



March 25, 2022

For Immediate Release:

Company name: Fullcast Holdings Co., Ltd.
Representative: Kazuki Sakamaki,
President, Representative Director and CEO
(Stock code: 4848; Stock Exchange listing:
First Section of the Tokyo Stock Exchange)
Contact: Yasuomi Tomotake,
General Manager of the Finance and
IR Department
Telephone: +81-3-4530-4830

**Announcement Regarding the Issuance of Remuneration-type Stock Options
(Share Acquisition Rights) to Directors, other**

Fullcast Holdings Co., Ltd. announced today the following with regard to the resolution passed at the meeting of the Board of Directors held on March 25, 2022, regarding the issuance of share acquisition rights as stock remuneration-type stock options pursuant to Article 236, Article 238, and Article 240 of the Companies Act.

1. Reason for issuance of share acquisition rights as remuneration-type stock options

Share acquisition rights will be issued to the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members) as well as Directors of the Company's subsidiaries according to the guidelines below as remuneration-type stock options, in order to further heighten linkages between remuneration for directors and the Company's business performance as well as shareholder interests.

2. Outline of issuance of share acquisition rights

(1) Name of share acquisition rights

Fullcast Holdings Co., Ltd. No. 2-1 Stock Compensation-type Share Acquisition Rights

(2) Eligible persons for the allotment of share acquisition rights, the number of eligible persons and the number of share acquisition rights to be allotted

Directors of the Company (excluding Directors who are Audit & Supervisory Committee Members)	4 persons	264 rights
Directors of the Company's subsidiaries	13 persons	323 rights

The numbers above represent the planned allocation number, and if the applied allotment number falls

below the planned allocation number, the applied allotment number shall be the allotment number.

(3) Type and number of shares available under share acquisition rights

The maximum number of shares available shall be 58,700 shares of the Company's ordinary shares. However, in cases where adjustments to the number of shares granted are made as prescribed below, the number shall be adjusted by multiplying the number of shares granted after adjustment by the total number of share acquisition rights.

The type of shares for the share acquisition rights shall be ordinary shares and the number of shares per one share acquisition right (hereinafter, "number of shares granted") shall be 100 ordinary shares. The number of shares granted shall be adjusted according to the following formula when the Company executes a stock split (including the gratis allotment of the Company's ordinary shares; hereinafter the same shall apply) or reverse stock splits on a date after the resolution for this proposal. However, such adjustments shall be made for the number of granted shares not exercised at that time, and fractional quantities of less than one share resulting from the adjustment shall be rounded down.

Number of shares granted after adjustment = Number of shares granted before adjustment x Ratio of stock split or reverse stock splits

The number of shares granted after adjustment shall apply on and after the day after the Record Date of stock splits when the Company executes a stock split and on and after the effective when the Company executes reverse stock splits. However, when a stock split is executed under the condition that the proposal to increase paid-in capital or reserves due to a decline in surplus is approved at the general meeting of shareholders of the Company, and when a date prior to the end of this meeting of shareholders is set as the Record Date for the stock split, the number of shares granted after adjustment shall apply retroactively to the day after the Record Date, which is on the day after the end of this meeting of shareholders.

In addition to the above, when an adjustment of the number of shares granted is required, the number of granted shares shall be adjusted within a reasonable scope.

(4) Total number of share acquisition rights

The total number of share acquisition rights shall be 587.

The above total number of share acquisition rights represents the planned allocation number. If the total number of allocated share acquisition rights declines, such as if the applied allotment number falls below the planned allocation number, the total number of allocated share acquisition rights shall be the total number of share acquisition rights to be issued.

(5) Calculation method of amount paid for share acquisition rights

The Amount Paid for each share acquisition right shall be the amount whereby the granted number of shares is multiplied by the option price per share calculated according to the Black-Scholes equation pursuant to the underlying values from ii. to vii. below (any fraction of less than one yen rounded up to the nearest

yen).

$$C = Se^{-\lambda t} N(d_1) - e^{-rt} XN(d_2)$$

Here:

$$d_1 = \frac{\ln\left(\frac{S}{X}\right) + \left(r - \lambda + \frac{\sigma^2}{2}\right)t}{\sigma\sqrt{t}}, d_2 = d_1 - \sigma\sqrt{t}$$

- i. Option price per share (C)
- ii. Share price (S): Closing price of the Company's common stock using a market transaction on the Tokyo Stock Exchange on April 11, 2022 (if there is no closing price, the base price on the next business day)
- iii. Exercise price: (X): 1 yen
- iv. Expected residual period (t): 28 years
- v. Volatility (σ): The share price volatility based on the closing price of the Company's common stock using a market transaction on each transaction date for 28 years (April 12, 1994 to April 11, 2022)
- vi. Risk free interest rate (r): The interest rate of JGB where the residual period is the expected residual period
- vii. Dividend yield (λ): Dividend per share (dividend for the fiscal year ended December 2021) \div Stock price defined in ii. above
- viii. Cumulative distribution function of standard normal distribution ($N(\cdot)$)

The price calculated using the above equation is the fair value of the share acquisition rights and is not particularly favorable to the allotted party. In addition, payment of monetary compensation for the total payment amount of the stock acquisition rights shall be received by eligible persons and this compensation claim will be offset with the payment obligation of the payment amount for the share acquisition rights.

(6) Amount of assets required for exercise of share acquisition rights

The amount of assets required for exercise of each share acquisition right shall be the amount realized by multiplying the number of shares granted by the payment amount of 1 yen per share that can be exchanged for shares with the exercise of the share acquisition rights.

(7) Period for exercise of share acquisition rights

From April 12, 2025, to April 11, 2075.

(8) Conditions for the exercise of share acquisition rights

- i. For share acquisition rights allotted to the Company's Directors, in principle, the person receiving the allotment of share acquisition rights must be a Director of the Company at the time the rights are exercised. Provided, however, that this shall not apply in case of retirement due to end of term of office or if the Board of Directors of the Company resolves that there are other justifiable reasons.
- ii. For share acquisition rights allotted to the Directors of the Company's subsidiaries, in principle, the person receiving the allotment of share acquisition rights (hereinafter, referred to as "share acquisition right holder" collectively with persons receiving the allotment of share acquisition rights per i. above), must be a Director of the Company's subsidiaries at the time the rights are exercised. Provided, however, that this shall not apply in case of retirement due to end of term of office or if the Board of Directors of the Company resolves that there are other justifiable reasons.
- iii. Share acquisition rights may be exercised only for the number of share acquisition rights allotted that can be determined according to the degree of achievement of the operating income target for the fiscal year ending December 31, 2024, the final year of the medium-term management plan.
- iv. If the holder of the share acquisition rights dies, the inheritor of his/her estate may succeed the share acquisition rights.
- v. Partial exercising of one unit of share acquisition rights shall not be permitted.
- iv. Other conditions for the exercise of these rights shall be stipulated by the Company's Board of Directors, which determines the subscription matters for share acquisition rights.

(9) Matters relating to increments of capital reserve and additional paid-in capital that would increase share issuance by the exercise of share acquisition rights

- i. The amount of additional paid-in capital resulting from the issuance of shares due to the exercise of share acquisition rights shall be half of the maximum of an increase in paid-in capital calculated in accordance with "Article 17 (1) of Corporate Accounting Rules," and any fractions of less than one yen resulting from such calculation shall be rounded up.
- ii. The amount of additional capital reserve resulting from the issuance of shares due to the exercise of share acquisition rights shall be the amount resulting from the amount of the increase in paid-in capital prescribed in i. above subtracted from the maximum of an increase in paid-in capital described in i. above.

(10) Details for acquisition of share acquisition rights

If the following agenda items i., ii., iii., iv., or v. are approved at the general meeting of shareholders of the Company (if resolution of the meeting of shareholders is not required, or when approved by resolution of the Company's Board of Directors), the Company can acquire the share acquisition rights for gratis on the date separately prescribed by the Board of Directors.

- i. Agenda items on approval of merger agreements in which the Company is not the surviving company
- ii. Agenda items on approval of a company spin-off agreement or plan based on which the Company will become a spin-off company
- iii. Agenda items on approval of a stock swap agreement or a stock transfer plan based upon which the Company will become a wholly-owned subsidiary
- iv. Agenda items, as details of all shares issued by the Company, for approval of changes in the Articles of Incorporation with a provision established regarding the need for the Company's approval concerning the acquisition of the shares by assignment
- v. Agenda items, as details of the type of shares for the share acquisition rights, for approval of changes in the Articles of Incorporation with a provision established regarding the need for the Company's approval concerning the acquisition of the shares of the said type by assignment and the acquisition of all the said type of shares by resolution of the general meeting of shareholders of the Company with regard to the shares

(11) Restrictions on the acquisition of share acquisition rights by assignment

The acquisition of share acquisition rights by assignment requires approval of the Company's Board of Directors.

(12) Handling of share acquisition rights upon organization restructurings

When undertaking a merger (limited to instances where the company is the non- surviving company in the merger), absorption-type demergers and incorporation-type demergers (limited to instances where the company will become a spin-off company of each of them), or stock swaps or stock transfers (limited to instances where the company will become a wholly-owned subsidiary of each of them) (hereinafter, "organizational restructuring act" shall be used to collectively refer to these terms), the Company shall issue share acquisition rights of corporations cited in (a) to (e) of Item 8, Paragraph I, Article 236 of the Companies Act to share acquisition rights holders who own the remaining share acquisition rights (hereinafter, "residual share acquisition rights") recently prior to the effective date of the organizational restructuring act (the date the absorption-type merger takes effect for absorption-type mergers, the date the new incorporated company is established in the case of incorporation-type mergers, the date the absorption-type demerger takes effect for absorption-type demergers, the date the new incorporated company is established in the case of incorporation-type demergers, the date the share exchange takes effect for share exchanges, and the date of the establishment of the complete parent company after share transfer for share transfers; hereinafter the same shall apply). In such cases, the residual share acquisition rights will be cancelled and the Company Subject to Restructuring shall newly issue share acquisition rights. The issuance of share acquisition rights of the Restructuring Company must be prescribed following each of the following items in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type demerger agreement, incorporation-type demerger agreement, share exchange agreement or share transfer plan.

- i. Number of share acquisition rights issued by restructuring company
The number of share acquisition rights held by share acquisition rights holders and the same number will each be issued, respectively.
- ii. Type of shares of restructuring company required for share acquisition rights
The ordinary stock of the Restructuring Company.
- iii. Number of shares of restructuring company required for share acquisition rights
Determined following (3) above based on the conditions of the organizational restructuring actions.
- iv. Amount of assets required for exercise of share acquisition rights
The amount of assets required for exercise of each share acquisition right to be issued shall be the amount realized by multiplying the exercise price after restructuring prescribed below by the number of shares of the Restructuring Company with the purpose of the said share acquisition rights approved in accordance with iii. above. The exercise price after restructuring shall be 1 yen per share of the Restructuring Company that can be received by exercise of each share acquisition right to be issued.
- v. Period for Exercise of Share Acquisition Rights
The period for exercise of the share acquisition rights shall be from the start date of the period for which the share acquisition rights prescribed in (7) above can be exercised or the effective date of the organizational restructuring action, whichever is later, to the final date of the period for which the share acquisition rights prescribed in (7) above can be exercised.
- vi. Matters relating to increments of capital reserve and additional paid-in capital that would increase stock issuance by the exercise of share acquisition rights
Determined following (9) above.
- vii. Restrictions on the acquisition of share acquisition rights by assignment
The acquisition of share acquisition rights by assignment requires approval of the Board of Directors of the Restructuring Company.
- viii. Reason and conditions for acquisition of share acquisition rights
Determined following (10) above.

(13) Handling of fractional number of shares for issuance from the issuance of share acquisition rights

Fractional quantities of less than one share resulting from the exercise of share acquisition rights shall be rounded down.

(14) Allotment date of share acquisition rights

April 11, 2022

(15) Payment date of monetary proceeds in exchange for share acquisition rights

April 11, 2022

(16) Issuance of share acquisition right securities

Share acquisition right securities will not be issued.