



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 Select Staff Co., Ltd.

OUTSOURCING Inc. (hereinafter “the Company”) hereby announces that the Board of Directors, at its meeting held on January 28, 2021, resolved to acquire all of the issued shares of the 2 companies which make up the Select Staff Group, which include Select Staff Co., Ltd. (hereinafter “Select Staff”) and its wholly-owned subsidiary Global Staff Inc., whereby making them subsidiaries, 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.

Select Staff is engaged in dispatching in Kyushu for a wide range of sectors including logistics-related and food product factories, having a large number of dispatch clients that are not as affected by the pandemic. In the wake of firm demand, further growth is expected through the systemization of ‘analog’ administration.

By joining the Group, Select Staff can benefit not only from leveraging Group management resources including sales capabilities and nationwide strength in recruiting, but can also expect growth acceleration through obtaining the know-how for digitalization of management aspects. At the same time, the Group will benefit not only from strengthening its ability to respond to demand in the Kyushu area with Select Staff’s community-centric recruiting, but also achieve synergies for expansion of defensive businesses including the logistics-related business that is not as affected by the pandemic.

Going forward, the Group will continue to promote hardening of its growth base, as well as accelerating both Group business stabilization and business expansion.

2. Outline of the subsidiary to be transferred

(1)	Company name	Select Staff Co., Ltd.
(2)	Head office	SELECT STAFF Building 2F, 1-1-10 Chuo, Yahatahigashi-ku, Kitakyushu City, Fukuoka Prefecture
(3)	Name and title of representative	Kenji Matsunaga, President
(4)	Major businesses	Dispatching, paid job placement, outsourced contracting
(5)	Share capital	JPY20 million
(6)	Established	October, 2001

3. Overview of sub-subsidiaries to be transferred

(1)	Company name	Global Staff Inc.
(2)	Head office	JR Kyushu Tobata Station Building 2F, 1-1 Shioimachi, Tobata-ku, Kitakyushu City, Fukuoka Prefecture
(3)	Name and title of representative	Kenji Matsunaga, President
(4)	Major businesses	Dispatching
(5)	Share capital	JPY20 million
(6)	Established	November, 2018

4. Number of shares to be acquired and ownership before and after the acquisition

(1)	Number of shares owned before acquisition	Number of shares	0
		Number of voting rights	0
		Ratio of voting right owned	0%
(2)	Number of shares to be acquired	Number of shares	400
(3)	Number of shares owned after acquisition	Number of shares	400
		Number of voting rights	400
		Ratio of voting right owned	100%

5. Schedule

(1)	Date of board of directors resolution	January 28, 2021
(2)	Date of agreement	January 29, 2021
(3)	Date of share transfer	February 1, 2021

6. Future outlook

Through this shares acquisition transaction, Select Staff and its wholly-owned subsidiary Global Staff Inc. will become consolidated subsidiaries of the Company from 1Q FY12/21. 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.

[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 process related to business combinations was finalized, the consolidated financial statements for FY12/19 have been retroactively adjusted.