

Financial Results for the 2nd Quarter of Fiscal Year Ending December 31, 2014

OUTSOURCING Inc.

(Securities Code: 2427/TSE 1st Section)

August 2014



Out-Sourcing!
inc.



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Consolidated Financial Results for Q2 FY12/14



Consolidated Financial Results for Q2 FY12/14

● Consolidated Financial Results Summary (1H)

(¥ million)	FY12/13		FY12/14		YoY Changes	
	Q2 YTD Actual Amount	Composition Ratio	Q2 YTD Actual Amount	Composition Ratio	Amount	Ratio
Net sales	21,433	100.0%	28,070	100.0%	6,637	31.0%
Cost of sales	17,497	81.6%	22,549	80.3%	5,051	28.9%
Gross profit	3,935	18.4%	5,521	19.7%	1,585	40.3%
SG&A expenses	3,934	18.4%	4,807	17.1%	873	22.2%
Operating income	1	0.0%	713	2.5%	712	—
Non-operating income	350	1.6%	288	1.0%	(62)	-17.8%
Non-operating expenses	313	1.5%	241	0.9%	(71)	-22.8%
Ordinary income	38	0.2%	759	2.7%	721	—
Extraordinary income	93	0.4%	58	0.2%	(34)	-36.9%
Extraordinary losses	—	—	5	0.0%	5	—
Net income	29	0.1%	375	1.3%	345	—

Consolidated Financial Results for Q2 FY12/14

Quarterly Financial Results by Operating Segment

(¥ million)		FY12/13					FY12/14	
		Q1	Q2	Actual Q3	Q4	Full-Term	Actual Q1	Actual Q2
Manufacturing Outsourcing Business	No. of worksite employees at term-end	5,313	5,969	6,442	6,351	6,351	6,197	6,213
	Net sales	4,891	5,133	5,704	6,538	22,267	6,101	6,223
	Operating income	(255)	100	137	555	538	52	143
Engineering Outsourcing Business	No. of worksite employees at term-end	2,097	2,282	2,441	2,600	2,600	2,688	2,893
	Net sales	3,882	3,934	4,474	4,876	17,169	5,116	5,331
	Operating income	112	55	280	294	742	293	201
Administrative Outsourcing Business	No. of outsourcing administrative workers at term-end	2,317	2,179	2,325	2,344	2,344	2,102	2,018
	Net sales	164	154	146	137	603	147	142
	Operating income	45	36	41	15	139	10	30
Recruitment and Placement Business	No. of placed workers	261	545	755	655	2,216	690	765
	Net sales	38	103	159	184	485	162	213
	Operating income	15	11	37	65	129	77	90
Overseas Business	No. of worksite employees at term-end (Production Outsourcing Business)	4,177	5,122	4,758	4,829	4,829	6,924	7,545
	No. of worksite employees at term-end (Other Business)	1,719	1,834	1,763	1,733	1,733	2,222	2,543
	Net sales	1,513	1,799	1,802	2,422	7,537	2,518	2,705
	Operating income	(18)	57	40	△ 58	22	(7)	42
Other Business	Net sales	48	45	54	41	190	63	36
	Operating income	5	0	(1)	2	5	6	(2)
Internal Transfer	Net sales	(123)	(153)	(165)	(426)	(869)	(322)	(370)
Elimination	Operating income	(93)	(71)	(135)	(73)	(374)	(123)	(102)
Total	Net sales	10,415	11,017	12,176	13,774	47,384	13,788	14,281
	Operating income	(188)	189	400	801	1,202	309	404
Net Sales by Region		FY12/13					FY12/14	
(¥ million)		Q1	Q2	Actual Q3	Q4	Full-Term	Actual Q1	Actual Q2
Japan		8,933	9,251	10,408	11,569	40,163	11,434	11,755
Asia/Oceania (excl. Japan)		1,482	1,766	1,767	2,204	7,220	2,353	2,526
Total		10,415	11,017	12,176	13,774	47,384	13,788	14,281

Note: Net sales by region for Asia/Oceania (excl. Japan) eliminate internal transfers from Overseas Business segment net sales

Consolidated Financial Results for Q2 FY12/14

● Consolidated Financial Highlights (1H)

Net Sales **¥28,070 million (+31.0% YoY)**

- ❑ In Administrative Outsourcing Business, needs are growing in shifting from seasonal workers directly employed by makers to temporary placement, and administrative contracting is declining
- ❑ Engineering Outsourcing Business is maintaining the favorable trend, growing sharply
- ❑ For Manufacturing Outsourcing Business, strong orders from transport equipment makers and needs for shifting seasonal workers directly employed by makers to temporary placement are boosting growth

Operating Income **¥713 million (¥1 million in Q2 FY12/13)**

- ❑ Recruitment unit price is rising due to the appearance of labor shortages from the economic recovery
- ❑ The Company is maintaining investment in future growth drivers
- ❑ Price hike negotiations are proceeding smoothly, and gross profit margin is rising
- ❑ With increasing net sales, the SG&A expenses ratio is declining

Net Income **¥375 million (¥29 million in Q2 FY12/13)**

- ❑ Due to certain expenses (approximate amount booked) becoming eligible for corporate taxation, quarterly net income declined by that amount

Consolidated Financial Results for Q2 FY12/14

● Quarterly Consolidated Financial Results

(¥ million)	FY12/13 Actual				FY12/14 Actual	
	Q1	Q2	Q3	Q4	Q1	Q2
Net sales	10,415	11,017	12,176	13,774	13,788	14,281
Gross profit	1,759	2,176	2,436	2,908	2,646	2,874
Gross profit margin	16.9%	19.8%	20.0%	21.1%	19.2%	20.1%
SG&A expenses	1,948	1,986	2,036	2,107	2,337	2,470
SG&A expenses ratio	18.7%	18.0%	16.7%	15.3%	17.0%	17.3%
Operating income	(188)	189	400	801	309	404
Operating income margin	-1.8%	1.7%	3.3%	5.8%	2.2%	2.8%
Ordinary income	(191)	230	435	882	329	430
Ordinary income margin	-1.8%	2.1%	3.6%	6.4%	2.4%	3.0%
Net income	(121)	151	303	788	193	181
Net income margin	-1.2%	1.4%	2.5%	5.7%	1.4%	1.3%

QoQ Changes	FY12/13 Actual				FY12/14 Actual	
	Q1	Q2	Q3	Q4	Q1	Q2
Net sales	-5.0%	5.8%	10.5%	13.1%	0.1%	3.6%
Gross profit	-23.6%	23.7%	12.0%	19.4%	-9.0%	8.6%
SG&A expenses	5.9%	1.9%	2.5%	3.5%	10.9%	5.7%
Operating income	—	—	110.9%	100.2%	-61.4%	30.6%
Ordinary income	—	—	89.3%	102.7%	-62.7%	30.7%
Net income	—	—	100.8%	159.4%	-75.5%	-6.0%

Consolidated Financial Results for Q2 FY12/14

● Summary of Consolidated Balance Sheet (1H End)

(¥ million)	FY12/13 End		FY12/14 Q2 End		YoY Changes
	Amount	Composition Ratio	Amount	Composition Ratio	Amount
Current assets	14,119	69.4%	15,461	70.0%	1,342
(Cash and deposits)	6,032	29.7%	6,060	27.4%	27
(Notes and accounts receivable - trade)	6,529	32.1%	7,258	32.9%	729
(Inventories)	578	2.8%	781	3.5%	202
Non-current assets	6,223	30.6%	6,629	30.0%	406
Property, plant and equipment	1,953	9.6%	2,132	9.7%	179
Intangible assets	1,827	9.0%	2,153	9.8%	326
Investments and other assets	2,442	12.0%	2,342	10.6%	(100)
Total assets	20,343	100.0%	22,091	100.0%	1,748
Current liabilities	10,003	49.2%	12,039	54.5%	2,035
(Notes and accounts payable - trade)	609	3.0%	652	3.0%	42
(Short-term loans payable)	4,380	21.5%	4,749	21.5%	369
(Accounts payable - other)	2,905	14.3%	3,935	17.8%	1,030
Non-current liabilities	4,423	21.7%	3,907	17.7%	(515)
(Bonds payable)	50	0.2%	70	0.3%	20
(Long-term loans payable)	2,578	12.7%	2,115	9.6%	(463)
Total liabilities	14,427	70.9%	15,947	72.2%	1,519
Shareholders' equity	4,945	24.3%	5,212	23.6%	267
Capital stock	514	2.5%	534	2.4%	20
Capital surplus	910	4.5%	931	4.2%	20
Retained earnings	3,910	19.2%	4,138	18.7%	227
Treasury shares	(391)	-1.9%	(391)	-1.8%	0
Accumulated other comprehensive income	382	1.9%	299	1.4%	(83)
Subscription rights to shares	100	0.5%	99	0.4%	(1)
Minority interests	486	2.4%	532	2.4%	45
Net assets	5,915	29.1%	6,144	27.8%	228
Total liabilities and net assets	20,343	100.0%	22,091	100.0%	1,748

(Notes and accounts receivable - trade)

Increased from acquisition of subsidiaries' shares and business scale expansion

(Intangible assets)

Increased from goodwill in accordance with acquisition of subsidiaries' shares

(Short-term loans payable)

Increased due to stable funds raised for working capital and a view towards future M&As

(Accounts payable - other)

Increased due to acquisition of subsidiaries' shares and business scale expansion

(Retained earnings)

Reflects net income and dividend payments etc.

Consolidated Financial Results for Q2 FY12/14

● Summary of Consolidated Statement of Cash Flows (1H)

(¥ million)	FY12/13 1H Amount	FY12/14 1H Amount	YoY Change Amount
Income (loss) before income taxes	131	812	681
Depreciation	156	162	6
Gain on bargain purchase	(78)	-	78
Amortization of goodwill	188	242	53
Amortization of negative goodwill	(69)	(46)	23
Decrease (increase) in notes and accounts receivable - trade	265	(589)	(855)
Increase (decrease) in notes and accounts payable - trade	573	1,031	457
Other, net	(327)	(632)	(305)
Net cash provided by (used in) operating activities	840	980	139
Net cash provided by (used in) investing activities	(714)	(506)	208
Increase (decrease) in loans payable	833	(345)	(1,179)
Cash dividends paid	(115)	(116)	(0)
Other, net	(12)	14	26
Net cash provided by (used in) financing activities	705	(447)	(1,153)
Cash and cash equivalents at end of period	4,181	4,502	320

Increased from the increase in income before income taxes

Increased due to decreased outlays for acquisition of subsidiaries' shares

Decreased due to repayments of loans payable

To Achieve the Full-Term
Financial Forecasts



Company Growth Assumptions

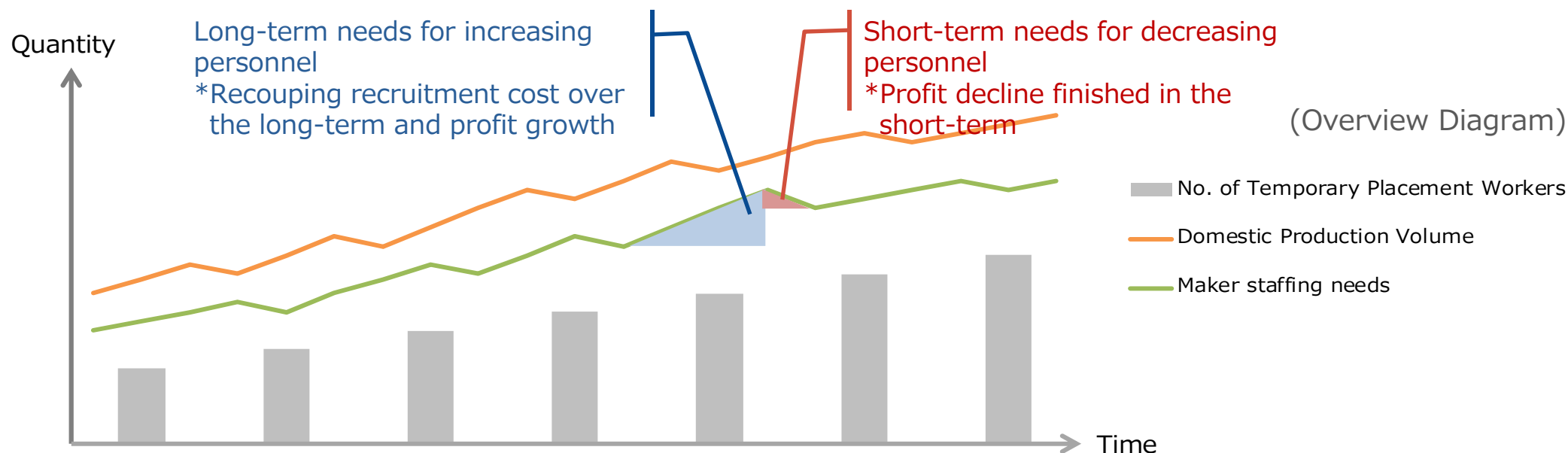
Growth in top line = net increase in temporary placement workers

Securing healthy profits = holding down recruitment unit price

Company Growth Assumptions

◆ Background for past industry growth

- ◎ “Made in Japan” was high value-added, and maker production maintained a rising trend driven by exports and domestic consumption



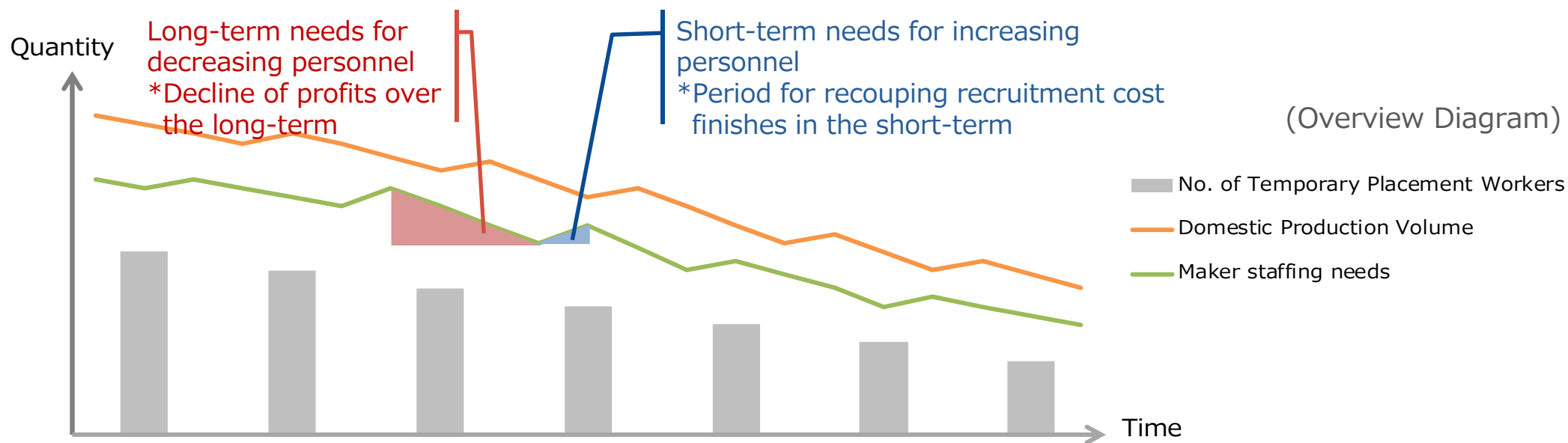
There was a high willingness of workers to work at production sites, and provided transactions could be made with quality manufacturers, growth was achieved through securing workers at a low recruitment cost.

This was consistent with “Growth Assumptions” on page 11.

Company Growth Assumptions

◆ Currently, the background for past industry growth is breaking down

◎ Value-added of “Made in Japan” is declining, and globalization is progressing aimed at pursuing low cost labor and raising logistics efficiency



Maker domestic production has begun declining, and due to contraction of the workforce population and younger workers leaving manufacturing industries, the industry has become exposed to maker needs and competition to secure personnel.

This is no longer consistent with “Growth Assumptions” on page 11.

Company Growth Assumptions

- ◆ Recruitment unit prices are rising due to changes in maker production plans

Past

Makers had put out orders from a limited number of specified vendors to have a margin in accordance with production plans based on a long-term outlook

Present

Makers have shifted to production in accordance with the rapidly changing global economy, and are required to secure personnel to meet vertical start-ups, resulting in orders being simultaneously given to an unspecified large number of vendors, however production in many cases ends in the short-term and being vertical

Due to intensified competition among vendors, recruitment unit prices are being pushed up further, and the period for recouping costs is becoming uncertain.

Company Growth Assumptions

◆ Personnel procurement cost recovery in 2 months is an absolute requirement

▼ Recruitment Unit Price Trend for the Manufacturing Outsourcing Industry

(Estimates by OUTSOURCING Inc.)

	Q1 FY12/14	Q2 FY12/14	Q3 FY12/14 est.	Q4 FY12/14 est.
Average recruitment unit price (¥/worker)	75,000	85,000	100,000	110,000

+

Dormitory-related expense

¥56,700 (relocation expense ¥8,700/worker

+ company housing preparation cost ¥48,000/worker)



■ 1H FY12/14 OUTSOURCING Inc. Average Gross Profit

Per person: ¥66,048/month × 2 months = ¥132,096

Average industry personnel procurement cost is difficult to recover in 2 months under the existing scheme.

Company Growth Assumptions

The Company is completely abandoning recruiting competition among vendors that leads to increased recruitment cost for increased personnel to meet increased production.

Addressing 2 major challenges:

- 1 . Addressing rising recruitment unit prices
- 2 . Addressing the declining domestic workforce population

Company Growth Assumptions

1. Addressing rising recruitment unit prices

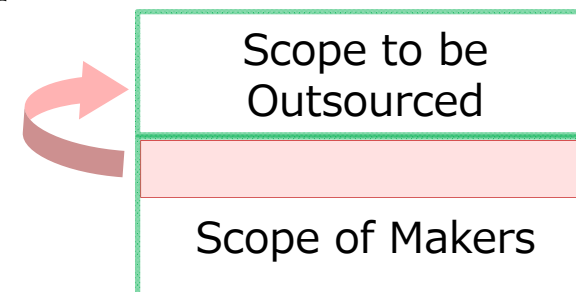
◆ Expanding the scope for maker outsourcing

Growth opportunity from regulatory reform and revised laws



Proposing a scheme/winning orders where higher efficiency can be achieved by the Company rather than by makers handling it by themselves

When the scope of outsourcing is expanded, also accept personnel transferring from the maker to the Company as a set



**Don't rely on recruitment media,
and accelerate the new personnel procurement scheme.**

Company Growth Assumptions

1. Addressing rising recruitment unit prices

● Recruitment Unit Prices for the Manufacturing Outsourcing Industry (Estimates by OUTSOURCING Inc.)

	Q1 FY12/14	Q2 FY12/14	Q3 FY12/14 est.	Q4 FY12/14 est.
Average recruitment unit price (¥/worker)	75,000 <	85,000 <	100,000 <	110,000

● OUTSOURCING Inc. Initial Recruitment Plan

Initial Plan	Q3 FY12/14	Q4 FY12/14
Average recruitment unit price (¥/worker)	59,215	50,087
No. of workers recruited (worker)	2,065	1,853
Recruitment expenses (¥ thousand)	122,279	92,812

*Manufacturing OS Business (Temporary Placement and Outsourced Contracting)

● OUTSOURCING Inc. Current Outlook for Recruitment

	Q1 FY12/14 act.	Q2 FY12/14 act.	Q3 FY12/14 est.	Q4 FY12/14 est.
Average recruitment unit price (¥/worker)	75,486 >	71,546 >	58,850 >	49,913
No. of workers recruited (worker)	1,270 <	1,622 <	2,086 <	2,288
Recruitment expenses (¥ thousand)	95,867	116,047	122,762	114,201

*Manufacturing OS Business (Temporary Placement and Outsourced Contracting)

Recruitment unit price FY2014 Initial Plan > Current 2H Estimate
 Quarterly no. of workers recruited FY2014 Initial Plan < Current 2H Estimate

Company Growth Assumptions

2. Addressing the declining domestic workforce population

Leveraging foreign personnel with trainings in areas with growing population

Foreigner Technical Intern Training Program

This is the system for working as a trainee for 3 years in Japan, then utilizing the acquired skills and knowhow upon returning to the home country. The current administration is considering extending this to 5 years, and allowing re-entry to Japan which is not allowed.

Company Growth Assumptions

2. Addressing the declining domestic workforce population

◆ Complicated operations when Japanese companies accept trainees

◎ Operations in the local country

- Recruiting those desiring to be trainees
- Roughly 5 months training in Japanese language etc.
- Documents and procedures for seconding, other

◎ Operations in Japan

- Moving after immigration ■ Follow-up for daily living
- Preparation/management of dormitories etc.
- Handling daily transportation ■ Arranging interpreters, other



The Company handles these complicated operations on behalf of clients,
for an estimated gross profit of ¥40,000/month per person.

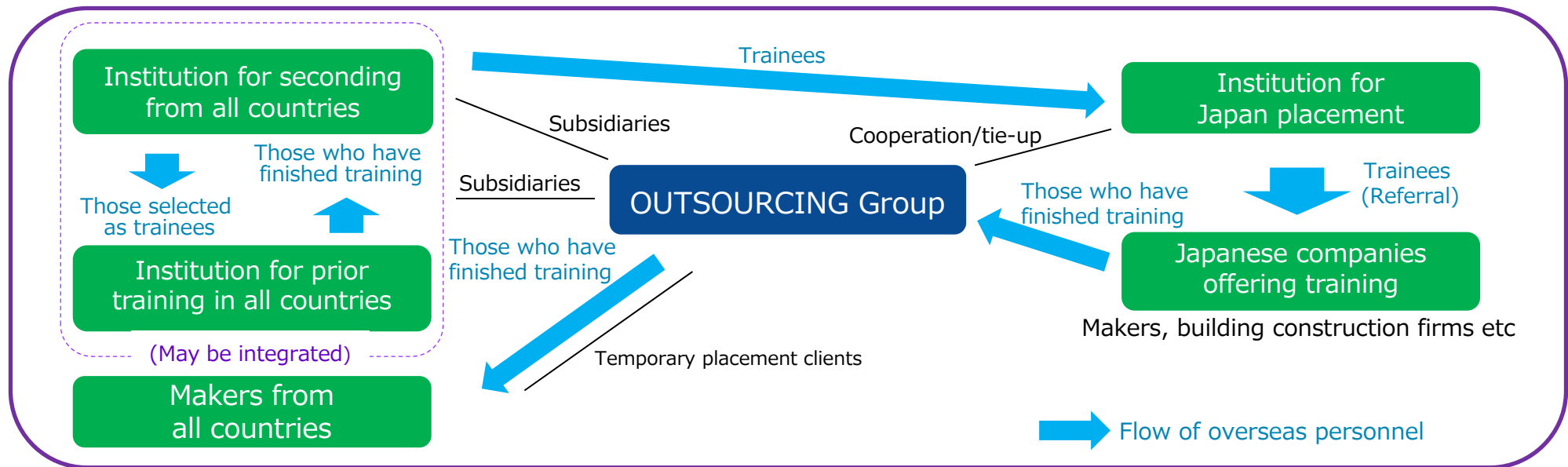
Company Growth Assumptions

2. Addressing the declining domestic workforce population

◆ Building a global staffing network

In addition to expanding business in Thailand, Vietnam, Indonesia and Malaysia, proceeding with Cambodia, Myanmar and Laos, building a cross-border staffing network including Japan

Scheme for Efficient Utilization of Technical Intern Trainees



September 2014 Setting up related offices in Japan and abroad

Consolidated Financial Forecasts for FY12/14



Consolidated Financial Forecasts for FY12/14

● Summary of Consolidated Financial Forecasts (Full-Term)

(¥ million)	FY12/13		FY12/14		FY12/14				YoY Changes			
	Actual		Actual		Initial Forecast		Forecast		Initial Forecast		Amount	Ratio
	Full-Term	Composition Ratio	1H	Composition Ratio	1H	Composition Ratio	2H	Composition Ratio	Full-Term	Composition Ratio		
Net sales	47,384	100.0%	28,070	100.0%	28,400	100.0%	32,900	100.0%	61,300	100.0%	13,916	29.4%
Cost of sales	38,102	80.4%	22,549	80.3%	-	-	-	-	-	-	-	-
Gross profit	9,281	19.6%	5,521	19.7%	-	-	-	-	-	-	-	-
SG&A expenses	8,078	17.0%	4,807	17.1%	-	-	-	-	-	-	-	-
Operating income	1,202	2.5%	713	2.5%	600	2.1%	1,400	4.3%	2,000	3.3%	798	66.4%
Non-operating income	700	1.5%	288	1.0%	-	-	-	-	-	-	-	-
Non-operating expenses	546	1.2%	241	0.9%	-	-	-	-	-	-	-	-
Ordinary income	1,357	2.9%	759	2.7%	650	2.3%	1,400	4.3%	2,050	3.3%	693	51.1%
Extraordinary income	232	0.5%	58	0.2%	-	-	-	-	-	-	-	-
Extraordinary losses	-	-	5	0.0%	-	-	-	-	-	-	-	-
Net income	1,122	2.4%	375	1.3%	350	1.2%	710	2.2%	1,060	1.7%	(62)	-5.5%

Consolidated Financial Forecasts for FY12/14

Quarterly Forecasts by Operating Segment

(¥ million)		FY12/13					FY12/14				
		Q1	Q2	Actual Q3	Q4	Full-Term	Actual Q1	Q2	Initial Forecast		
									Q3	Q4	Full-Term
Manufacturing Outsourcing Business	No. of worksite employees at term-end	5,313	5,969	6,442	6,351	6,351	6,197	6,213	7,584	7,955	7,955
	Net sales	4,891	5,133	5,704	6,538	22,267	6,101	6,223	7,086	7,367	26,775
	Operating income	(255)	100	137	555	538	52	143	151	246	488
Engineering Outsourcing Business	No. of worksite employees at term-end	2,097	2,282	2,441	2,600	2,600	2,688	2,893	3,146	3,311	3,311
	Net sales	3,882	3,934	4,474	4,876	17,169	5,116	5,331	5,932	6,342	22,713
	Operating income	112	55	280	294	742	293	201	348	510	1,298
Administrative Outsourcing Business	No. of outsourcing administrative workers at term-end	2,317	2,179	2,325	2,344	2,344	2,102	2,018	2,968	2,932	2,932
	Net sales	164	154	146	137	603	147	142	136	140	547
	Operating income	45	36	41	15	139	10	30	30	36	97
Recruitment and Placement Business	No. of placed workers	261	545	755	655	2,216	690	765	610	589	2,380
	Net sales	38	103	159	184	485	162	213	130	122	506
	Operating income	15	11	37	65	129	77	90	27	19	106
Overseas Business	No. of worksite employees at term-end (Production Outsourcing Business)	4,177	5,122	4,758	4,829	4,829	6,924	7,545	10,873	12,816	12,816
	No. of worksite employees at term-end (Other Business)	1,719	1,834	1,763	1,733	1,733	2,222	2,543	2,021	2,024	2,024
	Net sales	1,513	1,799	1,802	2,422	7,537	2,518	2,705	2,887	2,967	11,188
	Operating income	(18)	57	40	(58)	22	(7)	42	80	71	258
Other Business	Net sales	48	45	54	41	190	63	36	57	65	238
	Operating income	5	0	(1)	2	5	6	(2)	3	4	12
Internal Transfer	Net sales	(123)	(153)	(165)	(426)	(869)	(322)	(370)	(167)	(169)	(669)
Elimination	Operating income	(93)	(71)	(135)	(73)	(374)	(123)	(102)	(70)	(59)	(262)
Total	Net sales	10,415	11,017	12,176	13,774	47,384	13,788	14,281	16,064	16,835	61,300
	Operating income	(188)	189	400	801	1,202	309	404	572	827	2,000

Return to Shareholders



Return to Shareholders

- Commemorative dividend celebrating the 10th anniversary since listing (Interim)

Coming up on ten years having passed since listing on the JASDAQ exchange December 15, 2014, and in expression of gratitude to all shareholders, the Company has decided a commemorative dividend as shown below.

(¥)	Q1 End	Q2 End	Q3 End	Full-Term End	Total
FY12/13 Actual	-	5.00	-	8.00	13.00
FY12/14 Q2 End Actual	-	8.00	-	-	-
FY12/14 Full-Term End Forecast	-	-	-	22.00	30.00

*The interim dividend for the Q2 End of FY12/13 of ¥5.00 was a commemorative dividend for successfully moving up to the TSE First Section.

As announced on February 13, 2014, in order to strengthen returns for all shareholders and to expand the shareholder base, the Company has changed its consolidated dividend payout policy from 10% in principle to 30%. However, payout for the full-term this term is expected to reach 40% as a result of implementing the interim commemorative dividend.

References



Summary of Consolidated Financial Results for Q2 FY12/14

● Quarterly Net Sales Breakdown by Industry

Net Sales Breakdown by Industry (¥ million)	FY12/13 Actual					FY12/14 Actual	
	Q1	Q2	Q3	Q4	Full-Term	Q1	Q2
Manufacturing Outsourcing Business	4,834	5,033	5,598	6,346	21,812	5,967	6,081
Foods	378	375	405	457	1,615	394	399
Electrical & Electronics	1,049	965	1,056	1,087	4,158	1,407	1,667
Transport Equipment	1,355	1,532	1,730	1,940	6,558	2,015	1,946
Pharm. & Chemicals	897	888	934	980	3,701	948	998
Metals & Construction Materials	675	642	629	618	2,566	521	561
Others	478	628	843	1,261	3,211	680	507
Engineering Outsourcing Business	3,850	3,917	4,451	4,861	17,079	5,095	5,285
Electrical & Electronics	532	552	576	638	2,299	684	765
Transport Equipment	1,126	1,174	1,332	1,492	5,126	1,544	1,642
Pharm. & Chemicals	213	195	215	206	830	211	211
Metals & Construction Materials	1	3	3	4	13	16	29
IT-related	1,344	1,295	1,432	1,602	5,674	1,913	1,967
Construction & Plant-related	72	93	129	146	441	141	138
After-sales Maintenance	34	51	96	65	249	87	73
Others	525	550	665	703	2,444	497	456
Overseas Business	1,482	1,766	1,767	2,204	7,220	2,353	2,526

Summary of Consolidated Financial Results for Q1 FY12/14

● Quarterly Net Sales Ratio by Industry

Net Sales Ratio by Industry	FY12/13 Actual					FY12/14 Actual	
	Q1	Q2	Q3	Q4	Full-Term	Q1	Q2
Manufacturing Outsourcing Business	46.4%	45.7%	46.0%	46.1%	46.0%	43.3%	42.6%
Foods	3.6%	3.4%	3.3%	3.3%	3.4%	2.9%	2.8%
Electrical & Electronics	10.1%	8.8%	8.7%	7.9%	8.8%	10.2%	11.7%
Transport Equipment	13.0%	13.9%	14.2%	14.1%	13.8%	14.6%	13.6%
Pharm. & Chemicals	8.6%	8.1%	7.7%	7.1%	7.8%	6.9%	7.0%
Metals & Construction Materials	6.5%	5.8%	5.2%	4.5%	5.4%	3.8%	3.9%
Others	4.6%	5.7%	6.9%	9.2%	6.8%	4.9%	3.6%
Engineering Outsourcing Business	37.0%	35.6%	36.6%	35.3%	36.0%	36.9%	37.0%
Electrical & Electronics	5.1%	5.0%	4.7%	4.6%	4.8%	5.0%	5.4%
Transport Equipment	10.8%	10.7%	10.9%	10.8%	10.8%	11.2%	11.5%
Pharm. & Chemicals	2.1%	1.8%	1.8%	1.5%	1.8%	1.5%	1.5%
Metals & Construction Materials	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%
IT-related	12.9%	11.8%	11.8%	11.6%	12.0%	13.9%	13.8%
Construction & Plant-related	0.7%	0.8%	1.1%	1.1%	0.9%	1.0%	1.0%
After-sales Maintenance	0.3%	0.5%	0.8%	0.5%	0.5%	0.6%	0.5%
Others	5.1%	5.0%	5.5%	5.1%	5.1%	3.6%	3.2%
Overseas Business	14.2%	16.0%	14.5%	16.0%	15.3%	17.1%	17.7%

Consolidated Financial Forecasts for FY12/14

● Semi-Annually Financial Forecasts by Operating Segment

(¥ million)		FY12/13			FY12/14		
		1H	Actual 2H	Full-Term	Actual 1H	Forecast	
						2H	Full-Term
Manufacturing Outsourcing Business	No. of worksite employees at term-end	5,969	6,351	6,351	6,213	7,955	7,955
	Net sales	10,024	12,242	22,267	12,324	14,453	26,775
	Operating income	(155)	693	538	195	398	488
Engineering Outsourcing Business	No. of worksite employees at term-end	2,282	2,600	2,600	2,893	3,311	3,311
	Net sales	7,817	9,351	17,169	10,448	12,275	22,713
	Operating income	167	574	742	494	859	1,298
Administrative Outsourcing Business	No. of outsourcing administrative workers at term-end	2,179	2,344	2,344	2,018	2,932	2,932
	Net sales	319	284	603	289	277	547
	Operating income	82	56	139	41	66	97
Recruitment and Placement Business	No. of placed workers	806	1,410	2,216	1,455	1,199	2,380
	Net sales	142	343	485	375	253	506
	Operating income	27	102	129	167	46	106
Overseas Business	No. of worksite employees at term-end (Production Outsourcing Business)	5,122	4,829	4,829	7,545	12,816	12,816
	No. of worksite employees at term-end (Other Business)	1,834	1,733	1,733	2,543	2,024	2,024
	Net sales	3,313	4,224	7,537	5,223	5,855	11,188
	Operating income	39	(17)	22	34	151	258
Other Business	Net sales	93	96	190	99	122	238
	Operating income	4	0	5	4	7	12
Internal Transfer	Net sales	(277)	(592)	(869)	(692)	(337)	(669)
Elimination	Operating income	(165)	(209)	(374)	(225)	(129)	(262)
Total	Net sales	21,433	25,951	47,384	28,070	32,900	61,300
	Operating income	1	1,201	1,202	713	1,400	2,000

Recruitment Plans for FY12/14

● Domestic Recruitment Plans

	FY12/13 Actual	FY12/14							
		Actual			Initial Plan				
		Q1	Q2	1H	Q3	Q4	2H	Full-Term	
Temporary Placement and Outsourced Contracting	No. of Workers Recruited	6,754	1,270	1,622	2,892	2,065	1,853	3,918	6,702
	Recruitment unit price (¥/worker)	47,130	75,486	71,546	73,276	59,215	50,087	54,834	62,121
Recruitment and Placement	No. of Workers Recruited	2,156	651	761	1,412	610	589	1,199	2,380
	Recruitment unit price (¥/worker)	98,432	133,644	102,632	116,930	118,429	100,173	109,668	124,242
Engineering and others	No. of Workers Recruited	954	164	381	545	272	206	478	1,057
	Recruitment unit price (¥/worker)	296,003	324,323	206,218	241,758	280,708	274,614	278,082	275,181

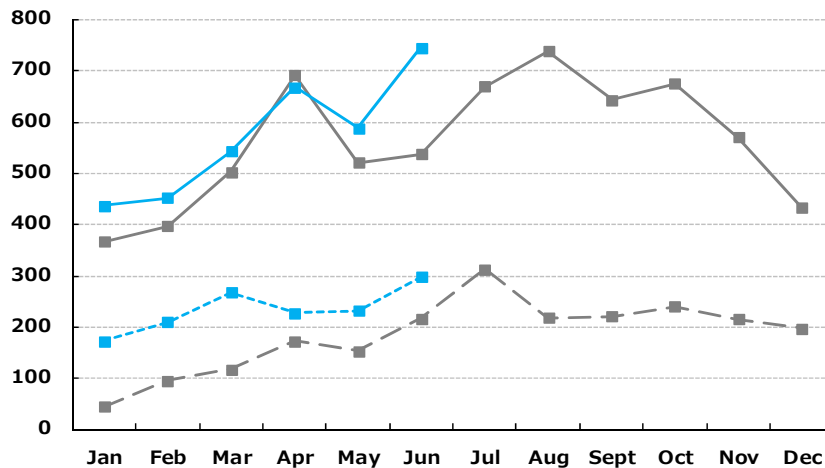
Trend in Recruited Number of Workers and Recruitment Expenses

Monthly Trend in Recruited Number of Workers and Recruitment Expenses in Japan (Consolidated)

No. of Worksite Employees and Temporary Placement Workers Recruited/transferred

—■— FY12/13 No. of worksite employees and temporary placement workers recruited/transferred
 -■- FY12/13 No. of workers recruited under Paid Job Placement
 —■— FY12/14 No. of worksite employees and temporary placement workers recruited/transferred
 -■- FY12/14 No. of workers recruited under Paid Job Placement

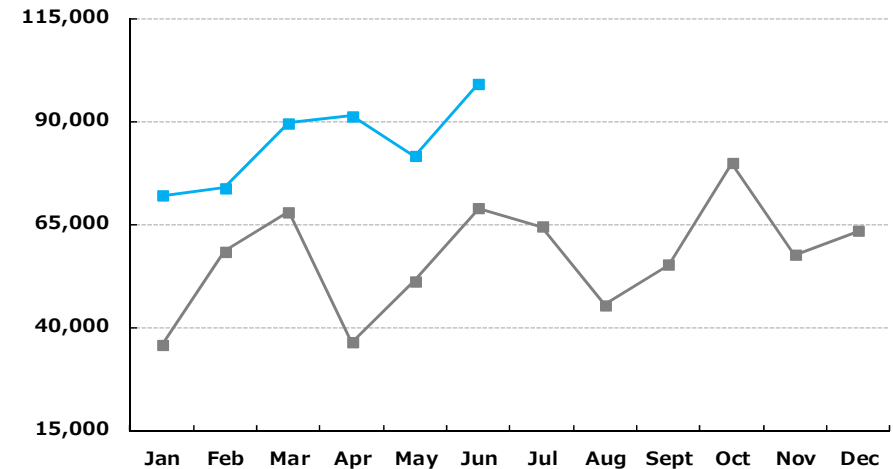
(workers)



Monthly Recruitment Expenses

—■— FY12/13
 —■— FY12/14

(¥ thousand)



FY12/13	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
—■— No. of worksite employees and temporary placement workers recruited/transferred	368	397	504	692	522	538	670	739	644	675	571	434
-■- No. of workers recruited under Paid Job Placement	45	97	119	173	154	218	314	219	222	241	216	198
—■— Recruitment expenses (¥ thousand)	35,872	58,662	68,226	36,554	51,512	69,048	64,612	45,576	55,471	80,074	57,834	63,681
FY12/14	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
—■— No. of worksite employees and temporary placement workers recruited/transferred	438	453	543	668	589	746						
-■- No. of workers recruited under Paid Job Placement	173	210	268	229	233	299						
—■— Recruitment expenses (¥ thousand)	72,093	74,093	89,872	91,575	81,711	99,433						

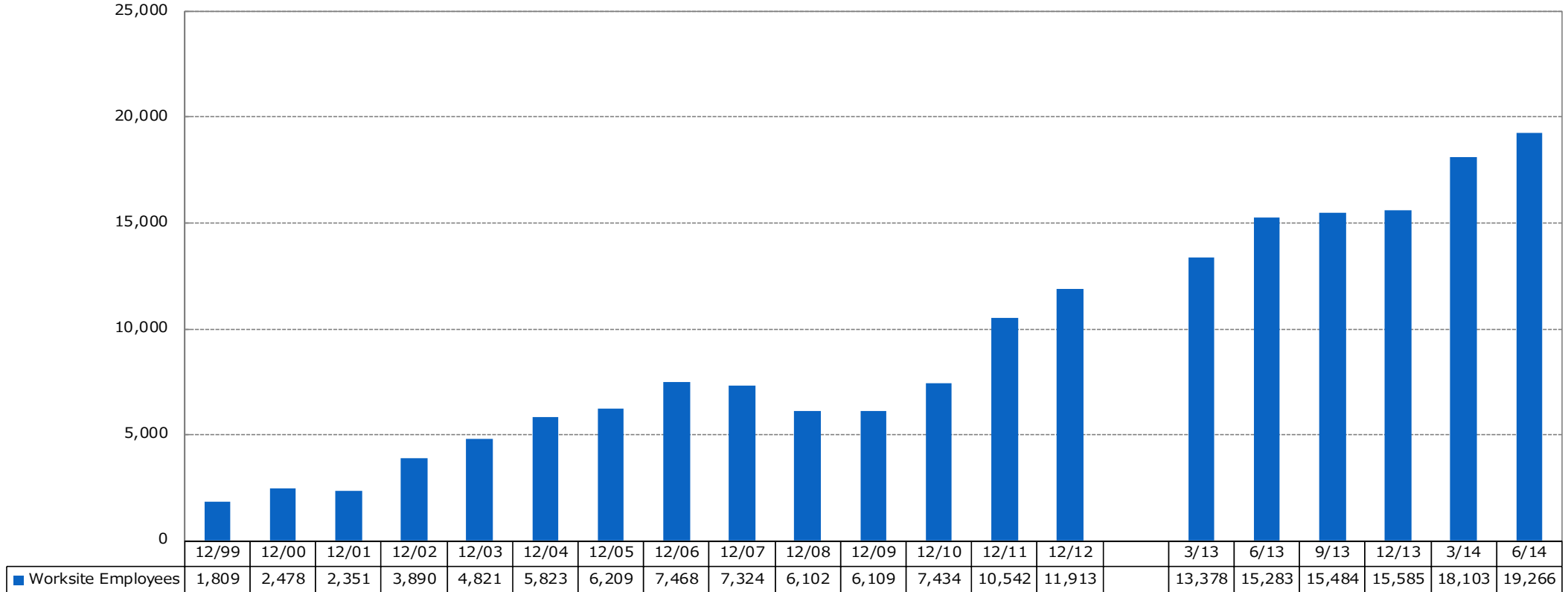
*Total number of recruited workers and recruitment expenses in Japan (Temporary Placement and Outsourced Contracting, Recruitment and Placement, and Engineering)

Changes in Number of Worksite Employees and Temporary Placement Workers

- Quarterly Changes in Number of Worksite Employees and Temporary Placement Workers (Consolidated)

- Up to FY12/12: Annual trend
- From FY12/13: Quarterly trend

(workers at term-end)



*Worksite employees are those working at client manufacturers' worksites, including currently active temporary placement workers.

A cautionary note on forward-looking statements:
This material contains forward-looking statements about the Company's future plans and forecasts, which are based on the Company's assumptions and beliefs judged from the information currently available and are subject to a number of risks and uncertainties. This may cause actual results to differ materially from those projected.

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