



October 1, 2020

To Whom It May Concern

Company Name: OUTSOURCING Inc.  
Representative: Haruhiko Doi  
Chairman and CEO  
(First Section of TSE, Securities Code: 2427)  
Contact: Kazuhiko Suzuki  
Executive Vice President and  
Executive General Manager  
in charge of Business  
Management Division  
Phone: +81-3-3286-4888 (main)

### **Notice Regarding Acquisition of Shares of 4 Career Group Companies**

OUTSOURCING Inc. (hereinafter “the Company”) hereby announces that it has acquired all of the issued shares of the 4 companies which make up the Career Group (hereinafter “the 4 target companies”): Career Agent Co., Ltd., Career Contract Co., Ltd., Career File Co., Ltd., and Career Incubator Co., Ltd., on October 1, 2020, making them subsidiaries as per the details below.

#### **1. Purpose of the Acquisition of Shares**

While it is expected that many dispatch business operators will not be able to comply with the equal pay for equal work rule, mainly in terms of wages, under the Revised Worker Dispatching Act that went into effect from April 2020, the Company has been following a strategy to lead industry reorganization in the wake of revisions to the laws. Further, as a result of depressed manufacturing activity during the pandemic, labor supply and demand in the manufacturing dispatching industry has changed from a seller’s market, and it has begun to create the business environment where dispatch business operators without sales expertise in making proposals to meet new client needs during the pandemic cannot secure assignment destinations.

In order to continue to lead industry reorganization and promote market share growth, the OUTSOURCING Group (hereinafter “the Group”) has focused its M&A efforts on projects that are expected to generate synergies based on strict standards cultivated through numerous M&A achievements, rather than blindly taking in other companies in the same industry.

The 4 target companies overcame the Lehman crisis and have accumulated many excellent local companies as clients, providing manufacturing dispatching service mainly to the pharmaceuticals and food products industries based on management policy prioritizing profitability and focusing on compliance and response to revisions to the laws.

By joining the Group, the 4 target companies can be expected to further expand business scale by leveraging the Group’s management resources including recruitment and sales capabilities. For the Group, in addition to having strength in large-scale assignment projects of hiring staff nationwide for major manufacturers, by adding the 4 target companies, the Group can enhance its capability to respond to demand for labor force in small lots through specialized local-based recruitment, as well as promoting earnings smoothing by not being dependent on business trends for specific client industries. Going forward, we will continue to strengthen the Group's business foundation by providing effective services for increasingly sophisticated demand.

[Translation]

2. Outline of the Companies that will become subsidiaries of OUTSOURCING Inc.

(1) Career Agent Co., Ltd.

(1)	Company Name	Career Agent Co., Ltd.
(2)	Head Office	1-173 Tsukuba, Kumagaya City, Saitama Prefecture
(3)	Name and Title of Representative	Hiroshi Sasaki, Chairman Takashi Sugaya, CEO
(4)	Major Businesses	Comprehensive HR services
(5)	Capital Stock	JPY 10 million
(6)	Established	July 2008

(2) Career Contract Co., Ltd.

(1)	Company Name	Career Contract Co., Ltd.
(2)	Head Office	2-4-1 Arakawaokihigashi, Tsuchiura City, Ibaraki Prefecture
(3)	Name and Title of Representative	Hiroshi Sasaki, Chairman Takashi Sugaya, CEO
(4)	Major Businesses	Comprehensive HR services
(5)	Capital Stock	JPY 5 million
(6)	Established	March 2011

(3) Career File Co., Ltd.

(1)	Company Name	Career File Co., Ltd.
(2)	Head Office	1-2-7 Chuo, Yukuhashi City, Fukuoka Prefecture
(3)	Name and Title of Representative	Hiroyuki Oshima, CEO
(4)	Major Businesses	Manufacturing dispatching, engineering dispatching, sales office dispatching, light work dispatching, consulting, amusement dispatching, outsourced contracting and quality control outsourcing.
(5)	Capital Stock	JPY 10 million
(6)	Established	April 2006

(4) Career Incubator Co., Ltd.

(1)	Company Name	Career Incubator Co., Ltd.
(2)	Head Office	3-8 Midoricho, Sakado City, Saitama Prefecture
(3)	Name and Title of Representative	Hiroshi Sasaki, CEO
(4)	Major Businesses	Accounting work and payroll accounting services for 3 affiliated companies
(5)	Capital Stock	JPY 1 million
(6)	Established	June 2007

3. Future outlook

Through this acquisition of shares, the 4 target companies become consolidated subsidiaries from 4Q FY12/20.  
The impact of this matter on consolidated financial results for FY12/20 is negligible.

[Translation]

(Disclaimer with respect to earnings and other forecasts)

The forward-looking statements including earnings forecast contained in this document are based on information currently available to the Company, and certain assumptions that the Company believes are reasonable. Accordingly, the Company can give no assurance that such statements will prove to be correct. Actual results may differ from the results anticipated in these forward-looking statements due to a variety of factors.

(Reference) Consolidated Financial Forecasts for FY12/20 (announced on May 14, 2020) and Consolidated Financial Results for FY12/19

(Unit: Millions of JPY)

	Revenue	Operating profit	Profit before tax	Profit for the year	Profit attributable to owners of the Company
FY12/20 Forecasts	365,000	10,000	6,800	3,600	3,000
FY12/19 Results	361,249	15,342	13,319	8,975	8,227

(Note) As the provisional accounting related to business combination was finalized, the consolidated financial statements for FY12/19 have been retroactively adjusted.