



February 14, 2023

To Whom It May Concern

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Notice Regarding Partial Amendments to the Articles of Incorporation

OUTSOURCING Inc. (hereinafter, “the Company”) hereby announces that, at its Board of Directors meeting held today, it resolved to submit a proposal related to the Partial Amendments to the Articles of Incorporation as a matter to be resolved at the 26th Ordinary General Meeting of Shareholders to be held on March 28, 2023. The details are as follows.

Particulars

1. Reasons for the Proposal

In order to further strengthen the Company’s corporate governance, we have decided to transition to a company with a Nominating Committee, etc., which has three committees (Nominating, Compensation and Audit), the majority of which are composed of external directors, and which enables significant delegation of authority from the Board of Directors to executive officers, in order to further clarify the separation of management supervisory and execution functions and to strengthen management supervisory functions while ensuring prompt and decisive decision making. Accordingly, the Company proposes to make amendments to the Articles of Incorporation, such as adding provisions concerning each committee and executive officers and deleting provisions concerning Audit and Supervisory Committee Members and the Audit and Supervisory Committee.

For the Proposed Amendments, the Company has obtained the consent of each Audit and Supervisory Committee Member regarding the new establishment of the provision (Article 32 of the Proposed Amendments) stating that the Company may exempt executive officers from liabilities up to the maximum amount stipulated by laws and regulations.

In addition, the amendments to the Articles of Incorporation in this proposal shall take effect at the end of the 26th Ordinary General Meeting of Shareholders.

2. Details of the Proposed Amendments

Details of the proposed amendments are shown on the attachment.

3. Schedule

Date of the General Meeting of Shareholders to amend the Articles of Incorporation: March 28, 2023 (scheduled)

Effective date of the amendments to the Articles of Incorporation: March 28, 2023 (scheduled)

[Translation]

[Attachment]

Details of the Proposed Amendments to the Articles of Incorporation

(Amendments are underlined)

Current Articles of Incorporation	Proposed Amendments
Chapter 1 General Provisions	Chapter 1 General Provisions
Article 1 – Article 3 (Omitted)	Article 1 – Article 3 (Unchanged)
(Newly established)	<u>(Institution)</u>
	<u>Article 4 This company shall, as a company with a Nominating Committee, etc., have general meetings of shareholders and directors, as well as a board of directors, Nominating Committee, Audit Committee, Compensation Committee, executive officers, and an accounting auditor.</u>
Article 4 (Omitted)	Article 5 (Unchanged)
Chapter 2 Shares	Chapter 2 Shares
Article 5 – Article 8 (Omitted)	Article 6 – Article 9 (Unchanged)
(Shareholder registry administrator)	(Shareholder registry administrator)
Article 9 This company shall employ a shareholder registry administrator(s).	Article 10 This company shall employ a shareholder registry administrator(s).
2. Each shareholder registry administrator and the office thereof shall be determined based on a resolution of the board of directors, and announced.	2. Each shareholder registry administrator and the office thereof shall be determined based on a resolution of the board of directors <u>or by an executive officer who is delegated by a resolution of the board of directors</u> , and announced.
(Regulations for handling shares)	(Regulations for handling shares)
Article 10 The procedures and commission fees, etc. for the inclusion or recording in the registries of shareholders and share acquisition rights, and exercising the rights of shareholders, etc. follow laws, these articles of incorporation, and the regulations for handling shares specified by <u>the board of directors</u> .	Article 11 The procedures and commission fees, etc. for the inclusion or recording in the registries of shareholders and share acquisition rights, and exercising the rights of shareholders, etc. follow laws, these articles of incorporation, and the regulations for handling shares specified by <u>the board of directors or by an executive officer who is delegated by a resolution of the board of directors</u> .
Chapter 3 General Meetings of Shareholders	Chapter 3 General Meetings of Shareholders
Article 11 – Article 12 (Omitted)	Article 12 – Article 13 (Unchanged)

Current Articles of Incorporation	Proposed Amendments
<p>(Convener and chairperson)</p> <p>Article <u>13</u> Each general meeting of shareholders shall be <u>convened and chaired by the director and president based on a resolution of the board of directors</u>, unless otherwise specified by law.</p> <p>2. <u>If an accident happens to the director and president, another director shall convene and chair a general meeting of shareholders, in accordance with the order of priority predetermined by the board of directors.</u></p>	<p>(Convener and chairperson)</p> <p>Article <u>14</u> Each general meeting of shareholders shall be <u>convened by a director predetermined by the board of directors</u>, unless otherwise specified by law. <u>If an accident happens to the said director, another director shall convene a general meeting of shareholders, in accordance with the order of priority predetermined by the board of directors.</u></p> <p>2. <u>Each general meeting of shareholders shall be chaired by the director or executive officer predetermined by the board of directors. If an accident happens to the said director or executive officer, another director or executive officer shall chair a general meeting of shareholders, in accordance with the order of priority predetermined by the board of directors.</u></p>
<p>Article <u>14</u> – Article <u>17</u> (Omitted)</p>	<p>Article <u>15</u> – Article <u>18</u> (Unchanged)</p>
<p>Chapter 4 Directors and the Board of Directors</p>	<p>Chapter 4 Directors and the Board of Directors</p>
<p>(Establishment of a board of directors)</p> <p>Article <u>18</u> This company shall have a board of directors.</p>	<p>(Deleted)</p>
<p>(Number of directors)</p> <p>Article <u>19</u> This company shall have not more than fifteen (15) directors (<u>other than directors who are Audit and Supervisory Committee Members</u>).</p> <p>2. <u>This company shall have not more than five (5) directors who are Audit and Supervisory Committee Members.</u></p>	<p>(Number of directors)</p> <p>Article <u>19</u> This company shall have not more than fifteen (15) directors.</p> <p>(Deleted)</p>
<p>(Method for selecting directors)</p> <p>Article <u>20</u> Directors <u>who are not Audit and Supervisory Committee Members and directors who are Audit and Supervisory Committee Members</u> shall be selected by <u>separate resolutions</u> at a general meeting of shareholders.</p> <p>2. A resolution for selecting a director shall be made by a majority of the voting rights of attending shareholders, when said meeting is attended by shareholders who hold over one third of all voting rights.</p> <p>3. Cumulative voting shall not be adopted for a resolution for selecting a director.</p>	<p>(Method for selecting directors)</p> <p>Article <u>20</u> Directors shall be selected <u>through a resolution</u> at a general meeting of shareholders.</p> <p>2. A resolution for selecting a director shall be made by a majority of the voting rights of attending shareholders, when said meeting is attended by shareholders who hold over one third of all voting rights.</p> <p>3. Cumulative voting shall not be adopted for a resolution for selecting a director.</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Term of directors)</p> <p>Article 21 The term of directors <u>(other than directors who are Audit and Supervisory Committee Members)</u> shall terminate at the end of the ordinary general meeting of shareholders for the last fiscal year that ends within one (1) year after the appointments of the said directors.</p> <p style="text-align: center;">(Newly established)</p> <p><u>2. The term of directors who are Audit and Supervisory Committee Members shall terminate at the end of the ordinary general meeting of shareholders for the last fiscal year that ends within two (2) years after the appointment of the said directors.</u></p> <p><u>3. The term of directors who are Audit and Supervisory Committee Members and who have been selected to fill vacancies shall terminate when the term of the retired directors who are Audit and Supervisory Committee Members expires.</u></p> <p>(Representative director and executive directors)</p> <p>Article 22 This company shall select representative directors from among the directors <u>(other than directors who are Audit and Supervisory Committee Members) by a resolution of the board of directors.</u></p> <p><u>2. This company may, by a resolution of the board of directors, select one director and chairperson, one director and president, one or more directors and vice presidents, senior managing directors, and managing directors from among the directors (other than directors who are Audit and Supervisory Committee Members).</u></p> <p>(Convener and chairperson of a meeting of the board of directors)</p> <p>Article 23 Each meeting of the board of directors shall be convened and chaired by <u>the director and president</u>, unless otherwise specified by law.</p> <p>2. If an accident happens to <u>the director and president</u>, another director shall convene and chair the meeting of the board of directors in the order of priority predetermined by the board of directors.</p>	<p>(Term of directors)</p> <p>Article 21 The term of directors shall terminate at the end of the ordinary general meeting of shareholders for the last fiscal year that ends within one (1) year after the appointments of the said directors.</p> <p><u>2. The term of directors who are elected to increase the number of directors or fill a vacancy shall expire when the term of existing directors expires.</u></p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p> <p>(Convener and chairperson of a meeting of the board of directors)</p> <p>Article 22 Each meeting of the board of directors shall be convened and chaired by <u>a director predetermined by the board of directors</u>, unless otherwise specified by law.</p> <p>2. If an accident happens to <u>the director determined in the previous clause</u>, another director shall convene and chair the meeting of the board of directors in the order of priority predetermined by the board of directors.</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Procedures for convening a meeting of the board of directors)</u> Article <u>24</u> (Omitted)</p>	<p><u>(Notice of convening a meeting of the board of directors)</u> Article <u>23</u> (Unchanged)</p>
<p><u>(Delegation of decisions on execution of important operations to directors)</u> Article <u>25</u> Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, this company may delegate to directors all or part of decisions on execution of important operations, other than matters provided in the items of Article 399-13, Paragraph 5 of the Companies Act, by a resolution of the board of directors.</p>	<p>(Deleted)</p>
<p>Article <u>26</u> – Article <u>27</u> (Omitted)</p>	<p>Article <u>24</u> – Article <u>25</u> (Unchanged)</p>
<p><u>(Remunerations, etc. of directors)</u> Article <u>28</u> Remuneration and other benefits received from this company by directors who are not Audit and Supervisory Committee Members and directors who are Audit and Supervisory Committee Members for the performance of the said directors (hereinafter referred to as “remuneration, etc.”) shall be determined by separate resolutions at a general meeting of shareholders.</p>	<p>(Deleted)</p>
<p>Article <u>29</u> (Omitted)</p>	<p>Article <u>26</u> (Unchanged)</p>
<p><u>Chapter 5 Audit and Supervisory Committee</u></p>	<p>(Deleted)</p>
<p><u>(Establishment of an Audit and Supervisory Committee)</u> Article <u>30</u> This company shall have an Audit and Supervisory Committee.</p>	<p>(Deleted)</p>
<p><u>(Procedures for convening a meeting of the Audit and Supervisory Committee)</u> Article <u>31</u> The convocation notices for a meeting of the Audit and Supervisory Committee shall be sent to all members of the committee at least three (3) days prior to the date set for the said meeting. In the case of emergency, the said notices may be sent less than three (3) days prior to the date set for the said meeting. 2. If there is a consensus among all Audit and Supervisory Committee members, a meeting of the committee may be held without completing the convocation procedures.</p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Full-time Audit and Supervisory Committee members)</u> <u>Article 32 The Audit and Supervisory Committee may select full-time Audit and Supervisory Committee members by a resolution.</u></p>	<p>(Deleted)</p>
<p><u>(Regulations for the Audit and Supervisory Committee)</u> <u>Article 33 The items regarding the Audit and Supervisory Committee shall be governed by law, these articles of incorporation, and the regulations for the Audit and Supervisory Committee provided by the Audit and Supervisory Committee.</u></p>	<p>(Deleted)</p>
<p>(Newly established)</p>	<p><u>Chapter 5 Nominating Committee, Audit Committee and Compensation Committee)</u></p>
<p>(Newly established)</p>	<p><u>(Method for selecting members of each committee)</u> <u>Article 27 This company shall select members of the Nominating Committee, Audit Committee and Compensation Committee from among the directors by a resolution of the board of directors.</u></p>
<p>(Newly established)</p>	<p><u>(Regulations for each committee)</u> <u>Article 28 The authority and other items regarding each committee shall be governed by law, these articles of incorporation, and the regulations for each committee specified by the board of directors.</u></p>
<p>(Newly established)</p>	<p><u>Chapter 6 Executive Officers</u></p>
<p>(Newly established)</p>	<p><u>(Selection of executive officers)</u> <u>Article 29 Executive officers shall be selected by a resolution of the board of directors.</u></p>
<p>(Newly established)</p>	<p><u>(Term of executive officers)</u> <u>Article 30 The term of executive officers shall terminate at the end of the first meeting of the board of directors convened after the end of the ordinary general meeting of shareholders for the last fiscal year that ends within one (1) year after the appointments of the said executive officers.</u> <u>2. The term of executive officers who are elected to increase the number of executive officers or fill a vacancy shall expire when the term of existing executive officers expires.</u></p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<u>(Representative executive officer and executive officers with special titles)</u> <u>Article 31 This company shall select representative executive officer from among the executive officers by a resolution of the board of directors.</u> <u>2. The board of directors may, by the resolution, select one chairman and executive officer, one president and CEO, and one or more executive vice president, senior managing executive officer, and managing executive officer.</u>
(Newly established)	<u>(Exemption from liabilities for executive officers)</u> <u>Article 32 With regard to the liabilities of executive officers (including former executive officers) mentioned in Article 423, Paragraph 1 of the Companies Act, if the requirements provided by law are fulfilled, this company may exempt the said executive officers from the liabilities for up to the amount obtained by subtracting the minimum liability amount provided by law from the total liability amount, by a resolution of the board of directors.</u>
<p style="text-align: center;">Chapter 6 Accounting Auditors</p> <p><u>(Employment of an accounting auditor)</u> <u>Article 34 This company shall employ an accounting auditor.</u></p> <p>Article 35 – Article 37 (Omitted)</p> <p>(Remunerations, etc. of accounting auditors) Article 38 Remuneration, etc. of each accounting auditor shall be determined by a <u>representative director</u> after obtaining consent of the <u>Audit and Supervisory Committee</u>.</p> <p>Article 39 (Omitted)</p>	<p style="text-align: center;">Chapter 7 Accounting Auditors</p> <p style="text-align: center;">(Deleted)</p> <p>Article 33 – Article 35 (Unchanged)</p> <p>(Remunerations, etc. of accounting auditors) Article 36 Remuneration, etc. of each accounting auditor shall be determined by a <u>representative executive officer</u> after obtaining consent of the <u>Audit Committee</u>.</p> <p>Article 37 (Unchanged)</p>
<p style="text-align: center;">Chapter 7 Calculation</p> <p>Article 40 – Article 42 (Omitted)</p> <p style="text-align: center;">Supplementary Provision (Omitted)</p>	<p style="text-align: center;">Chapter 8 Calculation</p> <p>Article 38 – Article 40 (Unchanged)</p> <p style="text-align: center;">Supplementary Provision (Unchanged)</p>

Note: Some underlining does not coincide with the Japanese version because of translation adjustments.