



August 31, 2018

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 PROJECT MANAGEMENT PARTNERS PTY LIMITED, Australia**

OUTSOURCING Inc. (hereinafter the "Company") hereby announces that the Board of Directors, at its meeting held on August 31, 2018, passed a resolution for the Company's subsidiary OUTSOURCING OCEANIA HOLDINGS PTY LIMITED (hereinafter "OUTSOURCING OCEANIA HOLDINGS") to acquire the shares of PROJECT MANAGEMENT PARTNERS PTY LIMITED (hereinafter "PROJECT MANAGEMENT PARTNERS") and one of its subsidiaries.

Particulars

1. Purpose of the acquisition of shares

Under the ongoing medium-term business plan "VISION 2020: Tackling New Frontiers," the OUTSOURCING Group (hereinafter the "OS Group") has been promoting to build a tenacious group structure by leveling profits with extending into areas whose business cycles are different from those of volatile manufacturing outsourcing businesses, and with expanding public services outsourcing businesses both in Japan and overseas which are less susceptible to economic fluctuations and other factors.

While In Japan demand for dispatching services has been strong due to the working-style reforms to reduce overtime work and overall solid domestic demand supported by improved environment for employment and income, the staffing market has been confronting a dilemma in which further rapid revenue growth becomes difficult due to tighter demand/supply situation for hiring engineers resulting from consistent shortage in manpower. The OS Group, therefore, has taken advantage of its skill development programs for engineers at "KEN School," an educational institute of the Group, and has achieved the largest hiring in the engineer dispatch industry, and persistently better business performance.

In overseas markets, both central and local governments particularly in developed economies proactively outsource public service operations to private sectors, and the market size is assumed as much as trillions of yen. Given the stable nature of public services businesses which are less susceptible to economic fluctuations, the OS Group has penetrated into regions such as Europe and Australia using dynamic M&A strategy and rapidly expanded its businesses since fiscal 2015. Its overseas revenue is now reaching the level of that in Japan.

PROJECT MANAGEMENT PARTNERS, founded in 1995, is a management consulting service provider based in Sydney, Australia. It offers contracting, advisory and training school operation businesses in the

ICT field in Australia with particular expertise in the project management office (PMO) field and is highly evaluated as a leading independent player in Australian government and financial sectors; both of the sectors are deemed to have high entry barriers. The business model of training schools run by PROJECT MANAGEMENT PARTNERS is similar to that of KEN School of the OS Group, while the schools can offer advanced education. The schools specialize in the project management methodology of agile as well as business analysis, which have been utilized mainly by medium-level ICT engineers to enhance their skills.

Through this acquisition, the OS Group aims to enter into both consultancy and advisory service provider markets in Australia. On top of it synergy effects including mutual business development and client introduction with IT-related HR outsourcing services run by the Group's subsidiaries in the Oceanian region, effective use of personnel, and enhancement of recruiting power by stronger branding can be expected. Also, the OS Group will initiate feasibility studies on its potential knowledge sharing and business development collaboration with KEN School.

The OS Group will continue to enhance competitiveness by incorporating new and high-value added businesses, globally drive interactive business development within the Group, and maximize the Group's synergy effects.

2. Outline of an acquiring subsidiary (OUTSOURCING OCEANIA HOLDINGS)

| | | |
|-----|----------------------------------|--|
| (1) | Company name | OUTSOURCING OCEANIA HOLDINGS PTY LIMITED |
| (2) | Head office | Level 35 360 Collins Street Melbourne VIC 3000 AUSTRALIA |
| (3) | Name and title of representative | Masaki Motegi, Director |
| (4) | Major business | Holding company |
| (5) | Shared capital | AUD 100 (JPY 8,165) |
| (6) | Established | August 23, 2018 |
| (7) | Major shareholders, % owned | OUTSOURCING Inc. 100% |

Note: Conversion rate is AUD 1 = JPY 81.65 (as of August 29, 2018). The same shall apply hereinafter.

3. Outline of a transferring sub-subsidiary (PROJECT MANAGEMENT PARTNERS)

of: Outline of a transaction as subsidiary (PROJECT MANAGEMENT PARTNERS)

| | | | |
|-----|--|--|------|
| (1) | Company name | PROJECT MANAGEMENT PARTNERS PTY LIMITED | |
| (2) | Head office | Level2 228 Pitt Street SYDNEY NSW 2000 AUSTRALIA | |
| (3) | Name and title of representative | Nicolas Andrew Samuelson, Director Peter Swan, Director Stephen James Hewitson, Director | |
| (4) | Major business | Business improvement consulting, Enterprise training services | |
| (5) | Shared capital | AUD 3 (JPY 244) | |
| (6) | Established | September 3, 1998 | |
| (7) | Major shareholders, % owned | Stephen James Hewitson 33.33% INIT INVESTMENTS PTY. LIMITED 33.33% Peter Swan 33.33% | |
| (8) | Relationship between the Company and PROJECT MANAGEMENT PARTNERS | Capital relationship | None |
| | | Personal relationship | None |
| | | Business | None |

| | | | | | | |
|---|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|
| | relationship | | | | | |
| (9) Consolidated financial results and financial status for the past three fiscal years (unaudited) | | | | | | |
| Fiscal year | June 2016 | | June 2017 | | June 2018 | |
| | (thousands of AUD) | (millions of JPY) | (thousands of AUD) | (millions of JPY) | (thousands of AUD) | (millions of JPY) |
| Net assets | 7,008 | 572 | 8,887 | 725 | 6,176 | 504 |
| Total assets | 16,035 | 1,309 | 21,386 | 1,746 | 18,901 | 1,543 |
| Net assets per share | 2,336 | 190 | 2,962 | 241 | 2,058 | 168 |
| Net sales | 63,103 | 5,152 | 78,903 | 6,442 | 86,256 | 7,042 |
| Profit before income taxes | 5,321 | 434 | 5,706 | 465 | 6,599 | 538 |
| Profit for the year | 3,704 | 302 | 4,001 | 326 | 4,576 | 373 |
| Profit attributable to owners of parent | 3,704 | 302 | 4,001 | 326 | 4,576 | 373 |
| Profit per share | 1,234 | 100 | 1,333 | 108 | 1,525 | 124 |
| Dividends per share | 450 | 36 | 687 | 56 | 2,423 | 197 |

* Operating profit is not available in the above company's consolidated financial statements.

4. Outline of sellers of the shares

| | |
|--|------------------------|
| (1) Name | Stephen James Hewitson |
| (2) Address | NEWPORT, NSW AUSTRALIA |
| (3) Relationship between the Company and concerned individuals | None |

| | |
|--|------------------------|
| (1) Name | Peter Swan |
| (2) Address | BALMAIN, NSW AUSTRALIA |
| (3) Relationship between the Company and concerned individuals | None |

| | | |
|---|--|------|
| (1) Company name | INIT INVESTMENTS PTY. LIMITED | |
| (2) Head office | Level1,35 Outram Street WEST PERTH WA 6005 AUSTRALIA | |
| (3) Name and title of representative | Nicolas Andrew Samuelson, Director | |
| (4) Major business | Investment operations | |
| (5) Shared capital | Information not yet available | |
| (6) Established | May 10, 2000 | |
| (7) Net assets | Information not yet available | |
| (8) Total assets | Information not yet available | |
| (9) Major shareholders, % owned | Nicolas Andrew Samuelson 100% | |
| (10) Relationship between the Company and INIT INVESTMENTS PTY. LIMITED | Capital relationship | None |
| | Personal relationship | None |
| | Business | None |

| | | |
|--|----------------------------|------|
| | relationship | |
| | Related party relationship | None |

5. Number of shares to be acquired, acquisition price 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 right owned | 0% |
| (2) | Number of shares to be acquired | Number of shares | 3 |
| | | Number of voting rights | 3 |
| | | Ratio of voting right owned | 100% |
| (3) | Acquisition price | Acquisition price (estimated amount) | JPY 3,318 million |
| | | Advisory fee and others (estimated amount) | JPY 49 million |
| | | TOTAL (estimated amount) | JPY 3,367 million |
| (4) | Number of shares owned after acquisition | Number of shares | 3 |
| | | Ratio of voting right owned | 100% |

6. Schedule

| | | |
|-----|---------------------------------------|-------------------------------|
| (1) | Date of board of directors resolution | August 31, 2018 |
| (2) | Date of agreement | August 31, 2018 |
| (3) | Date of share transfer | September 3, 2018 (scheduled) |

7. Future outlook

The impact of this matter on consolidated financial results for this fiscal year is under study. If any matters to be disclosed develop, the Company will promptly make proper announcements.

(Reference) Consolidated financial forecasts for FY12/2018 (announced on February 14, 2018) and consolidated financial results for FY12/2017

(Unit: millions of JPY)

| | Revenue | Operating profit | Profit before tax | Profit for the year | Profit attributable to owners of the Company |
|---------------------|---------|------------------|-------------------|---------------------|--|
| FY12/2018 Forecasts | 290,000 | 13,800 | 12,800 | 8,600 | 6,900 |
| FY12/2017 Results | 230,172 | 11,360 | 10,395 | 6,929 | 6,180 |