

FOR IMMEDIATE RELEASE

Basic Agreement Regarding the Hitachi Construction Machinery Operators Training Center Joint Investment Company

Tokyo, Japan May 31, 2019 ---- OUTSOURCING Inc. (TSE:2427; "OS"), OUTSOURCING's subsidiary PEO Co., Ltd. ("PEO"), and Hitachi Construction Machinery Co., Ltd. (TSE: 6305; "Hitachi Construction Machinery") today announced the signing of a basic agreement regarding the establishment of Hitachi Construction Machinery Operators Training Center Co., Ltd. ("Training Center"), a 100% wholly owned subsidiary of Hitachi Construction Machinery which implements skills training for construction machinery and other equipment, as a joint investment company for the purpose of developing and providing training programs to learn about all stages of ICT construction.

As a global and comprehensive personnel services company, the OS Group is decentralized by industry to combine performance leveling which is not susceptible to the trends of any particular industry with mobility while also possessing an extensive track record in the construction machinery field. In addition, the OS Group promotes IT and construction engineer training programs and not only has the industry's largest technical personnel dispatching service with over 13,000 engineers but also possesses a high degree of experience and know-how in system engineering, robotics, and software development.

The Hitachi Construction Machinery Group globally provides a value chain which includes products, parts, and services for construction and mining machinery. Within Japan, the Hitachi Construction Machinery Group provides ICT construction solutions while offering personnel training services to the construction and civil engineering industries through the Training Center's training business to help solve the issues of "safety improvement," "productivity improvement," and "lifecycle cost reduction" faced by the construction and civil engineering industries amidst the decrease in the production labor population and the aging of skilled engineers.

Currently, construction and civil engineering customers are starting various ICT construction initiatives. The introduction of ICT construction will require the acquisition of new forms of knowledge associated with ICT construction in addition to previous knowledge and know-how.

In order to promote the introduction of ICT construction among customers going forward, the OS Group and Hitachi Construction Machinery decided that it was necessary to provide training which covers all stages of ICT construction together with training in construction machinery operation, and they are now starting a collaborative partnership by establishing the Training Center as a joint investment company. This collaboration will draw on the cultivated knowledge of the OS Group which extends from research and development processes to mass-production processes for the manufacturing industry and Hitachi Construction Machinery's experience and know-how in providing products and solutions for ICT construction to develop and provide training which covers all stages of ICT construction from construction surveying to design and construction planning, construction, inspection, and data delivery in addition to the training provided by the Training Center.

In addition, the OS Group acquired an Australian subsidiary, which provides contracting and consulting services in the ICT field and operates a training school, and is promoting the maximization of synergy effects between its 148 overseas consolidated subsidiaries which includes an initiative to improve the technical skills of up to several thousand Australian engineers.

The Training Center already has a track record of training initiatives for foreign operators and also plans to expand overseas in the future to increase the safety of foreign laborers and for the sustained development of the training business which has provided the human resource development business to the Japanese construction and civil engineering industries.

■ Overview of the Training Center

Item	Overview
Company name	Hitachi Construction Machinery Operators Training Center Co., Ltd.
Location	9-3 Higashi-ueno 6-chome, Taito-ku, Tokyo
Representative	President and Representative Director Shigenori Yamamoto
Business overview	Provides construction machinery and other skills training courses, special education, safety and health education, and

	practical training such as crane licensing based on the Industrial Safety and Health Act
Capital	20 million yen (100% held by Hitachi Construction Machinery Co., Ltd.)
Established	February 1995
No. of employees	92 (as of March 31, 2019)

■ Overview of the Hitachi Construction Machinery

Item	Overview
Company name	Hitachi Construction Machinery Co., Ltd.
Location	16-1, Higashi-ueno 2-chome, Taito-ku, Tokyo
Representative	President and Executive Officer, CEO: Kotaro Hirano
Business overview	Manufacturing, sales and service of construction machinery, transportation machinery, and other machines and devices.
Capital	81,576 million yen (as of March 31, 2019)
Established	October 1970

■ Overview of the PEO

Item	Overview
Company name	PEO Co., Ltd.
Location	Nagoya Mitsui Building Honkan 7F, 1-24-30 Meieki Minami, Nakamura-ku, Nagoya City, Aichi Prefecture
Representative	President and Representative Director Yohei Nishimura
Business overview	Worker dispatch business, fee-based employment placement business, outplacement business, system sales and rental business, and contracting business
Capital	50 million yen (100% held by OUTSOURCING Inc.) (as of March 31, 2019)
Established	September 2014

■ Overview of the OS

Item	Overview
Company name	OUTSOURCING Inc.
Location	19F Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo
Representative	Chairman and CEO Haruhiko Doi
Business overview	Domestic engineering outsourcing business, domestic manufacturing outsourcing business, domestic service outsourcing business, overseas engineering outsourcing business, overseas manufacturing and service operations outsourcing business
Capital	25,123 million yen (as of December 31, 2018)
Established	January 1997

■ Schedule

Signing date of the basic agreement	May 31, 2019
Signing date of the joint investment business agreement	June 28, 2019 (planned)
Effective date of the joint investment business	August 1, 2019 (planned)

#

Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
