



December 15, 2020

To Whom It May Concern

Company Name: OUTSOURCING Inc.
Representative: Haruhiko Doi
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(First Section of TSE, Securities Code: 2427)
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Notice Regarding Acquisition of Shares of MARKS co.,ltd.

OUTSOURCING Inc. (hereinafter “the Company”) hereby announces that the Board of Directors, at its meeting held on December 15, 2020, resolved to acquire all of the issued shares of MARKS co.,ltd. (hereinafter “MARKS”), which, and make it a subsidiary, 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 in April 2020, the Company has been following a strategy to lead industry reorganization in the wake of revisions to the laws. Furthermore, 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 to a buyer’s market in which abundant recruitment is possible, and it has begun to create a 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.

MARKS is engaged in dispatching and paid job placement, reducing concentration risk by serving a wide range of sectors from not only manufacturing dispatch but also logistics and medical/nursing care-related etc., diversifying the number of assigned workers in small lots, mainly in Hyogo Prefecture. Endowed with talented young employees, and sales capabilities that are also well-respected, MARKS was exploring full-scale entry into Kobe and Osaka where client demand is strong.

By joining the Group, MARKS can be expected to further expand business scale by making full-scale entry into urban areas through leveraging the Group’s management resources. At the same time, the Group will benefit from strengthening its capability in the Hyogo area through hiring workers locally, as well as beefing up the growth base by extending coverage to non-manufacturing clients in logistics and medical-related etc. We will continue to strengthen the Group’s business foundation going forward.

2. Outline of the subsidiary to be transferred

(1)	Company name	MARKS co.,ltd.
(2)	Head office	712-94 Nishiwaki, Nishiwaki City, Hyogo Prefecture
(3)	Name and title of representative	Masaaki Fujimoto, President
(4)	Major businesses	Comprehensive HR services
(5)	Shared capital	JPY10 million
(6)	Established	November, 2004

3. Schedule

(1)	Date of board of directors resolution	December 15, 2020
(2)	Date of agreement	December 16, 2020
(3)	Date of share transfer	December 16, 2020

4. Future outlook

The impact of this matter on consolidated financial results for FY12/20 is negligible.

(Disclaimer with respect to outlook)

The forward-looking statements including financial outlook 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 due to a variety of factors.

(Reference) Consolidated financial forecasts for FY12/20 (announced on November 5, 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	13,750	9,250	4,700	3,850
FY12/19 results	361,249	15,342	13,319	8,975	8,227

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