



January 29, 2021

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 Itec Co.,Ltd.

OUTSOURCING Inc. (hereinafter “the Company”) hereby announces that the Board of Directors, at its meeting held on January 29, 2021, resolved that consolidated subsidiary OUTSOURCING TECHNOLOGY Inc. (hereinafter “OSTech”), which is part of the Domestic Engineering Outsourcing Business segment, will acquire all of the issued shares of Itec Co.,Ltd. (hereinafter “ITEC”), as per the details below.

1. Purpose of the acquisition of shares

OSTech has a strong track record and know-how in systems engineering, software systems development, and other areas, as well as engineer dispatching based on excellent, abundant, and diverse engineer staff. In response to the continued growth in demand for engineers in a wide range of industries, OSTech has expanded dispatching of technically skilled staff as well as its outsourced contracting business, through its industry-leading number of persons recruited, as well as through leveraging the Company’s training scheme utilizing its in-house training institution KEN School.

ITEC is engaged in business based on electrical telecommunications construction work and pillar construction work, which supports the stable provision of electrical telecommunications services indispensable for daily living and economic activity. In electrical telecommunications construction work, it has earned a high level of client satisfaction and has secured stable orders based on its solid track record in constructing mobile telecommunications base stations, as well as pillar construction work with mobility, using its in-house pillar drilling vehicle.

Through this shares acquisition transaction, OSTech can benefit from synergies between its engineers and training resources, and ITEC’s client base, resulting in further expansion of the business portfolio in addition to business growth for the Company overall.

Going forward, the Company will continue to promote engineer training and aim to further improve its technical capabilities in order to provide high value-added services based on its advanced technical capabilities and abundant engineers.

2. Outline of the subsidiary that will acquire shares (OSTech)

(1)	Company name	OUTSOURCING TECHNOLOGY Inc.
(2)	Head office	1-8-3 Marunouchi, Chiyoda-ku, Tokyo
(3)	Name and title of representative	Masaki Motegi, President and Representative Director
(4)	Major businesses	Engineer dispatching and development process outsourced contracting specialized in R&D
(5)	Share capital	JPY483 million
(6)	Established	December, 2004

3. Outline of the sub-subsidiary to be transferred (ITEC)

(1)	Company name	Itec Co.,Ltd.
(2)	Head office	126-1 Seto, Noda City, Chiba Prefecture
(3)	Name and title of representative	Tokimune Iwamoto, President
(4)	Major businesses	Mobile telecommunications construction work and electrical construction work
(5)	Share capital	JPY5 million
(6)	Established	August, 2011

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	100
(3)	Number of shares owned after acquisition	Number of shares	100
		Number of voting rights	100
		Ratio of voting right owned	100%

5. Schedule

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

6. Future outlook

Through this shares acquisition transaction, ITEC is expected to become a consolidated subsidiary of the Company in 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.