



November 15, 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 Submission of Application for Approval to Extend the Deadline for Filing the Quarterly Securities Report for the Three Months Ended September 30, 2021**

We hereby announce that, in accordance with the provisions of Article 17-15-2, Paragraph 1 of the Cabinet Office Order on Disclosure of Corporate Affairs, we have decided today to submit an application to the Kanto Local Finance Bureau for approval to extend the deadline for filing the quarterly securities report as described below.

#### *Particulars*

1. Relevant quarterly securities report

Quarterly securities report for the third quarter of the fiscal year ending December 31, 2021 (July 1, 2021, to September 30, 2021)

2. Original deadline before extension

Monday, November 15, 2021

3. Deadline if extension is approved

Tuesday, December 28, 2021

4. Reason for the need to extend the filing deadline

As we have announced in the “Notice Regarding Suspicions of Inappropriate Accounting at Our Consolidated Subsidiaries and Postponement of Announcement of Financial Results for the Third Quarter of the Fiscal Year Ending December 2021” on November 5, 2021, since we have discovered suspicions of inappropriate accounting during the preparing process for the public listing of our consolidated subsidiary, OUTSOURCING TECHNOLOGY, Inc (hereinafter, “OUTSOURCING TECHNOLOGY”), concerning its subsidiary enable Inc. (hereinafter, “Enable”), we have set up an investigation committee and are currently conducting an investigation. Although we have not yet received a report from the investigation committee, at this point, our current understanding is that there are suspicions at Enable including the overstatement of work in process, which may cause an impact of several hundred million yen on our consolidated financial statements for the third quarter. As a consolidated subsidiary of the Domestic Engineering Outsourcing Business, Enable conducts engine bench tests and prototype parts manufacturing for transportation equipment. The overstatement of work in process specifically refers to the work in process that remained in the accounts since, upon recording revenue, a part of the work in process that should have been transferred to cost as costs corresponding to this revenue did not become transferred.

As part of the investigation, we are also conducting an investigation of the past year(s) concerning the above-mentioned overstatement, together with suspicions found at consolidated subsidiaries of the Domestic Engineering Outsourcing Business other than Enable including the overstatement of revenue and understatement of expenses.

We have expanded the scope of investigation to include OUTSOURCING Inc. for a deeper investigation, and we are currently still in the process of investigating this issue. Therefore, we have judged that it would be difficult to file the quarterly securities report for the third quarter of this fiscal year by the filing deadline stipulated by the law. Consequently, we have decided to submit an application for approval to extend the filing deadline.

#### 5. Outlook

If the application to extend the filing deadline is approved, we will promptly disclose the information. Regarding the public listing of OUTSOURCING TECHNOLOGY which had been planned, we have decided to temporarily withdraw the application for this public listing.

#### 6. Impact on financial results

Concerning the amount of impact to be caused by the inappropriate accounting, as described in “4. Reason for the need to extend the filing deadline,” we expect it to be in the order of several hundred million yen. If any event occurs in the future that requires disclosure, we will promptly announce the information.

However, please note that these estimates have been made by us as of the date of this notice, and the amount of impact caused by the inappropriate accounting on our consolidated financial results for this fiscal year may become larger depending on the results of the investigation.

We sincerely apologize to our shareholders, investors, and other stakeholders for the inconvenience and concern that this may cause.