



April 19, 2019

To Whom It May Concern

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

Notice Regarding Merger of a Consolidated Subsidiary (Simplified Merger/Short-Form Merger)

OUTSOURCING Inc. (hereinafter “the Company”) hereby announces that at a Meeting of the Board of Directors held on April 19, 2019, effective July 1, 2019, the Board of Directors resolved to merge wholly-owned subsidiary OS Partners CO.,LTD. (unlisted, hereinafter “OSP”), and the details are as follows.

Since this merger is a simplified absorption-type merger of a wholly-owned subsidiary, certain disclosure items and details are omitted.

Particulars

1. Purpose of the Merger

In order to streamline and raise efficiency of management of the OUTSOURCING Group, the Company has decided to merge OSP.

2. Summary of the Merger

(1) Schedule of the merger

Merger resolution by the Board of Directors:

OS Partners CO.,LTD. April 17, 2019 (Wed.)

OUTSOURCING Inc. April 19, 2019 (Fri.)

Conclusion of a merger agreement:

Merger party companies April 22, 2019 (Mon.)

Scheduled date of the merger:

Effective date July 1, 2019 (Mon.) (scheduled)

Since this merger falls under simplified merger as prescribed in Article 796, Paragraph 2 of the Companies Act in the case of the Company, and falls under short-form merger as prescribed in Article 784, Paragraph 1 of the Companies Act in the case of OSP, neither company will hold a General Meeting of Shareholders to obtain approval for the Merger Agreement.

(2) Method of the merger

Through an absorption-type merger, the Company will be the surviving entity and OSP the absorbed entity, and OSP will be dissolved effective of the merger date.

(3) Details of allocation related to the merger

Since this is a merger of a wholly-owned subsidiary, there is no allocation of shares or other properties.

(4) Treatment of subscription rights to shares and bonds with subscription rights to shares associated with the merger

The dissolved entity has no subscription rights to shares or bonds with subscriptions rights to shares.

3. Outline of the Merger Party Companies (as of March 31, 2019)

(1)	Company Name	OUTSOURCING Inc. (surviving entity)	OS Partners CO.,LTD. (dissolved entity)
(2)	Head Office	1-8-3 Marunouchi, Chiyoda-ku, Tokyo	2-4-20, Higashinodamachi, Miyakojima-ku, Osaka-shi, Osaka
(3)	Representative	Haruhiko Doi, Chairman & CEO	Toshiya Tamai, President & Representative Director
(4)	Major Business	Domestic Manufacturing Outsourcing Business	Domestic Manufacturing Outsourcing Business
(5)	Capital Stock	JPY25,133 million	JPY50 million
(6)	Established	January 6, 1997	June 10, 1977
(7)	Number of Shares Issued	125,584,700 shares	200,000 shares
(8)	Fiscal-year End	December 31	December 31
(9)	Major Shareholders, % owned (as of December 31, 2018)	Haruhiko Doi 12.54% Japan Trustee Services Bank, Ltd. (Trust account) 7.91% The Master Trust Bank of Japan, Ltd. (Trust account) 5.55%	OUTSOURCING Inc. 100.0%
(10) Financial Results and Positions for the Latest Fiscal Year			
Fiscal Year		FY12/18 (Consolidated, IFRS)	FY12/18 (Non-consolidated, J-GAAP)
Equity/Net Assets		JPY58,277 million	JPY1,359 million
Assets/Total Assets		JPY181,577 million	JPY2,575 million
Book-value per Share		JPY441.02	JPY6,799.15
Revenue/Net Sales		JPY311,311 million	JPY6,565 million
Operating Profit		JPY15,073 million	JPY290 million
Profit before Tax/ Profit before Income Taxes		JPY13,037 million	JPY482 million
Profit Attributable to Owners of the Company		JPY7,696 million	JPY310 million
Basic Earnings per Share		JPY71.41	JPY1,551.53

Note: 1) Shareholder ratios are calculated after deducting treasury stock.

2) The Company holds 490 shares of treasury stock.

4. Post-merger Conditions

There will be no changes to company name, head office location, representative director, business description, capital stock or fiscal year.

5. Future Outlook

Since this is a merger of a wholly-owned subsidiary, the impact on consolidated results is negligible.

(Reference) Consolidated Financial Forecasts for FY12/19 (announced February 14, 2019) and Consolidated Financial Results for FY12/18 (Unit: JPY million)

	Revenue	Operating Profit	Profit before Tax	Profit	Profit Attributable to Owners of the Company
Financial Forecasts for FY12/19	385,000	19,000	17,500	11,400	10,000
Financial Results for FY12/18	311,311	15,073	13,037	8,664	7,696