



May 15, 2024

To Whom It May Concern

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**Notice Regarding Resolution to Approve Share Consolidation  
and Partial Amendment of the Articles of Incorporation**

OUTSOURCING Inc. (hereinafter, “the Company”) hereby announces as follows that, as announced by the Company on April 15, 2024 in the press release, titled “Notice Regarding Share Consolidation, Abolishment of Provision on Share Units, and Partial Amendment of Articles of Incorporation” (the “April 15, 2024 Press Release”), the Company submitted to the Extraordinary General Meeting of shareholders (the “Extraordinary General Meeting of Shareholders”) held today proposals regarding a share consolidation, the abolishment of the provision on share units, and a partial amendment of the Articles of Incorporation, and the proposals were approved as proposed.

As a result, the common shares (the “Shares”) of the Company will fall under the delisting criteria prescribed in the Securities Listing Regulations of the Tokyo Stock Exchange (the “TSE”). Accordingly, after being designated as delisted stock between today to June 5, 2024, the Shares will be delisted on June 6, 2024. Please note that the Shares will no longer be traded on the Prime Market of the TSE.

1. Proposal 1 (Share Consolidation)

At the Extraordinary General Meeting of Shareholders, the Company obtained the approval of the shareholders regarding the share consolidation (the “Share Consolidation”) as detailed below. The details of the particulars of the Share Consolidation are as described in the April 15, 2024 Press Release.

(A) Class of shares to be consolidated

Common shares

(B) Consolidation ratio

Every 18,000,000 shares of the Shares will be consolidated into one share.

(C) Reduction in total number of outstanding shares

[Translation]

126,002,086 shares

(Note) The total number of outstanding shares to be reduced is the total number of outstanding shares less the number of treasury shares that the Company holds as of April 3, 2024 (24,107 shares), which are scheduled to be cancelled on June 7, 2024, in accordance with the resolution of the Board Meeting held on April 15, 2024.

(D) Total number of outstanding shares prior to Share Consolidation taking effect

126,002,093 shares

(Note) The total number of outstanding shares prior to the Share Consolidation taking effect is the total number of outstanding shares of the Company as of December 31, 2023 (126,026,200 shares) set forth in the “Financial Statements for the Fiscal Year Ended December 31, 2023 (IFRS) (Consolidated)” announced by the Company on February 19, 2024 less the number of treasury shares that the Company holds as of April 3, 2024 (24,107 shares), which are scheduled to be cancelled on June 7, 2024, in accordance with the resolution of the Board Meeting held on April 15, 2024.

(E) Total number of outstanding shares after Share Consolidation taking effect

7 shares

(F) Total number of authorized shares as of effective date

28 shares

(G) Method of processing fractional shares less than one share and amount of cash expected to be delivered to shareholders through such processing

(i) Whether the Company intends to proceed pursuant to the provision of Article 235, paragraph (1) of the Companies Act, or Article 234, paragraph (2) as applied *mutatis mutandis* pursuant to Article 235, paragraph (2) of the same Act, and the reason therefor

It is planned that, through the Share Consolidation, the Shares held by shareholders other than K.K. BCJ-78 (the “Tender Offeror”) will become fractional shares less than one share.

With respect to fractional shares less than one share resulting from the Share Consolidation, shares equal to the total number (in accordance with Article 235, paragraph (1) of the Companies Act (Act No. 86 of 2005, as amended; the “Companies Act”), if the total number includes a fraction of less than one share, such fraction will be discarded) will be sold in accordance with Article 235 of the Companies Act and other applicable laws and regulations, and the proceeds obtained through such sale will be delivered to shareholders in proportion to their fractional shares. With respect to such sale, in view of the fact that the Share Consolidation is to be carried out as part of a series of transactions to take the Shares private by acquiring all of the Shares (excluding the treasury shares owned by the Company) listed on the Prime Market of the TSE, which is what is generally known as a management buyout (MBO) (Note) (the “Transaction”), and that the Shares will be delisted as of June 6, 2024 and will become non-marketable shares, it is unlikely that a new buyer will appear through an auction process, and thus it is planned that the shares will be sold to the Tender Offeror with the permission of the court pursuant to the provisions of Article 234, paragraph (2) of the Companies Act applied *mutatis mutandis* under Article 235, paragraph (2) of the same Act.

The sale price in such case, if the above permission of the court is obtained as planned, is planned to be set at a price that makes it possible to deliver to each shareholder cash in the amount obtained by multiplying the number of Shares held by the shareholder by JPY 1,755, which is the same amount as the tender offer price in the tender offer (the “Tender Offer”) under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “Act”) and related laws and ordinances for the Shares implemented as part of the Transaction. However, the amount of cash that will be actually delivered to the shareholders may not be the same as the above amount in certain cases such as when the Company is unable to obtain the permission of the court or it is

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necessary to make adjustments for fractions in the calculation.

(Note ) A management buyout (MBO) generally refers to a transaction in which the management team of the target company (the company that will be acquired) raises all or part of the funds necessary for the acquisition and then purchases the shares of the target company on the assumption that the business of the target company will be continued.

(ii) The name of the person who is likely to become the purchaser of the shares pertaining to the sale

K.K. BCJ-78

(iii) The manner by which a person who is expected to purchase the shares pertaining to the sale secures funds for payment of the purchase price pertaining to the sale, and the adequacy of such method

The Tender Offeror will cover the funds for the execution of the Transaction, including the funds required for the acquisition of the Shares equivalent to the total number of fractional shares less than one share resulting from the Share Consolidation, by a contribution to be made by K.K. BCJ-77, which is the parent company of the Tender Offeror.

The Company has confirmed the certificate of contribution dated February 26, 2024 regarding a contribution to be made by K.K. BCJ-77, which was submitted as an attachment to the Tender Offer Registration Statement regarding the Tender Offer. In addition, according to the Tender Offeror, no event has occurred that might hinder the Tender Offeror's payment of the sale price for the Shares equivalent to the total number of fractional shares less than one share resulting from the Share Consolidation, and the Tender Offeror is not aware of any possibility of such an event occurring in the future.

Therefore, the Company has determined that the method of securing funds for the payment of the sale price for the Shares equivalent to the total number of fractional shares less than one share resulting from the Share Consolidation is appropriate.

(iv) The timing of the sale and the prospect of the timing of the delivery of proceeds from the sale to the shareholders

The Company intends to petition the court for permission to sell the Shares equivalent to the total number of fractional shares less than one share resulting from the Share Consolidation and have the Tender Offeror purchase the relevant Shares by around mid-June 2024 pursuant to the provisions of Article 234, paragraph (2) of the Companies Act applied *mutatis mutandis* under Article 235, paragraph (2) of the same Act. The timing of obtaining such permission may vary depending on the circumstances of the court, but the Company expects to sell the Shares by way of having the Tender Offeror purchase the relevant Shares by early-July 2024 with the permission of the court, and after making the necessary preparations to deliver the proceeds of the sale to the shareholders, the Company expects to deliver the proceeds to the shareholders from late-August to early-September 2024.

In consideration of the period required for the series of procedures relating to the sale from the effective date of the Share Consolidation, the Company believes that at each timing as mentioned above, the Shares equivalent to the total number of fractional shares less than one share resulting from the Share Consolidation will be sold and the proceeds will be delivered to the shareholders.

## 2. Proposal 2 (Partial Amendment of Articles of Incorporation)

At the Extraordinary General Meeting of Shareholders, the Company obtained the approval of the shareholders regarding the partial amendment of the Articles of Incorporation of the Company as detailed

[Translation]

below. The details of the particulars of such amendment are as described in the April 15, 2024 Press Release.

(1) If the current draft of the proposal for the Share Consolidation is approved and the Share Consolidation takes effect, in accordance with Article 182, paragraph (2) of the Companies Act, the Company's total number of authorized shares will be reduced to 28 shares. To clarify this point, subject to the Share Consolidation taking effect, Article 6 (Total Number of Authorized Shares) of the Articles of Incorporation will be amended.

(2) If the proposal for the Share Consolidation is approved as in the current draft and the Share Consolidation takes effect, the Company's total number of outstanding shares will be 7 shares, and it will cease to be necessary to specify the number of shares in a share unit. Subject to the Share Consolidation taking effect, in order to abolish the provision that currently makes 100 shares the share unit for the Shares, the entire text of Article 7 (Number of Shares in Share Unit) and Article 9 (Restriction on Rights of Holders of Shares Less Than One Share Unit), will be deleted entirely, and in conjunction with these amendments the article numbers will be shifted up.

(3) If the proposal for the Share Consolidation is approved as proposed and the Share Consolidation takes effect, because the Shares will be delisted and the Tender Offeror will be the only shareholder of the Company, the provisions regarding the record date of the Ordinary General Meeting of shareholders and the provisions regarding the electronic provision system of materials for the meeting of shareholders will lose their necessity. Therefore, the Company will delete the entire text of Article 13 (Record Date of Ordinary General Meeting of Shareholders) and Article 15 (Measures for Electronic Provision, etc.) of the Articles of Incorporation, and move up the number of articles in connection with such change, on the condition that the Share Consolidation takes effect.

Please note that the partial amendment of the Articles of Incorporation will become effective on June 8, 2024, which is the effective date of the Share Consolidation, on the condition that the Share Consolidation takes effect.

### 3. Schedule

Date of the Extraordinary General Meeting of Shareholders	May 15, 2024 (Wednesday)
Delisted stock designation date	May 15, 2024 (Wednesday)
Final trading date for Shares	June 5, 2024 (Wednesday) (tentative)
Date of delisting of Shares	June 6, 2024 (Thursday) (tentative)
Effective date of Share Consolidation	June 8, 2024 (Saturday) (tentative)

End.