



January 28, 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 Australia's HorizonOne Recruitment Pty Ltd

OUTSOURCING Inc. (hereinafter "the Company") hereby announces that the Board of Directors, at its meeting held on January 19, 2021, resolved that consolidated subsidiary BLUEFIN RESOURCES PTY. LIMITED (hereinafter "BLUEFIN") will acquire all of the issued shares of HorizonOne Recruitment Pty Ltd (hereinafter "HorizonOne"), whereby making it a subsidiary, as per the details below.

1. Purpose of the acquisition of shares

For some time, the OUTSOURCING Group (hereinafter "the Group") has been working to harden its growth base by smoothing out earnings performance, through expanding business both in Japan and overseas into fields that have different business cycles from highly volatile Manufacturing Outsourcing Business and fields that are less susceptible to impact from economic fluctuation including Public Works Outsourcing Business.

In overseas markets, particularly in developed countries, the privatization of various public works of central and local governments has become more active than that of Japan, and its market size is estimated to have reached several trillion yen. The Group has expanded entry into overseas markets through active use of M&A, sharply expanding the scope of business through both acquisition of public works businesses as well as through organic growth.

HorizonOne is engaged in paid job placement of white-collar professionals as well as dispatching, and even within the public works sector which accounts for over 90% of revenue, it has extensive experience particularly for the federal government. For its office based in the capital city of Canberra, demand for human resources with specialized skills outstrips supply, and by leveraging its local advantage in strong ties with the federal government, growth is expected in the focus areas of ICT, security, and science and biotechnology.

Through this transaction, the Group can expect synergistic effects that will contribute to the expansion of Public Works Outsourcing Business, which is positioned as a priority measure of growth strategy in the Medium-Term Management Plan. HorizonOne is expected to benefit from an expanded base for IT staff for the federal government through synergies with BLUEFIN, which is engaged in HR business for IT and financial institutions in Australia. The Group will target not only regional portfolio diversification through share expansion in Canberra where it had a relatively thin presence compared with Sydney, but also plans to work on cross-selling through the high level of trust and the network with the federal government developed by HorizonOne, while increasing the depth of defensive business.

[Translation]

Going forward, the Group will continue to vigorously promote hardening of the growth base through the smoothing of earnings performance, accelerating both stabilization of Group business as well as expanding the scope of business.

2. Outline of third-tier subsidiary (BLUEFIN) acquiring the shares

(1)	Company name	BLUEFIN RESOURCES PTY. LIMITED
(2)	Head office	Australia Square Level 43, 264-278 George Street, SYDNEY NSW 2000
(3)	Name and title of representative	James Michael Hone, Director
(4)	Major businesses	IT engineer outsourced contracting / dispatching, paid job placement, consultant outsourced contracting / dispatching
(5)	Share capital	AUD 100
(6)	Established	September 2003

3. Outline of fourth-tier subsidiary (HorizonOne) being transferred

(1)	Company name	HorizonOne Recruitment Pty Ltd
(2)	Head office	29 Torrens Street, Braddon ACT 2612, Canberra
(3)	Name and title of representative	Simon Cox, Director
(4)	Major businesses	Recruiting and placing / dispatching of white-collar professionals mainly for the public sector
(5)	Share capital	AUD 4,000
(6)	Established	April 2008

4. Schedule

(1)	Date of board of directors resolution	January 19, 2021
(2)	Date of agreement	January 28, 2021 (scheduled)
(3)	Date of shares transfer	January 29, 2021 (scheduled)

5. Future outlook

Through this acquisition of shares, HorizonOne is expected to become a consolidated subsidiary from 1Q FY12/21. The impact of this matter on consolidated financial results for FY12/21 is negligible.

(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.

[Translation]

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