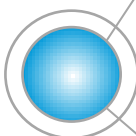




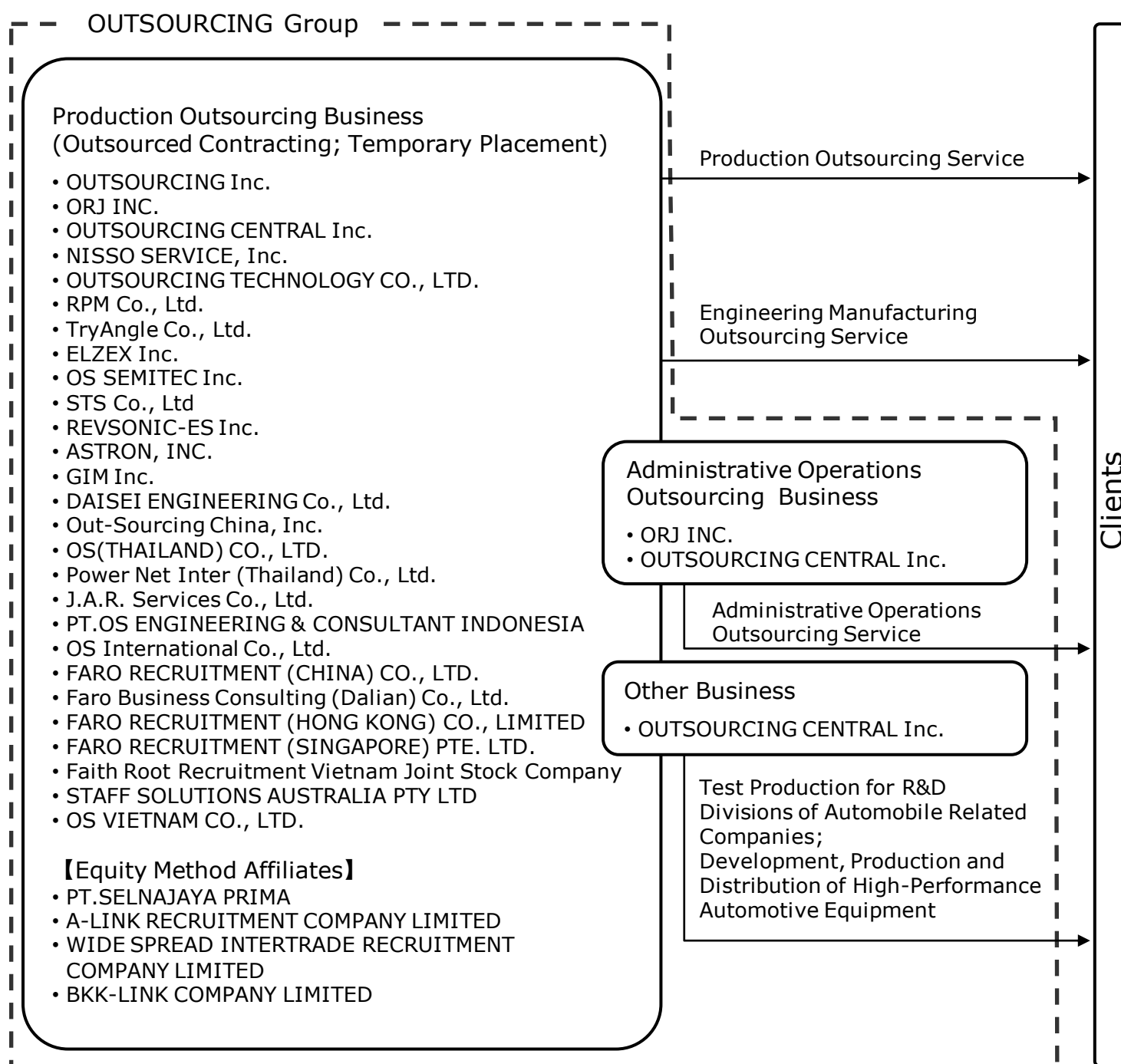
FACTBOOK
(JASDAQ 2427)
OUTSOURCING Inc.
For the Fiscal Year Ended December 31, 2011

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Corporate Profile

Company Name	OUTSOURCING Inc.
URL	http://www.outsourcing.co.jp/
Head Office	Aoi-Tower 19F 17-1 Kouya-Machi, Aoi-Ku, Shizuoka-City, Shizuoka-Pref. 420-0852 Japan
Capital	¥485,443 million (as of December 31, 2011)
Established	January, 1997
Representative	Haruhiko Doi, Chairman & CEO
Main Business	Production outsourcing business Administrative operations outsourcing business
Number of Branches	50 sales offices, including 17 recruitment centers (as of December 31, 2011)
Total Employees	13,934 (Group including equity method affiliates, as of December 31, 2011)



Stock Information

OUTSOURCING Inc. and subsidiaries
for the fiscal year ended December 31, 2011

Indicators per Share

(¥)	FY12/07	FY12/08	FY12/09	FY12/10	FY12/11
Share price at term-end	34,100	17,950	40,600	330	274
Net income per share	4,917.29	5,412.28	(1,511.00)	52.46	13.48
Net income per share (fully diluted)	4,887.11	5,397.02	-	52.30	13.45
Net assets per share	17,816.76	22,524.56	19,180.08	230.88	238.40
Dividend per share	492.00	644.00	644.00	7.21	8.00

Note: share splits (1 to 100) on Nov-2010.

Major Shareholders

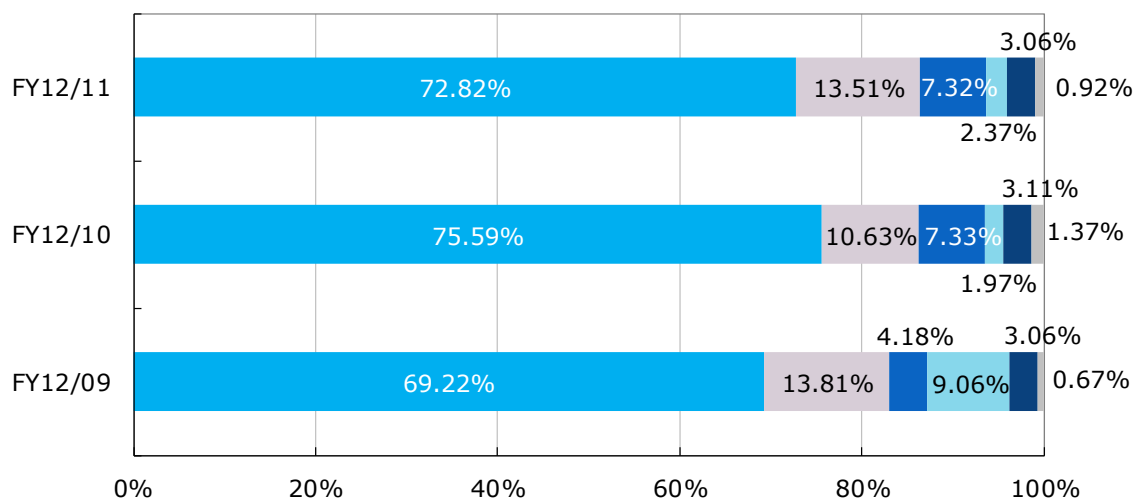
As of December 31, 2011

Top 10 Shareholders	Number of Shares	Shareholding Ratio
Haruhiko Doi	3,747,700	24.07%
Masahiko Dourin	1,500,000	9.63%
Melon Bank ABN Amro Global Custody NV	604,800	3.88%
Japan Trustee Services Bank, Ltd. (trust account)	320,300	2.05%
Chiharu Doi	310,000	1.99%
Miki Sano	300,000	1.92%
Naoki Dourin	300,000	1.92%
Yuuki Dourin	300,000	1.92%
AI Corporation	300,000	1.92%
The Chase Manhattan Bank N.A. London S.L. Omnibus Account	266,500	1.71%

Note: In addition to the shareholders listed above, OUTSOURCING holds 1,139,500 shares in treasury stock.

Shareholding by Category

- Individuals and other
- Financial institutions
- Other Japanese companies
- Foreign institutions and others
- Company's shareholding
- Financial instruments business operators



Consolidated Balance Sheets

OUTSOURCING Inc. and subsidiaries
for the fiscal year ended December 31, 2011

(¥Thousand)	FY12/07	FY12/08	FY12/09	FY12/10	FY12/11
Assets					
Total assets	5,660,705	6,051,298	9,365,465	10,707,735	11,921,809
Current assets	4,089,142	3,836,209	5,697,261	6,948,358	7,933,807
Cash and deposits	832,871	784,108	2,050,402	1,731,399	2,264,170
Notes and accounts receivable-trade	2,827,262	2,602,908	3,018,675	4,182,469	4,900,556
Work in process	-	-	59,883	27,012	85,800
Raw materials and supplies inventories	-	-	76,614	51,542	54,045
Prepaid expenses	77,319	77,936	-	-	-
Deferred tax assets	261,674	245,357	238,945	315,468	370,788
Other	21,626	9,720	21,685	96,976	52,798
Allowance for doubtful accounts	70,272	118,438	235,349	551,467	233,009
	(1,883)	(2,260)	(4,295)	(7,978)	(27,360)
Noncurrent assets	1,571,562	2,210,970	3,664,696	3,756,479	3,985,714
Property, plant and equipment	904,543	1,437,275	2,195,604	2,075,622	2,046,196
Buildings and structures	638,883	871,156	1,565,916	1,542,159	1,622,189
Accumulated depreciation	(107,250)	(148,185)	(289,364)	(349,417)	(469,479)
Buildings and structures, net	531,633	722,970	1,276,551	1,192,741	1,152,710
Machinery, equipment and vehicles	117,695	154,815	227,972	603,019	567,652
Accumulated depreciation	(49,412)	(82,810)	(116,240)	(228,793)	(252,767)
Machinery, equipment and vehicles, net	68,282	72,004	111,732	374,225	314,884
Tools, furniture and fixtures	340,585	371,722	482,957	488,730	618,875
Accumulated depreciation	(278,888)	(317,357)	(421,864)	(425,929)	(494,664)
Accumulated impairment loss	-	-	-	(44)	(44)
Tools, furniture and fixtures, net	61,697	54,365	61,092	62,757	124,166
Land	141,859	246,119	441,199	441,199	441,199
Lease assets	-	-	-	-	11,496
Accumulated depreciation	-	-	-	-	(1,149)
Lease assets, net	-	-	-	-	10,347
Construction in progress	101,071	341,814	305,027	4,698	2,887
Intangible assets	343,609	436,925	676,707	699,743	861,387
Goodwill	158,484	273,869	519,152	599,404	768,413
Other	185,125	163,055	157,554	100,339	92,974
Investments and other assets	323,408	336,770	792,385	981,112	1,078,130
Investment securities	115,476	103,719	266,965	240,849	204,245
Lease and guarantee deposits	164,833	175,155	438,779	489,604	563,101
Deferred tax assets	13,384	18,791	12,877	109,766	128,856
Other	29,714	39,103	73,762	140,891	181,926
Deferred assets	-	4,118	3,508	2,898	2,287

Consolidated Balance Sheets

OUTSOURCING Inc. and subsidiaries
for the fiscal year ended December 31, 2011

(¥Thousand)	FY12/07	FY12/08	FY12/09	FY12/10	FY12/11
Liabilities					
Total liabilities	3,472,531	3,393,403	6,432,244	7,232,193	8,251,145
Current liabilities	2,966,020	2,558,954	4,445,854	5,335,328	5,943,164
Notes and accounts payable-trade	19,022	12,619	20,402	16,987	49,544
Short-term loans payable	130,000	165,000	1,803,100	1,390,000	1,280,025
Current portion of long-term loans payable	71,011	119,088	320,288	299,874	479,669
Accounts payable-other	1,723,572	1,546,376	1,333,439	1,611,502	2,338,538
Accrued expenses	146,852	98,495	448,258	537,516	719,764
Income taxes payable	396,708	267,552	83,717	709,322	163,594
Accrued consumption taxes	314,409	168,161	84,847	280,647	324,503
Provision for bonuses	-	-	-	-	81,843
Other	164,444	181,660	351,801	489,477	505,680
Noncurrent liabilities	506,510	834,448	1,986,389	1,896,864	2,307,980
Bonds payable	55,000	270,750	247,250	163,750	115,250
Long-term loans payable	337,952	460,532	938,703	817,365	1,351,861
Deferred tax liabilities	-	-	-	-	11,794
Provision for retirement benefits	21,035	25,746	48,835	365,763	417,553
Negative goodwill	-	-	655,106	465,939	317,826
Other	92,523	77,420	96,493	84,045	93,694
Net assets					
Total net assets	2,188,174	2,657,895	2,933,221	3,475,542	3,670,664
Shareholders' equity	2,109,435	2,542,736	2,857,700	3,323,496	3,445,116
Capital stock	474,595	479,995	483,435	483,916	485,443
Capital surplus	585,395	590,795	879,605	880,086	881,614
Retained earnings	1,418,536	2,001,545	1,713,363	2,350,588	2,469,153
Treasury stock	(369,090)	(529,599)	(218,703)	(391,094)	(391,094)
Valuation and translation adjustments	(286)	(9,173)	(1,824)	-	-
Accumulated other comprehensive income	-	-	-	2,911	(4,832)
Valuation difference on available-for-sale securities	(286)	(9,173)	(1,824)	4,526	(1,372)
Foreign currency translation adjustment	-	-	-	(1,615)	(3,459)
Subscription rights to shares	8,178	22,027	49,433	53,693	91,996
Minority interests	70,847	102,305	27,911	95,441	138,382
Total liabilities and net assets	5,660,705	6,051,298	9,365,465	10,707,735	11,921,809

Non-Consolidated Balance Sheets

OUTSOURCING Inc. and subsidiaries
for the fiscal year ended December 31, 2011

(¥Thousand)	FY12/07	FY12/08	FY12/09	FY12/10	FY12/11
Assets					
Total assets	4,790,695	4,644,832	5,966,235	7,889,326	8,536,428
Current assets	3,486,061	2,753,554	2,699,310	4,181,483	3,561,872
Cash and deposits	516,910	126,119	524,920	235,417	242,736
Notes receivable-trade	10,976	54,330	166,909	375,621	306,638
Accounts receivable-trade	2,509,311	2,243,339	1,728,855	2,263,284	2,213,346
Supplies	9,955	7,446	11,222	7,217	7,177
Prepaid expenses	237,349	221,748	108,652	149,173	181,434
Short-term loans receivable from subsidiaries and affiliates	146,693	-	-	629,500	495,550
Accounts receivable-other	-	-	-	422,223	-
Deferred tax assets	21,626	9,720	17,847	46,737	9,982
Other	33,318	91,320	141,311	52,757	105,389
Allowance for doubtful accounts	(81)	(471)	(409)	(447)	(383)
Noncurrent assets	1,304,633	1,891,277	3,266,924	3,707,843	4,974,555
Property, plant and equipment	325,454	437,248	1,030,606	1,057,379	1,089,848
Buildings	270,233	279,778	739,038	789,672	815,864
Accumulated depreciation	(28,635)	(40,771)	(107,832)	(132,397)	(173,116)
Buildings, net	241,598	239,007	631,205	657,275	642,747
Structures	13,336	13,336	62,793	63,137	63,137
Accumulated depreciation	(2,425)	(3,614)	(18,449)	(25,472)	(30,956)
Structures, net	10,911	9,722	44,344	37,665	32,181
Machinery and equipment	4,750	4,750	4,750	-	-
Accumulated depreciation	(1,187)	(2,968)	(3,859)	-	-
Machinery and equipment, net	3,562	1,781	890	-	-
Vehicles	33,710	48,291	48,291	60,952	40,689
Accumulated depreciation	(16,239)	(27,462)	(35,765)	(41,092)	(30,559)
Vehicles, net	17,471	20,829	12,525	19,859	10,129
Tools, furniture and fixtures	313,123	323,341	379,248	360,362	432,188
Accumulated depreciation	(261,362)	(284,843)	(337,099)	(317,273)	(337,235)
Tools, furniture and fixtures, net	51,760	38,498	42,149	43,089	94,952
Land	150	104,410	299,490	299,490	299,490
Lease assets	-	-	-	-	11,496
Accumulated depreciation	-	-	-	-	(1,149)
Lease assets, net	-	-	-	-	10,347
construction in progress	-	23,000	-	-	-
Intangible assets	174,895	152,594	124,156	68,920	61,667
Software	145,764	142,843	108,507	47,394	35,994
Lease assets	-	-	-	-	5,003
Other	29,130	9,750	15,649	21,525	20,669
Investments and other assets	804,283	1,301,434	2,112,162	2,581,543	3,823,040
Investment securities	103,847	96,091	105,161	114,121	120,119
Stocks of subsidiaries and affiliates	524,080	1,016,080	1,814,583	2,197,829	2,966,490
Investments in capital	347	347	5,400	6,450	6,450
Long-term loans receivable from subsidiaries and affiliates	-	-	-	-	380,794
Claims provable in bankruptcy, claims provable in rehabilitation	113	-	-	-	-
Long-term prepaid expenses	6,910	7,818	10,939	6,973	13,365
Deferred tax assets	14,481	19,888	13,908	12,748	27,512
Lease and guarantee deposits	146,403	153,108	153,419	233,870	296,912
Other	8,100	8,100	8,750	9,550	11,396

Non-Consolidated Balance Sheets

OUTSOURCING Inc. and subsidiaries

for the fiscal year ended December 31, 2011

(¥Thousand)	FY12/07	FY12/08	FY12/09	FY12/10	FY12/11
Liabilities					
Total liabilities	2,663,440	2,126,510	2,782,468	4,303,201	4,876,757
Current liabilities	2,429,916	1,938,279	2,264,992	3,635,207	3,534,136
Short-term loans payable	-	-	850,000	1,140,000	1,280,000
Current portion of long-term loans payable	50,004	50,004	74,204	155,674	349,596
Accounts payable-other	1,477,803	1,283,100	1,110,698	1,274,987	1,476,548
Accrued expenses	145,799	96,009	76,111	119,661	107,711
Income taxes payable	355,000	245,000	22,000	571,361	31,404
Accrued consumption taxes	264,972	125,729	-	228,663	113,955
Deposits received	136,336	138,435	126,015	140,939	167,512
Other	-	-	5,963	3,918	7,407
Noncurrent liabilities	233,524	188,231	517,475	667,994	1,342,621
Long-term loans payable	212,489	162,485	118,551	407,977	1,058,381
Provision for retirement benefits	21,035	25,746	27,615	33,630	92,573
Negative goodwill	-	-	363,461	218,539	149,526
Other	-	-	7,848	7,848	42,140
Net assets					
Total net assets	2,127,254	2,518,321	3,183,766	3,586,124	3,659,670
Shareholders' equity	2,120,761	2,502,355	3,135,195	3,527,615	3,568,120
Capital stock	474,595	479,995	483,435	483,916	485,443
Capital surplus	585,395	590,795	879,605	880,086	881,614
Legal capital surplus	585,395	590,795	594,235	594,716	596,243
Other capital surplus	-	-	285,370	285,370	285,370
Retained earnings	1,429,862	1,961,165	1,990,857	2,554,707	2,592,157
Other retained earnings					
Reserve for special depreciation	343	-	-	-	-
General reserve	105,000	105,000	105,000	105,000	105,000
Retained earnings brought forward	1,324,519	1,856,165	1,885,857	2,449,707	2,487,157
Treasury stock	(369,090)	(529,599)	(218,703)	(391,094)	(391,094)
Valuation and translation adjustments	(1,685)	(6,061)	(862)	4,815	(446)
Valuation difference on available-for-sale securities	(1,685)	(6,061)	(862)	4,815	(446)
Subscription rights to shares	8,178	22,027	49,433	53,693	91,996
Total liabilities and net assets	4,790,695	4,644,832	5,966,235	7,889,326	8,536,428

Consolidated Statements of Income

OUTSOURCING Inc. and subsidiaries

for the fiscal year ended December 31, 2011

(¥Thousand)	FY12/07	FY12/08	FY12/09	FY12/10	FY12/11
Net sales	24,321,558	24,148,064	17,964,396	28,386,708	32,397,745
Cost of sales	19,888,929	19,652,219	14,578,030	22,378,831	25,658,946
Gross profit	4,432,629	4,495,845	3,386,365	6,007,877	6,738,798
Selling, general and administrative expenses	3,418,806	3,382,521	3,536,588	4,834,497	6,175,588
Operating income (loss)	1,013,823	1,113,323	(150,222)	1,173,380	563,210
Non-operating income	11,165	38,576	318,923	634,942	541,309
Interest income	5,321	5,469	7,850	4,469	3,881
Dividends income	9	14	178	401	358
Real estate rent	-	-	103,230	303,254	333,049
Amortization of negative goodwill	-	-	104,856	155,958	138,320
Subsidy income	-	-	60,599	100,327	23,443
Equity in earnings of affiliates	-	-	12,103	-	793
Reversal of consumption taxes	-	21,963	-	-	-
Reversal of repair expenses	2,257	-	-	-	-
Insurance income	1,502	5,146	-	-	-
Nursery fee income	1,343	877	-	-	-
Other	731	5,104	30,104	70,531	41,462
Non-operating expenses	20,604	17,027	146,559	407,003	401,744
Interest expenses	15,660	15,364	30,195	39,642	26,333
Rent cost of real estate	-	-	104,723	320,365	365,668
Equity in losses of affiliates	-	-	-	26,131	-
Amortization of bond issuance cost	1,279	152	-	-	-
Other	3,665	1,510	11,640	20,863	9,743
Ordinary income	1,004,383	1,134,871	22,141	1,401,318	702,774
Extraordinary income	29,677	23,058	6,306	213,717	18,128
Gain on sales of noncurrent assets	186	63	542	1,822	12,170
Gain on sales of subsidiaries' stocks	-	-	-	211,895	-
Reversal of allowance for doubtful receivables	400	320	-	-	-
Gain on sales of investment securities	-	-	-	-	5,958
Surrender value of insurance	1,019	22,674	5,764	-	-
Gain on change in equity	28,070	-	-	-	-
Extraordinary loss	8,351	51	205,505	126,845	157,056
Loss on sales and retirement of noncurrent assets	6,648	51	1,175	5,414	19,318
Loss on sales of stocks of subsidiaries and affiliates	-	-	-	-	10,023
Impairment loss	-	-	204,329	15,590	12,390
Loss on disaster	-	-	-	-	46,888
Office transfer expenses	-	-	-	105,840	-
Loss on valuation of investments in capital	1,702	-	-	-	-
Settlement package	-	-	-	-	11,200
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	-	-	-	5,832
Retirement benefit expenses for prior periods	-	-	-	-	51,403
Income (loss) before income taxes and minority interests	1,025,709	1,157,878	(177,057)	1,488,190	563,846
Income taxes-current	447,711	480,782	75,877	735,276	305,831
Income taxes-deferred	(14,699)	9,385	40,405	(23,515)	47,163
Total income taxes	433,011	490,167	116,282	711,760	352,995
Income before minority interests	-	-	-	-	210,851
Minority interests in income (loss)	8,994	26,457	(77,595)	16,309	16,276
Net income (loss)	583,702	641,252	(215,744)	760,120	194,575

Non-Consolidated Statements of Income

OUTSOURCING Inc. and subsidiaries
for the fiscal year ended December 31, 2011

(¥Thousand)	FY12/07	FY12/08	FY12/09	FY12/10	FY12/11
Net sales	21,270,073	20,528,817	13,823,975	16,989,957	17,849,642
Cost of sales	17,457,464	16,759,815	11,214,245	13,285,612	13,804,971
Gross profit	3,812,608	3,769,002	2,609,729	3,704,344	4,044,671
Selling, general and administrative expenses	2,892,577	2,739,022	2,550,226	2,809,314	3,795,168
Operating income	920,030	1,029,979	59,502	895,030	249,503
Non-operating income	9,269	4,392	114,305	130,157	109,239
Interest income	2,881	494	2,625	2,260	5,000
Interest on securities	3,888	3,492	3,495	3,633	3,369
Dividends income	9	14	120	6,934	14,030
Amortization of negative goodwill	-	-	72,692	87,230	69,012
Subsidy income	-	-	18,610	-	-
Reversal of repair expenses	2,257	-	-	-	-
Other	231	391	16,759	30,097	17,826
Non-operating expenses	10,880	6,696	8,378	15,155	14,090
Interest expenses	8,235	5,256	7,956	12,985	13,912
Commission for purchase of treasury stock	1,184	1,202	-	-	-
Depreciation of lease deposits	1,450	-	-	-	-
Other	10	236	422	2,170	178
Ordinary income	918,419	1,027,676	165,428	1,010,031	344,651
Extraordinary income	544	-	220	288,001	32,513
Gain on sales of noncurrent assets	143	-	220	1,822	4,962
Gain on sales of investment securities	-	-	-	-	5,958
Gain on transfer of business	-	-	-	-	21,592
Gain on sales of subsidiaries' stocks	-	-	-	286,179	-
Reversal of allowance for doubtful receivables	400	-	-	-	-
Extraordinary loss	8,017	6	7,526	119,407	97,207
Loss on sales and retirement of noncurrent assets	6,315	6	186	-	2,507
Loss on disaster	-	-	-	-	15,931
Impairment loss	-	-	-	13,178	-
Loss on sales of stocks of subsidiaries and affiliates	-	-	-	-	13,032
Loss on extinguishment of tie-in shares	-	-	7,339	39,391	-
Office transfer expenses	-	-	-	66,836	-
Retirement benefit expenses for prior periods	-	-	-	-	51,403
Settlement package	-	-	-	-	11,200
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	-	-	-	3,133
Loss on valuation of investments in capital	1,702	-	-	-	-
Income before income taxes	910,946	1,027,670	158,123	1,178,625	279,956
Income taxes-current	401,267	428,739	12,162	550,359	113,168
Income taxes-deferred	(14,699)	9,385	43,830	(31,474)	25,461
Total income taxes	386,567	438,124	55,993	518,885	138,629
Net income	524,378	589,545	102,129	659,740	141,327

Consolidated Statements of Change in Shareholders' Equity

OUTSOURCING Inc. and subsidiaries

for the fiscal year ended December 31, 2011

(¥Thousand)	FY12/10	FY12/11
Shareholders' equity		
Capital stock		
Balance at the end of previous period	483,435	483,916
Changes of items during the period		
Issuance of new shares	480	1,527
Total changes of items during the period	480	1,527
Balance at the end of current period	483,916	485,443
Capital surplus		
Balance at the end of previous period	879,605	880,086
Changes of items during the period		
Issuance of new shares	480	1,527
Total changes of items during the period	480	1,527
Balance at the end of current period	880,086	881,614
Retained earnings		
Balance at the end of previous period	1,713,363	2,350,588
Changes of items during the period		
Dividends from surplus	(95,890)	(103,878)
Net income (loss)	760,120	194,575
Change of scope of consolidation	(27,005)	27,867
Total changes of items during the period	637,224	118,565
Balance at the end of current period	2,350,588	2,469,153
Treasury stock		
Balance at the end of previous period	(218,703)	(391,094)
Changes of items during the period		
Purchase of treasury stock	(172,391)	-
Total changes of items during the period	(172,391)	-
Balance at the end of current period	(391,094)	(391,094)
Total shareholders' equity		
Balance at the end of previous period	2,857,700	3,323,496
Changes of items during the period		
Issuance of new shares	961	3,055
Dividends from surplus	(95,890)	(103,878)
Net income (loss)	760,120	194,575
Purchase of treasury stock	(172,391)	-
Change of scope of consolidation	(27,005)	27,867
Total changes of items during the period	465,795	121,620
Balance at the end of current period	3,323,496	3,445,116

(¥Thousand)	FY12/10	FY12/11
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(1,824)	4,526
Changes of items during the period		
Net changes of items other than shareholders' equity	6,350	(5,899)
Total changes of items during the period	6,350	(5,899)
Balance at the end of current period	4,526	(1,372)
Foreign currency translation adjustment		
Balance at the end of previous period	-	(1,615)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,615)	(1,843)
Total changes of items during the period	(1,615)	(1,843)
Balance at the end of current period	(1,615)	(3,459)
Total valuation and translation adjustments		
Balance at the end of previous period	(1,824)	2,911
Changes of items during the period		
Net changes of items other than shareholders' equity	4,735	(7,743)
Total changes of items during the period	4,735	(7,743)
Balance at the end of current period	2,911	(4,832)
Subscription rights to shares		
Balance at the end of previous period	49,433	53,693
Changes of items during the period		
Net changes of items other than shareholders' equity	4,259	38,303
Total changes of items during the period	4,259	38,303
Balance at the end of current period	53,693	91,996
Minority interests		
Balance at the end of previous period	27,911	95,441
Changes of items during the period		
Net changes of items other than shareholders' equity	67,530	42,941
Total changes of items during the period	67,530	42,941
Balance at the end of current period	95,441	138,382
Total net assets		
Balance at the end of previous period	2,933,221	3,475,542
Changes of items during the period		
Issuance of new shares	961	3,055
Dividends from surplus	(95,890)	(103,878)
Net income (loss)	760,120	194,575
Purchase of treasury stock	(172,391)	-
Change of scope of consolidation	(27,005)	27,867
Net changes of items other than shareholders' equity	76,525	73,501
Total changes of items during the period	542,320	195,122
Balance at the end of current period	3,475,542	3,670,664

Non-Consolidated Statements of Change in Shareholders' Equity

OUTSOURCING Inc. and subsidiaries
for the fiscal year ended December 31, 2011

(¥Thousand)	FY12/10	FY12/11
Shareholders' equity		
Capital stock		
Balance at the end of previous period	483,435	483,916
Changes of items during the period		
Issuance of new shares	480	1,527
Total changes of items during the period	480	1,527
Balance at the end of current period	483,916	485,443
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	594,235	594,716
Changes of items during the period		
Issuance of new shares	480	1,527
Total changes of items during the period	480	1,527
Balance at the end of current period	594,716	596,243
Other capital surplus		
Balance at the end of previous period	285,370	285,370
Balance at the end of current period	285,370	285,370
Total capital surplus		
Balance at the end of previous period	879,605	880,086
Changes of items during the period		
Issuance of new shares	480	1,527
Total changes of items during the period	480	1,527
Balance at the end of current period	880,086	881,614
Retained earnings		
Other retained earnings		
General reserve		
Balance at the end of previous period	105,000	105,000
Balance at the end of current period	105,000	105,000
Retained earnings brought forward		
Balance at the end of previous period	1,885,857	2,449,707
Changes of items during the period		
Dividends from surplus	(95,890)	(103,878)
Net income	659,740	141,327
Total changes of items during the period	563,849	37,449
Balance at the end of current period	2,449,707	2,487,157
Total retained earnings		
Balance at the end of previous period	1,990,857	2,554,707
Changes of items during the period		
Dividends from surplus	(95,890)	(103,878)
Net income	659,740	141,327
Total changes of items during the period	563,849	37,449
Balance at the end of current period	2,554,707	2,592,157
Treasury stock		
Balance at the end of previous period	(218,703)	(391,094)
Changes of items during the period		
Purchase of treasury stock	(172,391)	-
Total changes of items during the period	(172,391)	-
Balance at the end of current period	(391,094)	(391,094)
Total shareholders' equity		
Balance at the end of previous period	3,135,195	3,527,615
Changes of items during the period		
Issuance of new shares	961	3,055
Dividends from surplus	(95,890)	(103,878)
Net income	659,740	141,327
Purchase of treasury stock	(172,391)	-
Total changes of items during the period	392,420	40,504
Balance at the end of current period	3,527,615	3,568,120

(¥Thousand)	FY12/10	FY12/11
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(862)	4,815
Changes of items during the period		
Net changes of items other than shareholders' equity	5,677	(5,262)
Total changes of items during the period	5,677	(5,262)
Balance at the end of current period	4,815	(446)
Total valuation and translation adjustments		
Balance at the end of previous period	(862)	4,815
Changes of items during the period		
Net changes of items other than shareholders' equity	5,677	(5,262)
Total changes of items during the period	5,677	(5,262)
Balance at the end of current period	4,815	(446)
Subscription rights to shares		
Balance at the end of previous period	49,433	53,693
Changes of items during the period		
Net changes of items other than shareholders' equity	4,259	38,303
Total changes of items during the period	4,259	38,303
Balance at the end of current period	53,693	91,996
Total net assets		
Balance at the end of previous period	3,183,766	3,586,124
Changes of items during the period		
Issuance of new shares	961	3,055
Dividends from surplus	(95,890)	(103,878)
Net income	659,740	141,327
Purchase of treasury stock	(172,391)	-
Net changes of items other than shareholders' equity	9,937	33,040
Total changes of items during the period	402,358	73,545
Balance at the end of current period	3,586,124	3,659,670

Consolidated Statements of Cash Flows

OUTSOURCING Inc. and subsidiaries
for the fiscal year ended December 31, 2011

(¥Thousand)	FY12/07	FY12/08	FY12/09	FY12/10	FY12/11
Net cash provided by (used in) operating activities					
Net cash provided by (used in) operating activities	1,021,607	547,118	(465,872)	765,612	412,875
Income (loss) before income taxes and minority interests	1,025,709	1,157,878	(177,057)	1,488,190	563,846
Depreciation and amortization	178,468	164,654	211,723	266,724	271,352
Impairment loss	-	-	204,329	15,590	12,390
Loss on disaster	-	-	-	-	46,888
Settlement package	-	-	-	-	11,200
Amortization of goodwill	46,293	57,841	67,377	129,894	168,359
Amortization of negative goodwill	-	-	(104,856)	(155,958)	(138,320)
Increase (decrease) in allowance for doubtful accounts	(420)	87	(41)	1,337	325
Increase (decrease) in provision for bonuses	-	(2,000)	(106,493)	(99,136)	(16,121)
Increase (decrease) in provision for retirement benefits	5,349	4,711	1,801	18,899	49,167
Interest and dividends income	(5,331)	(5,484)	(8,028)	(4,870)	(4,239)
Interest expenses	15,660	15,364	30,195	39,642	26,333
Equity in (earnings) losses of affiliates	-	-	(12,103)	26,131	(793)
Loss on sales and retirement of noncurrent assets	6,648	51	-	-	-
Gain on sales of fixed assets	(186)	(63)	-	-	-
Loss (gain) on sales and retirement of noncurrent assets	-	-	633	3,592	7,148
Loss (gain) on sales of investment securities	-	-	-	-	(5,958)
Loss (gain) on sales of subsidiaries' stocks	-	-	-	(211,895)	-
Loss (gain) on sales of stocks of subsidiaries and affiliates	-	-	-	-	10,023
Loss (gain) on cancellation of insurance contract	(1,019)	(22,674)	(5,764)	-	-
Loss on valuation of investments in capital	1,702	-	-	-	-
Loss (gain) on change in equity	(28,070)	-	-	-	-
Decrease (increase) in notes and accounts receivable-trade	(219,314)	272,898	595,405	(954,313)	(222,013)
Decrease (increase) in inventories	911	(616)	(4,532)	57,944	(61,291)
Increase (decrease) in notes and accounts payable-trade	80,804	(295,460)	(757,044)	202,836	491,398
Increase (decrease) in accrued consumption taxes	89,102	(146,385)	(153,797)	248,998	14,538
Loss on adjustment for changes of accounting standard for as:	-	-	-	-	5,832
Other	(19,054)	(32,560)	77,411	(167,871)	71,983
Subtotal	1,177,251	1,168,242	(140,841)	905,738	1,302,049
Interest and dividends income received	6,736	5,399	7,991	11,691	5,231
Interest expenses paid	(16,389)	(16,585)	(32,741)	(37,351)	(25,077)
Payments for loss on disaster	-	-	-	-	(46,888)
Settlement package paid	-	-	-	-	(11,200)
Income taxes refund	-	-	8,403	8,887	53,198
Income taxes paid	(145,992)	(609,938)	(308,683)	(123,353)	(864,437)

Consolidated Statements of Cash Flows

OUTSOURCING Inc. and subsidiaries
for the fiscal year ended December 31, 2011

(¥Thousand)	FY12/07	FY12/08	FY12/09	FY12/10	FY12/11
Net cash provided by (used in) investing activities					
Net cash provided by (used in) investing activities	(42,567)	(927,622)	(8,794)	436,192	(274,004)
Payments into time deposits	(75,798)	(155,128)	(172,230)	(790,776)	(136,408)
Proceeds from withdrawal of time deposits	116,300	200,511	205,348	1,198,818	119,100
Purchase of property, plant and equipment	(160,008)	(623,611)	(473,430)	(129,314)	(154,533)
Purchase of intangible assets	(27,559)	(37,636)	(25,278)	(18,003)	(21,097)
Payments for retirement of property, plant and equipment	-	-	-	-	(9,874)
Proceeds from sales of property, plant and equipment	683	155	2,625	3,175	14,387
Purchase of investment securities	(105,638)	(10,740)	(4,110)	-	(399)
Proceeds from sales of investment securities	220,209	10,740	-	7,912	112,260
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(322,202)	-	(4,902)	(485,532)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	-	476,811	416,169	-
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-	-	-	(232,168)	-
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	-	-	43,071	380,000
Purchase of stocks of subsidiaries and affiliates	-	-	(136,400)	-	6,000
Payments for transfer of business	-	-	-	-	(10,000)
Payments of loans receivable	-	(5,030)	(611,086)	(1,356)	(60,523)
Collection of loans receivable	1,473	5,684	607,321	7,923	24,181
Payments for lease and guarantee deposits	(47,190)	(49,954)	(55,354)	(194,199)	(150,914)
Proceeds from collection of lease and guarantee deposits	35,482	40,437	128,394	162,126	87,037
Purchase of insurance funds	(2,097)	(1,964)	(5,757)	(3,060)	(3,225)
Proceeds from cancellation of insurance funds	2,398	23,403	26,188	23,151	15,530
Purchase of investments in subsidiaries	-	-	-	(57,818)	-
Other	(823)	(2,287)	28,162	5,443	6
Net cash provided by (used in) financing activities					
Net cash provided by (used in) financing activities	(776,063)	179,981	668,479	(1,121,903)	319,619
Net increase (decrease) in short-term loans payable	(435,000)	35,000	675,000	(628,100)	(111,436)
Proceeds from long-term loans payable	-	250,000	330,000	580,056	1,300,000
Repayment of long-term loans payable	(202,955)	(117,693)	(210,906)	(709,335)	(686,699)
Redemption of bonds	(15,000)	(15,000)	(34,250)	(83,500)	(83,500)
Proceeds from issuance of common stock	10,260	10,800	6,880	961	3,055
Cash dividends paid	(36,365)	(58,242)	(72,437)	(95,890)	(103,758)
Purchase of treasury stock	(161,263)	(160,508)	-	(172,391)	-
Proceeds from stock issuance to minority shareholders	90,720	5,000	-	-	6,766
Cash dividends paid to minority shareholders	-	-	-	-	(1,534)
Proceeds from issuance of bonds	-	245,729	-	-	-
Other	(26,459)	(15,102)	(25,807)	(13,705)	(3,273)
Effect of exchange rate change on cash and cash equivalents	-	-	-	(946)	(5,918)
Net increase (decrease) in cash and cash equivalents	202,975	(200,523)	193,812	78,954	452,571
Cash and cash equivalents at beginning of period	589,345	792,321	591,797	1,634,534	1,713,488
Increase in cash and cash equivalents resulting from merger	-	-	848,923	-	-
Cash and cash equivalents at end of period	792,321	591,797	1,634,534	1,713,488	2,166,060

Information by Segment
 OUTSOURCING Inc. and subsidiaries
 for the fiscal year ended December 31, 2011

(¥Thousand)	FY12/07	FY12/08	FY12/09	FY12/10	FY12/11
Production Outsourcing Business	23,841,132	23,879,571	17,200,739	27,016,766	31,146,352
Compositionratio	98.0%	98.9%	95.8%	95.2%	96.2%
Foods	6,616,511	5,652,322	3,437,037	2,032,444	2,006,245
Compositionratio	27.2%	23.4%	19.1%	7.2%	6.2%
Electric Equipment	6,867,185	6,664,136	4,742,173	8,527,826	8,668,019
Compositionratio	28.2%	27.6%	26.4%	30.0%	26.8%
Transport Equipment	4,356,170	5,618,135	2,810,718	7,394,826	10,604,822
Compositionratio	17.9%	23.3%	15.7%	26.0%	32.7%
Chemicals and Medicals	2,676,491	3,360,387	3,669,928	4,107,416	4,174,806
Compositionratio	11.0%	13.9%	20.4%	14.5%	12.9%
Metals	929,856	749,157	332,116	270,157	836,721
Compositionratio	3.8%	3.1%	1.9%	1.0%	2.6%
Other	2,394,915	1,835,431	2,208,764	4,684,095	4,855,736
Compositionratio	9.9%	7.6%	12.3%	16.5%	15.0%
Administrative Operations Outsourcing Business	-	-	184,024	735,788	1,113,407
Compositionratio	-	-	1.0%	2.6%	3.4%
Nursing-care Business	-	-	347,453	471,998	-
Compositionratio	-	-	1.9%	1.6%	-
Other Business	480,426	268,493	232,177	162,155	137,986
Compositionratio	2.0%	1.1%	1.3%	0.6%	0.4%
Total	24,321,558	24,148,064	17,964,396	28,386,708	32,397,745
Compositionratio	100.0%	100.0%	100.0%	100.0%	100.0%

(¥Thousand)	FY12/07	FY12/08	FY12/09	FY12/10	FY12/11
Net Sales by Region					
Hokkaido, Tohoku and Kanto	5,898,979	6,115,873	4,920,655	9,080,396	10,223,237
Compositionratio	24.2%	25.3%	27.4%	32.0%	31.6%
Tokai	12,444,196	12,349,203	8,477,431	12,190,169	13,454,671
Compositionratio	51.2%	51.1%	47.2%	42.9%	41.5%
Hokuriku and Kou-shinetsu	1,791,784	1,509,693	637,448	583,058	1,207,289
Compositionratio	7.4%	6.3%	3.5%	2.1%	3.7%
Kinki, Chugoku, and Kyushu	4,186,598	4,173,293	3,928,861	6,533,083	7,126,562
Compositionratio	17.2%	17.3%	21.9%	23.0%	22.0%
Other	-	-	-	-	385,984
Compositionratio	-	-	-	-	1.2%
Total	24,321,558	24,148,064	17,964,396	28,386,708	32,397,745
Compositionratio	100.0%	100.0%	100.0%	100.0%	100.0%

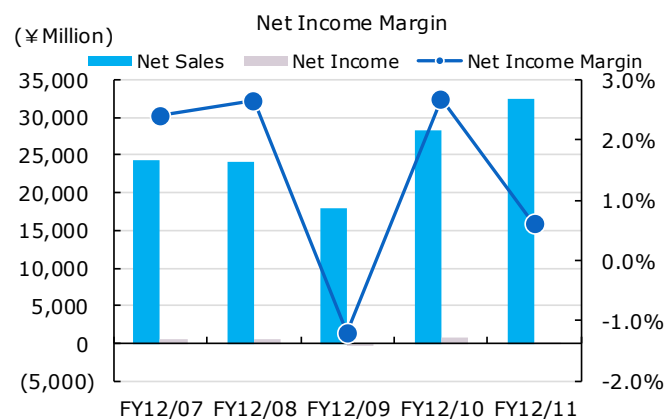
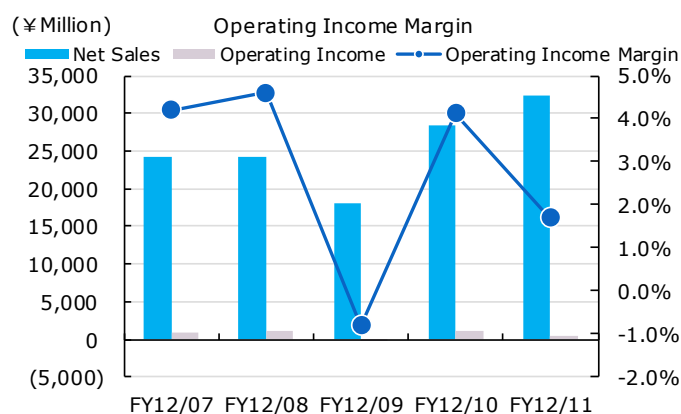
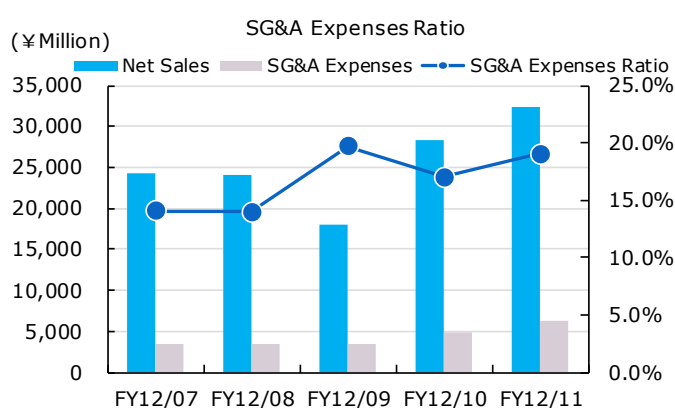
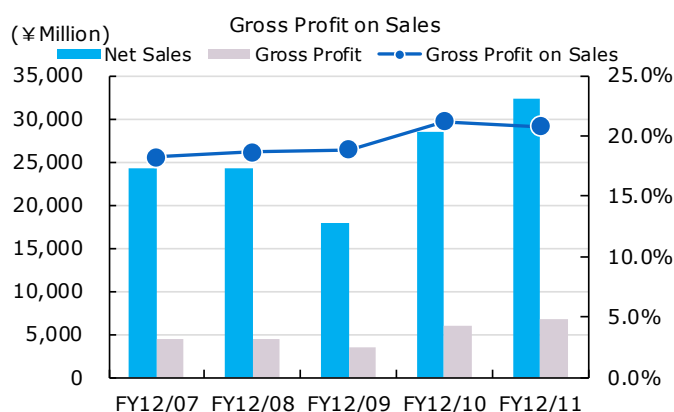
Consolidated Profitability Indicators

OUTSOURCING Inc. and subsidiaries
for the fiscal year ended December 31, 2011

(¥ Million)	FY12/07	FY12/08	FY12/09	FY12/10	FY12/11
Net Sales	24,321	24,148	17,964	28,386	32,397
Gross Profit	4,432	4,495	3,386	6,007	6,738
SG&A Expenses	3,418	3,382	3,536	4,834	6,175
Operating Income	1,013	1,113	(150)	1,173	563
Ordinary Income	1,004	1,134	22	1,401	702
Net Income	583	641	(215)	760	194

(%)	FY12/07	FY12/08	FY12/09	FY12/10	FY12/11
Gross Profit on Sales	18.2%	18.6%	18.8%	21.2%	20.8%
SG&A Expenses Ratio	14.1%	14.0%	19.7%	17.0%	19.1%
Operating Income Margin	4.2%	4.6%	-0.8%	4.1%	1.7%
Ordinary Income Margin	4.1%	4.7%	0.1%	4.9%	2.2%
Net Income Margin	2.4%	2.7%	-1.2%	2.7%	0.6%

Gross Profit on Sales=Gross Profit/Net Sales
SG&A Expenses Ratio=SG&A Expenses/Net Sales
Operating Income Margin=Operating Income/Net Sales
Ordinary Income Margin=Ordinary Income/Net Sales
Net Income Margin=Net Income/Net Sales



Consolidated Efficiency Indicators

OUTSOURCING Inc. and subsidiaries
for the fiscal year ended December 31, 2011

(Times)	FY12/07	FY12/08	FY12/09	FY12/10	FY12/11
Total Assets Turnover	4.45	4.12	2.33	2.83	2.86
Noncurrent Assets Turnover	15.13	12.77	6.12	7.65	8.37
Current Assets Turnover	6.31	6.09	3.77	4.49	4.35

(Days)	FY12/07	FY12/08	FY12/09	FY12/10	FY12/11
Inventories Turnover	1.16	1.16	2.15	1.37	1.22
Accounts Receivable Turnover	42.43	39.33	61.32	53.77	55.21
Accounts Payable Turnover	0.29	0.18	0.41	0.21	0.55

Total Assets Turnover=Net Sales/Average Total Assets

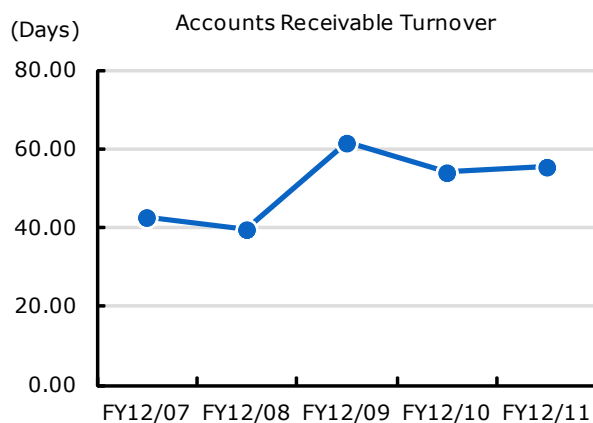
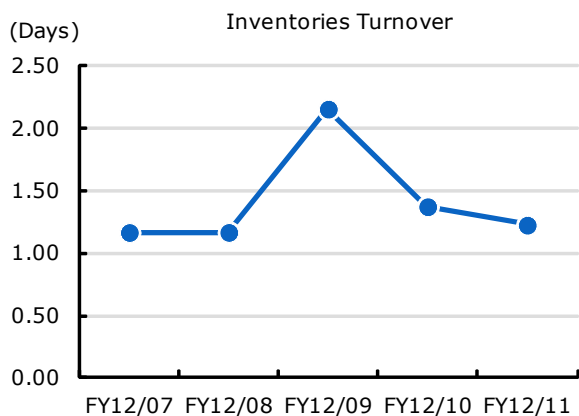
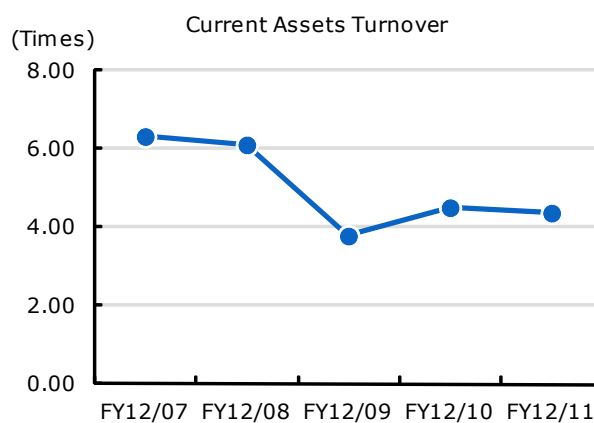
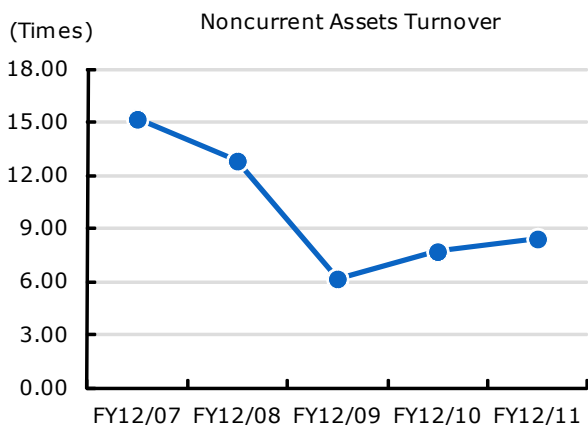
Noncurrent Assets Turnover=Net Sales/Average Noncurrent Assets

Current Assets Turnover=Net Sales/Average Current Assets

Inventories Turnover=Average Inventories/Net Sales*365

Accounts Receivable Turnover=Average Accounts Receivable/Net Sales*365

Accounts Payable Turnover=Average Accounts Payable/Net Sales*365



Consolidated Stability Indicators

OUTSOURCING Inc. and subsidiaries
for the fiscal year ended December 31, 2011

(¥ Million)	FY12/07	FY12/08	FY12/09	FY12/10	FY12/11
Equity	2,109	2,533	2,856	3,325	3,440
Total Assets	5,660	6,051	9,365	10,707	11,921
Noncurrent Assets	1,571	2,210	3,664	3,756	3,985
Current Assets	4,089	3,836	5,697	6,948	7,933
Current Liabilities	2,966	2,558	4,445	5,335	5,943
Interest-Bearing Debt	593	1,014	3,308	2,801	3,328

(%)	FY12/07	FY12/08	FY12/09	FY12/10	FY12/11
Equity Ratio	37.3%	41.9%	30.5%	31.1%	28.9%
D/E Ratio	28.1%	40.0%	115.8%	84.2%	96.7%
Fixed Ratio	74.5%	87.2%	128.3%	112.9%	115.8%
Current Ratio	137.9%	150.0%	128.2%	130.2%	133.5%
Return on Equity (ROE)	30.6%	27.6%	-8.0%	24.6%	5.8%
Return on Total Assets (ROA)	10.3%	10.6%	-2.3%	7.1%	1.6%

Equity Ratio=Equity/Total Assets

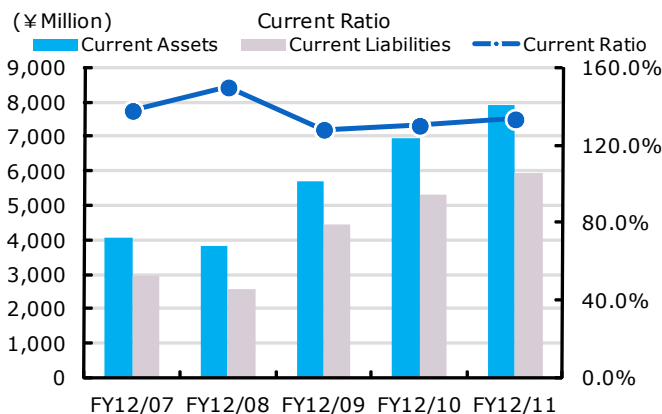
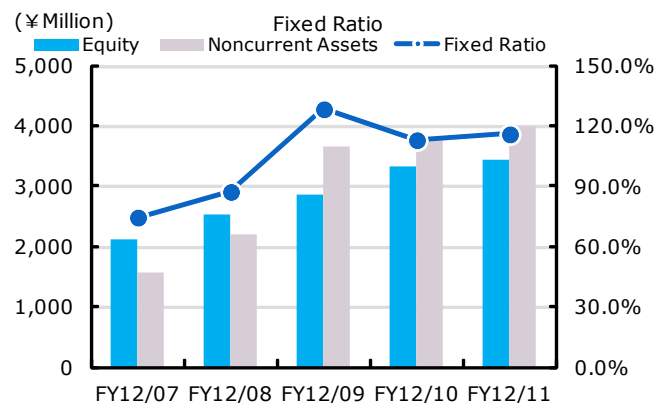
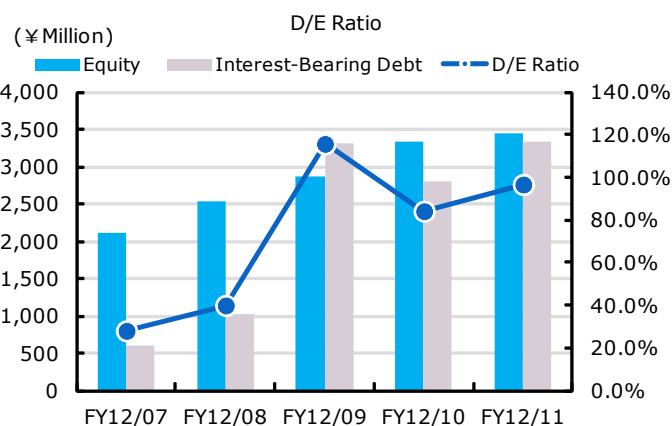
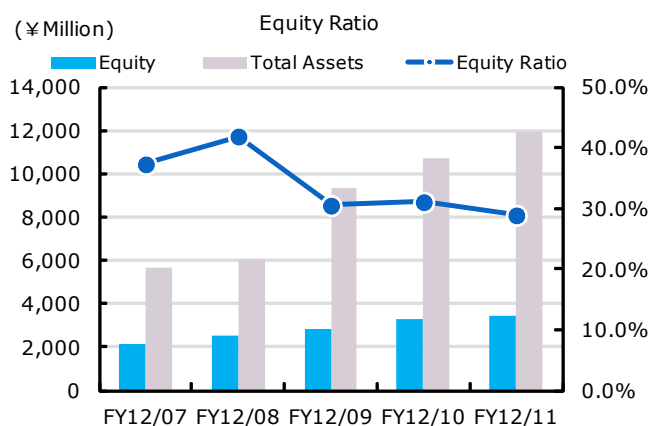
D/E Ratio=Interest-Bearing Debt/Equity

Fixed Ratio=Noncurrent Assets/Equity

Current Ratio=Current Assets/Current Liabilities

ROE=Net Income/Equity

ROA=Net Income/Total Assets



IR Contact

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