



February 1, 2021

To Whom It May Concern

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(First Section of TSE, Securities Code: 2427)
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Notice Regarding Acquisition of Shares of Shinsei Sangyo Co., Ltd.

OUTSOURCING Inc. (hereinafter “the Company”) hereby announces that it has acquired all of the issued shares of Shinsei Sangyo Co., Ltd. (hereinafter “Shinsei Sangyo”) on February 1, 2021, 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.

Shinsei Sangyo is engaged in dispatching and outsourced contracting of full-time regular employees in Niigata Prefecture, and is recognized as a leading local dispatch firm. It has a base of blue-chip clients less susceptible to impact from economic conditions, and in the wake of firm demand despite the pandemic, it has been exploring further development through securing staff outside of the local area.

By joining the Group, Shinsei Sangyo can expect to benefit from enhanced orders and increased share from existing customers by leveraging Group management resources including sales capabilities and nationwide strength in recruiting. At the same time, the Group will benefit not only from strengthening its ability to respond to demand in the Niigata area with Shinsei Sangyo's community-centric recruiting, but also from achieving synergies for expansion of defensive businesses in the field of manufacturing dispatch.

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	Shinsei Sangyo Co., Ltd.
(2)	Head office	1-7-19 Kida, Joetsu City, Niigata Prefecture
(3)	Name and title of representative	Noboru Oyama, President
(4)	Major businesses	Outsourced contracting business, dispatching business and paid job placement business, etc.
(5)	Share capital	JPY8 million
(6)	Established	July, 2006

3. 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	160
(3)	Number of shares owned after acquisition	Number of shares	160
		Number of voting rights	160
		Ratio of voting right owned	100%

4. 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

5. 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.