



August 1, 2023

To Whom It May Concern

Company Name: OUTSOURCING Inc.  
Representative: Haruhiko Doi  
Representative Executive  
Officer, Chairman and CEO  
(Prime Market of TSE, Securities Code 2427)  
Contact: Masashi Umehara  
Executive Officer in  
charge of Corporate  
Management Division  
Phone: +81-3-3286-4888(Main)

### **Notice of Establishment of an External Investigation Committee**

OUTSOURCING Inc. (hereinafter, “the Company”) hereby announces that, at OUTSOURCING TECHNOLOGY Inc. (hereinafter, “OST”), a consolidated subsidiary of the Company, it has been confirmed that part of the application procedure for payment of employment adjustment subsidies had not been properly carried out, and part of the transaction process with recruitment media companies, etc. was found questionable (hereinafter, “the Incident”). In response, at today's Board of Directors meeting, the Company announced that it has resolved to establish an external investigation committee composed of independent outside experts for the purpose of investigating the facts, etc.

#### **Note**

#### **1. Background on the Establishment of the External Investigation Committee**

In June 2023, regarding OST, the Company received an internal report that there was a suspicion that part of the application procedure for payment of employment adjustment subsidies had not been properly carried out, and part of the transaction process with recruitment media companies, etc. was found questionable. Therefore, after conducting an initial survey, the Company found that some payment application procedures were not properly processed for the first Incident, so the results were reported to the Tokyo Labor Bureau.

Specifically, regarding the applications for the payment of employment adjustment subsidies, it is necessary to submit reports and surveys signed by the participants on each training day. However, to date, it has been confirmed that the person in charge of the application had prepared some of the documents on behalf of the applicants, for the employment adjustment subsidies for the period from February to June 2020, because the collection of the required documents was unsuccessful.

In addition, regarding the second Incident, transactions with recruitment media companies, etc., there are currently confirmed cases where the internal approval process was not properly carried out, such as contracts for receiving and placing orders not being prepared at the beginning of the transaction. Although no improper expenditures have been confirmed at this time, the Company has determined that it must treat the report seriously and continue to investigate the matter.

In response, in order to conduct a more transparent investigation of this incident, at today's Board of Directors meeting, the Company has established an external investigation committee with outside experts, to investigate the facts.

#### **2. Purpose of Establishing an External Investigation Committee**

- (1) Investigation of the facts concerning the incident
- (2) Investigation of the existence or non-existence of incidents similar to this case and investigation of facts
- (3) Confirmation of the amount of impact on business performance due to (1) and (2) above
- (4) Investigation of the causes of (1) and (2) above and recommendations on how to prevent recurrence
- (5) Others matters deemed necessary by the external investigation committee

#### **3. Composition of the External Investigation Committee**

In order to ensure the effectiveness and transparency of the investigation, the external investigation committee shall consist of outside experts who have no interest in the group, as described below, and the group will cooperate fully in the investigation.

[Translation]

Chairperson	Kaku Hirao (Attorney / Nishimura & Asahi Law Office)
Committee Member	Ayumi Uzawa (CPA / Uzawa CPA Office)
Committee Member	Misaki Takako (Attorney / Nishimura & Asahi Law Office)

4. Impact on Business Performance

Disclosure will be made as soon as appropriate and reasonable estimates can be made, based on the decisions of the Labor Bureau and future investigation by the external investigation committee. Furthermore, the period during which OUTSOURCING TECHNOLOGY Inc. received employment adjustment subsidies was from February 2020 to March 2022.

5. Future Response

Results of the investigation by the external investigation committee, as well as the facts that have become apparent will be promptly disclosed as soon as the investigation report is received.

Furthermore, if it takes a certain amount of time to closely examine the impact of this matter on the Company's account settlement, the announcement of financial results for the second quarter of the fiscal year ending December 2023, scheduled on August 14, 2023, may be delayed. The Company will make an announcement as soon as the future policy has been decided.