



November 15, 2019

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  
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### **Notice Regarding Merger of a Consolidated Subsidiary (Simplified Merger/Short-Form Merger)**

OUTSOURCING Inc. (hereinafter “the Company”) hereby announces that at a Meeting of the Board of Directors held on November 15, 2019, effective January 1, 2020, the Board of Directors resolved to merge wholly-owned subsidiary Planner Co.,Ltd. (unlisted, hereinafter “Planner”), and the details are as follows.

Since this merger is a simplified absorption-type merger of a wholly-owned subsidiary, certain disclosure items and details are omitted.

#### **Particulars**

##### **1. Purpose of the Merger**

In order to streamline and raise efficiency of management of the OUTSOURCING Group, the Company has decided to merge Planner.

##### **2. Summary of the Merger**

###### **(1) Schedule of the merger**

Merger resolution by the Board of Directors:

Planner Co.,Ltd. November 14, 2019 (Thur.)

OUTSOURCING Inc. November 15, 2019 (Fri.)

Conclusion of a merger agreement:

Merger party companies November 18, 2019 (Mon.)

Scheduled date of the merger:

Effective date January 1, 2020 (Wed.) (scheduled)

Since this merger falls under simplified merger as prescribed in Article 796, Paragraph 2 of the Companies Act in the case of the Company, and falls under short-form merger as prescribed in Article 784, Paragraph 1 of the Companies Act in the case of Planner, neither company will hold a General Meeting of Shareholders to obtain approval for the Merger Agreement.

(2) Method of the merger

Through an absorption-type merger, the Company will be the surviving entity and Planner the absorbed entity, and Planner will be dissolved effective of the merger date.

(3) Details of allocation related to the merger

Since this is a merger of a wholly-owned subsidiary, there is no allocation of shares or other properties.

(4) Treatment of subscription rights to shares and bonds with subscription rights to shares associated with the merger

The dissolved entity has no subscription rights to shares or bonds with subscriptions rights to shares.

3. Outline of the Merger Party Companies (as of October 31, 2019)

(1)	Company Name	OUTSOURCING Inc. (surviving entity)	Planner Co.,Ltd. (dissolved entity)
(2)	Head Office	1-8-3 Marunouchi, Chiyoda-ku, Tokyo	4-5-14 Koyasumachi, Hachioji-shi, Tokyo
(3)	Representative	Haruhiko Doi, Chairman & CEO	Akihiro Fujiwara, President & Representative Director
(4)	Major Business	Domestic Manufacturing Outsourcing Business	Domestic Manufacturing Outsourcing Business
(5)	Capital Stock	JPY25,168 million	JPY10 million
(6)	Established	January 6, 1997	April 1, 1997
(7)	Number of Shares Issued	125,723,200 shares	200 shares
(8)	Fiscal-year End	December 31	December 31
(9)	Major Shareholders, % owned (as of June 30, 2019) *1	Haruhiko Doi 12.53% Japan Trustee Services Bank, Ltd. (Trust account) 8.44% The Master Trust Bank of Japan, Ltd. (Trust account) 4.90%	OUTSOURCING Inc. 100.0%
(10)	Financial Results and Positions for the Latest Fiscal Year		
Fiscal Year		FY12/18 (Consolidated, IFRS)	FY3/19 (Non-consolidated, J-GAAP) *2
Equity/Net Assets		JPY60,657 million	JPY905 million
Assets/Total Assets		JPY186,141 million	JPY1,451 million
Book-value per Share		JPY439.81	JPY4,525,658.71
Revenue/Net Sales		JPY311,311 million	JPY2,775 million
Operating Profit		JPY14,591 million	JPY(30) million
Profit before Tax/ Profit before Income Taxes		JPY12,555 million	JPY(52) million
Profit Attributable to Owners of the Company		JPY7,480 million	JPY(63) million
Basic Earnings per Share		JPY69.42	JPY(318,295.99)

Note: 1) Shareholder ratios are calculated after deducting treasury stock.

The Company holds 490 shares of treasury stock.

2) The fiscal-year end was changed from March 31 to December 31 as of December 20, 2018.

#### 4. Post-merger Conditions

There will be no changes to company name, head office location, representative director, business description, capital stock or fiscal year.

#### 5. Future Outlook

Since this is a merger of a wholly-owned subsidiary, the impact on consolidated results is negligible.

(Reference) Consolidated Financial Forecasts for FY12/19 (announced February 14, 2019) and Consolidated Financial Results for FY12/18 (Unit: JPY million)

	Revenue	Operating Profit	Profit before Tax	Profit	Profit Attributable to Owners of the Company
Financial Forecasts for FY12/19	385,000	19,000	17,500	11,400	10,000
Financial Results for FY12/18	311,311	14,591	12,555	8,302	7,480