

September 6, 2018

To All concerned Parties

Company Name: OUTSOURCING Inc.  
Representative: Haruhiko Doi  
Chairman and CEO  
(Code number: 2427, TSE First Section)  
Contact: Executive Vice President and Executive General  
Manager in charge of Business Management  
Division  
Kazuhiko Suzuki  
Tel: 81-3-3286-4888 (Switchboard)

Announcement Regarding Issuance of New Shares and Secondary Offering of Shares

OUTSOURCING Inc. (the “Company”) hereby announces that, on September 6, 2018, its board of directors resolved to issue new shares and make a secondary offering of shares as set forth below.

Use of Proceeds

The Company intends to apply the net proceeds from the offerings by December, 2019 as follows:

- up to approximately ¥40 billion to repay borrowings from financial institutions which we incurred primarily for financing acquisitions including those of Orizon Holding GmbH, OTTO Holding B.V., ALLEN LANE TOPCO LIMITED and PROJECT MANAGEMENT PARTNERS PTY LIMITED; and
- any remaining amount for working capital.

1. Issuance of New Shares by way of Offering

(1) Class and Number of Shares to be Offered	22,415,000 shares of common stock of the Company in a Japanese public offering and an international offering (each as described below).
(2) Method of Determination of Amount to be Paid In	The amount to be paid in will be determined on a day in the period from September 26, 2018 (Wed) to September 28, 2018 (Fri) in accordance with the method set forth in Article 25 of the Rules Concerning Underwriting, Etc. of Securities promulgated by the Japan Securities Dealers Association (the “JSDA”).
(3) Method of Offering	(i) Japanese Public Offering A public offering of 3,900,000 shares of common stock of the Company will be made in Japan (the “Japanese Public Offering”), and several Japanese underwriters (collectively, the “Japanese Underwriters”) shall underwrite all of the shares offered in the Japanese Public Offering.

Note: This press release does not constitute an offer of any securities for sale. This press release has been prepared for the sole purpose of publicly announcing that OUTSOURCING Inc. has resolved matters relating to the issuance of its new shares and secondary offering of shares, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan. The potential investors should refer to a securities registration prospectus for the issuance of new shares and secondary offering of shares and any amendments thereto that OUTSOURCING Inc. will prepare before deciding to invest by themselves. This press release is not an offer of common stocks of OUTSOURCING Inc. for sale in the United States. The securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933 (the “Securities Act”). If any public offering of securities is made in the United States, it will be by means of a prospectus which will be prepared pursuant to the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

	<p>(ii) International Offering</p> <p>An offering of 16,100,000 shares of common stock of the Company will be made outside Japan, mainly in Europe and Asia (and excluding the United States) (the “International Offering”), and an international underwriter (the “Underwriter”) will underwrite all of the shares in the International Offering. The Company shall grant the Underwriter an option to additionally purchase 2,415,000 newly issued shares of common stock of the Company.</p> <p>The number of shares to be offered in (i) and (ii) above, is subject to change and will be determined by taking into account market demand and other conditions. The issue price (the offer price) with regard to each offering of (i) and (ii) above will be determined on the pricing date of the offerings in accordance with the method set forth in Article 25 of the Rules Concerning Underwriting, Etc. of Securities promulgated by the JSDA, based on the preliminary pricing terms calculated by multiplying the closing price in regular trading of the shares of common stock of the Company on the Tokyo Stock Exchange, Inc. on the pricing date (or, if no closing price is quoted, the closing price of the immediately preceding date) by a number between 0.90 and 1.00 (with any fraction less than one yen being rounded down), taking into account market demand and other conditions. The Japanese Offering and the International Offering will be made simultaneously.</p>
(4) Compensation for the Underwriter and the Japanese Underwriters	The Company will not pay any underwriting fees to the Underwriter and the Japanese Underwriters. The aggregate amount of the difference between (a) the issue price (the offer price) in the Japanese Public Offering and the International Offering and (b) the amount to be paid to the Company by the underwriters shall be retained by the underwriters.
(5) Payment Date	The payment date is expected to be a day in the period from October 3, 2018 (Wed) to October 5, 2018 (Fri); provided, however, that such day is the fifth business day following the pricing date.
(6) The amount to be paid in, the amount of capital stock and legal capital surplus to be increased, the issue price (the offer price), and any other matters necessary for this issuance of new shares by way of offering will be determined at the discretion of the Executive Vice President.	
(7) The Japanese Public Offering is subject to the effectiveness of a securities registration statement filed under the Financial Instruments and Exchange Act (the “FIEA”).	

2. Secondary Offering of Shares (Secondary Offering by way of Purchase and Subscription by the Japanese Underwriters)

(1) Class and Number of Shares to be Offered	3,000,000 shares of common stock of the Company
(2) Seller	A selling shareholder

Note: This press release does not constitute an offer of any securities for sale. This press release has been prepared for the sole purpose of publicly announcing that OUTSOURCING Inc. has resolved matters relating to the issuance of its new shares and secondary offering of shares, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan. The potential investors should refer to a securities registration prospectus for the issuance of new shares and secondary offering of shares and any amendments thereto that OUTSOURCING Inc. will prepare before deciding to invest by themselves. This press release is not an offer of common stocks of OUTSOURCING Inc. for sale in the United States. The securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933 (the “Securities Act”). If any public offering of securities is made in the United States, it will be by means of a prospectus which will be prepared pursuant to the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

(3) Selling Price	The selling price will be determined on the pricing date in accordance with the method set forth in Article 25 of the Rules Concerning Underwriting, Etc. of Securities promulgated by the JSDA, based on the preliminary pricing terms calculated by multiplying the closing price in regular trading of the shares of common stock of the Company on the Tokyo Stock Exchange, Inc. on the pricing date (or, if no closing price is quoted, the closing price of the immediately preceding date) by a number between 0.90 and 1.00 (with any fraction less than one yen being rounded down), taking into account market demand and other conditions; provided, however, that such selling price shall be the same as the issue price (the offer price) in the issuance of new shares by way of offering.
(4) Method of Secondary Offering	The offering shall be a secondary offering in Japan by way of purchase and subscription by the Japanese Underwriters. The Company shall not pay any underwriting fees to the Japanese Underwriters. Instead, the aggregate amount of the difference between (a) the selling price and (b) the aggregate underwriting value which is amount to be paid by Japanese Underwriters to the seller shall be retained by the Japanese Underwriters; provided, however, the aggregate underwriting value shall be the same as the amount to be paid on the issuance of new shares by way of offering.
(5) Delivery Date	The delivery date is the business day immediately following the payment date in the Japanese Public Offering.
(6) The selling price and any other matters necessary for the secondary offering by way of purchase and subscription by the Japanese Underwriters will be determined at the discretion of the Executive Vice President.	
(7) The secondary offering by way of purchase and subscription by the Japanese Underwriters is subject to the registration taking effect under the FIEA.	

3. Secondary Offering of Shares (Secondary Offering by way of Over-Allotment) (see “<Reference>” below)

(1) Class and Number of Shares to be Sold	1,035,000 shares of common stock of the Company The number of shares mentioned above is the maximum number of shares to be sold. The above number may decrease, or this secondary offering by way of over-allotment itself may be cancelled, depending on market demand and other conditions in the Japanese Public Offering and the secondary offering by way of purchase and subscription by the Japanese Underwriters. Furthermore, the number of shares to be sold will be determined on the pricing date, taking into account market demand and other conditions in the Japanese Public Offering and the secondary offering by way of purchase and subscription by the Japanese Underwriters.
(2) Seller	The Japanese Lead Manager
(3) Selling Price	To be determined (the selling price will be determined on the pricing date; provided, however, that such selling price will be the same as the selling price

Note: This press release does not constitute an offer of any securities for sale. This press release has been prepared for the sole purpose of publicly announcing that OUTSOURCING Inc. has resolved matters relating to the issuance of its new shares and secondary offering of shares, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan. The potential investors should refer to a securities registration prospectus for the issuance of new shares and secondary offering of shares and any amendments thereto that OUTSOURCING Inc. will prepare before deciding to invest by themselves. This press release is not an offer of common stocks of OUTSOURCING Inc. for sale in the United States. The securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933 (the “Securities Act”). If any public offering of securities is made in the United States, it will be by means of a prospectus which will be prepared pursuant to the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

	in the secondary offering by way of purchase and subscription by the Japanese Underwriters).
(4) Method of Secondary Offering	Taking into account market demand and other conditions for the Japanese Public Offering and the secondary offering by way of purchase and subscription by the Japanese Underwriters, one of the Japanese Underwriters (the “Japanese Lead Manager”) will make a secondary offering in Japan up to a maximum of the 1,035,000 shares of common stock of the Company that it borrows from a certain shareholder of the Company.
(5) Delivery Date	The delivery date will be the same as the delivery date for the secondary offering by way of purchase and subscription by the Japanese Underwriters.
(6) The selling price and any other matters necessary for this secondary offering by way of over-allotment will be approved at the discretion of the Executive Vice President.	
(7) The secondary offering by way of over-allotment is subject to the registration taking effect under the FIEA.	

4. Issuance of New Shares by way of Third-Party Allotment (see “<Reference>” below)

(1) Class and Number of Shares to be Offered	1,035,000 shares of common stock of the Company
(2) Method of Determination of the Amount to be Paid In	The amount to be paid in will be determined on the pricing date; provided, however, that such amount to be paid in will be the same as the amount to be paid in with respect to the issuance of new shares by way of offering.
(3) Allottee	The Japanese Lead Manager
(4) Payment Date	October 26, 2018 (Fri)
(5) Shares not subscribed for within the subscription period (subscription date) will not be issued.	
(6) The amount to be paid in, the amount of capital stock and legal capital surplus to be increased, and any other matters necessary for issuance of new shares by way of the third-party allotment will be determined at the discretion of the Executive Vice President.	
(7) Issuance of new shares by way of the third-party allotment is subject to the registration taking effect under the FIEA.	

<Reference>

The secondary offering by way of over-allotment described in “3. Secondary Offering of Shares (Secondary Offering by way of Over-Allotment)” above is a secondary offering of shares of common stock of the Company in Japan to be made in conjunction with the Japanese Public Offering described in “1. Issuance of New Shares by way of Offering” above and the secondary offering by way of purchase and subscription by the Japanese Underwriters described in “2. Secondary Offering of Shares (Secondary Offering by way of Purchase and Subscription by the Japanese Underwriters)” in an amount not to exceed 1,035,000 shares, which will be borrowed by the Japanese Lead Manager from a certain shareholder of the Company, taking into account market demand for the offerings and other conditions. The number of shares in the secondary offering by way of over-allotment is expected to be 1,035,000 shares, which indicates the maximum number of shares to be sold, and depending on market demand and other conditions such number may decrease, or the secondary offering by way of over-allotment itself may be cancelled.

Note: This press release does not constitute an offer of any securities for sale. This press release has been prepared for the sole purpose of publicly announcing that OUTSOURCING Inc. has resolved matters relating to the issuance of its new shares and secondary offering of shares, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan. The potential investors should refer to a securities registration prospectus for the issuance of new shares and secondary offering of shares and any amendments thereto that OUTSOURCING Inc. will prepare before deciding to invest by themselves. This press release is not an offer of common stocks of OUTSOURCING Inc. for sale in the United States. The securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933 (the “Securities Act”). If any public offering of securities is made in the United States, it will be by means of a prospectus which will be prepared pursuant to the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.