



October 29, 2020

To Whom It May Concern,

Company Name: OUTSOURCING Inc.
Representative: Haruhiko Doi, Chairman and CEO
(Securities Code: 2427, First Section, Tokyo Stock Exchange)
Contact: Kazuhiko Suzuki, Executive Vice President
Head of Business Management Division
Phone: +81-3-3286-4888 (main)

Company Name: Dexerials Corporation
Representative: Yoshihisa Shinya, Representative Director and President
(Securities Code: 4980, First Section, Tokyo Stock Exchange)
Contact: Naoyuki Sanada, Senior Executive Officer, CFO, Corporate Planning & Control Division Head
Phone: +81-3-5435-3941 (main)

(Progress of Disclosure Matter) Announcement of Conclusion of Joint Venture Agreement Regarding the Establishment of OSDC Co., LTD

OUTSOURCING Inc. (Chairman and CEO: Haruhiko Doi, hereinafter called “OUTSOURCING”) and Dexerials Corporation (Representative Director and President: Yoshihisa Shinya, hereinafter called “Dexerials”) hereby announce that they have reached a final agreement and concluded the Joint Venture agreement as described below, after disclosing on August 28, 2020 that they had reached a basic agreement to establish a joint investment company (the “Joint Venture”) named OSDC Co., LTD.

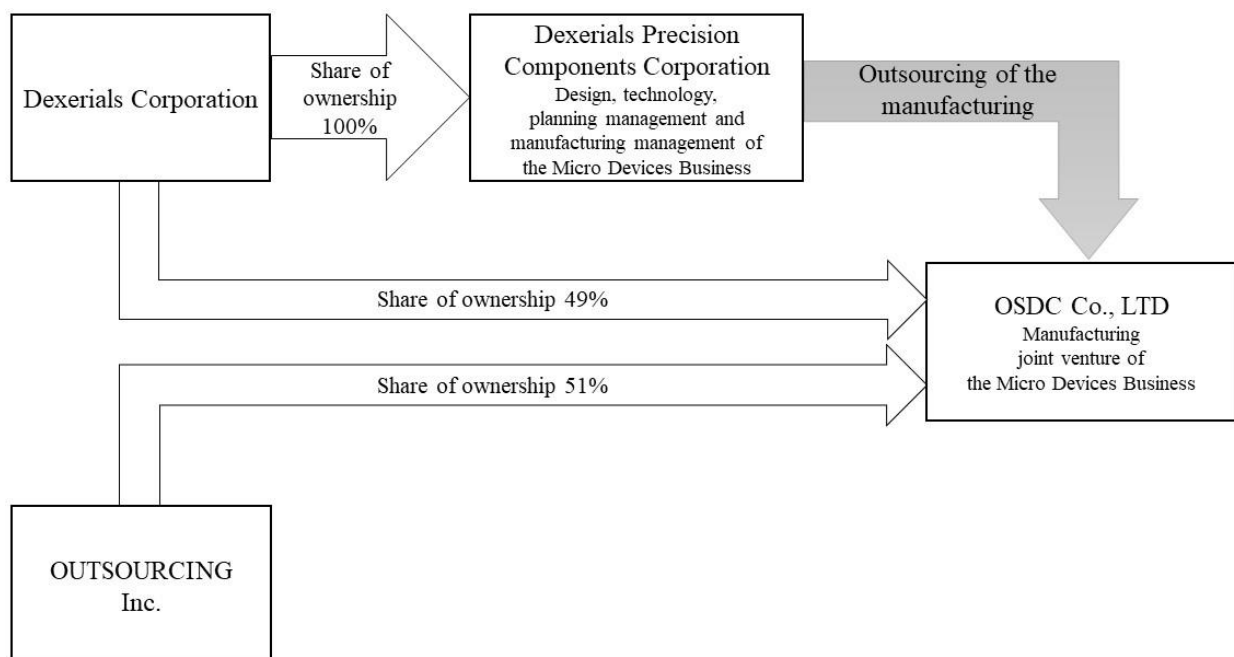
OSDC Co., LTD. aims to start its operation on January 1, 2021 as a Joint Venture which manufactures Micro devices products and others outsourced by the Dexerials Group.

The two companies will draw on their respective strengths for their collaboration, such as OUTSOURCING’s know-how on a wide range of human resources utilization including education, securing workforce and efficiency improvement, as well as Dexerials’ unique technological competence that have been involved in products with large share in the global market. Moreover, OUTSOURCING will strive to deepen the education and expand the number of skilled workers, as well as to increase its performance as a partner of the global manufacturer, while Dexerials will realize sustainable growth in its Micro Devices business through establishing a flexible production system against demand fluctuation. Through these they aim to develop their business and increase the corporate value of the Joint Venture and both companies.

1. Outline of the Joint Venture

(1)	Company name	OSDC Co., LTD
(2)	Address	1-8-3 Marunouchi, Chiyoda-ku, Tokyo
(3)	Title and name of representative	Akihiro Fujiwara, Representative Director and President
(4)	Business overview	Manufacturing contractor of Micro devices products
(5)	Capital stock	70 million yen
(6)	Establishment	November 2, 2020
(7)	Investment ratio	OUTSOURCING Inc.: 51% Dexerials Corporation: 49%
(8)	Fiscal year-end	December 31

(Reference) Business structure after January 1, 2021



2. Overview of Investors

Company profile of OUTSOURCING

(1)	Company name	OUTSOURCING Inc.
(2)	Address	Marunouchi Trust Tower Main 19F, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo
(3)	Title and name of representative	Haruhiko Doi, Chairman and CEO
(4)	Number of employees	86,020 (as of December 31, 2019, consolidated)
(5)	Business overview	Domestic engineering outsourcing business, domestic manufacturing outsourcing business, domestic service operations outsourcing business, overseas engineering outsourcing business, overseas manufacturing and service operations outsourcing business
(6)	Capital stock	25.187 billion yen (as of December 31, 2019)
(7)	Establishment	January 1997
(8)	Total capital	65.040 billion yen (as of December 31, 2019)
(9)	Total assets	239.907 billion yen (as of December 31, 2019)

Company profile of Dexerials

(1)	Company name	Dexerials Corporation
(2)	Address	Gate City Osaki, East Tower 8F, 1-11-2 Osaki, Shinagawa-ku, Tokyo
(3)	Title and name of representative	Yoshihisa Shinya, Representative Director and President
(4)	Number of employees	1,999 (as of March 31, 2020, consolidated)
(5)	Business overview	Manufacturing and sales of electronic parts, adhesive materials, optical materials and other products.
(6)	Capital stock	16.021 billion yen (as of March 31, 2020)
(7)	Establishment	June 2012
(8)	Consolidated net assets	19.567 billion yen (as of March 31, 2020)
(9)	Total consolidated assets	86.279 billion yen (as of March 31, 2020)

3. Effect on business results

OUTSOURCING expects the impact of the Joint Venture to be minimal on its consolidated financial results for the fiscal year ending December 31, 2020.

Dexerials has incorporated approximately 1.1 billion yen in expenses to strengthen the Micro Devices Business, including the Joint Venture in extraordinary losses for the forecast of consolidated financial results for the fiscal year ending March 31, 2021, announced on October 29, 2020.

(Disclaimer with respect to earnings and other forecasts)

The forward-looking statements including earnings forecast contained in this document are based on information currently available to OUTSOURCING and Dexerials, and certain assumptions that both companies believe are reasonable. Accordingly, both companies can give no assurance that such statements will prove to be correct. Actual results may differ from the results anticipated in these forward-looking statements due to a variety of factors.