

Integrated Report

2023

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, 2022
(January 1, 2022 to December 31, 2022)

Scope: The Fullcast Group and its subsidiaries and affiliates

Figures: As of December 31, 2022

<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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Inquiries

IR and Finance Department, Fullcast Holdings Co., Ltd.
FORECAST Gotanda WEST, 8-9-5 Nishigotanda, Shinagawa-ku, Tokyo
TEL: +81-3-4530-4830



President, Representative Director and CEO
Kazuki Sakamaki

Short-Term Operational Support Business Model and Social Value

Since our founding, we have engaged in staffing services focused on short-term needs where job seekers looking for short-term employment are matched with companies that require staffing services during peak periods because of intense pressure and slack in business throughout the year, companies that provide services only during specific periods of the year, and companies that have sudden, urgent staffing demand when business demand exceeds the forecast.

We have been the only listed company in Japan to engage in staffing services with a focus on short-term employment, but recently, as labor shortages have become acute, client companies are no longer able to hire part-time workers on their own, which they had done in the past, and more companies are utilizing our services instead as an alternative to hiring part-time workers.

Additionally, until now, our business operations have focused on “dispatching” services. Following amendments to Japan’s Worker Dispatching Act in 2012, we developed “short-term part-time worker placement + short-term worker payroll management services (currently, BPO)” following the gist of the law. We are also 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. Finding jobs for people who can only work short-term and people who want to work short-term through the “Short-Term Operational Support Business” represents one way to resolve Japan’s labor shortages. We believe that our core business can serve as one solution to this social issue.

Labor shortages in Japan caused by the country’s declining birthrate and aging population cannot be alleviated without the participation of a wide range of people and we believe that it is our role to promote this participation by this wide range of people. The declining working population caused by the declining birthrate and aging population will clearly continue to become more serious in the future. Our ability to supply staff that meet the staffing demand of client companies is a source of value creation and going forward, we will continue to meet the needs of both client companies and job seekers.

Message from the CEO

Working to grow the “Short-Term Operational Support Business” and Achieve Greater Growth by Pursuing the Creation of Social Value-A Path We Have Followed Since Our Founding

Sustainability Management

Human rights, work styles, and diversity in particular are among the social aspects in the spotlight in terms of sustainability and ESG. As Japan’s largest staffing services provider focused on short-term employment, our Group recognizes the importance of fully ensuring that human rights are respected in workers’ place of employment and that health and safety requirements are also met. Additionally, we recognize that our Group’s mission is to provide various employment opportunities to job seekers in search of diverse work styles, such as women, young people, seniors, and foreign nationals, each of which have traditionally faced limitations in terms of their employment opportunities.

To ensure transparency, we have adopted an Audit & Supervisory Committee governance system as our institutional design for the Board of Directors, and independent outside directors are nominated and appointed to more than one-third of directorships. In doing so, we are also working to strengthen the supervisory function of the Board of Directors and enhance discussions within our Group for sustainable enhancement of corporate value. We have also established the Nomination Committee and Remuneration Committee, which comprise three independent outside directors and myself as members. Going forward, we will deepen discussions on the succession plan, board diversity, and approaches to remuneration, among other topics.

In terms of the environment during this fiscal year, 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 opportunities in accordance with the framework proposed by the TCFD (Task Force on Climate-related Financial Disclosure) as well as calculated and disclosed our greenhouse gas (GHG) emissions amounts. 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.

Review of the First Fiscal Year Under “Medium-Term Management Plan 2024” and Future Prospects

In FY2020, we suffered a decline in both sales and profits

due to the outbreak of the COVID-19 pandemic, but we posted consecutive record high profits in FY2021 and FY2022 and booked an operating profit of 9.8 billion yen in FY2022. This was possible as we captured client demand ahead of the pandemic recovery and acquired public sector projects related to COVID-19 operations, such as supporting public vaccinations. In particular, in FY2022, we were able to exceed our performance in FY2019, prior to the pandemic, even when excluding public sector projects involving COVID-19-related operations. While some sectors have yet to return to their pre-pandemic levels, the fact that we were able to exceed our pre-pandemic performance means that we were able to initiate business relationships with new customers driven by labor shortages.

We will achieve our operating profit target of 10 billion yen set out in the Medium-Term Management Plan, following the restart of economic activities after the end of the COVID-19 pandemic, by steadily capturing human resource demand and rampant human resource demand driven by a declining working population.

Furthermore, for FY2023, a fiscal year of progress, we established a target of operating profit of 10 billion yen and we will seek to achieve the targets of the Medium-Term Management Plan one year ahead of schedule. In FY2024, the final fiscal year of the Medium-Term Management Plan, we will aim to overshoot the target even further.

Under “Medium-Term Management Plan 2024,” although time is required for a recovery from the pandemic, unique needs should emerge from changes in lifestyles and consumer behaviors, while we expect the labor force to continue declining and growing demand for utilizing our latent labor capabilities, which forms an assumptions under the plan. Amid this environment, we combined our online presence using DX with our strength in physical operations to further increase service levels for both staff and clients centered on the “Short-Term Operational Support Business,” our core segment. In this manner, we promoted this approach with the focal point of our strategy for growing our business operations. We will continue this going forward.

As for M&A, we will grow the businesses of companies acquired and newly established subsidiaries during the previous Medium-Term Management Plan, and we will actively invest with an eye toward expanding job types and business model domains.

Dialogue

We will accurately identify and respond to changes in the operating environment and contribute to solutions to the issues faced by society.



Director and Chairman
Takehito Hirano

President, Representative Director and CEO
Kazuki Sakamaki

What was social background like when the company was first established?

Hirano: When Fullcast was established, there wasn't a single staffing business in Japan that focused exclusively on short-term employment. We paved the way, and later as competitors began to emerge, through all out efforts we established a market known as short-term dispatching services.

As competitors emerge, what is the driving force behind Fullcast's growth?

Hirano: In our early days, there was a rapid rise in so-called "freeters" (permanent part-timers) in search of

liberating work styles. At the same time, after Japan's asset bubble collapse, companies who were no longer able to carry the financial weight of permanent employees underwent restructuring, but in the subsequent phase, a new market quickly emerged amid growing hiring demand among client companies in industries with chronic need for short-term staffing such as resorts, events, and sports, not to mention rising demand for emergency stopgap staffing solutions.

Additionally, as the market was rapidly formed, the driving force behind our growth has been among the first to systemize operations to ensure correct matching and cope with the vast amount of client demand.

Sakamaki: One unique aspect of this industry is that clusters of client companies are dispersed across Japan. At the time, there was meaning in having recruitment bases, but the fact that we increased our coverage in areas with client demand by opening sales offices nationwide in Japan proved to be a driving force behind our growth as we expanded our business lines.

Recently, as labor shortages caused by Japan's changing demographics have become clearer, the key is our ability to supply talent that fully satisfies client company needs and offering many unique job options for job seekers. This has made us the first choice among both client companies and job seekers.

In addition, when Japan's revised Worker Dispatching Act went into effect in 2012, following the law, we shifted from dispatching to short-term part-time placements and part-time worker payroll services (currently BPO services) and reshaped our focus on compliance, including conducting thorough inspections to ensure we did not engage in operations forbidden under laws on the dispatching of workers for construction and harbor operations and conducting checks of foreign national's status of residence. This resulted in and fosters trust among clients companies and job seekers, which I believe is one of our competitive advantages.

How do you view the business environment in terms of diversity promotion and diverse working styles? And, how do you perceive this within the company?

Hirano: Since our founding, we have continuously provided employment opportunities to people who could not or did not want full-time work, such as "freeters," students, housewives, and seniors, according to the duration of time that they want to work.

Hirano: Under the name of working style reforms, including restrictions on overtime work, mandatory taking of paid leave, and easing of restrictions on second jobs, companies are required to help their employees achieve work-life balance, and there has been an emergence in new and diverse job seekers as people's free time has increased with working from home and being freed from the stress of commuting to work, a rising desire to work among women, an increasing number of active seniors, and expansion of foreign national workers. This means that the role demanded of

Fullcast will continue to grow as it provides more employment opportunities.

Sakamaki: Internally speaking, we are promoting diversity and inclusion along with diverse working styles, and particularly from the perspective of empowering women, we are developing a workplace that achieves work-life balance in terms of childcare and proactively supporting women's career development.

What are your thoughts on sustainability management?

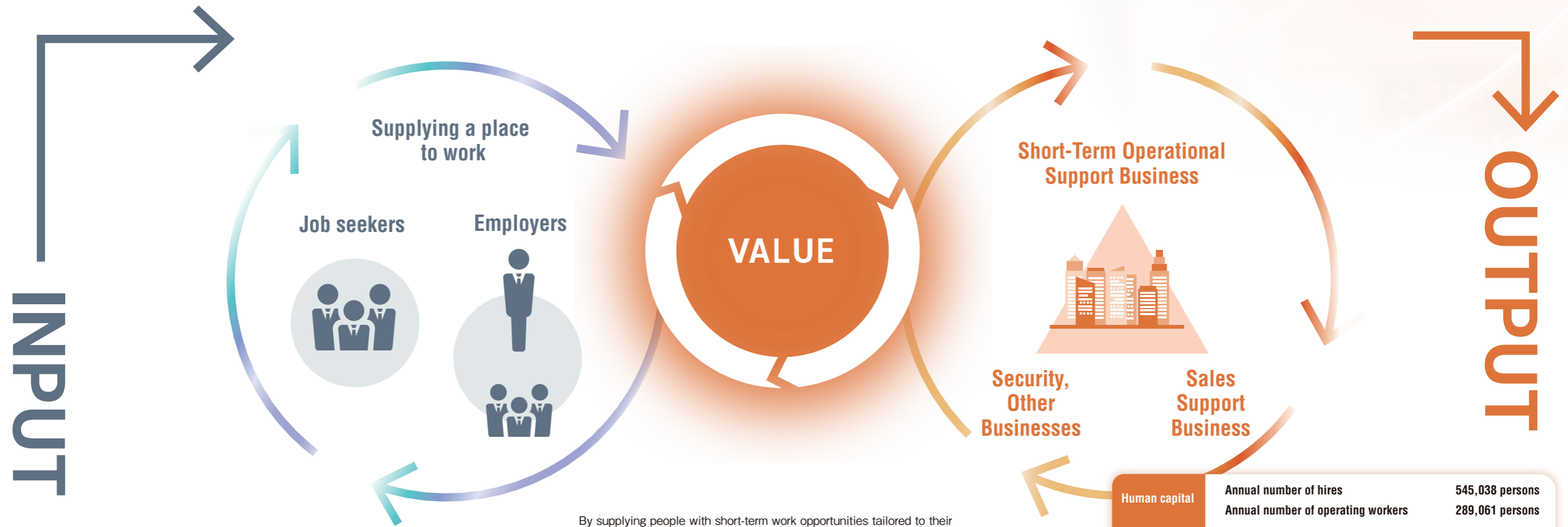
Sakamaki: We will provide employment opportunities to new and diverse job seekers. At the same time, it is evident that companies in Japan, with its declining labor population, will find it difficult to maintain its labor resources by depending only on adult males in their prime working years. In the sense of complementing these labor resources, our ability to encourage participation in the work force among more people willing and able to do so, including short-term workers, will contribute to solutions to social issues.

As Japan transitions from lifetime employment to a new norm where changing jobs is second nature, what type of working styles do you foresee in the future post pandemic?

At such time, what do you think Fullcast's roll will be?

Hirano: I feel that there is growing job liquidity. It is clear that labor shortages will grow more pronounced while the presence of each worker will increase, and since workers' mentality, too, will also change further, this flow will only accelerate going forward.

Sakamaki: We are beginning to see new ways of using Fullcast. This includes not only finding side job but also perhaps serving as a bridge leading to a second job. In addition, we are increasing the opportunities we provide to people changing jobs. This includes having companies involved in housekeeping services and real estate agent referrals under our umbrella. Going forward, we will make every effort possible to closely serve the needs of job seekers.



Human capital	Number of employees	1,279 persons
	Number of temporary employees	1,790 persons
Social capital	Years in business	30 years
	Number of clients	76,283 companies
	Number of registrations	7.77 million people
Financial capital	Equity	23,732 million yen
	Equity-to-asset ratio	66.65%
	Cash and cash equivalents	20,626 million yen
Manufactured capital	Number of consolidated subsidiaries	18 companies
	Number of Group Networks	198 sites
	Amount of capital investment	284 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, 2022

Human capital	Annual number of hires	545,038 persons
	Annual number of operating workers	289,061 persons
Social capital	Annual number of customers	36,113 companies
	Annual number of new customers	8,608 companies
Diversity capital	Percentage of female employees, including permanent and temporary employees	65.76%
	Percentage of female managers	15.48%
	Percentage of female operating workers in Placement and Dispatching, etc. in the “Short-Term Operational Support Business”	50.56%
Financial capital	Net sales	64,645 million yen
	Operating profit	9,823 million yen
	EPS	183.11 yen
	Free cash flow	5,838 million yen
	ROE	30.62%
Manufactured capital	Annual number of matches	6,800,960
	Number of matching per hour	2,569

OUTCOME

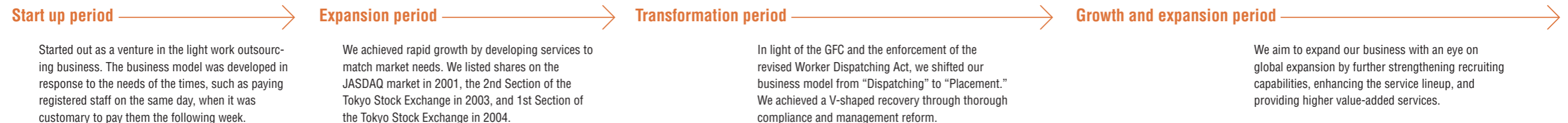
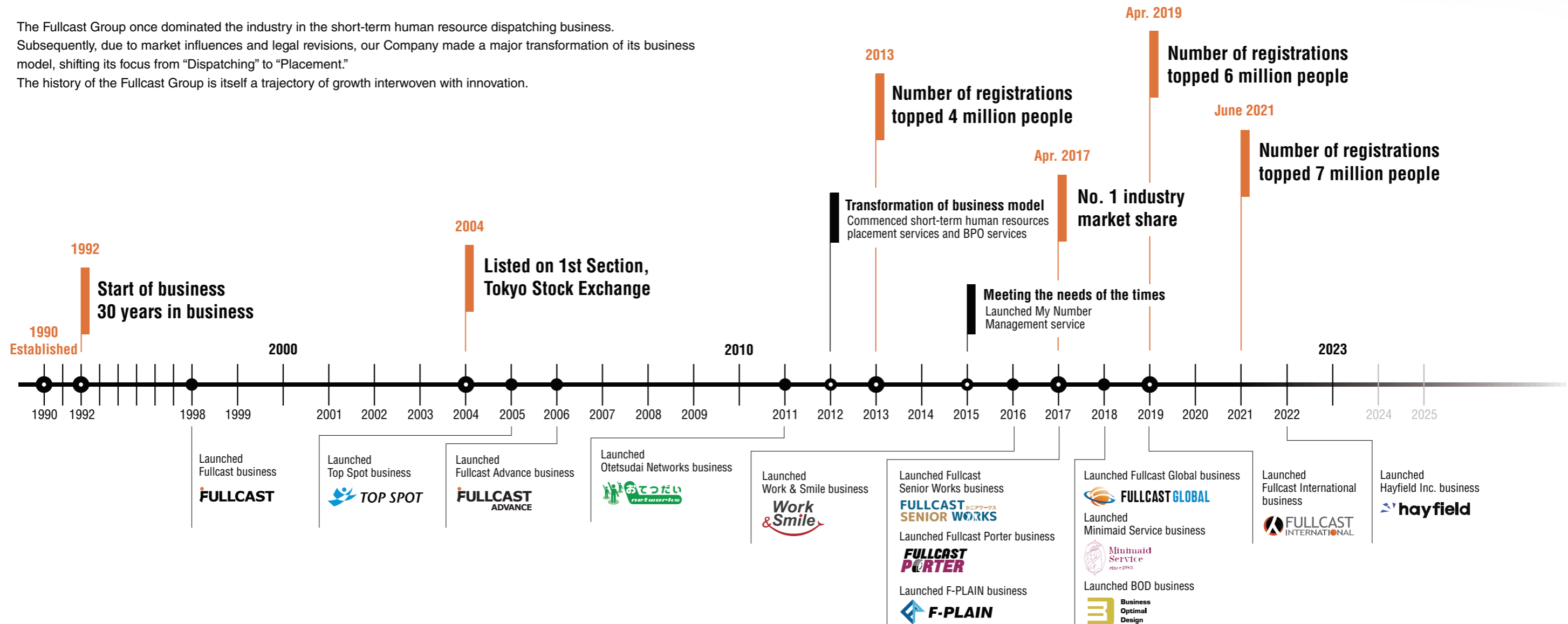
Recognized social issues

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.

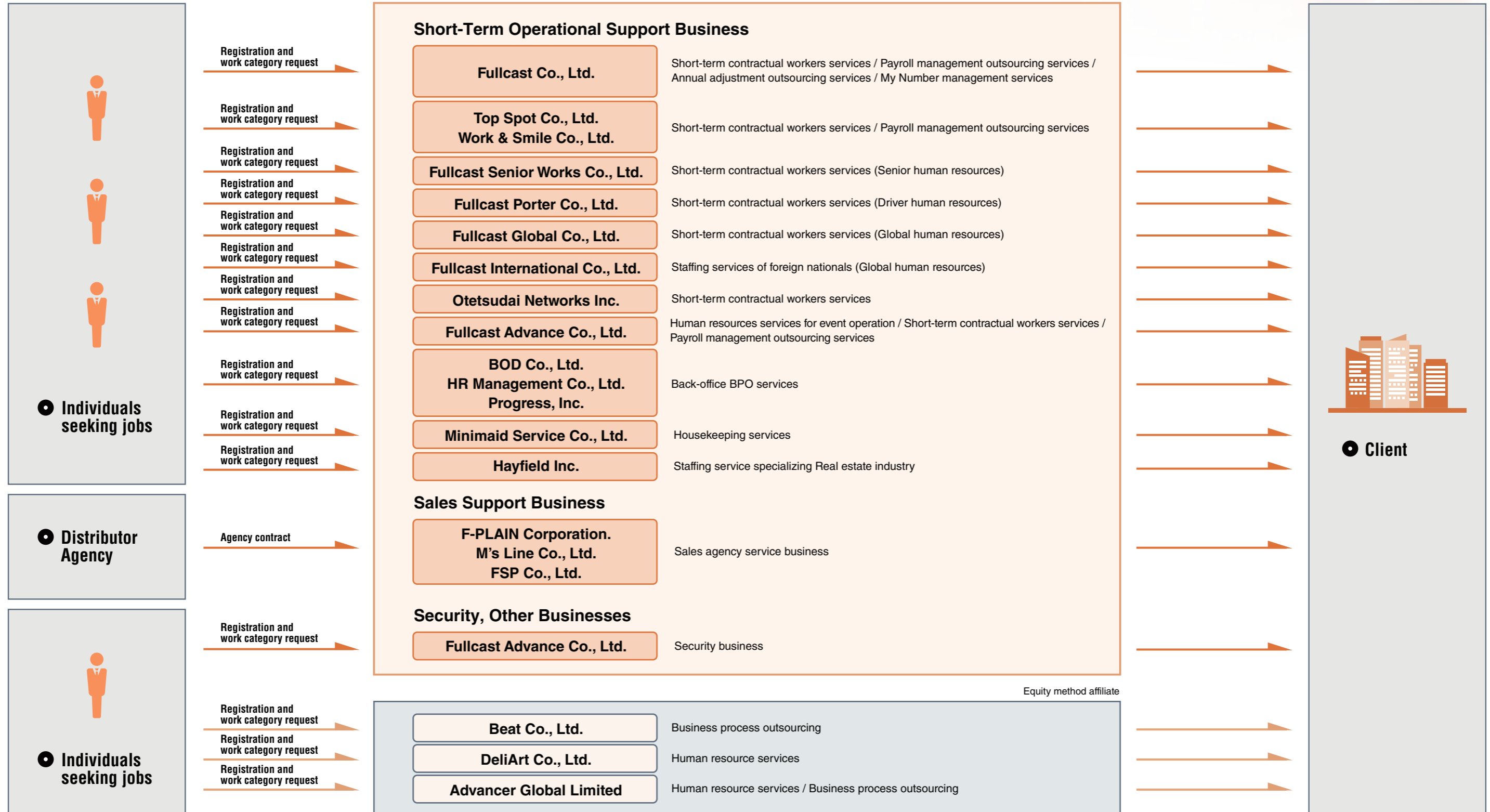


Business Model

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), 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.

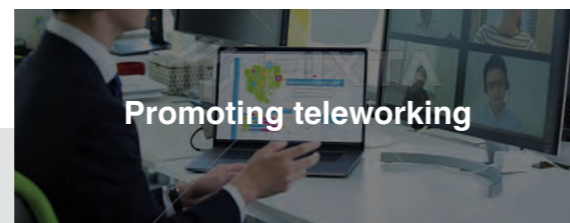
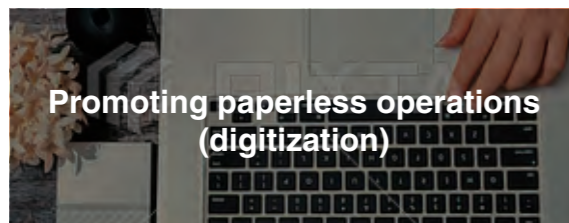
In addition to addressing the risks already identified from a risk management perspective, we also performed a scenario analysis of climate change-related risks and possibilities in accordance with the framework proposed by the TCFD (Task Force on Climate-related Financial Disclosure).

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.

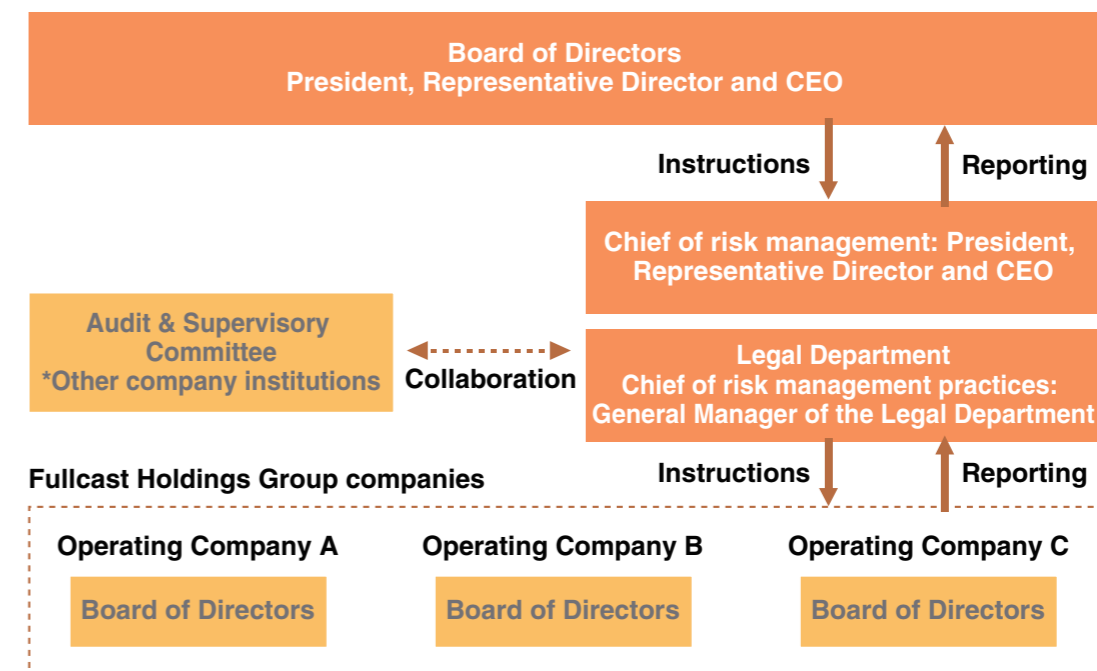
Our Group does not have a committee dedicated to climate change; instead, there is a system in place to report on these matters in a timely manner whereby the Legal Department takes the lead in identifying and discussing sustainability issues, including climate change, covering the entire Group. Additionally, 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. As an initiative in the first fiscal year of this program, in the fiscal year ended December 31, 2022, 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

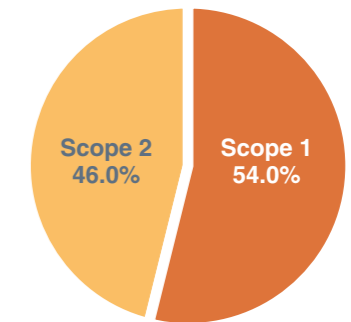
Our Group selects GHG emissions (Scope 1, 2) as indicators for measuring and managing climate related risks and opportunities. GHG emissions are calculated following the GHG Protocol. Our Group's Scope 1 and Scope 2 GHG emissions for the fiscal years ended December 31, 2021 and 2022 can be found on the page at right.

GHG emissions within our Group (Scope 1, 2)

Item	Unit	Results		
		FY12/21	FY12/22	
Greenhouse gas emissions (Scope 1, 2)	Total	t-CO ₂	2,397	2,428
	Scope 1	t-CO ₂	1,359	1,311
	Scope 2	t-CO ₂	1,038	1,117
CO ₂ emissions intensity (Scope 1, 2)	Total	t-CO ₂ /million yen	0.05	0.04

Note: Figures are tabulated for the entire Group (excluding equity method affiliates). Furthermore, Scope 3 emissions were not calculated. We will explore the calculation and disclosure of these emissions in the future.

Comparison of greenhouse gases (Scope 1, 2)



(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, our Group's Scope 1 and Scope 2 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 is 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.

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.

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. As of December 31, 2022, the ratio of female employees, including regular and temporary employees working for our Group, was 65.8%, and we will maintain a minimum ratio of 50.0%. The ratio of female managers at our Group was 15.5% as of December 31, 2022. 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.

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. 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. 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.

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. 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.

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

Our Company will provide necessary information in a timely and accurate manner and respond appropriately following laws and regulations in order to effectively secure the rights of shareholders. In addition, in light of the composition of our shareholders, we will consider improvements in the environment so that foreign shareholders and minority shareholders can exercise their rights appropriately.

(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.

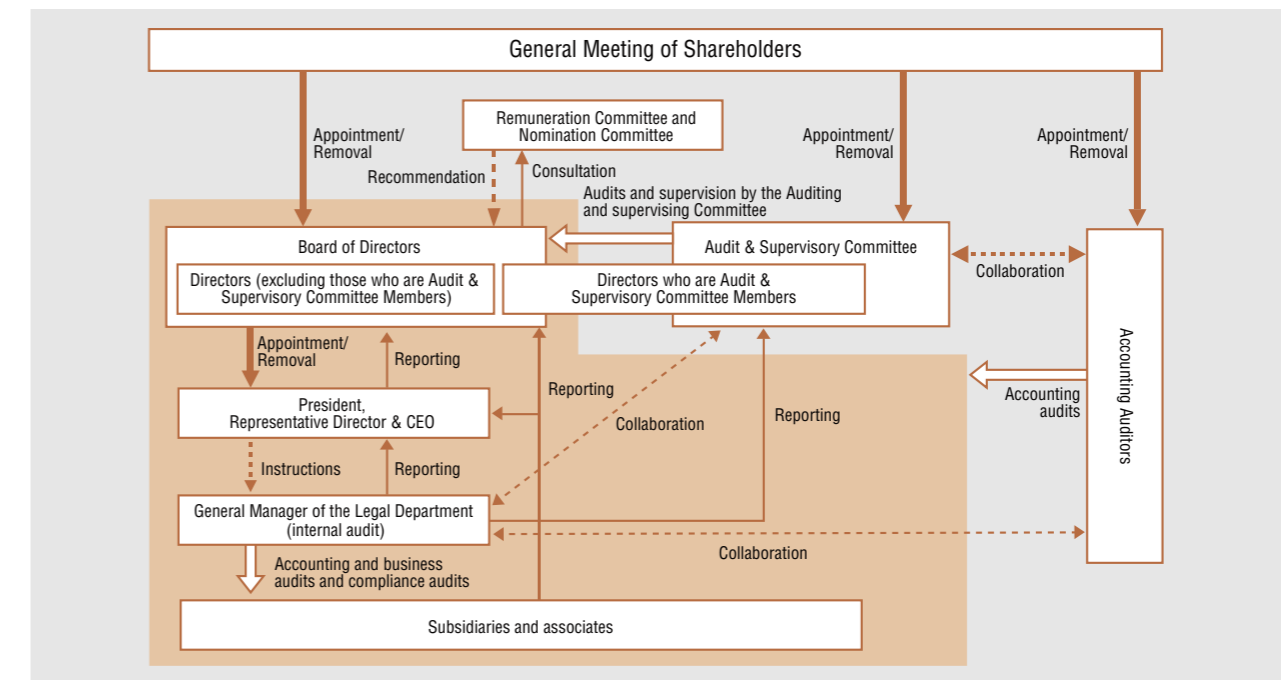
Corporate Governance and Internal Control

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, 2022, 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 2022 and all Directors attended all of the meetings. The main matters considered included the Medium-Term Management Plan (including reviewing and updating said plan), shareholder returns and the capital policy, M&A and business alliances, internal control, compliance, 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. 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.

4. Accounting Auditors

As an auditing company in charge of accounting audits, our Company has entered into contracts with PricewaterhouseCoopers Aarata 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.

5. 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.

6. 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.

Medium-Term Management Plan 2024

Elevate our Group's social and economic values (profit growth) simultaneously by providing solutions to social issues through our business activities, and to achieving a sustainable society focused on "utilization of diverse human resources" and "support for diverse working styles."

Ideal Group Profile

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

- Pursue competitive advantages/growth in existing businesses
- Expand business domains through new business/M&A
- Positioning as a company that supports all forms of "Work"

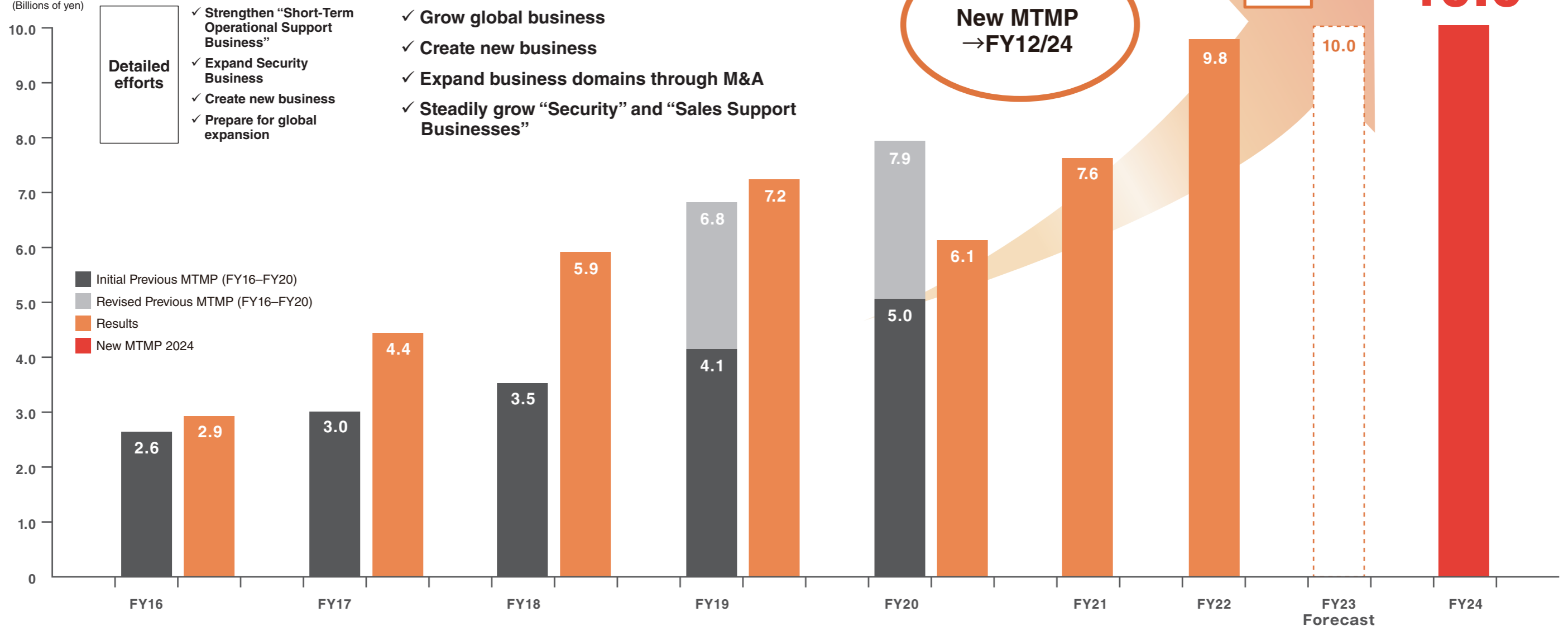
Resolve social issues

Achieve diversity

Achieve sustained growth and a sustainable society

← Previous MTMP (FY12/16→FY12/20)

(Billions of yen)



- Detailed efforts**
- ✓ Strengthen "Short-Term Operational Support Business"
 - ✓ Expand Security Business
 - ✓ Create new business
 - ✓ Prepare for global expansion

- ✓ Evolve and expand "Short-Term Operational Support Business"
- ✓ Expand new businesses built during the previous Medium-Term Management Plan
- ✓ Grow global business
- ✓ Create new business
- ✓ Expand business domains through M&A
- ✓ Steadily grow "Security" and "Sales Support Businesses"

New MTMP →FY12/24

CAGR **13%**

10.0

Overview of New Medium-Term Management Plan

Overview of New MTMP 2024

Our Group has formulated New "MTMP 2024" in order to realize its Corporate Philosophy, which is "Providing the best place for people to bring out their best." Under the New "MTMP 2024," our Group maintains a basic capital policy of securing appropriate capital efficiency and financial soundness to achieve "improvement of corporate value." The numerical targets are operating profit of 10.0 billion yen, with ROE of at least 20%, total return ratio of 50%, and D/E ratio of a maximum 1.0 times as the management indicators.

Operating profit
10.0 billion yen

Indicators for
"improvement of corporate value"
ROE
20% or higher

Target for shareholder returns
Total return ratio
50%

To secure appropriate
financial soundness
D/E ratio
1.0x at max.

Business Environment

There are 3 major trends surrounding us. The 1st trend is the economic situation and includes a drop in inbound demand due to COVID-19 impact, deterioration of the global economic environment, changing consumer behavior, and economic uncertainty. The 2nd trend is the social environment and includes a declining labor force due to the low birthrate and longevity, technological progress, regional revitalization, and increasing awareness of sustainability. The 3rd trend is the labor market and includes work style reforms, utilization of diverse human resources, diversity of work styles, and promotion of side jobs and dual employment. We formulated New "MTMP 2024" based on our perception of the business environment described above.

Economic Situation

- Depending on industry, time will be needed for client demand to recover from COVID-19. The decline in in-bound tourism demand continues to hit the hotel, restaurant and retail industries hard
- Changing lifestyle patterns and consumer behavior will generate unique needs
- Global businesses will be negatively impacted by travel restrictions and weakness in the above industries related to inbound tourism

Social Environment

- Further declines in Japan's working population will increase latent demand for utilizing staffing services provided by our Company
- Growing room for office openings expected in Japan amid progress in regional revitalization

Labor Market

- Many elements acting as a tailwind to the core "Short-Term Operational Support Business," given diversity of work-styles and gig economy
- Promotion of diversity will lead to more active utilization of diverse human resources, including seniors, women and foreign nationals, and others

Business Strategy of New MTMP

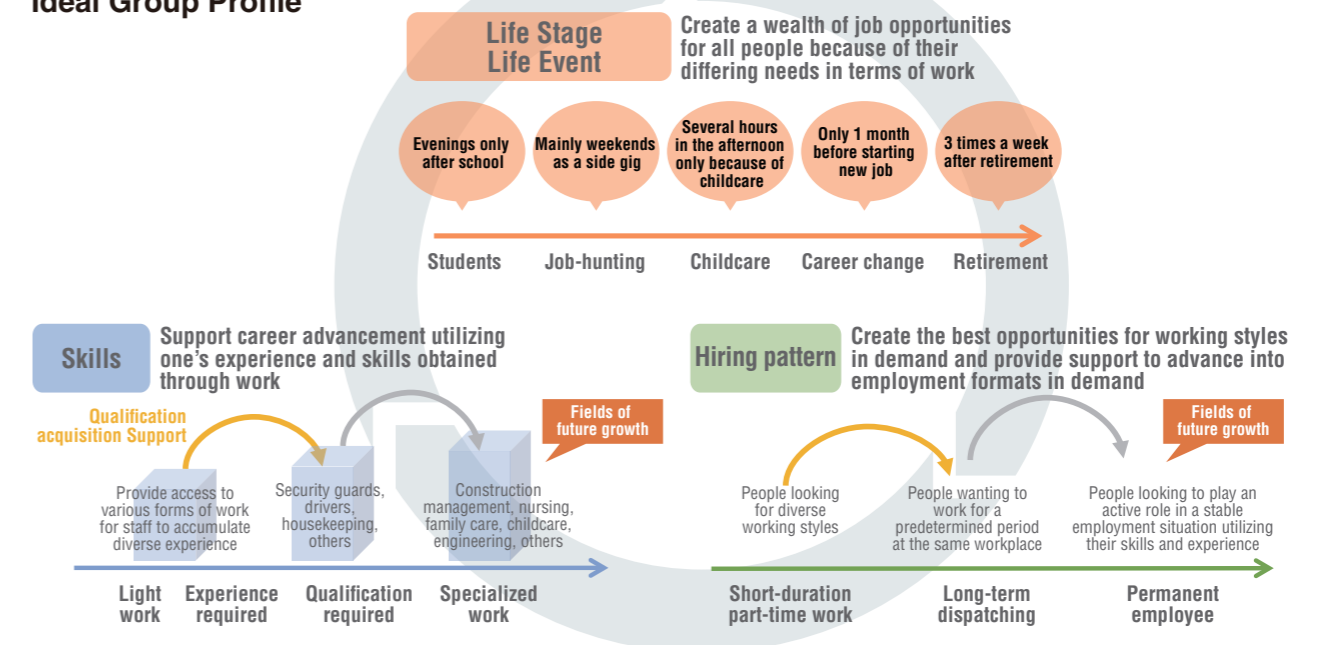
Under New "MTMP 2024," we have established business strategies in the 4 areas of "Short-Term Operational Support Business," "New Businesses and M&A," "Sales Support Business," and "Security, Other Businesses."

Short-Term Operational Support Business	Integrate online and real-life using DX to further improve the service level provided to both staff and clients alike resulting in business growth.
New Businesses and M&A	Expand businesses established under the previous Medium-Term Management Plan. Actively invest in M&A to take our business portfolio to the next stage of growth.
Sales Support Business	Expand the business by strengthening sales capabilities, diversifying product offerings, and horizontal expanding the entertainment business.
Security, Other Businesses	Increase the number of stable permanent security projects, increase collaboration with other companies, and expand Group synergies.

Our Vision

In order to be a company that supports all work, we provide platforms that support people's working lives. As part of this, we create a wealth of job opportunities for all people because of their differing needs in terms of work related to life stages and life events. We also support career advancement utilizing one's experience and skills obtained through work and create the best opportunities for working styles in demand with job hunters and provide support for them to advance into the employment formats they seek. In addition, we will continue to evolve as a company that continues supporting people's working lives by providing more diverse career paths than ever before in line with the expansion of job hunters.

Ideal Group Profile



Short-Term Operational Support Business

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 FY2022

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. Sales of “Outsourcing” services increased and gross profit also rose because of a recovery in attendance at professional baseball spectatorship and an increase in beverage sales volume, growth in logistics subcontracting projects, and the acquisition of public sector projects related to COVID-19-related operations. Gross profit of “Dispatching” services increased only 6.3% year-on-year although we addressed the long-term staffing needs of client companies, particularly in the logistics and manufacturing industries, and captured public sector projects related to COVID-19-related operations, similar to “Outsourcing” services. The increase stayed at 6.3% only, because the portion of social insurance premiums for temporary staff increased in the fourth quarter of the current fiscal year due to the expansion of social insurance coverage from October 2022.

Strengths and Strategy

● Short-Term Operational Support Business

Achieve an unrivaled service level by combining our Group’s strength of “198 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.

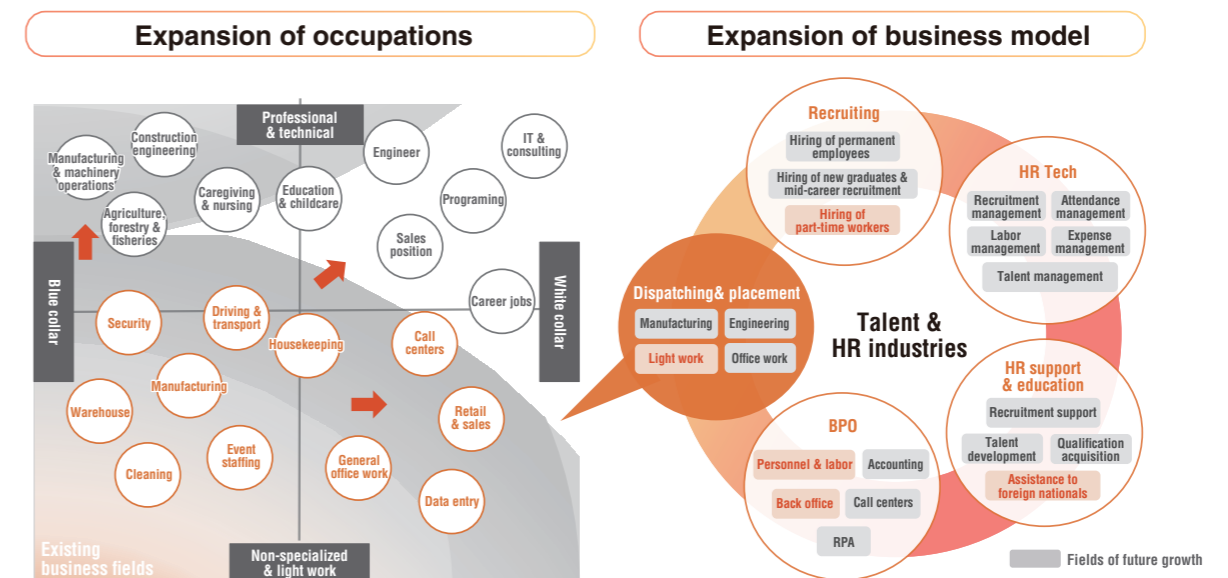
New Businesses/M&A

<continuation from previous medium-term management plan and expansion of business areas>

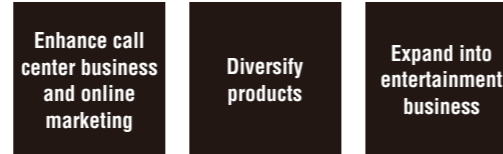
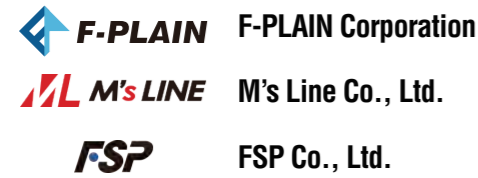
Under the previous medium-term management plan, to resolve the social issue in Japan of “labor shortages,” we built businesses centered on those that contribute to “utilization of latent workforce,” “increases in productivity,” and “expansion of services.” Fullcast will continue to ease companies’ labor shortages by expanding its core business with high social significance.

Measures to address the labor population shortage		Previous MTMP (FY12/16→FY12/20)	New MTMP 2024 (→FY12/24)
Utilization of latent workforce	Seniors	✓ Established Fullcast Senior Works Co., Ltd. and secured diverse employment opportunities for active seniors who want to be involved in society.	□ Expand scope of services based on diverse employment and working needs, including executive/high-level staffing and re-employment assistance, others, to achieve an ageless working society.
	Female	✓ Started Minimaid Service Co., Ltd. a subsidiary to launch the housekeeping business. ✓ Providing housekeeping support for households where husband and wife both work and contributing to women’s advancement in society.	□ Expand support for working women by promoting outsourcing and streamlining of household obligations/cleaning through the combination of house cleaning expansion and the qualification business (organization and storage advisors).
	Foreign nationals	✓ Established Fullcast Global Co., Ltd. and Fullcast International Co., Ltd., creating a mechanism for attracting international talent to Japan.	□ Expand placement services for foreign nationals with specified skills nationwide and further enhance lifestyle and procedure support services to achieve steady growth along with the recovery from the impacts of the COVID-19 pandemic.
Improving productivity	BPO	✓ Expanded BPO business for payroll and labor management to improve productivity of companies. ✓ Made BOD Co., Ltd. a subsidiary, which engages in all types of back office BPO services.	□ Grow existing BPO services and expand the BPO business with an eye toward M&A and business alliances.

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 FY2022

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 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.

Security, Other Businesses



Business Overview

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

Review of FY2022

Sales increased year-on-year due to an increase in the number of permanent and temporary security projects acquired, but profits declined due to the special demand with high gross profit for the Olympics in the previous fiscal year.

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

In order to recover from the COVID-19 pandemic, we will strive to expand our business by capturing the anticipated recovery in demand for temporary security services, especially for sports and event staffing. We will also work to expand our client base, where there was demand even during the COVID-19 pandemic, and to expand business through collaboration with our Group and increasing the volume and accuracy of matching by utilizing our Group's strong recruiting capabilities.

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 Beatech 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 Beatech 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

Even as the COVID-19 pandemic raged on, net sales of “Short-Term Operational Support Business” increased. This was due to factors including the acquisition of projects in excess of pre-COVID-19 pandemic short-term staffing demand levels, as well as the continued acquisition of public sector projects involving COVID-19-related operations. As a result, consolidated net sales increased by 23.4% year-on-year to 64,645 million yen, exceeding the revised full-year business forecast for FY12/22. Consolidated operating profit also increased by 29.4% year-on-year to 9,823 million yen, and consolidated ordinary profit increased by 29.7% year-on-year to 9,884 million yen. The results for each business segment are as follows.

Net sales of the “Short-Term Operational Support Business”, our mainstay segment, increased by 27.7% year-on-year to 59,439 million yen for the same reasons

as noted above. Segment profit (operating profit) increased by 28.8% year-on-year to 10,533 million yen.

Net sales of the “Sales Support Business” declined by 18.1% year-on-year to 2,882 million yen due to the downturn in sales of telecommunications products in the sale of Internet access. Segment profit (operating profit), however, increased by 3.0% year-on-year to 89 million yen thanks to our efforts to control SG&A expenses.

Net sales of “Security, Other Businesses” increased by 1.2% year-on-year to 2,324 million yen due to an increase in the number of permanent and temporary security projects acquired. Segment profit (operating profit), though, declined by 17.7% year-on-year to 263 million yen due to the special demand with high gross profit for the Olympics in the previous fiscal year.

Overview of Management Indicators

The Medium-Term Management Plan established by our Group maintains a basic capital policy of securing appropriate capital efficiency and financial soundness to achieve “improvement of corporate value.” The numerical targets are operating profit of 10,0 billion yen, with ROE of at least 20%, total return ratio of 50%, and D/E ratio of a maximum 1.0 times as the key performance 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. Furthermore, ROE at the end of FY2022 was 30.6%, and while this represents an increase of 2.8 points from 27.8% at the end of the previous fiscal year, our ROE continues to remain above our target of 20%.

For FY2022, a dividend of 58 yen per share (an increase of 14 yen compared to the previous year and the same as 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 35 yen per share (12 yen increase compared to the previous year and the same as forecast) was offered and share repurchases totaling up to a maximum 1,217 million yen were conducted. Share repurchases were undertaken by tender offer. As a result, the total return ratio was 50.0%.

The D/E ratio was 4.2% in FY2022, compared to 5.1% 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:	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fiscal year									
: Net sales	20,175	22,618	25,340	32,066	38,852	44,479	43,226	52,366	64,645
: Operating profit	1,613	2,297	2,882	4,424	5,896	7,224	6,131	7,592	9,823
: Profit attributable to owners of parent	1,336	1,765	2,529	2,994	3,310	4,644	4,113	5,012	6,622
: Free cash flows	2,056	1,043	1,425	3,714	1,604	5,417	3,890	6,269	5,838
: EBITDA	1,514	2,441	3,280	4,837	5,679	7,550	6,655	8,056	10,282
As of fiscal year end									
: Total assets	10,551	11,622	13,272	16,813	19,808	23,464	23,953	29,484	35,604
: Equity*1	6,678	7,530	9,200	10,866	12,474	15,447	16,504	19,526	23,732
: Total number of issued shares (shares)	38,486,400	38,486,400	38,486,400	38,486,400	38,486,400	38,486,400	38,486,400	37,486,400	37,486,400
Per share									
: Net assets	173.51	195.65	239.98	286.81	331.68	415.71	449.58	535.40	657.21
: Dividend	16	18	21	26	32	40	41	44	58
: Profit	34.70	45.85	65.92	78.87	87.90	124.59	111.69	137.34	183.11
Management Indicators (%)									
: Ratio of operating profit to net sales	8.0	10.2	11.4	13.8	15.2	16.2	14.2	14.5	15.2
: Ratio of SG&A expenses to net sales	26.8	26.3	25.2	25.8	27.7	26.1	26.8	19.9	18.0
: Return on equity (ROE)	21.3	24.8	30.2	29.8	28.4	33.3	25.7	27.8	30.6
: Return on assets (ROA)	13.9	15.9	20.3	19.9	18.1	21.4	17.3	18.8	20.3
: EBITDA margin	7.5	10.8	12.9	15.1	14.6	17.0	15.4	15.4	15.9
: Liquidity ratio	266.6	282.2	317.2	303.8	241.0	279.6	338.1	311.7	310.2
: Equity-to-asset ratio	63.3	64.8	69.3	64.6	63.0	65.8	68.9	66.2	66.7
: Interest coverage ratio*2	271.7	283.5	386.2	439.6	972.2	603.6	956.5	1073.5	1468.1
: Debt equity ratio	15.0	13.3	11.8	11.7	10.0	6.5	6.0	5.1	4.2
: Payout ratio	46.1	39.3	31.9	33.0	36.4	32.1	36.7	32.0	31.7

*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.

Future Outlook

We aim to further grow business results with a focus on our Group’s mainstay the “Short-Term Operational Support Business.”

The full-year consolidated business results forecast for the fiscal year ending December 2023 assume that the demand in staffing demand will further increase because of reopening due to reduced risk of pandemic disaster, acquiring public sector projects other than COVID-19-related operations and expansion of logistics subcontracting business. However, in the “Dispatching” of the “Short-Term Operational Support Business”, the portion of social insurance premiums will increase due to the expansion of social insurance coverage and the demand in staffing demand for public sector projects related to COVID-19-related operations will gradually decrease toward the end of fiscal year.

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.

We plan to focus on further growth of “Placement” and “BPO” services, the main services in the “Short-Term Operational Support Business.” Our forecast for net sales of “Outsourcing” services assumes that the frequency of professional baseball games and other professional sports events will increase compared to 2022, and logistics subcontracting projects will grow considerably. Additionally, the forecasted net sales for both “Dispatching” and “Outsourcing” services take into account the decline in staffing demand for public sector projects related to COVID-19-related operations.

Financial Data

Consolidated Balance Sheet (BS)

(Million yen)		(Million yen)	
	FY12/21 End	FY12/22 End	
	(December 31, 2021)	(December 31, 2022)	
ASSETS			
Current assets			
Cash and deposits	17,410	20,626	
Notes and accounts receivable - trade	7,090	8,986	
Merchandise	19	30	
Supplies	13	20	
Other	303	356	
Allowance for doubtful accounts	(20)	(50)	
Total current assets	24,815	29,967	
Non-current assets			
Property, plant and equipment			
Buildings and structures	680	682	
Accumulated depreciation and impairment	(384)	(413)	
Buildings and structures, net	296	269	
Machinery, equipment and vehicles	5	8	
Accumulated depreciation and impairment	(5)	(6)	
Machinery, equipment and vehicles, net	0	1	
Tools, furniture and fixtures	742	805	
Accumulated depreciation and impairment	(592)	(645)	
Tools, furniture and fixtures, net	150	160	
Land	184	184	
Construction in progress	2	3	
Total property, plant and equipment	632	617	
Intangible assets			
Software	312	373	
Goodwill	607	1,305	
Other	22	22	
Total intangible assets	940	1,699	
Investments and other assets			
Investment securities	2,014	2,111	
Guarantee deposits	636	576	
Deferred tax assets	394	551	
Other	57	89	
Allowance for doubtful accounts	(5)	(7)	
Total investments and other assets	3,096	3,321	
Total non-current assets	4,669	5,637	
Total assets	29,484	35,604	
LIABILITIES			
Current liabilities			
Notes and accounts payable - trade	22	52	
Short-term borrowings	1,000	1,000	
Accounts payable - other	1,553	1,860	
Accrued expenses	1,531	1,874	
Income taxes payable	1,407	1,710	
Accrued consumption taxes	1,742	2,163	
Provision for bonuses	161	286	
Allowance for subscription cancellations	36	-	
Other	510	715	
Total current liabilities	7,961	9,659	
Non-current liabilities			
Retirement benefit liability	747	816	
Asset retirement obligations	118	111	
Deferred tax liabilities	44	60	
Other	36	30	
Total non-current liabilities	945	1,017	
Total liabilities	8,905	10,676	
NET ASSETS			
Shareholders' equity			
Share capital	2,780	2,780	
Capital surplus	2,006	2,006	
Retained earnings	16,369	21,286	
Treasury shares	(1,821)	(2,664)	
Total shareholders' equity	19,334	23,409	
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	152	149	
Foreign currency translation adjustment	41	174	
Total accumulated other comprehensive income	193	323	
Share acquisition rights	133	152	
Non-controlling interests	919	1,044	
Total net assets	20,579	24,928	
Total liabilities and net assets	29,484	35,604	

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

[Consolidated Statement of Income (PL)]		(Million yen)	
	FY12/21	FY12/22	
	(January 1 to December 31, 2021)	(January 1 to December 31, 2022)	
Net sales	52,366	64,645	
Cost of sales	34,336	43,184	
Gross profit	18,030	21,460	
Selling, general and administrative expenses			
Salaries and bonuses	3,471	3,807	
Other salaries	1,267	1,492	
Provision for bonuses	19	126	
Legal welfare expenses	716	820	
Retirement benefit expenses	97	107	
Communication expenses	340	360	
Travel and transportation expenses	385	433	
Rent expenses on land and buildings	796	893	
Depreciation	208	214	
Advertising expenses	665	303	
Recruitment expenses	362	691	
Provision of allowance for doubtful accounts	9	44	
Amortization of goodwill	207	164	
Other	1,896	2,185	
Total selling, general and administrative expenses	10,438	11,637	
Operating profit	7,592	9,823	
Non-operating income			
Interest income	1	0	
Dividend income	3	3	
Share of profit of entities accounted for using equity method	26	64	
Reversal of allowance for doubtful accounts	39	-	
Subsidy income	12	15	
Revenue-advertising	34	39	
Other	22	24	
Total non-operating income	137	144	
Non-operating expenses			
Interest expenses	7	7	
Settlement package	46	47	
Compensation expenses	18	-	
Other	35	29	
Total non-operating expenses	105	83	
Ordinary profit	7,624	9,884	
[Consolidated Statement of Comprehensive Income]			
(Million yen)			
	FY12/21	FY12/22	
	(January 1 to December 31, 2021)	(January 1 to December 31, 2022)	
Profit	5,134	6,741	
Other comprehensive income			
Valuation difference on available-for-sale securities	26	3	
Foreign currency translation adjustment	75	133	
Total other comprehensive income	101	136	
Comprehensive income	5,235	6,877	
(Comprehensive income attributable to)			
Owners of parent	5,109	6,752	
Non-controlling interests	126	125	

Financial Data

Consolidated Statement of Cash Flows (CF)

	(Million yen)		(Million yen)	
	FY12/21 (January 1 to December 31, 2021)	FY12/22 (January 1 to December 31, 2022)	FY12/21 (January 1 to December 31, 2021)	FY12/22 (January 1 to December 31, 2022)
Cash flows from operating activities				
Profit before income taxes	7,606	9,922		
Depreciation	219	228		
Amortization of goodwill	207	164		
Increase (decrease) in allowance for doubtful accounts	(43)	31		
Increase (decrease) in provision for bonuses	37	125		
Increase (decrease) in allowance for subscription cancellations	(24)	–		
Interest and dividend income	(3)	(3)		
Interest expenses	7	7		
Share of loss (profit) of entities accounted for using equity method	(26)	(64)		
Loss on retirement of non-current assets	22	25		
Loss (gain) on sale of investment securities	(20)	(69)		
Loss (gain) on valuation of investment securities	0	–		
Loss on COVID-19	37	22		
Decrease (increase) in trade receivables	(1,414)	(1,771)		
Decrease (increase) in inventories	3	(17)		
Decrease (increase) in accounts receivable - other	85	(8)		
Increase (decrease) in trade payables	341	310		
Increase (decrease) in accrued expenses	301	330		
Increase (decrease) in accrued consumption taxes	519	395		
Increase (decrease) in accrued enterprise taxes	38	37		
Increase (decrease) in retirement benefit liability	56	68		
Other, net	49	214		
Subtotal	7,996	9,946		
Interest and dividends received	45	3		
Interest paid	(7)	(7)		
Payment of loss on COVID-19	(34)	(21)		
Income taxes paid	(1,639)	(3,126)		
Income taxes refund	7	1		
Net cash provided by (used in) operating activities	6,368	6,796		
Cash flows from investing activities				
Purchase of property, plant and equipment	(52)	(103)		
Purchase of intangible assets	(127)	(181)		
Proceeds from sale of investment securities	20	186		
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(844)		
Proceeds from collection of loans receivable	45	6		
Other, net	14	(22)		
Net cash provided by (used in) investing activities	(99)	(958)		
Cash flows from financing activities				
Repayments of short-term borrowings	(80)	–		
Repayments of long-term borrowings	–	(46)		
Purchase of treasury shares	(554)	(907)		
Dividends paid	(1,571)	(1,667)		
Other, net	37	(2)		
Net cash provided by (used in) financing activities	(2,168)	(2,622)		
Effect of exchange rate change on cash and cash equivalents	–	0		
Net increase (decrease) in cash and cash equivalents	4,101	3,216		
Cash and cash equivalents at beginning of period	13,309	17,410		
Cash and cash equivalents at end of period	17,410	20,626		

Consolidated Statement of Changes in Equity

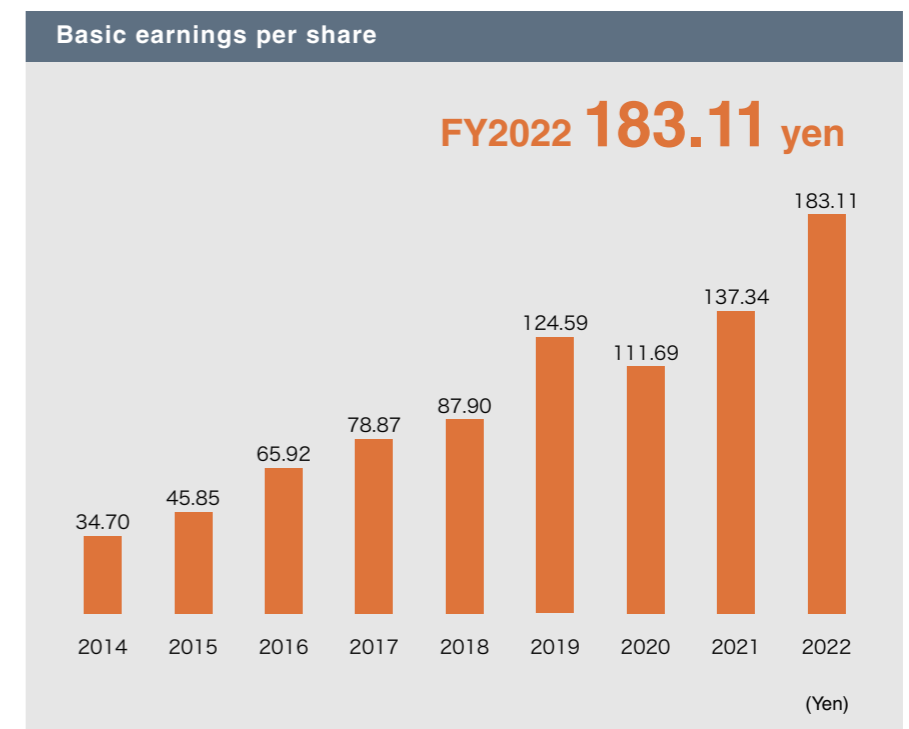
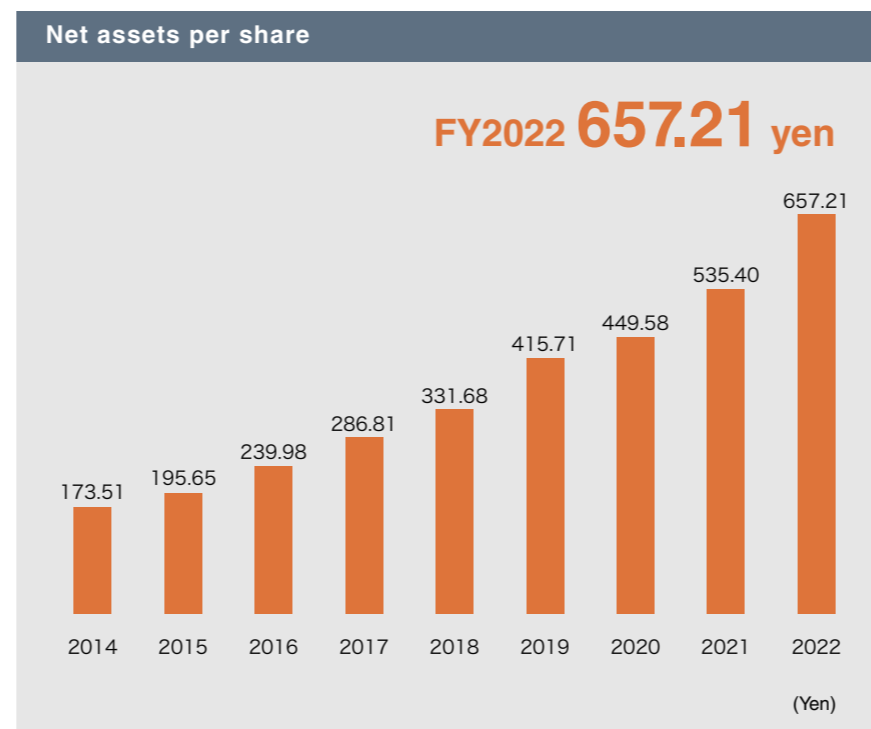
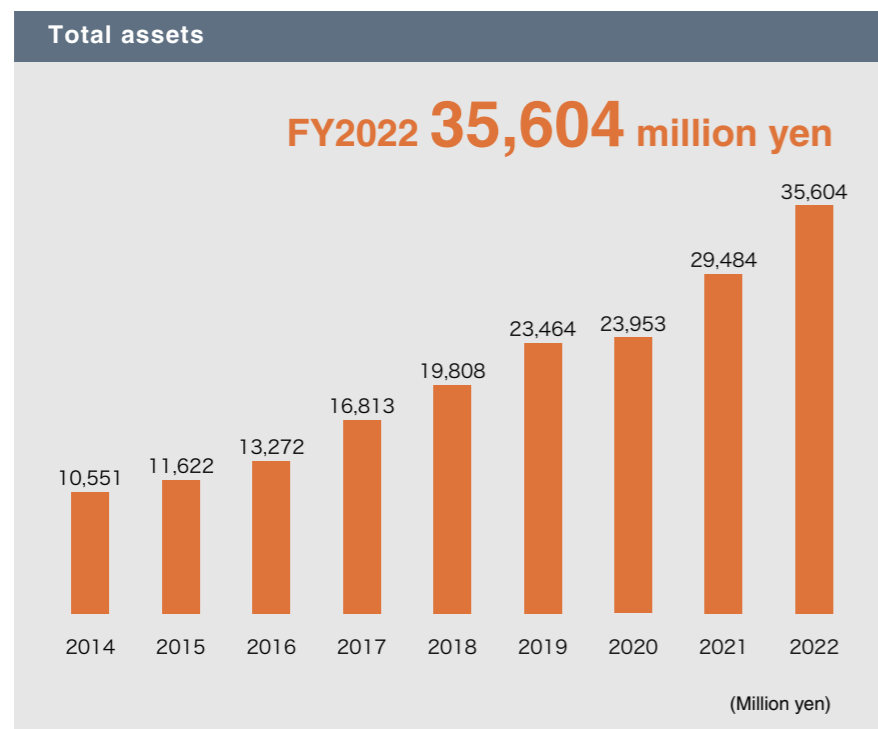
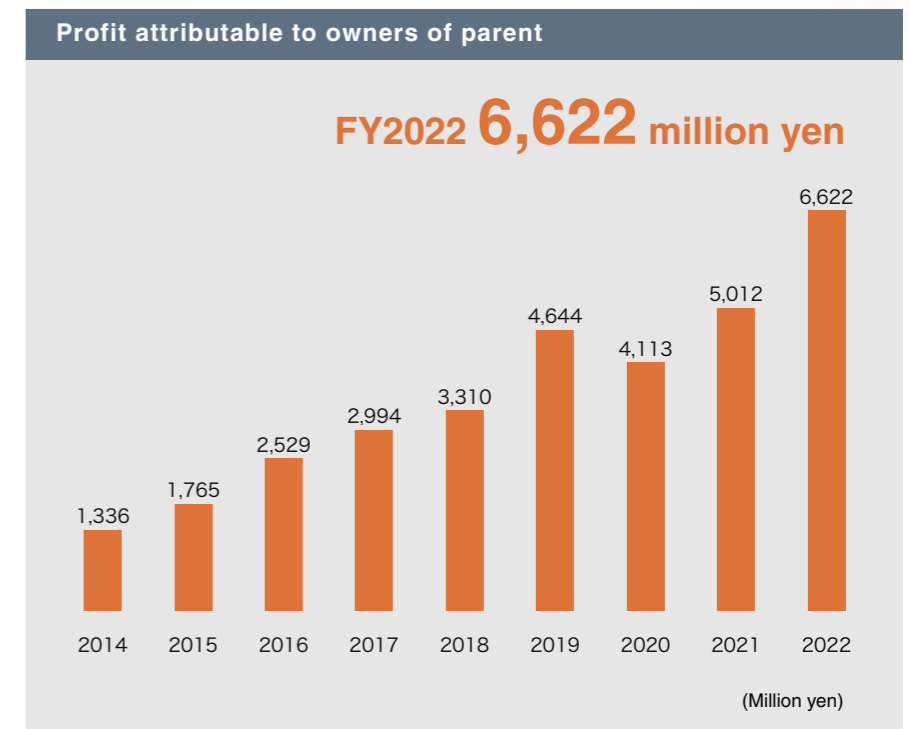
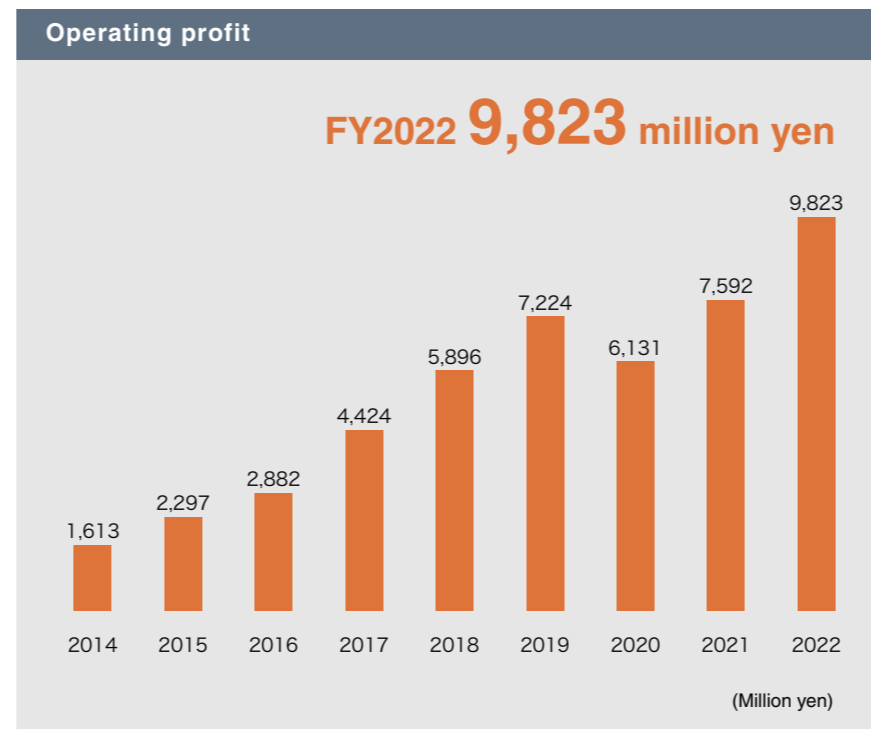
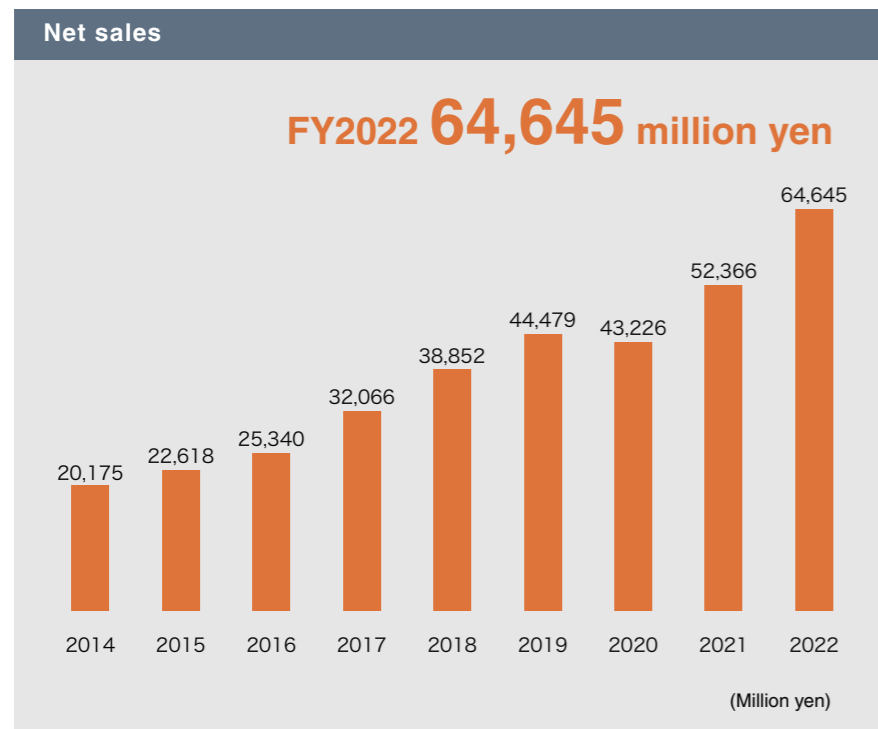
FY12/21 (January 1 to December 31, 2021)	(Million yen)				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,780	2,006	14,721	(3,099)	16,408
Changes during period					
Dividends of surplus			(1,573)		(1,573)
Profit attributable to owners of parent			5,012		5,012
Purchase of treasury shares				(552)	(552)
Disposal of treasury shares			(49)	87	38
Cancellation of treasury shares			(1,742)	1,742	–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,648	1,277	2,925
Balance at end of period	2,780	2,006	16,369	(1,821)	19,334

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	128	(33)	95	162	730	17,396
Changes during period						
Dividends of surplus						(1,573)
Profit attributable to owners of parent						5,012
Purchase of treasury shares						(552)
Disposal of treasury shares						38
Cancellation of treasury shares						–
Net changes in items other than shareholders' equity	23	75	98	(29)	189	257
Total changes during period	23	75	98	(29)	189	3,182
Balance at end of period	152	41	193	133	919	20,579

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			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
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

Performance Highlights



Non-Financial Data

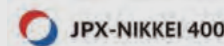
Indicators and Certifications Acquired

List of Awards



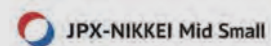
Eruboshi
The “Eruboshi certification” is a system for certifying companies that meet certain standards and have excellent conditions for promoting women’s participation and advancement based on the Act of Promotion of Women’s Participation and Advancement in the Workplace.

Selection in the 50 candidates for the 8th Corporate Value Improvement Award
The award (established in 2012) recognizes companies that practice management with a strong awareness of the cost of capital and other vantage points of investors and achieve high growth in corporate value.



JPX-Nikkei 400

Component of the JPX-Nikkei Index 400 and the JPX-Nikkei Mid and Small Cap Index in FY2022
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.



JPX-Nikkei Mid Small

Infection control measures

Measures to control COVID-19

● Efforts

We would like to express our deepest condolences for those who lost their lives as a result of COVID-19, and our heartfelt sympathy to those who have been affected and those who are experiencing difficult living conditions due to the spread of infections.

In a time of living with COVID-19, our Group has established a business continuity system with a view to a “New Normal,” even after the declaration of the state of emergency has been lifted, with the safety and security of employees as our top priority. Our Group’s infection prevention measures include the use of telecommuting and staggered work hours to avoid the 3 Cs (closed spaces, crowded places, and close-contact settings), the use of teleconferencing, videoconferencing, and other forms of online communication, and a strict policy of suspending attendance at work (stay at home) in the event of an outbreak of illness, including family members. Our Company also encourages shareholders to take measures against infection and recommends that shareholders exercise their voting rights at the General Meeting of Shareholders in writing or by electromagnetic means (e.g., via the Internet).

As for our Group’s performance in FY2022, even as the COVID-19 pandemic raged on, net sales increased. This was due to factors mainly including the acquisition of

projects in excess of pre-COVID-19 pandemic short-term staffing demand levels, as well the continued acquisition of public sector projects related to COVID-19-related operations. We have set “Under a client-first approach, aim for greater business growth and expansion of peripheral services” as our goal for FY2022, and we made efforts to further expand our business and to create added value by investing in DX, expanding existing businesses, and developing new businesses. As specific measures, we promoted DX utilization to increase convenience and satisfaction of both clients and staff, including the feasibility study release of a staff order placement system for clients, the establishment of the Public Sector Sales Team, and the expansion of the contract logistics business. Furthermore, we have set “Aiming for create of the Group structure to flexibly address changes in the business environment, and business expansion by improving customer satisfaction based on further service improvement including DX” as our goal for FY2023, and we will aim to continue our efforts to further expand our business and create added value by investing in DX, expanding existing businesses, and developing new businesses. Specific measures that we will implement include DX-related measures, continuation of new office openings, expansion of public sector divisions into regions, and strengthening collaboration between Group companies in the contract logistics business. To achieve our goals, we will build a business continuity system with an eye on the “New Normal.”

Social Data

Number of employees

Number of employees: **1,279** (2021) → **103%** (2022)

*Total including salesperson and coordinators

Annual number of customers

Approx. **36,113** companies (2021) → **124%** (2022)

Number of temporary employees

Number of temporary employees: **1,790** (2021) → **118%** (2022)

*Number of temporary employees is annual average

Percentage of female employees

Percentage of female employees: **65.8%**

*Percentage of female employees, including permanent and temporary employees

Percentage of female managers

Percentage of female managers: **15.5%**

Number of matches (number of jobs decided)

Annual number of matches: **6,800,960**

Number of matches per hour: **2,569**

Number of sites

198 sites (2021) → **108%** (2022)

Annual number of hires

545,038 (2021) → **122%** (2022)

*Number of registered staff hired through the Fullcast Group in a year

Number of registrations

7.77 million people (2021) → **108%** (2022)

*Total number of registered staff at the Fullcast Group

Corporate Profile

Status of Shares

Total number of authorized shares	110,000,000 shares
Total number of issued shares	37,486,400 shares (including 1,377,051 treasury shares)
Shareholders	3,650

Major shareholders

Name	Number of shares held	Shareholding ratio (%)
Hirano Associates Co., Ltd.	13,626,600	37.7
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,321,000	9.2
Hikari Tsushin Co., Ltd.	2,728,400	7.6
Custody Bank of Japan, Ltd. (Trust Account)	1,891,000	5.2
UH Partners 2, Inc.	1,321,100	3.7
SIL, Inc.	801,100	2.2
JP MORGAN CHASE BANK 385632	752,992	2.1
VICTORY TRIVALENT INTERNATIONAL SMALL-CAP FUND	499,200	1.4
THE BANK OF NEW YORK MELLON SA/NV 10	350,000	1.0
STATE STREET BANK AND TRUST COMPANY 505019	337,700	0.9
Total	25,629,092	71.0

* Shareholding ratio is calculated excluding 1,377,051 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, 2022)	
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	1,279 As of December 31, 2022
	Temporary employees	1,790 As of December 31, 2022
Number of Group sites	198 sites nationwide (As of December 31, 2022)	

Group structure

FULLCAST HLDGS. Fullcast Holdings Co., Ltd.	Optimizes Group-wide resources and strategies, as well as directing the business operations of group companies
FULLCAST BUSINESS SUPPORT Fullcast Business Support Co., Ltd.	Consolidates and conducts various intra-Group operations on behalf of our Group
FULLCAST Fullcast Co., Ltd.	Provides short-term human resource services in various business sectors
TOP SPOT Top Spot Co., Ltd.	Community-based brand, provides short-term human resource services focused on specific regions
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
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
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)
FULLCAST PORTER Fullcast Porter Co., Ltd.	Provides human resource services with an exclusive focus on drivers
otetsudai Otetsudai Networks Inc.	Operates "Otetsudai Networks," short-term human resource services that utilize location information
FULLCAST GLOBAL Fullcast Global Co., Ltd.	Provides human resources services focused on foreign nationals
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 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
Business Optimal Design BOD Co., Ltd.	Provides services in recruitment agency, training support, establishment of personnel system, and risk management and auditing, and meeting management
HR management HR Management Co., Ltd.	Provides general office work agency and outsourcing services, administrative work services for life and non-life insurance
Progress Progress, Inc.	Provides housekeeping services
Minimaid Service Minimaid Service Co., Ltd.	Human resource placement specializing in the real estate industry
hayfield Hayfield Inc.	
F-PLAIN F-PLAIN Corporation.	Operates the sales agency service business for IT and telecommunications products utilizing call centers and a distributor agency network
M's LINE M's Line Co., Ltd.	
FSP FSP Co., Ltd.	
株式会社一ト 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



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

For Inquiries

IR and Finance Department, Fullcast Holdings Co., Ltd.
Telephone: +81-3-4530-4830