



January 21, 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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**Notice Regarding Acquisition of Shares of ALP CONSULTING LIMITED
and DATACORE TECHNOLOGIES PRIVATE LIMITED**

OUTSOURCING Inc. (the "Company") hereby announces that the Board of Directors, at its meeting held on January 21, 2014, resolved to acquire the shares of ALP CONSULTING LIMITED (hereafter "ALP") and DATACORE TECHNOLOGIES PRIVATE LIMITED (hereafter "DATACORE"), making them subsidiaries.

Description

1. Purpose of the Acquisition of Shares

The OUTSOURCING Group offers production outsourcing service to leading domestic makers from R&D, testing and evaluation, to the mass production process across a wide range of sectors. In recent years, in order to make the necessary supplement to the domestic market which is expected to contract over the medium term due to declining population, the Group has proceeded with developing overseas business mainly in Southeast Asia, proving service to Japanese makers, and has been considering entering the Indian market, which is expected to continue growing over the medium term backed by the second largest population after China, and where Japanese makers are also accelerating establishing bases.

At the same time, ALP and DATACORE which it will make a wholly-owned subsidiary (hereafter the "ALP Group") with over 10 years business experience has grown into a mid-tier outsourcing firm with temporary staff reaching over 3,000, providing manufacturing outsourcing and IT engineering outsourcing service mainly to foreign-affiliate firms other than Japanese firms in India.

By making the ALP Group a subsidiary on this occasion, the Company will enter the India market which is expected to continue developing going forward. Also, the Company is aiming at

expansion through leveraging synergies of manufacturing and IT engineering outsourcing services provided by the ALP Group to extending those services and providing them to Japanese companies.

2. Method of Transfer

On January 23, 2014, ALP will acquire all of the outstanding shares of DATACORE, making it a subsidiary. After that the Company plans to subscribe to all of the 552,556 shares issued by ALP through capital increase, and at the same time the Company plans to acquire the 382,320 shares of ALP.

3. Outline of the Companies that will Become Subsidiaries of the OUTSOURCING Group

① ALP

(1)	Company Name	ALP CONSULTING LIMITED		
(2)	Head Office	No.3, Palace Road, 12th Main, Vasanth Nagar, Bengaluru, Karnataka, India		
(3)	Name and Title of Representative	Jayachandran Pillai, Director		
(4)	Major Business	IT engineering temporary placement, manufacturing temporary placement, payroll services		
(5)	Capital Stock	INR12,775,000		
(6)	Established	May 4, 1999		
(7)	Major Shareholders, % owned	Roopa Priyadarshini Pillai (33.3%) Kishore Venkataswamy Narayana (33.3%) Jayachandran Pillai (33.3%)		
(8)	Relationship between OUTSOURCING Group and ALP	Capital Relationship	None	
		Personnel Relationship	None	
		Business Relationship	None	
		Related Party Relationship	None	
(9) Financial Results and Position for the Past Three Fiscal Years (unit: Thousands of INR)				
Fiscal Year		March 2011	March 2012	March 2013
Net Assets		60,587	69,107	70,271
Total Assets		178,982	286,040	289,376
Net Assets Per Share (INR)		47.43	54.10	55.01
Net Sales		679,227	768,020	762,710
Operating Income		11,136	12,480	11,323
Ordinary Income		11,136	12,480	11,323

Net Income	7,552	8,520	7,666
Net Income Per Share (INR)	5.91	6.67	6.00

② DATACORE (the company being made a subsidiary by ALP)

(1)	Company Name	DATACORE TECHNOLOGIES PRIVATE LIMITED		
(2)	Head Office	No.3, Palace Road, 12 th Main, Vasanth Nagar, Bengaluru, Karnataka, India		
(3)	Name and Title of Representative	Jayachandran Pillai, Director		
(4)	Major Business	IT engineering temporary placement services		
(5)	Capital Stock	INR5,000,000		
(6)	Established	September 23, 2008		
(7)	Major Shareholders, % owned	Kishore Venkataswamy Narayana (27.0%) Roopa Priyadarshini Pillai (26.6%) Jayachandran Pillai (26.4%) ALP CONSULTING LIMITED (20.0%)		
(8)	Relationship between OUTSOURCING Group and DATACORE	Capital Relationship	None	
		Personnel Relationship	None	
		Business Relationship	None	
		Related Party Relationship	None	
(9) Financial Results and Position for the Past Three Fiscal Years (unit: Thousands of INR)				
Fiscal Year		March 2011	March 2012	March 2013
Net Assets		21,649	27,135	30,868
Total Assets		47,167	75,279	80,710
Net Assets Per Share (INR)		43.30	54.27	61.74
Net Sales		180,170	160,102	170,752
Operating Income		7,392	7,890	8,294
Ordinary Income		7,392	7,890	8,294
Net Income		4,800	5,486	5,704
Net Income Per Share (INR)		9.60	10.97	11.41

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

(1)	Name	Roopa Priyadarshini Pillai, two other individuals
(2)	Address	Bangalore, Karnataka, India and others

(3)	Relationship between OUTSOURCING Group and Concerned Individuals	Capital Relationship Personnel Relationship Business Relationship Related Party Relationship	None None None None
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5. Number of Shares to be Acquired, and Ownership Before and After the Acquisition

(1)	Number of shares owned before acquisition	Number of shares Number of voting rights Ratio of voting rights owned	0 0 0.0%
(2)	Number of shares to be acquired	Number of shares Number of voting rights Ratio of voting rights owned	934,876 934,876 51.1%
(3)	Acquisition price	Acquisition of ALP common shares and stake <u>Advisory fees (estimate amount)</u> TOTAL (estimate amount)	JPY 481 million JPY 25 million JPY 506 million
(4)	Number of shares owned after acquisition	Number of shares Number of voting rights Ratio of voting rights owned	934,876 934,876 51.1%

*Reference rate: 1INR = 1.69 JPY (TTM average rate for December 2013)

6. Schedule

(1)	Date of Board of Directors Resolution	January 21, 2014
(2)	Date of agreement	January 21, 2014
(3)	Date of shares transfer	January 28, 2014 (planned)

7. Future Outlook

The impact of this matter on consolidated financial results this term is negligible.