April 1, 2016

To Whom It May Concern

Company Name: OUTSOURCING Inc.
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(First Section of TSE, Securities Code 2427)
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Notice Regarding Acquisition of J.B.W. GROUP LIMITED and CASE DYNAMICS LIMITED in the U.K.

OUTSOURCING Inc. (hereinafter the "Company") hereby announces that the Board of Directors, at its meeting held on April 1, 2016, has approved the acquistion of J.B.W. GROUP LIMITED (hereinafter "JBW") and CASE DYNAMICS LIMITED (hereinafter "CDL") as sub-subsidiaries of the Company following the acquisition of issued shares in Hamsard 3393 Limited (hereinafter "Hamsard 3393") and Hamsard 3394 Limited (hereinafter "Hamsard 3394").

Particulars

1. Purpose of the Acquisition of Shares

   The primary growth driver of OUTSOURCING Group (hereinafter the "Group") has been its core business of production outsourcing to boost the production efficiency of manufacturers. In the domestic market, production by leading manufacturers—the Group's core clients—has been on an upswing, while recent revisions to the Worker Dispatching Act have eased regulations on makers that utilize dispatched workers, spurring greater demand for production outsourcing service providers. However, because such demand is susceptible to makers' business climate, reflexively responding to additional workforce requirements pose the risk of undergoing a contraction in those same needs at times of production cutbacks.

   In the recent labor market, it has become difficult to recruit fixed-term contract workers on a volume basis, and the Company has subsequently shifted its recruiting model to the PEO scheme which is based on the hiring of permanent workers, lengthening contract terms and raising unit prices to reduce risks associated with recruiting permanent employee-ism, i.e., higher fixed costs. And the Group's aim is to achieve revenue leveling that is less vulnerable to economic trends and changes in the operating environment, while also driving significant growth. For that reason, it has rolled out "Vision 2017: Vector to the New Paradigm," its Medium-Term Business Plan.

   The Group is thus targeting the public services market outsourced to private enterprises, which has been growing significantly in developed countries, especially in the United Kingdom, which has progressed in terms of outsourcing services provided for public debt collection related-operations.

JBW is engaged in outsourcing services for debt collection for the UK Government and local governments as its principle client, boasting the third-largest market share in that field. The amount of uncollected debt claims in the the United Kingdom continues to grow every year, and since the scope of outsourcing services being considered is expected to expand in the future, JBW revenues are also expected to rise.

Unlike their competitors, both JBW and CDL have developed proprietary debt collection systems and deployed an efficient network of collection agents, thereby placing them in an entirely different league with the rest of the competition to achieve dramatic market share growth, with continued share growth to be expected going forward.

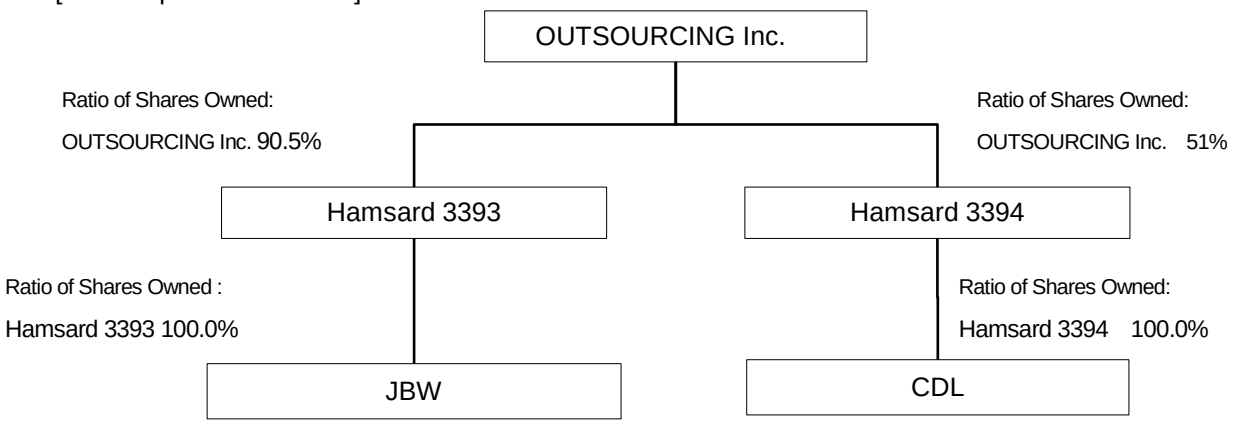
In acquiring JBW and CDL as subsidiaries, the Group will be able to secure a firm foothold in the UK market that is less susceptible to economic and operating environment fluctuations. Not only is the goal to fortify its business infrastructure in that market in collaboration with NTRINSIC HOLDINGS LIMITED, an IT enterprise that the Company has previously acquired as a subsidiary, but also to spin off this partnership to gain traction in other foreign markets, thereby accelerating the stability and growth of the Group's businesses overall.

2. Reason for Transfer

As of April 1, 2016, the Company acquired the outstanding shares of Hamsard 3393 at 1.00 GBP, making it a 100% subsidiary. The Company will accept the entire allotment of 21,029,663 shares newly issued by Hamsard 3393 for funding the JBW acquisition, and will then, using the fund, proceed to acquire 90.5% of JBW shares—40.8% held by Mr. Jamie Waller, 45.3% held by Ms. Madeleine Waller and 4.4% held by minority shareholders. The remaining 9.5% JBW shares owned by the aforementioned shareholders will be exchanged for Hamsard 3393 shares. As a result, Hamsard 3393 will become a roughly 90.5% subsidiary, and JBW will become a 100% subsidiary of Hamsard 3393.

The Company also aquired the outstanding shares of Hamstad 3394 at 1.00 GBP, also making it a wholly-owned subsidiary. The Company will then acquire 1,000,000 newly issued shares as allotted capital of Hamsard 3394, and the financing shall be used for growth investments by Hamsard 3394. Using 49% of Hamsard 3394 shares, the shares with existing CDL shareholders are to be exchanged for the entirety of CDL shares. As a result, Hamsard 3394 will become a 51% subsidiary of the Company while CDL will become a 100% subsidiary of Hamsard 3394.

[Post-Acquisition Overview]



3. Outline of the Companies that will become Subsidiaries of OUTSOURCING Inc.

① Hamsard 3393

(1)	Company Name	Hamsard 3393 Limited	
(2)	Head Office	Rutland House, 148 Edmund Street, Birmingham, United Kingdom, B3 2JR	
(3)	Name and Title of Representatives	Squire Patton Boggs Directors Limited, Corporate Director Peter Mortimer Crossley, Director	
(4)	Major Businesses	Holding Company	
(5)	Capital Stock	GBP 1	
(6)	Established	December 4, 2015	
(7)	Major Shareholder, % owned	Squire Patton Boggs Directors Limited (100%)	
(8)	Relationship between OUTSOURCING Inc. and Hamsard 3393 Limited	Capital Relationship	None
		Personnel Relationship	None
		Business Relationship	None

② Hamsard 3394

(1)	Company Name	Hamsard 3394 Limited	
(2)	Head Office	Rutland House, 148 Edmund Street, Birmingham, United Kingdom, B3 2JR	
(3)	Name and Title of Representatives	Squire Patton Boggs Directors Limited, Corporate Director Peter Mortimer Crossley, Director	
(4)	Major Businesses	Holding Company	
(5)	Capital Stock	GBP 1	
(6)	Established	February 24, 2016	
(7)	Major Shareholder, % owned	Squire Patton Boggs Directors Limited (100%)	
(8)	Relationship between OUTSOURCING Inc. and Hamsard 3394 Limited	Capital Relationship	None
		Personnel Relationship	None
		Business Relationship	None

4. Outline of the Companies that will become Sub-subsidiaries of OUTSOURCING Inc.

① JBW

(1)	Company Name	J.B.W GROUP LIMITED

(2)	Head Office	Suite 12B Beehive 3, Lingfield Point, Darlington, County Durham DL1 1YN	
(3)	Name and Title of Representative	Jamie Waller, Director	
(4)	Major Businesses	Debt collection operations	
(5)	Capital Stock	GBP 1,000	
(6)	Established	December 1, 2000	
(7)	Major Shareholders, % owned	Jamie Waller (49.0%) Madeleine Waller (45.3%)	
(8)	Relationship between OUTSOURCING Inc. and J.B.W GROUP LIMITED	Capital Relationship	None
		Personnel Relationship	None
		Business Relationship	None

(9) Financial Results and Positions for the Past Three Fiscal Years (Unit: GBP)

Fiscal Year	July 2013	July 2014	Juluy 2015
Net Assets	681,886	1,040,049	1,494,707
Total Assets	1,331,416	1,836,758	2,842,497
Net Assets Per Share	6.82	10.40	14.94
Net Sales	5,872,331	6,292,643	7,132,014
Operating Income	802,132	707,136	1,044,345
Income Before Income Taxes	796,854	707,180	1,044,353
Net Income	635,402	581,778	851,714
Net Income Per Share	6.35	5.82	8.52
Dividends Per Share	3.66	2.24	3.97

② CDL

(1)	Company Name	CASE DYNAMICS LIMITED
(2)	Head Office	20 Abchurch Lane, London EC4N 7BB
(3)	Name and Title of Representative	Jamie Waller, Director
(4)	Major Businesses	Debt collection system software development
(5)	Capital Stock	GBP 1,053
(6)	Established	June 25, 2012
(7)	Major Shareholder,	Jamie Waller (100%)

	% owned		
(8)	Relationship between OUTSOURCING Inc. and CASE DYNAMICS LIMITED	Capital Relationship	None
		Personnel Relationship	None
		Business Relationship	None

(9) Financial Results and Positions for the Past Three Fiscal Years (Unit: GBP)

Fiscal Year	From June 25, 2012 to June 30, 2013	June 2014	June 2015
Net Assets	32,649	61,687	19,282
Total Assets	936,384	585,021	455,227
Net Assets Per Share	3.10	5.86	1.83
Net Sales	252,758	286,785	331,520
Operating Income	67,150	55,161	(19,071)
Income Before Income Taxes	39,495	28,380	(42,405)
Net Income	31,596	29,038	(42,405)
Net Income Per Share	3.00	2.76	(4.03)
Dividends Per Share	—	—	—

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

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

(1)	Company Name	Squire Patton Boggs (Directors) Limited	
(2)	Head Office	7 Devonshire Square, London, EC2M 4YH	
(3)	Name and Title of Representative	Peter Mortimer Crossley, Director	
(4)	Major Businesses	Management company of the holding company, as well as holding company for Hamsard 3393 Limited and Hamsard 3394 Limited	
(5)	Capital Stock	GBP 2	
(6)	Established	April 2, 1993	
(7)	Net Asset	GBP 2	
(8)	Total Assets	GBP 2	
(9)	Major Shareholder, % owned	Squire Patton Boggs (UK) LLP (100%)	
(10)	Relationship between OUTSOURCING Inc. and Squire Patton Boggs	Capital Relationship	None
		Personnel	None

	(Directors) Limited	Relationship	
		Business Relationship	None
		Related Party Relationship	None

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

(1)	Number of Shares Owned Before Acquisition	Hamsard 3393 Limited	
		Number of shares	0
		Number of voting rights	0
		Ratio of voting rights owned	0%
		Hamsard 3394 Limited	
		Number of shares	0
		Number of voting rights	0
		Ratio of voting rights owned	0%
(2)	Number of Shares to be Acquired	Hamsard 3393 Limited	
		Number of shares	21,029,664
		Number of voting rights	23,229,664
		Ratio of voting rights owned	90.5%
		Hamsard 3394 Limited	
		Number of shares	1,000,001
		Number of voting rights	1,960,786
		Ratio of voting rights owned	51.0%
(3)	Acquisition Price	Acquisition of common shares and stake of two companies above (estimated amount)	JPY3,416 million
		Advisory fees and others (estimated amount)	JPY 165 million
		TOTAL (estimated amount)	JPY3,581 million
(4)	Number of Shares Owned After Acquisition	Hamsard 3393 Limited	
		Number of shares	21,029,664
		Number of voting rights	23,229,664
		Ratio of voting rights owned	90.5%
		Hamsard 3394 Limited	
		Number of shares	1,000,001
		Number of voting rights	1,960,786
		Ratio of voting rights owned	51.0%

Note: Conversion rate is GBP 1=JPY 164.68

7. Schedule

(1)	Date of Board of Directors Resolution	April 1, 2016
(2)	Date of Agreement	April 1, 2016
(3)	Date of Shares Transfer	April 1, 2016

8. Future Outlook

As the impact of this acquisition on consolidated financial results for this fiscal year is currently under review, the Company will promptly issue notifications should any matter requiring disclosure occur.