



April 15, 2020

To Whom It May Concern

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Notice Concerning Issuance of New Shares as Restricted Share-Based Remuneration

OUTSOURCING Inc. (hereinafter, “the Company”) hereby announces that, at its Board of Directors meeting held on April 15, 2020, it resolved the issuance of new shares (hereinafter, “Issuance of New Shares”). The details are as follows.

1. Overview of the Issuance

(1) Due date of payment	May 14, 2020
(2) Class and number of shares to be issued	Ordinary shares of the Company 68,600 shares
(3) Issue price	438 yen per share
(4) Total issue amount	30,046,800 yen
(5) Allottees, number of allottees, and number of shares to be allotted	Three (3) Directors (excluding outside Directors and Directors who are Audit and Supervisory Committee Members) 68,600 shares

2. Purpose and Reasons for Issuance

The Company resolved at the Board of Directors meeting held on February 14, 2020 to introduce a restricted share-based remuneration plan (hereinafter, the “Plan”) as a new remuneration system for Directors of the Company (excluding outside Directors and Directors who are Audit and Supervisory Committee Members) (hereinafter, “Eligible Directors”), in order to provide medium- to long-term incentives for Eligible Directors as well as to share shareholder value. At the 23rd Ordinary General Meeting of Shareholders held on March 25, 2020, the Company received approval to, in accordance with the Plan, pay monetary remuneration claims of 120 million yen or less annually to Eligible Directors as monetary compensation to serve as invested assets to acquire the restricted shares (hereinafter, “Restricted Share-Based Remuneration”). The Company also received approval for a restricted period for the restricted shares to be determined by the Board of Directors of the Company in the range from three years to five years.

The following presents an overview of the Plan.

[Overview of the Plan]

The Eligible Directors shall pay all monetary remuneration claims to be paid to them by the Company under the Plan, in

the form of property contributed in kind, and shall, in return, receive ordinary shares of the Company that shall be issued or disposed of by the Company. In addition, the total number of ordinary shares issued to Eligible Directors or disposed of by the Company under the Plan shall be 100,000 shares or less annually, and the amount to be paid in per share shall be determined by the Board of Directors based on the closing price of the Company's ordinary shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors (if there is no closing price on such date, the closing price on the closest preceding trading day) and as an amount within the extent that it will not be particularly advantageous to Eligible Directors who subscribe to the Company's ordinary shares.

Regarding the issuance or disposal of ordinary shares of the Company under the Plan, the Company shall conclude a restricted share allotment agreement between the Company and the Eligible Directors, which includes the following provisions:

(i) the Eligible Directors shall not transfer, create a security interest, or dispose of ordinary shares of the Company allotted under a restricted share allotment agreement for a certain period of time; and (ii) the Company shall acquire such ordinary shares of the Company without contribution in the event that certain circumstances arise.

This time, in consideration of the purpose of the Plan, the management situation of the Company and the level of executive remuneration, the responsibilities of each Eligible Director, and various circumstances, and in order to secure talented corporate officer personnel and to further motivate each Eligible Director, we have decided to grant total monetary remuneration claims of 30,046,800 yen (hereinafter, "Monetary Remuneration Claims") and ordinary shares of 68,600 shares. Additionally, in order to share shareholder value, which is the purpose of the introduction of the Plan, over the medium- to long-term, the restricted period is set at three years for this time from the perspective of making the grant function as an appropriate incentive to continuously increase corporate value.

In the Issuance of New Shares, the three Eligible Directors, who are allottees, shall pay all the Monetary Remuneration Claims in the form of property contributed in kind, and shall, in return, receive ordinary shares of the Company (hereinafter the "Allotted Shares"). Item 3. below presents an overview of a restricted share allotment agreement (hereinafter, the "Allotment Agreement") to be concluded between the Company and the Eligible Directors in the Issuance of New Shares.

3. Overview of the Allotment Agreement

(1) Restricted Period: from May 14, 2020 to May 14, 2023

(2) Conditions for Lifting Transfer Restrictions

The Company shall lift the transfer restrictions of all of the Allotted Shares upon expiration of the restricted period, on the condition that the Eligible Director has continuously remained in the position of Director of the Company throughout the restricted period.

(3) Treatment of Cases Where the Eligible Director Retires During the Restricted Period Due to Expiration of the Term of Office, Another Justifiable Reason, or Death

(i) Timing of the Lifting of Transfer Restrictions

If the Eligible Director retires during the restricted period due to the expiration of his/her term of office, the transfer restriction shall be terminated as of the time immediately after his/her retirement or as of April 1, 2021, whichever is the later. If he/she has retired due to another justifiable reason, the transfer restrictions shall be lifted as of the time immediately after his/her retirement. In the case of retirement due to death, the transfer restriction shall be lifted at a time determined by the Board of Directors after the death of the Eligible Director. Provided, however, that if he/she retires due to a justifiable reason (excluding expiration of the term of office) or death on a date prior to April 1, 2021, its treatment shall be carried out in accordance with the provisions of (4).

(ii) Number of Shares Subject to the Lifting of Transfer Restrictions

The number of the Allotted Shares held at the time of retirement specified in (i) shall be subject to the lifting of the transfer restrictions.

(4) Acquisition of Shares Without Contribution by the Company

At the time of expiration of the restricted period or at the time of lifting of the transfer restriction stipulated in (3), the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted. However, in the event that the time of retirement due to a justifiable reason (excluding expiration of the term of office) or death of the Eligible Director is a date prior to April 1, 2021, the Company shall automatically acquire without contribution all of the Allotted Shares held at the time of his/her retirement.

(5) Management of Shares

During the restricted period, the Allotted Shares will be managed in dedicated accounts opened by the Eligible Directors at Nomura Securities Co., Ltd., in order to prevent transfers, creation of security interest, or other disposal of the shares during the restricted period. In order to ensure the effectiveness of transfer restrictions, etc., on the Allotted Shares, the Company has concluded a contract with Nomura Securities Co., Ltd. concerning the management of the accounts of the Allotted Shares held by each Eligible Director. Also, Eligible Directors shall agree on the content of the management of the accounts.

(6) Treatment at the Time of Reorganization, etc.

If, during the restricted period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at a General Meeting of Shareholders of the Company (or at a meeting of its Board of Directors in cases where approval at a General Meeting of Shareholders of the Company is not required in relation to the reorganization, etc.), the Company shall, by resolution of the Board of Directors, lift the transfer restrictions on the Allotted Shares held at that time immediately before the business day prior to the date the reorganization, etc., becomes effective. Additionally, the Company shall automatically acquire without contribution all of the Allotted Shares on which the transfer restrictions have not been lifted, as of the time immediately after the transfer restrictions were lifted due to the reorganization, etc. However, regardless of the above details, if the business day prior to the date that the reorganization, etc., becomes effective is on or before April 1, 2021, the Company shall acquire without contribution all of the Allotted Shares on the business day prior to the date that the reorganization, etc., becomes effective.

4. Basis for Calculating the Amount to Be Paid and Concrete Details Thereof

Issuance of New Shares to the allottees shall be carried out using the monetary remuneration claims, which are provided as Restricted Share-Based Remuneration under the Plan for the Company's 24th fiscal year, as investment assets. In order to eliminate any arbitrariness in the price, the issue price is the closing price of 438 yen of the Company's ordinary shares on the first section of the Tokyo Stock Exchange on April 14, 2020 (the business day before the date of resolution of the Board of Directors). This represents the market price immediately before the date of the resolution of the Board of Directors and is considered to be a reasonable and not particularly advantageous price.