



November 28, 2013

To whom it may concern

Company Name OUTSOURCING Inc.
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(First Section of TSE, Securities Code 2427)
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**Absorption-Type Merger of Consolidated Subsidiary
(Short Form Merger and Simplified Merger)**

The Company will acquire its consolidated subsidiary, REVSONIC-ES Inc. (hereinafter “REV-ES”, unlisted) in accordance with the terms and conditions set out below.

This is a simplified merger of a consolidated subsidiary and some of the disclosed items and content have been abbreviated.

1. Purpose of the merger

The merger of REV-ES is being carried out to improve and streamline the efficiency of the Group’s management structure.

2. Merger overview

(1) Schedule

Board of Directors to pass merger resolution:

REV-ES: November 22, 2013

OUTSOURCING Inc.: November 28, 2013

Conclusion of merger agreement (between the related companies): November 28, 2013

Scheduled merger date (effective date): January 1, 2014 (scheduled)

The said merger is defined as a simplified merger for the Company under Article 796, paragraph 3 of the Companies Act, and a short form merger for REV-ES under Article 784 paragraph 1 of the Companies Act. As a result, no meeting of the general shareholders will be held to obtain approval of the transaction.

(2) Method of merger

The Company will be the surviving entity in the absorption-type merger, while REV-ES Company will be dissolved as the merged company.

(3) Merger allotment details

	OUTSOURCING Inc. (surviving entity)	REVSONIC-ES Inc. (dissolved entity)
Merger allotment details (merger ratio)	Common shares: 1	Common shares: 11.65

(Note) 1. Share allotment ratio

The Company will allocate and exchange 11.65 of its common shares for 1 common share of REV-ES. However, there will be no allocation for common shares of REV-ES held by the Company immediately preceding the effective date of the acquisition (REV-ES Inc. is a subsidiary of ELZEX Inc., a wholly owned subsidiary of the Company, and the Company plans to make REV-ES a directly held subsidiary through acquiring 1,320 shares of the common stock of REV-ES held by ELZEX Inc. on December 2, 2013).

2. New shares issued for the merger

The Company will allocate the required number of common shares, 932, from treasury stock, and there will be no new shares issued for the merger.

3. Treatment of odd lot shares

Shareholders holding odd lot shares (less than 100 shares) of the Company's shares as a result of the merger will not be able to sell these on the stock exchange. However, all shareholders holding any odd lot number of shares of the Company will have access to the odd lot share purchase system (for selling an odd lot number of shares). This system enables all shareholders holding an odd lot number of shares to request purchase of the odd lot by the Company.

(4) Treatment of warrants and corporate bonds with attached warrants

The Company to be dissolved has not issued warrants or bonds with warrants attached.

3. Calculation of the merger ratio

The Company requested a third party to calculate the merger ratio to ensure it was arrived at objectively.

The Company then carried out discussions and reached agreement with the merging company based on these calculations.

The merger ratio has been calculated based on the market value of the Company's shares. However, REV-ES is unlisted and its value is based on the valuation of comparable companies and net asset value.

4. Summary of the merger-related companies (as of September 30, 2013)

(1) Company name	OUTSOURCING Inc. (surviving entity)	REVSONIC-ES Inc. (dissolved entity)
(2) Major business	Production Outsourcing	Production Outsourcing
(3) Established	January 6, 1997	December 18, 2006
(4) Headquarters	1-8-3 Marunouchi, Chiyoda-ku, Tokyo	3-24-5 Shinyokohama, Kohoku-ku, Yokohama
(5) Representative	Haruhiko Doi, Chairman & CEO	Takahide Miyoshi, President
(6) Capital Stock	¥510 million	¥40 million
(7) Number of shares issued	15,655,700 shares	1,400 shares
(8) Fiscal-year end	December 31	December 31
(9) Major shareholder, % owned* (as of May 30, 2013)	Haruhiko Doi 24.01% Masahiko Dorin 9.61% Japan Trustee Services Bank, Ltd. (Trust Account) 8.27%	ELZEX Inc. 94.29% REVSONIC Inc. 5.71%
(10) Operating results and fiscal position for the most recent fiscal year (in million JPY)		
	FY12/12 (Consolidated)	FY12/12 (Non-consolidated)
Net assets	4,511	24
Total assets	13,866	93
Net assets per share (JPY)	283.24	17,626.98
Net sales	42,090	188
Operating income	1,000	(30)
Ordinary income	1,153	(31)
Net income	641	(31)
Net income per share (JPY)	44.46	(22,514.66)

Note: 1) Treasury shares were excluded from the merger ratio calculation.

2) OUTSOURCING Inc. holds 1,139,500 shares in treasury stock.

5. Post-merger conditions

The Company's trademarks, businesses, business addresses, representatives, capital stock position, or fiscal year will not be affected by this acquisition.

6. Outlook

This transaction is the merger of a consolidated subsidiary and will not have a material impact on consolidated results.