



February 14, 2020

To Whom It May Concern

Company Name: OUTSOURCING Inc.

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Chairman and CEO

(First Section of TSE, Securities Code 2427)

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## Notice Concerning Introduction of Restricted Share-Based Remuneration Plan

OUTSOURCING Inc. (hereinafter, "the Company") hereby announces that, at its Board of Directors meeting held on February 14, 2020, it revised the remuneration plan for Officers and resolved to introduce a restricted share-based remuneration plan (hereinafter, the "Plan") and submit a proposal related to the Plan as a matter to be resolved at the 23rd Ordinary General Meeting of Shareholders to be held on March 25, 2020 (hereinafter, the "Ordinary General Meeting of Shareholders"). The details are as follows.

### 1. Purposes etc. for Introducing the Plan

#### (1) Purposes for Introducing the Plan

The purpose of the Plan is to provide an incentive for Directors of the Company (excluding outside Directors and Directors who are Audit and Supervisory Committee Members) (hereinafter, "Eligible Directors") to sustainably increase the Company's corporate value and to further promote shared value with shareholders.

#### (2) Preconditions for the Plan's Introduction

Because the Plan involves paying monetary claims as remuneration to the Eligible Directors to grant them restricted shares that are subject to undermentioned restriction, a condition for the introduction of the Plan is that shareholder approval at the Ordinary General Meeting of Shareholders must be obtained regarding payment of the related remuneration.

Although the maximum remuneration amount for Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members) of 600 million yen per year (excluding the employee salary portion) was approved at the 19th Ordinary General Meeting of Shareholders, held on March 25, 2016, at the 23rd Ordinary General Meeting of Shareholders, the Company plans to obtain the approval of shareholders to newly introduce the Plan and to set the maximum remuneration amount related to the Plan with respect to payment to the Eligible Directors separately from that of the remuneration stipulated above.

## 2. 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.

The total amount of monetary remuneration claims to be paid to the Eligible Directors under the Plan shall be not more than 120 million yen per year (excluding the employee salary portion). The specific timing and allocation of payment to each of the Eligible Directors shall be determined by resolution of the Board of Directors.

The total number of ordinary shares newly issued or disposed of by the Company under the Plan shall be 100,000 shares or less annually (provided, however, that, if the Company performs a share split of the Company's ordinary shares (including allotment of the Company's ordinary shares without contribution) or a consolidation of such shares with the effective date on or after the date of resolution at the Ordinary General Meeting of Shareholders, the relevant total number shall be reasonably adjusted on or after the effective date of the share split or consolidation as necessary in accordance with the share split or consolidation ratio), 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.

The issuance or disposal of ordinary shares of the Company under the Plan (hereinafter, the "Shares") shall be conditional that an agreement on the allotment of restricted shares shall be entered into between the Company and the Eligible Directors who are to receive payment of restricted share-based remuneration and include such provisions as (1) there shall be a prohibition on transfers, creation of security interest, or any other disposal of the Shares to third parties for a certain time period (hereinafter, the "Restricted Period"); and (2) in the event that certain circumstances arise, the Company shall acquire the Shares without contribution. During the Restricted Period, the 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.