December 15, 2014

To Whom It May Concern

Company Name: OUTSOURCING Inc.
Representative: Haruhiko Doi
Chairman and CEO
(First Section of TSE, Securities Code 2427)
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Executive General Manager
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Notice Regarding Acquisition of Shares of KDE Holding Corporation
(the Holding Company of Kyodo Engineering Corporation)

OUSTOURCING Inc. (hereinafter "the Company") hereby announces that the Board of Directors, at its meeting held on December 15, 2014, resolved to acquire the shares of KDE Holding Corporation (hereinafter "KDE Holding") , the holding company of Kyodo Engineering Corporation (hereinafter "KD"), making it a subsidiary.

Particulars

1. Purpose of the Acquisition of Shares

The Group engages in the production outsourcing business aimed at boosting productivity of manufacturing companies. Of late, production activities of manufacturers are showing improvements as a result of stronger demand coming from progress in the heretofore lagging reconstruction work from the March 11 disaster and fresh demand expected to be triggered by the 2020 summer Olympic games in Tokyo, a trend that is also being buoyed by the Abe administration's economic stimulus packages and the weaker yen.

Nevertheless, the adding of value by Japanese manufacturers—electrical equipment and electronics makers in particular—has been on the decline, hamstrung not only by a contracting domestic market as society continues to gray and birthrates taper, but also the rise of new players in emerging markets. The Group's primary clients have thus been vulnerable to even minor changes in their global operating environments, increasing risks associated with production plan volatility.

In order to stabilize our business performance under these circumstances, the Group has prioritized the strengthening of construction and plant-related businesses, whose economic business cycles differ from those of the manufacturing sector, in our Medium-Term Management Plan Vision 2014.

In practical terms, the Group, under our Medium-Term Management Plan, has achieved steady progress in this business ever since we made a full-scale entry into the business placing building operation and management engineers with our subsidiary, DAISEI ENGINEERING Co., Ltd. in January 2013.

Due to the rapid increase in construction demand recently, however, we are faced with a critical shortage in domestic engineers. Given this management challenge, it has become urgent for the Group to further expand its operating capabilities in this business as recruitment costs of engineers are increasing.

KD, a subsidiary of KDE Holding, has a proven track record of placing a large number of highly skilled construction engineers for major projects and construction sites of such excellent clients as leading general contractors, plant engineering firms and electrical equipment-related companies, through some 10 KD branches nationwide.

Increased domestic construction demand for reconstruction work after the disaster and that toward the 2020 Tokyo Olympiad and a robust business environment, including infrastructure construction demand in developing countries, has fueled KD’s rapid operational expansion.

Through the acquisition of KDE Holding shares, the Group aims to dramatically expand our construction and plant-related business operations by integrating the Group’s expertise in personnel recruitment, as well as our competencies in training program and solution proposal development, with KD’s brand appeal in the construction and plant-related sector, including leading general contractors and highly skilled engineers, allowing us to optimize our management resources.

2. Outline of the Company (KDE Holding Corporation) that will become a Subsidiary of the OUTSOURCING Group

(1)	Company Name	KDE Holding Corporation		
(2)	Head Office	26-2, Nishishinjuku 1-chome, Shinjuku-ku, Tokyo		
(3)	Name and Title of Representative	Kiyoshi Noguchi, Representative Director		
(4)	Major Businesses	Management administration of subsidiary (holding company)		
(5)	Capital Stock	JPY50 million		
(6)	Established	May 8, 2013		
(7)	Major Shareholders, % owned	Kiyoshi Noguchi 100%		
(8)	Relationship between OUTSOURCING Group and KDE Holding Corporation	Capital Relationship	None	
		Personnel Relationship	None	
		Business Relationship	None	
(9)	Financial Results and Position for the Past One Fiscal Year			
Fiscal year ended April 30		-	-	Apr.2014

Net Assets	-	-	JPY50 million
Total Assets	-	-	JPY368 million
Net Assets Per Share	-	-	JPY50,806
Net Sales	-	-	JPY2 million
Operating Income	-	-	JPY(9) million
Ordinary Income	-	-	JPY0 million
Net Income	-	-	JPY0 million
Net Income Per Share	-	-	JPY806
Dividends Per Share	-	-	-

3. Outline of the Company (Kyodo Engineering Corporation) that will become a Sub-Subsidiary of the OUTSOURCING Group

(1) Company Name	Kyodo Engineering Corporation		
(2) Head Office	26-2, Nishishinjuku 1-chome, Shinjuku-ku, Tokyo		
(3) Name and Title of Representative	Kiyoshi Noguchi, Representative Director		
(4) Major Business	Engineer Placement Business, placing mainly building operation and management engineers		
(5) Capital Stock	JPY50 million		
(6) Established	March 20, 2002		
(7) Major Shareholders, % owned	KDE Holding Corporation 100%		
(8) Relationship between OUTSOURCING Group and Kyodo Engineering Corporation	Capital Relationship	None	
	Personnel Relationship	None	
	Business Relationship	None	
(9) Financial Results and Position for the Past Three Fiscal Years			
Fiscal years ended December 31	Dec.2011	Dec.2012	Dec.2013
Net Assets	JPY134 million	JPY214 million	JPY300 million
Total Assets	JPY812 million	JPY1,034 million	JPY1,123 million
Net Assets Per Share	JPY64,593	JPY103,126	JPY300,089
Net Sales	JPY2,168 million	JPY2,663 million	JPY3,031 million
Operating Income	JPY115 million	JPY161 million	JPY195 million
Ordinary Income	JPY105 million	JPY165 million	JPY193 million
Net Income	JPY54 million	JPY87 million	JPY95 million
Net Income Per Share	JPY26,210	JPY42,139	JPY95,587
Dividends Per Share	JPY3,606	JPY4,808	JPY15,000

*Note: The figures are not certified by any auditing firm.

4. Outline of the Party from which Shares will be Acquired

(1)	Name	Kiyoshi Noguch
(2)	Address	Suginami-ku, Tokyo
(3)	Relationship between OUTSOURCING Group and Concerned Individual	There are no capital, personnel and business relationships between the Company, including its related individuals and affiliates, and the concerned individual.

5. Number of Shares to be Acquired, and Ownership Before and After the Acquisition

(1)	Number of Shares Owned Before Acquisition	Number of shares 0 Number of voting rights 0 Ratio of voting rights owned 0%
(2)	Number of Shares to be Acquired	Number of shares 1,000 shares Number of voting rights 1,000 shares Ratio of voting rights owned 100%
(3)	Acquisition Price	Acquisition of KDE Holding Corporation's common shares and stake JPY1,339 million Advisory fees (estimated amount) JPY86 million TOTAL (estimated amount) JPY1,425 million
(4)	Number of Shares Owned After Acquisition	Number of shares 1,000 shares Number of voting rights 1,000 shares Ratio of voting rights owned 100%

6. Schedule

(1)	Date of Board of Directors Resolution	December 15, 2014
(2)	Date of Agreement	December 15, 2014
(3)	Date of Shares Transfer	January 5, 2015 (planned)

7. Future Outlook

The impact of this matter on the consolidated financial results for this fiscal year is negligible.