



October 8, 2021

To Whom It May Concern

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Notice Regarding Acquisition of Shares of Two ARK Group Companies

OUTSOURCING Inc. (hereinafter “the Company”) hereby announces that it has acquired all of the issued shares of two companies, ARK Security System Corporation and ARK MIRAI ZU CORPORATION (hereinafter “two ARK Group companies”) on October 8, 2021, whereby making them subsidiaries, as per the details below.

1. Purpose of the acquisition of shares

For some time, OUTSOURCING Group (hereinafter “the Group”) has sought to level its business performance and strengthen its foundation of growth by expanding its business in markets that have different business cycles from the highly volatile Manufacturing Outsourcing Business and fields that are less susceptible to economic fluctuations. In the midst of industry restructuring that is accelerating due to law revision and the 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. The security contracting / security business is expected to expand steadily as an essential worker area, and is also positioned as a business in which the Group can expect to prolong its employment by securing job opportunities for people aged 50 and over.

The two ARK Group companies are engaged in traffic guidance security contracting business and crowd control contracting business, mainly in Tokyo, Kanagawa, Chiba, and Saitama prefectures. With solid sales networks, management know-how, and educational know-how backed by their long track record, the two ARK Group companies continue to take on new challenges by incorporating cutting-edge technologies such as drones into their security business, and are highly trusted by their business partners, mainly construction companies, resulting in stable revenue bases.

By joining the Group, the two ARK Group companies can expect to further expand business scale by leveraging the Group’s management resources, including recruitment and sales capabilities. At the same time, the Group believes that building up achievements through synergies with the two ARK Group companies will contribute not only to the further development of the domestic security contracting business, but also to leveling of business performance through sector diversification by expanding the scope of the Service Operations Outsourcing Business. Going forward, the Group will continue to accelerate both Group business stabilization and business expansion by providing effective services for higher demands.

[Translation]

2. Outline of the subsidiaries to be transferred

(1) ARK Security System Corporation

(1)	Company name	ARK Security System Corporation
(2)	Head office	2-13-6, Hatagaya, Shibuya-ku, Tokyo
(3)	Name and title of representative	Yasuo Shimazaki, chairman and CEO
(4)	Major businesses	Traffic guidance security contracting business, crowd control contracting business
(5)	Share capital	JPY15 million
(6)	Established	September 1988

(2) ARK MIRAIZU CORPORATION

(1)	Company name	ARK MIRAIZU CORPORATION
(2)	Head office	1-14, Kandasakumacho, Chiyoda-ku, Tokyo
(3)	Name and title of representative	Shoji Kadowaki, CEO
(4)	Major businesses	Traffic guidance security contracting business, crowd control contracting business
(5)	Share capital	JPY10 million
(6)	Established	June 2000

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

	ARK Security System Corporation		ARK MIRAIZU CORPORATION	
(1)	Number of shares owned before acquisition	Number of shares 0 Number of voting rights 0 Ratio of voting right owned 0%	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 300	Number of shares 200	
	(3) Number of shares owned after acquisition	Number of shares 300 Number of voting rights 300 Ratio of voting right owned 100%	Number of shares 200 Number of voting rights 200 Ratio of voting right owned 100%	

4. Future outlook

As a result of the acquisition, the two ARK Group companies are scheduled to become consolidated subsidiaries in 4Q FY12/21. The impact of this matter on consolidated financial results for FY12/21 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.

[Translation]

(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