

OUTSOURCING Inc.
(Securities Code: 2427/TSE 1st Section)



Financial Results for the 1st Quarter of Fiscal Year Ending March 31, 2017

May 2017



Contents

- P. 2 Consolidated Financial Results for Q1 FY12/17 (IFRS)
- P. 8 Strengthening Group's Governance
- P. 10 Transition to IFRS
- P. 13 Progress of Various Growth Strategies
- P. 19 Consolidated Financial Forecasts for FY12/17 (IFRS)
- P. 25 References

Consolidated Financial Results for Q1 FY12/17 (IFRS)



Consolidated Financial Results for Q1 FY12/17 (IFRS)

● Consolidated Financial Results Summary

(¥ million)	FY12/16		FY12/17		YoY	
	Q1 Actual Amount	Composition Ratio	Q1 Actual Amount	Composition Ratio	Changes Amount	Ratio
Revenue	24,796	100.0%	50,238	100.0%	25,442	102.6%
Cost of sales	19,839	80.0%	40,895	81.4%	21,056	106.1%
Gross profit	4,957	20.0%	9,343	18.6%	4,387	88.5%
SG&A expenses	4,291	17.3%	7,911	15.7%	3,620	84.4%
Operating profit	635	2.6%	1,520	3.0%	885	139.4%
Profit before tax	306	1.2%	1,341	2.7%	1,035	338.0%
Profit for the period	50	0.2%	791	1.6%	741	1468.7%
Profit attributable to owners of the Company	56	0.2%	621	1.2%	565	1013.3%

*The amounts shown are rounded off to the nearest million yen.

Consolidated Financial Results for Q1 FY12/17 (IFRS)

● Highlights of Consolidated Financial Results

Revenue ¥50,238 million (+102.6% YoY)

- ❑ Domestic Engineering Outsourcing Business grew favorable on the back of expansion in engineer assigning scheme utilizing KEN School responding to brisk needs for engineers.
- ❑ Domestic Manufacturing Outsourcing Business expanded by the progress of transferring into long-term business fields through PEO Scheme.
- ❑ Domestic Administrative Outsourcing Business increased the number of administrative contract operations, etc. from clients' expanded utilization of technical intern trainee.
- ❑ Overseas businesses grew significantly from expanded contract services for public work which are less susceptible to impact of the economy as well as the consolidation of Orizon, Germany in manufacturing business, which did not exist in the same period last year.

Operating Profit ¥1,520 million (+139.4% YoY)

- ❑ Achieved significant record high from growth in profit and reduction of SG&A expenses ratio

Profit before Tax ¥1,341 million (+338.0% YoY)

- ❑ Booked ¥132 million of finance income from the effect of strong yen of loans in foreign currency

Profit Attributable to Owners of the Company ¥621 million (+1013.3% YoY)

- ❑ In addition to the growth in operating profit, contribution of the performance recovery of the Group companies, which used to report losses, lead great improvement in profit margin.

Consolidated Financial Results for Q1 FY12/17 (IFRS)

● Consolidated Financial Results (Quarterly Trends)

(¥ million)	FY12/16 Actual		FY12/17 Actual
	Q1	Full-Year	Q1
Revenue	24,796	134,283	50,238
Gross profit	4,957	27,764	9,343
Ratio of gross profit	20.0%	20.7%	18.6%
SG&A expenses	4,291	21,540	7,911
Ratio of SG&A expenses	17.3%	16.0%	15.7%
Operating profit	635	5,672	1,520
Ratio of operating profit	2.6%	4.2%	3.0%
Profit before tax	306	4,988	1,341
Ratio of profit before tax	1.2%	3.7%	2.7%
Profit attributable to owners of the Company	56	3,061	621
Ratio of profit attributable to owners of the Company	0.2%	2.3%	1.2%

*The amounts shown are rounded off to the nearest million yen.

Consolidated Financial Results for Q1 FY12/17 (IFRS)

● Financial Results by Operating Segment and Revenue by Region (Quarterly Trends)

(¥ million)		FY12/16		FY12/17	Revenue by Region (¥ million)	FY12/16		FY12/17
		Actual		Actual		Actual		Actual
		Q1	Full-Year	Q1	Q1	Full-Year	Q1	
Domestic Engineering Outsourcing Business	Revenue	8,971	40,182	11,279	Japan	18,145	81,111	23,135
	Operating profit	303	2,936	332	Asia (excl. Japan)	3,365	13,193	4,232
	No. of worksite employees at term-end	5,029	6,066	6,286	Oceania	1,420	27,079	8,685
Domestic Manufacturing Outsourcing Business	Revenue	7,899	34,608	10,344	Europe	889	8,999	12,922
	Operating profit	296	1,366	75	South America	977	3,901	1,264
	No. of worksite employees at term-end	7,195	9,033	9,478	Total	24,796	134,283	50,238
Domestic Service Operations Outsourcing Business	Revenue	617	3,470	823				
	Operating profit	(64)	(258)	(22)				
	No. of worksite employees at term-end	1,710	1,609	1,762				
Domestic Administrative Outsourcing Business	Revenue	149	873	198				
	Operating profit	35	278	9				
	No. of outsourcing administrative workers at term-end	1,438	1,478	3,381				
Domestic Recruiting and Placing Business	Revenue	279	1,378	367				
	Operating profit	117	647	98				
	No. of placed workers	799	3,689	834				
Overseas Engineering Outsourcing Business	Revenue	2,399	21,022	6,491				
	Operating profit	81	688	164				
	No. of worksite employees at term-end	882	1,836	1,893				
Overseas Manufacturing and Service Operations Outsourcing Business	Revenue	4,252	32,150	20,612				
	Operating profit	(48)	1,448	999				
	No. of worksite employees at term-end	16,352	24,290	31,953				
Other Business	Revenue	230	600	124				
	Operating profit	11	38	8				
	No. of worksite employees at term-end	4	4	4				
Adjustments	Operating profit	(96)	(1,471)	(143)				
Total	Revenue	24,796	134,283	50,238				
	Operating profit	635	5,672	1,520				

*1: The amounts shown are rounded off to the nearest million yen.

*2: Inter-segment transactions in revenue by region are eliminated.

Consolidated Financial Results for Q1 FY12/17 (IFRS)

Summary of Consolidated Statement of Financial Position

(¥ million)	FY12/16-End		Q1-End FY12/17		YoY Changes
	Amount	Composition Ratio	Amount	Composition Ratio	Amount
Current assets	36,251	40.4%	43,783	44.7%	7,533
(Cash and cash equivalents)	11,746	13.1%	12,852	13.1%	1,106
(Trade and other receivables)	21,006	23.4%	27,025	27.6%	6,019
(Inventories)	808	0.9%	857	0.9%	49
Non-current assets	53,582	59.6%	54,252	55.3%	670
Property, plant and equipment	4,994	5.6%	5,024	5.1%	30
Goodwill	28,266	31.5%	35,790	36.5%	7,524
Intangible assets	6,167	6.9%	6,156	6.3%	(11)
Other non-current financial assets	9,671	10.8%	2,492	2.5%	(7,179)
Total assets	89,833	100.0%	98,035	100.0%	8,202
Current liabilities	45,319	50.4%	46,522	47.5%	1,203
(Trade and other payables)	13,763	15.3%	18,825	19.2%	5,063
(Bonds and borrowings)	24,375	27.1%	18,585	19.0%	(5,790)
(Income tax payables)	948	1.1%	3,119	3.2%	2,172
Non-current liabilities	29,495	32.8%	29,675	30.3%	180
(Bonds and borrowings)	21,114	23.5%	21,450	21.9%	336
Total liabilities	74,814	83.3%	76,197	77.7%	1,384
Share capital	1,759	2.0%	5,765	5.9%	4,006
Share premium	3,502	3.9%	6,882	7.0%	3,380
Treasury shares	(0)	0.0%	(0)	0.0%	0
Retained earnings	8,417	9.4%	8,322	8.5%	(95)
Equity attributable to owners of the Company	12,717	14.2%	19,522	19.9%	6,806
Non-controlling interests	2,302	2.6%	2,316	2.4%	13
Equity	15,019	16.7%	21,838	22.3%	6,819
Total liabilities and equity	89,833	100.0%	98,035	100.0%	8,202

Trade and other receivables:
Increased from acquisition of subsidiary shares and business scale expansion, etc.

Goodwill:
Increased from acquiring subsidiaries' shares

Trade and other payables:
Increased from acquisition of subsidiary shares and business scale expansion, etc.

Share capital/Share premium:
Increased from the exercise of subscription rights to shares

*The amounts shown are rounded off to the nearest million yen.

Strengthening Group's Governance



Strengthening Group's Governance

Medium-Term Management Plan VISION 2020: Tackling New Frontiers

The year 2017 is positioned as a strategic base-building period towards the next major step up.

After establishing corporate governance for the Group companies and conducting a thorough review of recouping investments, the Company will establish the business structure and generate cash flows.

FY12/16 settlement = Kept the schedule externally

Due to the transition to IFRS, confirmation of non-consolidated provisional figures had delayed from the internal settlement schedule for maximum 19 days among 63 companies.

Each company has own issues which lead to the delay such as short of employees in accounting department and delay in calculation of taxes or retirement benefits. The governance policy will be compiled immediately, aiming at early reporting and raising accuracy of settlement, and respond to the issues each company has within the confirmed framework from a consistent point of view.

Draft as the foundation to continue sustainable and healthy growth globally

✧ Governance policy

A guideline compiles basic policies comprehensively by major governance arena such as business strategies, organization management, allocation of management resources, operations (sales management, etc.), administration (finance and accounting, etc.), risk management and monitoring (internal audit, etc.).

Transition to IFRS

Regarding IFRS

Although goodwill is not amortized, impairment test will be forced to exercise annually regardless of indication of impairment.

Goodwill impairment test

Goodwill impairment test in IFRS does not include the process to recognize impairment loss through future cash flows before discount which was included in J-GAAP. In case the immediately calculated recoverable amount falls short of book value, the amount should be posted in impairment loss. Also, when the discount rate increases because of the change in the market situations, there is a possibility of incurring impairment loss.

Under IFRS accounting, detail disclosure of such as the status of goodwill at the end of period and the process of impairment test is required for the purpose of estimation of goodwill impairment risk for the future by users of financial statements.

The Company's action to goodwill impairment test

- Exercise the test based on the internally approved business plan and profit and loss results
 - ⇒ For exercising more proper accounting estimates, establish framework to grasp and understand the situations of each Group company thoroughly, and share information fully such as the detail preconditions of business plan and trends of results between the Company and each company
- To identify indication of impairment risk, exercise monthly calculation with a simple method



Enable to reduce impairment amount compared to J-GAAP by early risk recognition through IFRS impairment test and taking actions each time

The Company considers the annual goodwill impairment test not just as a response to the requirement of financial report, but as a platform of business screening on the whole Group basis, and realize healthy business management by leveraging it actively.

Progress of Various Growth Strategies

Progress of Various Growth Strategies

Overview of strategies

- Winning demand as a result of industry consolidation caused by the Worker Dispatching Act revised in 2015 . . . P.15
 - ⇒ Industry consolidation in Domestic Engineering Outsourcing Business
 - ⇒ KEN School utilizing scheme in Domestic Engineering Outsourcing Business
- Resolving client issues arising as a result of the Labor Contracts Act revised in 2013 . . . P.16
 - ⇒ PEO Scheme in Domestic Manufacturing Outsourcing Business
 - ⇒ Administrative work on consignment of technical intern trainee in Domestic Administrative Outsourcing Business
- Accelerating entry into markets for the privatization of public work, reducing government employees, that are growing in developed countries . . . P.17
 - ⇒ Creation of synergies within the Group among Overseas Engineering Outsourcing Business and Overseas Manufacturing and Service Operations Outsourcing
- Expanding business for the US military bases that is not affected by changes in the economy or environment . . . P.18
 - ⇒ Creation of synergies within the Group in Domestic Service Operations Outsourcing Business

Progress of Various Growth Strategies

Winning demand as a result of industry consolidation caused by the Worker Dispatching Act revised in 2015

The year 2018 problem from the Revised Worker Dispatching Act is emerging

There are many SMEs among engineer dispatching firms, and roughly 80% of estimated 6,000 firms will likely be unable to obtain business approval and are on course to be weeded out.

Industry consolidation

Incorporating dispatching firms facing difficulties as going concerns and increasing enrollment transfer with concentrating temporary placement workers

As a buffer to its revenue plan, establishing a JV company for the purpose of dealing with SME dispatching firms that are being weeded out

KEN School utilizing scheme

In response to the growth of engineer shortage, expanding the scheme of the Group's KEN School which is training low skilled recruited workers and then assigning them after they receive engineering education.

Number of workers recruited through each strategy during Q1FY12/17

Strategy	No. of Recruited Workers during Q1FY12/17	Planned No. of Recruiting Workers during Full-year FY12/17
Industry Consolidation/Transferring	72	315
KEN School Utilizing Scheme	327	1,300

※No. of recruited workers until FY12/16-end through each strategy is not included.

Progress of Various Growth Strategies

Resolving client issues arising as a result of the Labor Contracts Act revised in 2013

The year 2018 problem from the 2013 Revised Labor Contracts Act emerges

Demand for handling over 600,000 fixed-term contract workers (estimate) hired directly by makers

Makers' response to the year 2018 problem

- ① Transfer enrollment as full-time employees with no term restriction on temporary placement to temporary dispatching firms, and receive them as dispatching workers
- ② Expand taking on technical intern trainee

The Company's strategy in response to the needs of manufacturers

① PEO Scheme

Results so far are a major advantage, and acceptance of transfer enrollment of maker fixed-term contract workers trending favorably

② Administrative work on consignment of technical intern trainee

Results of administrative work on consignment of technical intern trainee for multiple manufacturers, collaboration with intern supervisory groups for over 6,000 trainees, and connections with local institutions in Asia for seconding interns are advantages, and the Company is expanding administrative work on consignment.

Number of worksite employees through each strategy at Q1-end FY12/17

Strategy	No. of Worksite Employees at Q1-end FY12/17	Planned No. of Worksite Employees at FY12/17-end
PEO Scheme	6,189	10,000
Technical Intern Trainee	2,675	5,100

※No. of worksite employees until FY12/16-end through each strategy is included.

※Technical intern trainee is the employment of the clients, however, the number is included in the Company's employees because of administrative work consignment.

Progress of Various Growth Strategies

Accelerating entry into markets for the privatization of public work, reducing government employees, that are growing in developed countries

Expanding contract services for public work not influenced by the economy

- BPO business for all types of work for the central and local governments in the U.K.
- All types of outsourcing projects for public facilities including prisons and airports where public institutions including the Australian government are the client



Accelerating growth through strengthening support for local Group companies

Global development of each business

Aggressively promote mutual development of government-related business being conducted by each Group company, aiming at maximizing synergies

Progress of Various Growth Strategies

Expanding business for the US military bases that is not affected by changes in the economy or environment

Creation of synergies within the Group in Domestic Service Operations Outsourcing Business

- Promote expanding dispatching business such as for welfare facilities to over 20 locations nationwide of the major US military bases, leveraging the Group's domestic sales network
- Promote expanding orders for maintenance of military facilities, etc. at the US military bases in the Pacific Rim through synergies generated from leveraging AMERICAN ENGINEERING CORPORATION (acquired on April 3, 2017, headquarter: the U.S.A.) management resources, which is a subcontractor of repairs and maintenance of military facilities on the US military bases in Japan

Consolidated Financial Forecasts for FY12/17 (IFRS)



Consolidated Financial Forecasts for FY12/17 (IFRS)

Summary for FY12/17 Consolidated Financial Forecasts

(¥ million)	FY12/16 Actual Full-Year		FY12/17 Actual Q1		FY12/17 Forecasts				YoY Changes	
	Amount	Composition Ratio	Amount	Composition Ratio	1H Amount	2H Amount	Full-Year		Amount	Ratio
							Amount	Composition Ratio		
Revenue	134,283	100.0%	50,238	100.0%	97,000	116,000	213,000	100.0%	78,717	58.6%
Cost of sales	106,519	79.3%	40,895	81.4%	-	-	-	-	-	-
Gross profit	27,764	20.7%	9,343	18.6%	-	-	-	-	-	-
SG&A expenses	21,540	16.0%	7,911	15.7%	-	-	-	-	-	-
Operating profit	5,672	4.2%	1,520	3.0%	2,900	6,600	9,500	4.5%	3,828	67.5%
Finance income	57	0.0%	132	0.3%	-	-	-	-	-	-
Finance costs	741	0.6%	311	0.6%	-	-	-	-	-	-
Profit before tax	4,988	3.7%	1,341	2.7%	2,600	6,300	8,900	4.2%	3,912	78.4%
Profit for the period	3,472	2.6%	791	1.6%	1,600	4,200	5,800	2.7%	2,328	67.0%
Profit attributable to owners of the Company	3,061	2.3%	621	1.2%	1,400	3,700	5,100	2.4%	2,039	66.6%

*The amounts shown are rounded off to the nearest million yen.

Consolidated Financial Forecasts for FY12/17 (IFRS)

Summary for Financial Forecasts by Operating Segment (Annual and Semi-Annual Trends)

(¥ million)		FY12/16		FY12/17	
		Actual		Forecasts	
		Full-Year		Full-Year	
		Amount	Composition Ratio	Amount	Composition Ratio
Domestic Engineering Outsourcing Business	Revenue	40,182	29.9%	48,666	22.8%
	Operating profit	2,936	51.8%	3,879	40.8%
	No. of worksite employees at term-end	6,066	-	8,566	-
Domestic Manufacturing Outsourcing Business	Revenue	34,608	25.8%	44,509	20.9%
	Operating profit	1,366	24.1%	2,330	24.5%
	No. of worksite employees at term-end	9,033	-	13,097	-
Domestic Service Operations Outsourcing Business	Revenue	3,470	2.6%	12,101	5.7%
	Operating profit	(258)	-4.6%	492	5.2%
	No. of worksite employees at term-end	1,609	-	3,836	-
Domestic Administrative Outsourcing Business	Revenue	873	0.7%	1,098	0.5%
	Operating profit	278	4.9%	702	7.4%
	No. of outsourcing administrative workers at term-end	1,478	-	5,900	-
Domestic Recruiting and Placing Business	Revenue	1,378	1.0%	1,501	0.7%
	Operating profit	647	11.4%	302	3.2%
	No. of placed workers	3,689	-	3,751	-
Overseas Engineering Outsourcing Business	Revenue	21,022	15.7%	24,845	11.7%
	Operating profit	688	12.1%	1,157	12.2%
	No. of worksite employees at term-end	1,836	-	1,982	-
Overseas Manufacturing and Service Operations Outsourcing Business	Revenue	32,150	23.9%	79,645	37.4%
	Operating profit	1,448	25.5%	3,007	31.7%
	No. of worksite employees at term-end	24,290	-	39,456	-
Other Business	Revenue	600	0.4%	635	0.3%
	Operating profit	38	0.7%	(298)	-3.1%
	No. of worksite employees at term-end	4	-	5	-
Adjustments	Operating profit	(1,471)	-25.9%	(2,071)	-21.8%
Total	Revenue	134,283	100.0%	213,000	100.0%
	Operating profit	5,672	100.0%	9,500	100.0%

*1: The amounts shown are rounded off to the nearest million yen.

*2: Inter-segment transactions in revenue are eliminated.

Consolidated Financial Forecasts for FY12/17 (IFRS)

Summary for Financial Forecasts by Operating Segment (Quarterly Trends)

(¥ million)		FY12/16	FY12/17				
		Actual	Forecasts				
		Full-Year	Q1	Q2	Q3	Q4	Full-Year
Domestic Engineering Outsourcing Business	Revenue	40,182	11,214	11,225	12,232	13,995	48,666
	Operating profit	2,936	376	755	1,092	1,656	3,879
	No. of worksite employees at term-end	6,066	6,566	7,464	8,040	8,566	8,566
Domestic Manufacturing Outsourcing Business	Revenue	34,608	10,026	10,631	11,087	12,765	44,509
	Operating profit	1,366	361	569	661	740	2,330
	No. of worksite employees at term-end	9,033	9,389	10,010	10,754	13,097	13,097
Domestic Service Operations Outsourcing Business	Revenue	3,470	824	2,365	3,639	5,273	12,101
	Operating profit	(258)	1	11	170	310	492
	No. of worksite employees at term-end	1,609	1,798	2,435	3,765	3,836	3,836
Domestic Administrative Outsourcing Business	Revenue	873	184	243	306	365	1,098
	Operating profit	278	82	147	208	265	702
	No. of outsourcing administrative workers at term-end	1,478	3,600	4,400	5,150	5,900	5,900
Domestic Recruiting and Placing Business	Revenue	1,378	314	448	381	358	1,501
	Operating profit	647	28	151	58	65	302
	No. of placed workers	3,689	855	910	1,035	951	3,751
Overseas Engineering Outsourcing Business	Revenue	21,022	5,374	6,051	6,733	6,687	24,845
	Operating profit	688	156	227	385	389	1,157
	No. of worksite employees at term-end	1,836	1,723	1,856	1,916	1,982	1,982
Overseas Manufacturing and Service Operations Outsourcing Business	Revenue	32,150	18,946	18,830	20,473	21,396	79,645
	Operating profit	1,448	738	345	1,015	909	3,007
	No. of worksite employees at term-end	24,290	32,549	34,146	38,504	39,456	39,456
Other Business	Revenue	600	218	107	149	161	635
	Operating profit	38	(39)	(62)	(93)	(104)	(298)
	No. of worksite employees at term-end	4	4	5	5	5	5
Adjustments	Operating profit	(1,471)	(432)	(512)	(517)	(609)	(2,071)
	Revenue	134,283	47,100	49,900	55,000	61,000	213,000
Total	Operating profit	5,672	1,270	1,630	2,980	3,620	9,500

*1: The amounts shown are rounded off to the nearest million yen.

*2: Inter-segment transactions in revenue are eliminated.

Consolidated Financial Forecasts for FY12/17 (IFRS)

● Summary for Financial Forecasts by Region (Annual and Semi-Annual Trends)

(¥ million)	FY12/16 Actual	FY12/17 Forecasts			
	Full-Year	1H	2H	Full-Year	Composition Ratio
Japan	81,111	47,799	60,711	108,510	50.9%
Asia (excl. Japan)	13,193	7,636	8,966	16,602	7.8%
Oceania	27,079	15,269	18,120	33,389	15.7%
Europe	8,999	24,446	26,289	50,735	23.8%
South America	3,901	1,850	1,914	3,764	1.8%
Total	134,283	97,000	116,000	213,000	100.0%

● Summary for Financial Forecasts by Region (Quarterly Trends)

(¥ million)	FY12/16 Actual	FY12/17 Forecasts				
	Full-Year	Q1	Q2	Q3	Q4	Full-Year
Japan	81,111	22,780	25,019	27,794	32,917	108,510
Asia (excl. Japan)	13,193	3,735	3,901	4,353	4,613	16,602
Oceania	27,079	7,202	8,067	8,841	9,279	33,389
Europe	8,999	12,393	12,053	13,114	13,175	50,735
South America	3,901	990	860	898	1,016	3,764
Total	134,283	47,100	49,900	55,000	61,000	213,000

*1: The amounts shown are rounded off to the nearest million yen.

*2: Inter-segment transactions in revenue are eliminated.

Domestic Recruitment Plan for FY12/17

Annual and Semi-Annual Trends

		FY12/16 Actual			FY12/17 Forecasts		
		1H	2H	Full-Year	1H	2H	Full-Year
Engineering	No. of workers recruited (persons)	1,482	878	2,360	1,388	939	2,327
	Recruitment unit price (¥/worker)	206,814	309,956	245,186	273,963	317,771	291,641
Manufacturing	No. of workers recruited (persons)	2,819	4,724	7,543	3,490	5,584	9,074
	Recruitment unit price (¥/worker)	73,466	47,353	57,112	66,951	34,048	46,703
Service Operations	No. of workers recruited (persons)	1,478	1,181	2,659	2,061	2,960	5,021
	Recruitment unit price (¥/worker)	13,934	12,559	13,323	23,489	21,711	22,441
Recruiting and Placing	No. of workers recruited (persons)	1,695	1,994	3,689	1,765	1,986	3,751
	Recruitment unit price (¥/worker)	127,053	133,819	130,710	159,857	143,541	151,218

Quarterly Trends

		FY12/16 Actual					FY12/17				
		Q1	Q2	Q3	Q4	Full-Year	Actual Q1	Forecasts			
		Q2	Q3	Q4	Full-Year	Q2	Q3	Q4	Full-Year		
Engineering	No. of workers recruited (persons)	532	950	436	442	2,360	475	960	490	449	2,327
	Recruitment unit price (¥/worker)	394,709	101,593	288,644	330,977	245,186	638,072	171,983	322,414	312,704	291,641
Manufacturing	No. of workers recruited (persons)	1,159	1,660	3,202	1,522	7,543	1,729	1,917	2,103	3,481	9,074
	Recruitment unit price (¥/worker)	82,432	67,207	39,770	63,307	57,112	73,625	62,232	57,025	20,166	46,703
Service Operations	No. of workers recruited (persons)	687	791	618	563	2,659	598	1,367	1,986	974	5,021
	Recruitment unit price (¥/worker)	16,079	12,071	9,663	15,737	13,323	25,346	20,421	16,376	32,590	22,441
Recruiting and Placing	No. of workers recruited (persons)	799	896	993	1,001	3,689	834	910	1,035	951	3,751
	Recruitment unit price (¥/worker)	137,164	118,036	137,779	129,891	130,710	146,327	166,395	151,140	135,271	151,218

References



Revenue and Composition Ratio Breakdown by Industry for FY12/17 (IFRS)

Quarterly Trends

(¥ million)	FY12/16	FY12/17
	Actual Full-Year	Actual Q1
Domestic Engineering Outsourcing Business	40,182	11,279
Electrical & Electronics	6,992	2,204
Transport Equipment	10,148	2,731
Pharm. & Chemicals	1,771	556
IT-related	13,564	3,521
Construction & Plant-related	5,134	1,487
Others	2,573	780
Domestic Manufacturing Outsourcing Business	34,608	10,344
Electrical & Electronics	11,831	4,111
Transport Equipment	12,377	3,255
Pharm. & Chemicals	3,681	1,079
Metals & Construction Materials	2,765	885
Foods	1,529	362
Others	2,425	652
Domestic Service Operations Outsourcing Business	3,470	823
Retail	1,668	403
Civil Service	778	172
Others	1,024	248
Overseas Engineering Outsourcing Business	21,022	6,491
Overseas Manufacturing and Service Operations Outsourcing Business	32,150	20,612

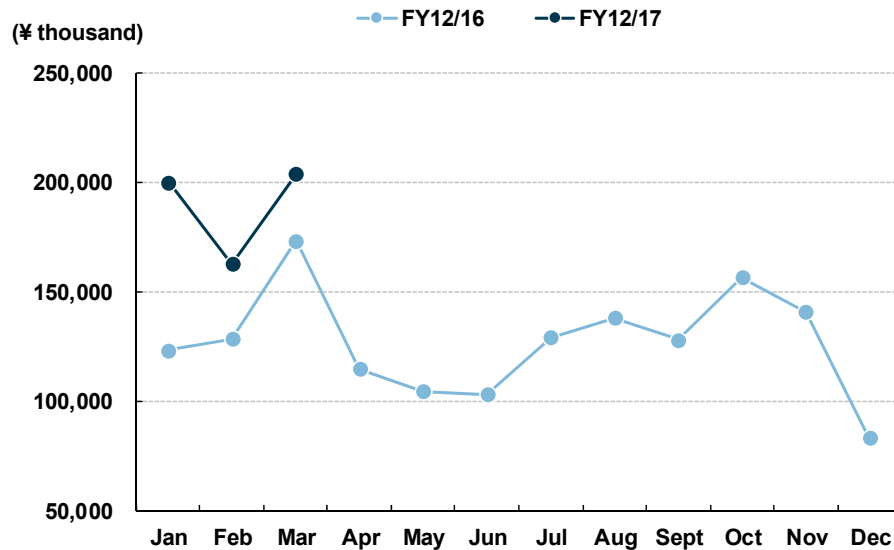
	FY12/16	FY12/17
	Actual Full-Year	Actual Q1
Domestic Engineering Outsourcing Business	29.9%	22.5%
Electrical & Electronics	5.2%	4.4%
Transport Equipment	7.6%	5.4%
Pharm. & Chemicals	1.3%	1.1%
IT-related	10.1%	7.0%
Construction & Plant-related	3.8%	3.0%
Others	1.9%	1.6%
Domestic Manufacturing Outsourcing Business	25.8%	20.6%
Electrical & Electronics	8.8%	8.2%
Transport Equipment	9.2%	6.5%
Pharm. & Chemicals	2.8%	2.1%
Metals & Construction Materials	2.1%	1.8%
Foods	1.1%	0.7%
Others	1.8%	1.3%
Domestic Service Operations Outsourcing Business	2.6%	1.6%
Retail	1.2%	0.8%
Civil Service	0.6%	0.3%
Others	0.8%	0.5%
Overseas Engineering Outsourcing Business	15.7%	12.9%
Overseas Manufacturing and Service Operations Outsourcing Business	23.9%	41.0%

*The amounts shown are rounded off to the nearest million yen.

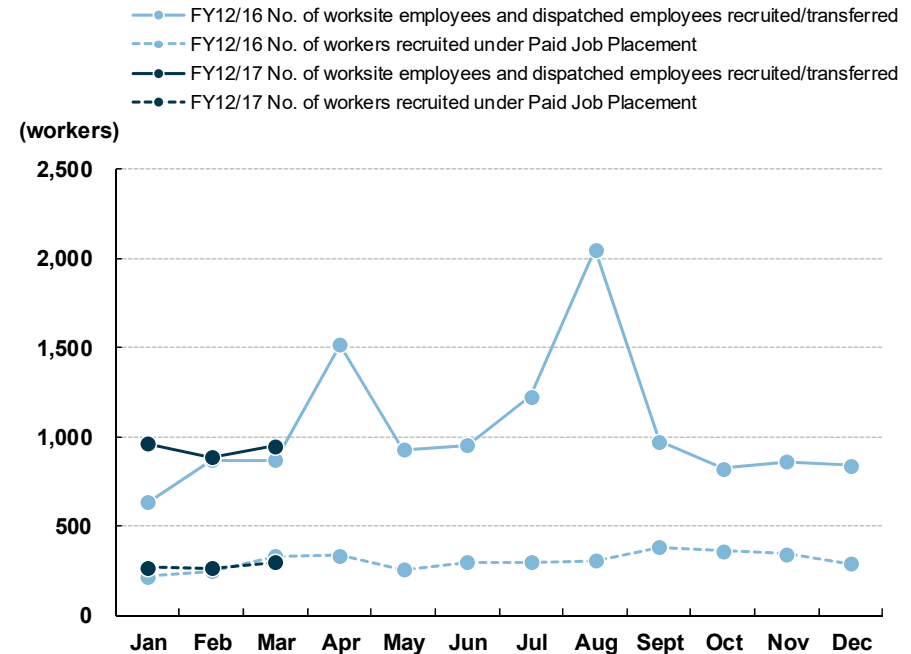
Trends in Recruited Number of Workers and Recruiting Expenses in Japan

● Monthly Trends (Consolidated)

Monthly Recruiting Expenses



No. of Worksite Employees and Dispatched Employees Recruited/Transferred



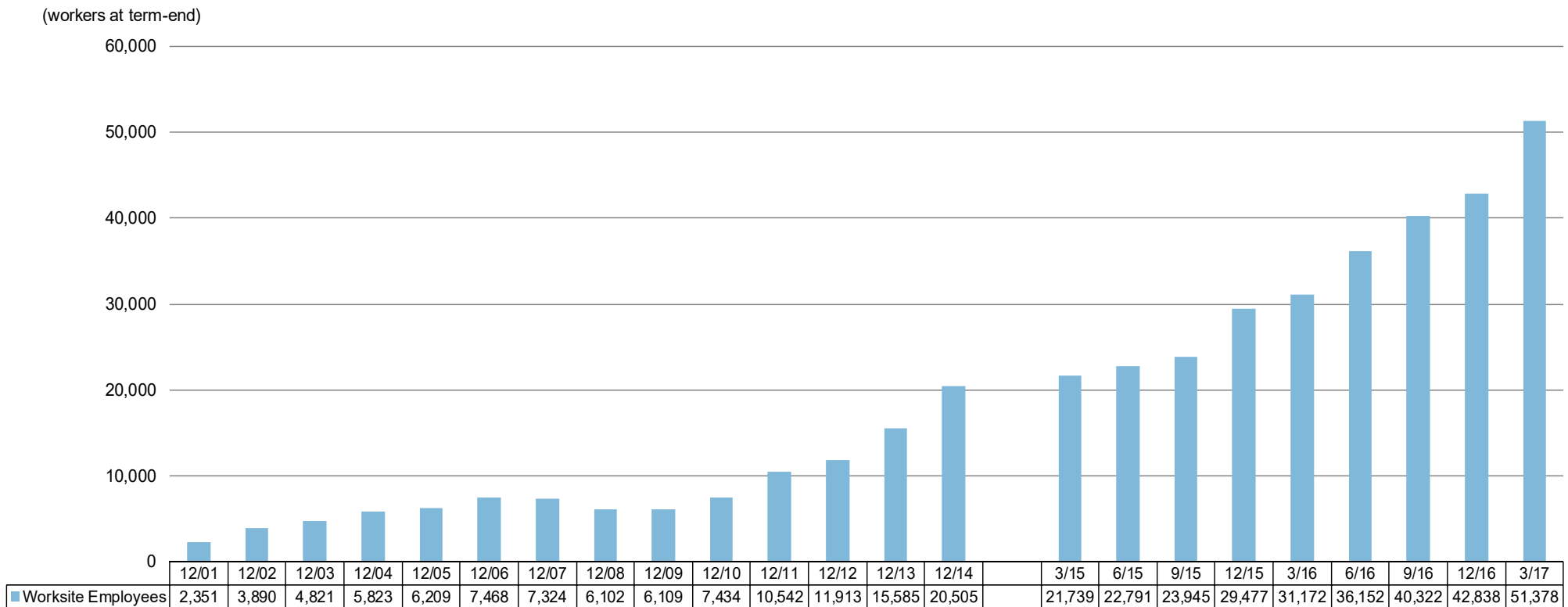
FY12/16	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
No. of worksite employees and dispatched employees recruited/transferred	634	872	872	1,515	930	956	1,229	2,050	977	826	862	839
No. of workers recruited under Paid Job Placement	218	250	331	337	259	300	301	309	383	364	346	291
Recruiting expenses (¥ thousand)	123,495	128,926	173,743	115,195	104,675	103,514	129,325	138,235	128,418	156,677	141,129	83,720

FY12/17	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
No. of worksite employees and dispatched employees recruited/transferred	963	889	950									
No. of workers recruited under Paid Job Placement	268	265	301									
Recruiting expenses (¥ thousand)	200,402	163,084	204,090									

*Total number of recruited workers and recruiting expenses in Japan (Worker Dispatching and Contracting, Recruiting and Placing, and Engineering)

Trends in Number of Worksite Employees and Dispatched Workers

- Quarterly Trends (Consolidated)
 - ▣ Up to FY12/14: Annual trend
 - ▣ From FY12/15: Quarterly trend



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

Legal Disclaimer

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.

OUTSOURCING Inc.

CEO Office

E-Mail: os-ir@outsourcing.co.jp

URL: <http://www.outsourcing.co.jp/en>