



July 11, 2016

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 Recruit Factory Partners Co., Ltd.

OUTSOURCING Inc. (hereinafter “the Company”) hereby announces that the Board of Directors, at its meeting held on July 11, 2016, resolved to acquire 100% issued shares of Recruit Factory Partners Co., Ltd. (hereinafter “RFP”), making it a subsidiary.

Particulars

1. Purpose of the Acquisition of Shares

OUTSOURCING Group (hereinafter the “Group”) has developed its manufacturing-related outsourcing business with the aim of improving and enhancing the production efficiency of manufacturers. However, this business is susceptible to client makers’ business cycles and thus highly volatile.

The Group has therefore been entering fields that have different business cycles from the manufacturing field, or developing fields that are less affected by fluctuations in macro-economic. In addition, the Group’s Domestic Manufacturing Outsourcing Business has been transitioning away from a business domain in which production volatilities are dramatic with workforce adjustments needed every few months. It has been moving instead to a domain in which production cycles are less volatile with small workforce adjustments as client makers carry out structural reforms, and the domain is far more aligned with client makers’ core activities. With these initiatives, the Group has lengthened service contract terms, and as a result, it has focused on further development of human resources as well as improving its production expertise, leading to a business portfolio expansion by controlling volatility risks.

In this manufacturing domain, the Group is looking beyond those fields that are performing well at the present; it is also eyeing businesses with medium- to long-term growth potential in the Japanese market. It has reinforced outsourcing services for clients in the energy-related business, including onboard systems for motor vehicles, expanding its business presence mainly in the Kansai region, where many relevant companies are based.

Meanwhile, RFP has engaged in energy-related businesses, and the outsourcing service provider maintains a strong presence in higher yields based on its operational knowhow of high value-added equipment in the field and has earned a sterling reputation among client makers.

With the acquisition the Group will build a human resources network for the energy business field in the Kansai region, given its high concentration of relevant firms, and continue to offer productive services that respond to expanding demand to enhance its operating infrastructure.

2. Outline of the Company that will become a Subsidiary of OUTSOURCING Inc.

(1)	Company Name	Recruit Factory Partners Co., Ltd.		
(2)	Head Office	2-4-20 Higashinoda-machi, Miyakojima-ku, Osaka City, Osaka		
(3)	Name and Title of Representative	Takashi Maeda, President		
(4)	Major Businesses	Manufacturing contracting, engineering contracting, worker dispatching, and recruiting and placing		
(5)	Capital Stock	JPY50,000,000		
(6)	Established	June 10, 1977		
(7)	Major Shareholder, % owned	Recruit Holdings Co., Ltd. 100.0%		
(8)	Relationship between OUTSOURCING Inc. and Recruit Factory Partners Co., Ltd.	Capital Relationship	None	
		Personnel Relationship	None	
		Business Relationship	None	
(9) Financial Results and Position for the Past Three Fiscal Years (Unit: Thousands of JPY)				
Fiscal Year		March 2014	March 2015	March 2016
Net Assets		2,702,626	2,915,665	3,194,960
Total Assets		4,033,069	4,585,206	4,587,379
Net Assets Per Share (Unit: JPY)		13,513	14,578	15,974
Net Sales		7,265,406	7,289,502	6,531,845
Operating Income		453,817	506,959	426,162
Ordinary Income		464,081	517,718	441,078
Net Income		291,883	225,421	279,295
Net Income Per Share (Unit: JPY)		1,459	1,127	1,396
Dividends Per Share (Unit: JPY)		-	-	-

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

(1) Company Name	Recruit Holdings Co., Ltd.
(2) Head Office	8-4-17 Ginza, Chuo-ku, Tokyo
(3) Name and Title of Representative	Masumi Minegishi, President, CEO, and Representative Director

(4) Major Businesses	Developing the Group's management policies and administrating operations of the Group companies	
(5) Capital Stock	JPY10,000 million	
(6) Established	August 26, 1963	
(7) Net Assets	JPY777,000 million	
(8) Total Assets	JPY1,150,681 million	
(9) Major Shareholders, % owned	TOPPAN PRINTING CO., LTD.	6.67%
	Dai Nippon Printing Co., Ltd.	6.32%
	DENTSU INC.	5.31%
	The Recruit Group Employees Shareholding Association	4.07%
	NTT DATA Corporation	2.74%
(10) Relationship between OUTSOURCING Inc. and Recruit Holdings Co., Ltd.	Capital Relationship	None
	Personnel Relationship	None
	Business Relationship	None
	Related Party Relationship	None

4. Number of Shares to be Acquired, Acquisition Price, 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	200,000 shares
(3) Acquisition Price	Acquisition of Recruit Factory Partners Co., Ltd. common shares and stake	
		JPY2,445 million
	Advisory fees (estimated amount)	JPY 14 million
	TOTAL (estimated amount)	JPY2,469 million
(4) Number of Shares Owned After Acquisition	Number of shares	200,000
	Number of voting rights	200,000
	Ratio of voting rights owned	100%

5. Schedule

(1) Date of Board of Directors Resolution	July 11, 2016
(2) Date of Agreement	July 11, 2016
(3) Date of Shares Transfer	August 5, 2016 (scheduled)

6. Future Outlook

The impact from the acquisition for the Group's financial forecasts for FY12/16 is currently being examined and will be announced immediately after conclusion of said examination.