



January 19, 2021

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 S.S.Sangyo Co.Ltd.

OUTSOURCING Inc. (hereinafter “the Company”) hereby announces that the Board of Directors, at its meeting held on January 19, 2021, resolved to acquire all of the issued shares of S.S.Sangyo Co.Ltd. (hereinafter “S.S.”), whereby making it a subsidiary, as per the details below.

1. Purpose of the acquisition of shares

Amidst progress in industry reorganization in the wake of revisions to the laws, 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. 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.

S.S. is engaged in dispatching and outsourced contracting as well as recruiting and placing for the manufacturing industry, and has a blue-chip client base, recognized particularly for the quality of its outsourced contracting. In addition, it has an extensive track record in its outsourced contracting scheme using foreign workers, and has a long history in the employment of foreigners, including conducting courses for students who want to work in Japan through tie-ups with local national universities.

By joining the Group, S.S. can expect to further expand its scope of business by leveraging the Group's management resources not only for sales capabilities, but also for hiring capabilities of Japanese staff as well as inviting persons of Japanese descent to come to Japan. At the same time, the Group can expect to further expand its area of operation for foreign workers and skilled workers, in addition to strengthening its ability to respond to demand in the Aichi and Kyushu regions through the local community-based recruiting of S.S.

Going forward, the Group will continue to promote the establishment of a global HR mobilization network to tap the growth potential of the increasing global population, as well as harden the growth base through the smoothing out earnings performance.

2. Outline of the subsidiary to be transferred

(1)	Company name	S.S.Sangyo Co.Ltd.
(2)	Head office	2-152 Chuo, Komaki City, Aichi Prefecture
(3)	Name and title of representative	Gou Oyamada, President
(4)	Major businesses	Worker dispatch business, outsourced contracting business, paid job placement
(5)	Share capital	JPY 10 million
(6)	Established	April 25, 1994

3. Schedule

(1)	Date of board of directors resolution	January 19, 2021
(2)	Date of agreement	January 20, 2021
(3)	Date of share transfer	February 1, 2021

4. Future outlook

The impact of this matter on consolidated financial results for FY12/21 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.