



September 1, 2021

To Whom It May Concern

Company Name: OUTSOURCING Inc.
Representative: Haruhiko Doi
Chairman and CEO
(First Section of TSE, Securities Code: 2427)
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Notice Regarding Acquisition of Shares of ISC Inc.

OUTSOURCING Inc. (hereinafter “the Company”) hereby announces that it has acquired all of the issued shares of ISC Inc. (hereinafter “ISC”) on September 1, 2021, whereby making it a subsidiary, as per the details below.

1. Purpose of the acquisition of shares

OUTSOURCING Group (hereinafter “the Group”) has long been promoting the strengthening of its foundations of growth by leveling its business performance. In the law revision and industry restructuring that is accelerating due to COVID-19 pandemic, the Group has led the industry restructuring toward a healthier industry under sustainability management and has focused on projects where synergies can be expected.

ISC is a long-established HR service company with a strong name recognition in the Ibaraki prefecture, and is engaged in dispatching for a wide range of industries, including not only manufacturing but also logistics. The company has a large number of dispatch destinations with little fluctuation in production, and has maintained a solid profit structure by capturing demand accompanying the increase in business expansion along the Ken-O Expressway.

By joining the Group, ISC can benefit from leveraging Group management resources including sales capabilities and nationwide strength in recruiting, and can also expect growth acceleration through raising the level of management aspects. At the same time, the Group will be able to respond flexibly by establishing a HR mobilization based on the Company group collaboration, in addition to strengthening its ability to respond to demand in the Ibaraki area with ISC’s community-centric recruiting, and is expected to achieve maximum synergetic effect. The Group also anticipates 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.

[Translation]

2. Outline of the subsidiary to be transferred

| | | |
|-----|----------------------------------|--|
| (1) | Company name | ISC Inc. |
| (2) | Head office | 1750-9, Kasahara-cho, Mito-shi, Ibaraki |
| (3) | Name and title of representative | Hiromi Kashimura, CEO |
| (4) | Major businesses | Dispatching business, call center business, outsourcing business |
| (5) | Capital stock | JPY40 million |
| (6) | Established | February 2016 |

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 rights owned | 0% |
| (2) | Number of shares to be acquired | Number of shares | 800 |
| (3) | Number of shares owned after acquisition | Number of shares | 800 |
| | | Number of voting rights | 800 |
| | | Ratio of voting rights owned | 100% |

4. Future outlook

After the share acquisition, ISC is scheduled to become a consolidated subsidiary in 3Q FY12/21. The impact of the acquisition on the Company's current fiscal year's consolidated financial results 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.

(Reference) Consolidated financial forecasts for FY12/21 (announced on February 15, 2021) and consolidated financial results for FY12/20

(Unit: millions of JPY)

| | Revenue | Operating profit | Profit before tax | Profit for the year | Profit attributable to owners of the company |
|-------------------|---------|------------------|-------------------|---------------------|--|
| FY12/21 forecasts | 528,000 | 25,100 | 21,400 | 14,200 | 12,800 |
| FY12/20 results | 366,711 | 14,337 | 9,143 | 4,088 | 3,324 |