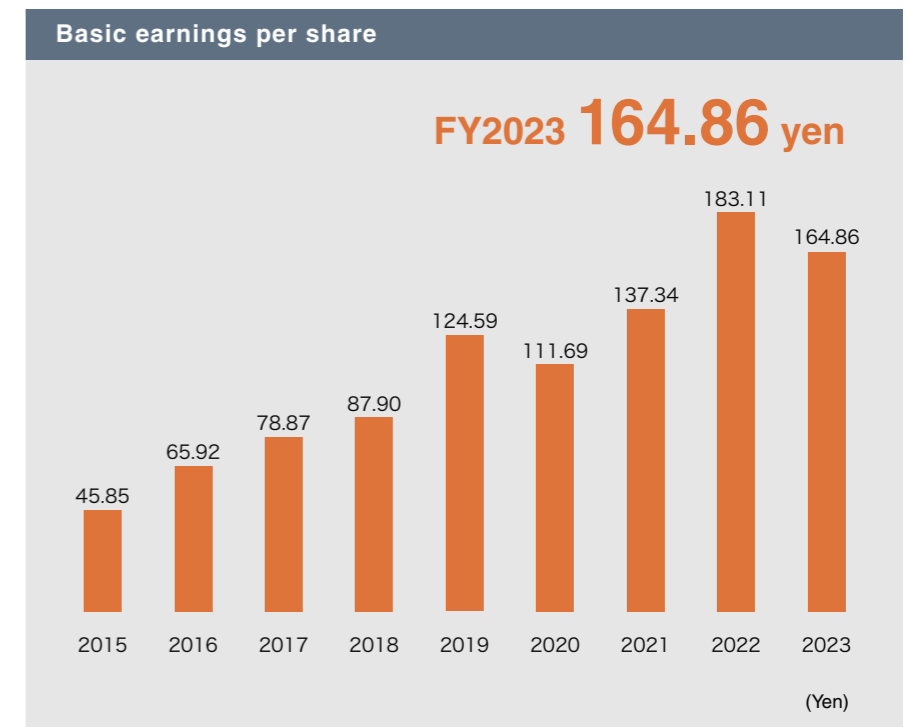
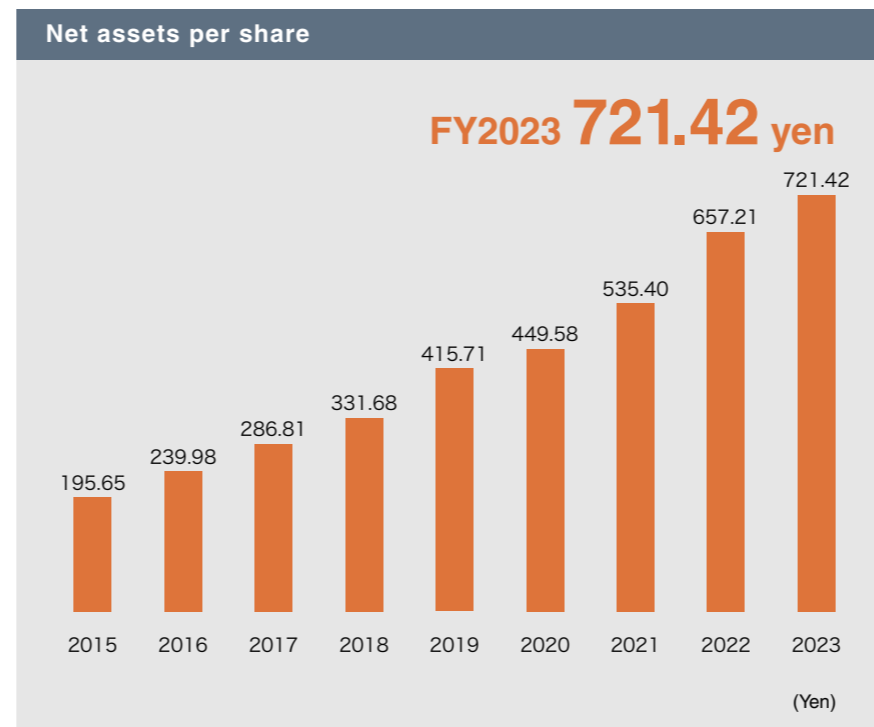
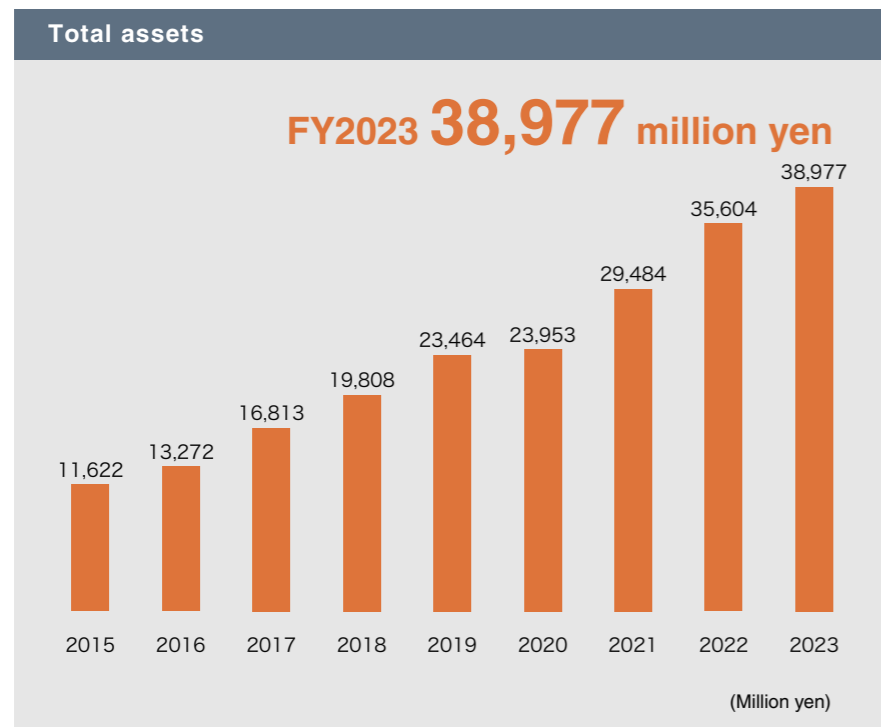
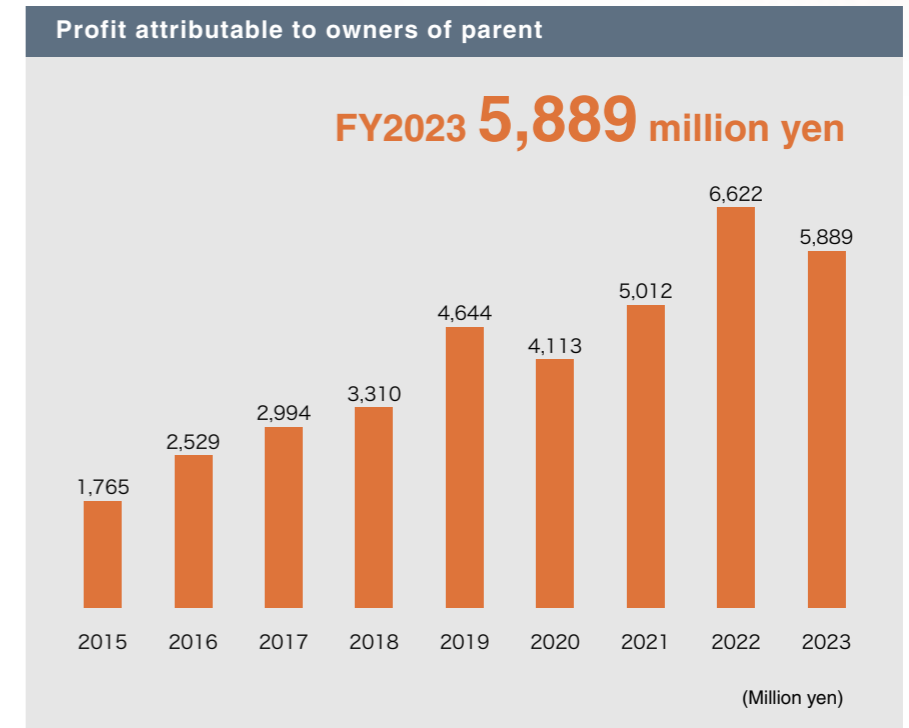
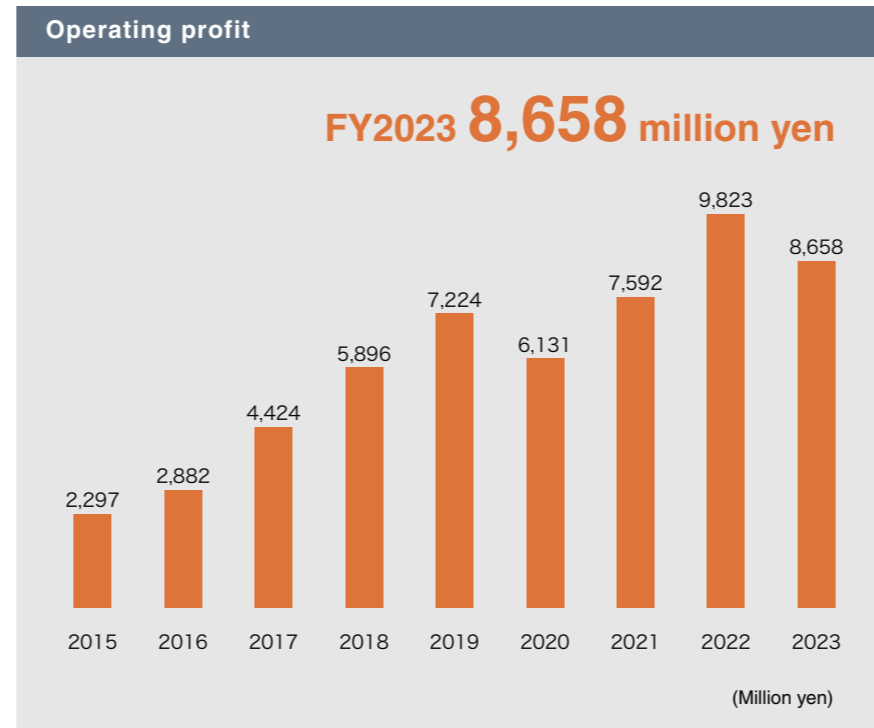
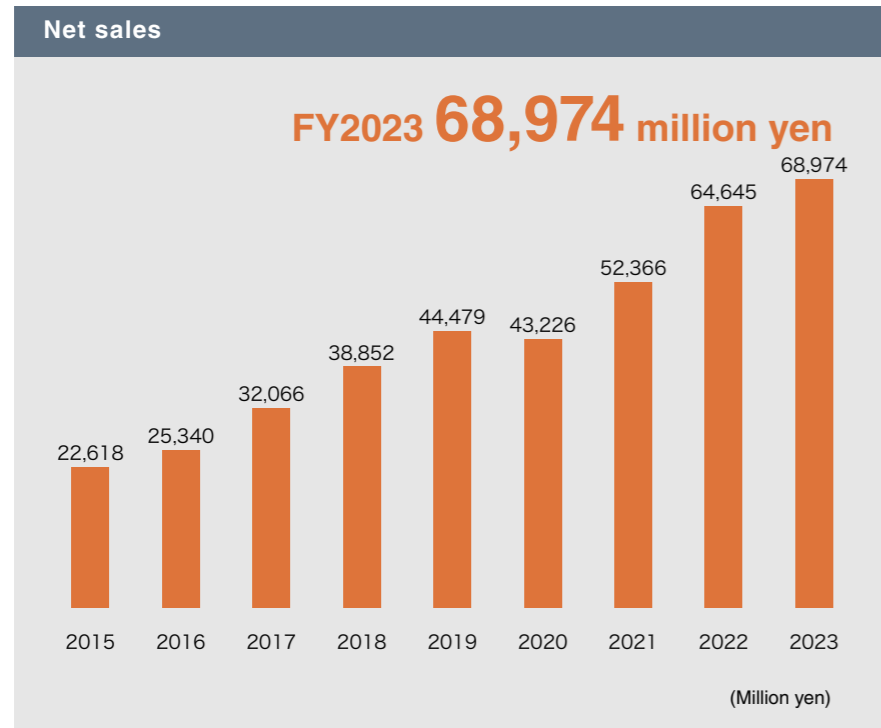
Financial Data
Consolidated Statement of Cash Flows (CF)

	(Million yen)		(Million yen)	
	FY12/22 (January 1 to December 31, 2022)	FY12/23 (January 1 to December 31, 2023)	FY12/22 (January 1 to December 31, 2022)	FY12/23 (January 1 to December 31, 2023)
Cash flows from operating activities				
Profit before income taxes	9,922	9,073		
Depreciation	228	363		
Amortization of goodwill	164	385		
Increase (decrease) in allowance for doubtful accounts	31	4		
Increase (decrease) in provision for bonuses	125	(132)		
Interest and dividend income	(3)	(5)		
Interest expenses	7	7		
Share of loss (profit) of entities accounted for using equity method	(64)	(56)		
Gain on sales of non-current assets	–	(66)		
Loss on retirement of non-current assets	25	24		
Loss (gain) on sale of investment securities	(69)	(346)		
Loss on COVID-19	22	–		
Decrease (increase) in trade receivables	(1,771)	961		
Decrease (increase) in accounts receivable - other	(8)	(855)		
Increase (decrease) in trade payables	310	(204)		
Increase (decrease) in accrued expenses	330	(33)		
Increase (decrease) in accrued consumption taxes	395	(857)		
Increase (decrease) in accrued enterprise taxes	37	(49)		
Increase (decrease) in retirement benefit liability	68	78		
Other, net	197	1,062		
Subtotal	9,946	9,354		
Interest and dividends received	3	5		
Interest paid	(7)	(7)		
Payment of loss on COVID-19	(21)	–		
Income taxes paid	(3,126)	(4,208)		
Income taxes refund	1	18		
Net cash provided by (used in) operating activities	6,796	5,163		
Cash flows from investing activities				
Proceeds from withdrawal of time deposits	–	1,158		
Purchase of property, plant and equipment	(103)	(116)		
Proceeds from sales of property, plant and equipment	–	266		
Purchase of intangible assets	(181)	(183)		
Purchase of investment securities	(13)	(98)		
Proceeds from sale of investment securities	186	346		
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(844)	(7,511)		
Additional purchase of investments in consolidated subsidiaries	–	(450)		
Proceeds from collection of loans receivable	6	27		
Other, net	(9)	196		
Net cash provided by (used in) investing activities	(958)	(6,366)		
Cash flows from financing activities				
Repayments of long-term borrowings	(46)	(604)		
Purchase of treasury shares	(907)	(2,026)		
Dividends paid	(1,667)	(2,295)		
Other, net	(2)	(30)		
Net cash provided by (used in) financing activities	(2,622)	(4,954)		
Effect of exchange rate change on cash and cash equivalents	0	–		
Net increase (decrease) in cash and cash equivalents	3,216	(6,158)		
Cash and cash equivalents at beginning of period	17,410	20,626		
Cash and cash equivalents at end of period	20,626	14,468		

Consolidated Statement of Changes in Equity

FY12/22 (January 1 to December 31, 2022)	(Million yen)					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	2,780	2,006	16,369	(1,821)	19,334	
Changes during period						
Dividends of surplus			(1,669)		(1,669)	
Profit attributable to owners of parent			6,622		6,622	
Purchase of treasury shares				(903)	(903)	
Disposal of treasury shares			(36)	61	25	
Net changes in items other than shareholders' equity						
Total changes during period	–	–	4,918	(842)	4,075	
Balance at end of period	2,780	2,006	21,286	(2,664)	23,409	
	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	152	41	193	133	919	20,579
Changes during period						
Dividends of surplus						(1,669)
Profit attributable to owners of parent						6,622
Purchase of treasury shares						(903)
Disposal of treasury shares						25
Net changes in items other than shareholders' equity	(3)	133	130	19	125	274
Total changes during period	(3)	133	130	19	125	4,349
Balance at end of period	149	174	323	152	1,044	24,928
	FY12/23 (January 1 to December 31, 2023)					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	2,780	2,006	21,286	(2,664)	23,409	
Changes during period						
Dividends of surplus			(2,297)		(2,297)	
Profit attributable to owners of parent			5,889		5,889	
Purchase of treasury shares				(2,001)	(2,001)	
Disposal of treasury shares			(11)	18	7	
Net changes in items other than shareholders' equity						
Total changes during period	–	–	3,582	(1,983)	1,598	
Balance at end of period	2,780	2,006	24,868	(4,647)	25,007	
	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	149	174	323	152	1,044	24,928
Changes during period						
Dividends of surplus						(2,297)
Profit attributable to owners of parent						5,889
Purchase of treasury shares						(2,001)
Disposal of treasury shares						7
Net changes in items other than shareholders' equity	(8)	79	71	51	137	259
Total changes during period	(8)	79	71	51	137	1,857
Balance at end of period	140	253	394	204	1,181	26,785


Performance Highlights



Non-Financial Data

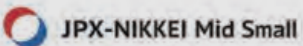
Indicators and Certifications Acquired

List of Awards




Eruboshi

The "Eruboshi certification" is a system for certifying companies that meet certain standards and have excellent conditions for promoting women's participation and advancement based on the Act of Promotion of Women's Participation and Advancement in the Workplace.



Component of the JPX-Nikkei Index 400 and the JPX-Nikkei Mid and Small Cap Index in FY2023

These new stock price indexes are composed of "companies with high appeal for investors" that meet the requirements of global investment standards, such as efficient use of capital and investor-focused management perspectives.



IR continuance company premium

The award is given to companies that have applied for the IR Excellence Award consecutively during the eligible period and are recognized as having continued their IR activities over the medium to long term.

Social Data

<p>Number of employees</p> <p>Number of employees: 1,568 (122.6% increase from 2022)</p> <p>Number of temporary employees: 2,686 (150.1% increase from 2022)</p> <p><small>*Total including salesperson and coordinators</small></p> <p><small>*Number of temporary employees is annual average</small></p>	<p>Annual number of customers</p> <p>Approx. 38,500 companies (106.6% increase from 2022)</p>
<p>Percentage of female employees</p> <p>Percentage of female employees: 61.5%</p> <p><small>*Percentage of female employees, including permanent and temporary employees</small></p>	<p>Percentage of female managers</p> <p>Percentage of female managers: 14.1%</p>
<p>Number of matches (number of jobs decided)</p> <p>Annual number of matches: 6,743,121</p> <p>Number of matches per hour: 3,412</p>	<p>Number of sites</p> <p>262 sites (132.3% increase from 2022)</p>
<p>Annual number of hires</p> <p>573,866 (105.3% increase from 2022)</p> <p><small>*Number of registered staff hired through the Fullcast Group in a year</small></p>	<p>Number of registrations</p> <p>8.34 million people (107.5% increase from 2022)</p> <p><small>*Total number of registered staff at the Fullcast Group</small></p>

Corporate Profile

Status of Shares

Total number of authorized shares	110,000,000 shares
Total number of issued shares	37,486,400 shares (including 2,277,051 treasury shares)
Shareholders	4,367

Major shareholders

Name	Number of shares held	Shareholding ratio (%)
Hirano Associates Co., Ltd.	13,140,700	37.3
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,850,500	8.1
Hikari Tsushin Co., Ltd.	2,728,400	7.8
Custody Bank of Japan, Ltd. (Trust Account)	1,813,300	5.2
UH Partners 2, Inc.	1,321,100	3.8
SIL, Inc.	801,100	2.3
JP MORGAN CHASE BANK 385632	752,992	2.1
MSIP CLIENT SECURITIES	740,882	2.1
INTERACTIVE BROKERS LLC	339,300	1.0
The Nomura Trust and Banking Co., Ltd. (Trust Account)	337,000	1.0
Total	24,825,274	70.7

* Shareholding ratio is calculated excluding 2,277,051 treasury shares.

Share price chart



Company information

Trade name	FULLCAST HOLDINGS CO., LTD.	
Location	FORECAST Gotanda WEST, 8-9-5 Nishigotanda, Shinagawa-ku, Tokyo 141-0031, Japan	
Contact	Telephone: +81-3-4530-4880 Fax: +81-3-4530-4859	
URL	https://www.fullcastholdings.co.jp/en/	
Established	Sept. 1990	
Commenced operations	Oct. 1992	
Share capital	2,780 million yen (As of December 31, 2023)	
Representative	President, Representative Director and CEO Kazuki Sakamaki	
Business description	Pure holding company with human resource services and other companies under its umbrella	
Group employees	Employees	1,568 As of December 31, 2023
	Temporary employees	2,686 As of December 31, 2023
Number of Group sites	262 sites nationwide (As of December 31, 2023)	

Group structure

FULLCAST HLDGS. Fullcast Holdings Co., Ltd.	Optimizes Group-wide resources and strategies, as well as directing the business operations of group companies	BOD Co., Ltd. Business Optimal Design	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 Fullcast Business Support Co., Ltd.	Consolidates and conducts various intra-Group operations on behalf of our Group	HR Management Co., Ltd. HR management	Provides services in recruitment agency, training support, establishment of personnel system, and risk management and auditing, and meeting management
FULLCAST Fullcast Co., Ltd.	Provides short-term human resource services in various business sectors	Progress, Inc. PROGRESS	Provides general office work agency and outsourcing services, administrative work services for life and non-life insurance
TOP SPOT Top Spot Co., Ltd.	Community-based brand, provides short-term human resource services focused on specific regions	BPC, Inc. Best Practice Consulting	Back-office clerical work and human resources services contracting
FULLCAST ADVANCE 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	Minimaid Service Co., Ltd. ミニメイドサービス	Provides housekeeping services
Work & Smile 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	hayfield Hayfield Inc.	Human resource placement specializing in the real estate industry
FULLCAST SENIOR WORKS Fullcast Senior Works Co., Ltd.	Provides human resource services for active seniors focused on the Tokyo metropolitan area (Tokyo City and three prefectures)	Imple App X, inc. Imple, Inc. Releasebase Inc.	Job search application services, software development
FULLCAST PORTER Fullcast Porter Co., Ltd.	Provides human resource services with an exclusive focus on drivers	F-PLAIN F-PLAIN Corporation.	Operates the sales agency service business for IT and telecommunications products utilizing a distributor agency network and call centers
てつだい Otetsudai Networks Inc.	Operates "Otetsudai Networks," short-term human resource services that utilize location information	M's LINE M's Line Co., Ltd.	
FULLCAST GLOBAL Fullcast Global Co., Ltd.	Provides human resources services focused on foreign nationals	FSP FSP Co., Ltd.	
FULLCAST INTERNATIONAL Fullcast International Co., Ltd.	Provides human resource placement services for placement of foreign nationals with specified skill visas who are ready to work immediately	GLOBEAT JAPAN INC. GLOBEAT JAPAN INC.	Restaurant chain business
		株式会社一十 Beat Co., Ltd.	Provides comprehensive human resource outsourcing services, mainly business process outsourcing
		DELIART DeliArt Co., Ltd.	Provides human resource outsourcing services
		advancer Advancer Global Limited	Provides human resource services for foreign national workers, focused on Southeast Asia



FULLCAST HOLDINGS CO., LTD.

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8-9-5 Nishigotanda, Shinagawa-ku, Tokyo 141-0031, Japan
<https://www.fullcastholdings.co.jp/en/>

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