



May 14, 2024

To Whom It May Concern

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**Notice concerning Delay in Submission, etc. of the Quarterly Securities Report for the First Quarter of the Fiscal Year Ending December 31, 2024 and Prospect for the Designation of the Company Stock as Securities Under Supervision (Confirmation)**

OUTSOURCING Inc. (hereinafter, "the Company") hereby announces that it expects to be unable to submit its quarterly securities report for the first quarter of the fiscal year ending December 31, 2024 by May 15, 2024 which is the due date prescribed in the Financial Instruments and Exchange Act, as described below:

1. Background leading to delay in submission

As announced in the "Notice of Change in the Certified Public Accountant, Etc." dated December 8, 2023 and " (Update on Disclosed Matter) Notice of Change in the Certified Public Accountant, Etc." dated March 28, 2024, the Company received a notice from Deloitte Touche Tohmatsu LLC that they would resign from the position of the accounting auditor of the Company due to expiration of its term of office at the conclusion of the 27th Ordinary General Meeting of Shareholders held on March 29, 2024.

Since then, the Company has been in the process of selecting a candidate for a successor accounting auditor. However, today, the Company has not been able to enter into an audit contract with a temporary accounting auditor, and therefore, it was unable to appoint the temporary accounting auditor to complete the audit and review by May 15, 2024, the deadline for submission of the quarterly securities report for the first quarter ending December 31, 2024. In addition, the Company is not able to announce when the financial results for the three months ended March 31, 2024 will be released, due to the difficulty in accurately determining the financial figures in the absence of the accounting auditor.

With regard to the application for the extension of the deadline for filing the quarterly securities report for the first quarter of the fiscal year ending December 31, 2024, the Company will not file the application since the current situation does not meet the requirements for applying the approval to extend the deadline for filing the quarterly report.

2. Prospect of designation as Securities Under Supervision (Confirmation)

On December 8, 2023, the Company, as part of the procedures for delisting after the completion of the tender offer, (i) made an announcement, etc. similar to a disclosure regarding the decision by the special controlling shareholder to make a demand for sale of shares, etc., and (ii) disclosed that the Board of Directors Meeting had passed a resolution regarding a reverse stock split in which all shares of the Company held by shareholders other than specified persons would be split into fractions of less than one share. Therefore, to alert investors, the Company's shares have been designated as Securities Under Supervision (Confirmation) on the same date in accordance with the provisions of Rule 604, Paragraph 1, Items 23 and 24 of the Enforcement Rules for Securities Listing Regulations prescribed by Tokyo Stock Exchange, Inc. (hereinafter, "TSE").

Today, as stated above, the Company expects to be unable to submit the quarterly securities report for the first quarter of the fiscal year ending December 31, 2024 by May 15, 2024, the due date for the submission. Since the Company disclosed that it was unlikely to be able to submit the quarterly report by the statutory filing deadline, the Company's shares will be added to the reason for designation as Securities Under Supervision (Confirmation) pursuant to Rule 604, Paragraph 1, Item 10-a and Item 3 of Supplementary Provisions implemented on April 1, 2024 of the Enforcement Rules for Securities Listing Regulations before Amendment, 2024 prescribed by TSE, as of today.

[Translation]

3. Future outlook

As announced in the "Notice Regarding Share Consolidation, Abolishment of Provision on Share Units, and Partial Amendment of Articles of Incorporation" dated April 15, 2024, the Company has submitted proposals for the share consolidation and the partial amendments to the Articles of Incorporation to the extraordinary shareholders' meeting scheduled to be held on May 15, 2024. If approved as proposed, the Company's shares will be delisted on June 6, 2024, after being designated as Securities to Be Delisted from May 15, 2024 to June 5, 2024, as they fall under the delisting criteria prescribed in the Securities Listing Regulations of TSE.

The Company will continue to select a temporary accounting auditor, but the submission date of the quarterly securities report for the first quarter ending December 31, 2024 has not yet been determined. The timing of the release of the financial results for the three months ended March 31, 2024, is also yet to be determined.

The Company sincerely apologizes to its shareholders, investors, and related stakeholders for the great concern and inconvenience caused by the situation.