

# FACTBOOK

(Securities Code: 2427 / TSE 1<sup>st</sup> Section)

OUTSOURCING Inc.

For the six months ended June 30, 2013

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## Corporate Profile (as of June 30, 2013)

Company Name	OUTSOURCING Inc.
URL	<a href="http://www.outsourcing.co.jp/en/">http://www.outsourcing.co.jp/en/</a>
Head Office	5F Marunouchi Trust Tower Main 1-8-3 Marunouchi, Chiyoda-ku, Tokyo, 100-0005 Japan
Capital	¥492,194 thousand
Established	January 1997
Representative	Haruhiko Doi, Chairman & CEO
Main Business	Production Outsourcing Business, Administrative Operations Outsourcing Business, Staff Agency Business and others
Number of Branches	52 sales offices, including 14 recruitment centers
Total Employees	16,241 (Group including equity method affiliates)

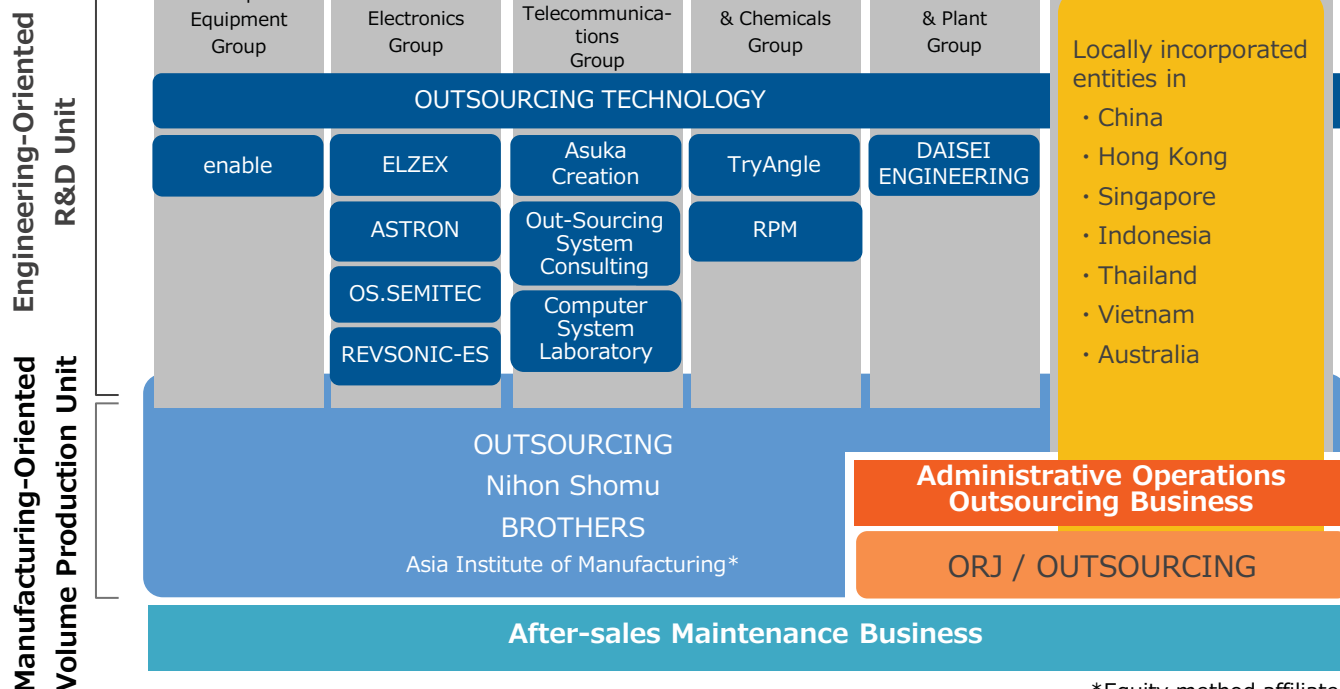
## Group Overview

**As a partner to nationwide manufacturing industries, the OUTSOURCING Group provides technical skills to leading manufacturers through optimal and high value-added staff.**

### Production Outsourcing Business

Domestic Companies Group : 17

Overseas Companies Group : 21



\*Equity method affiliate

## Business Segments

As a partner to nationwide manufacturing industries, we provide technical skills to leading manufacturers through optimal and high value-added staff.

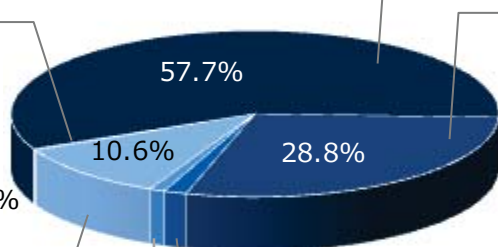
FY12/12 Consolidated Net Sales  
**¥42,090** million

### Other Business

Through Group subsidiary enable Inc., this business focuses on development, manufacture and sales of high performance auto parts for racing.

### Overseas Business

Through Group subsidiary OS International Co., Ltd., this business reinforces our staffing network by working together with our Group subsidiaries in Asian countries, establishing the Company as the sole Japanese provider of package contracting service from volume production to R&D engineering. We continue to drive and strengthen our response to the needs of Japanese makers continuing to shift production offshore to high growth emerging economies.



### Manufacturing Outsourcing Business

Through outsourced contracting and temporary placement, this business provides service meeting the outsourcing needs of makers in the manufacturing process.

### Engineering Outsourcing Business

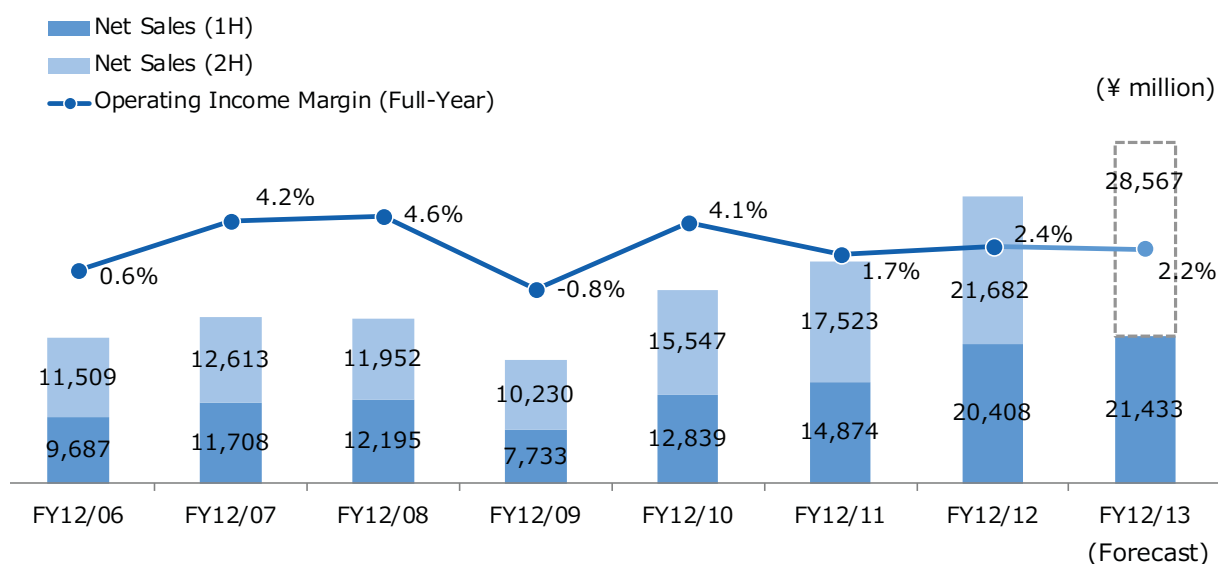
Through dealing with makers in wide-ranging fields including home electronics, medical equipment, semiconductors, software etc, this business provides outsourced contracting and temporary placement service for the design/development, testing and evaluation phases with high level technology and know-how.

### Administrative Outsourcing Business

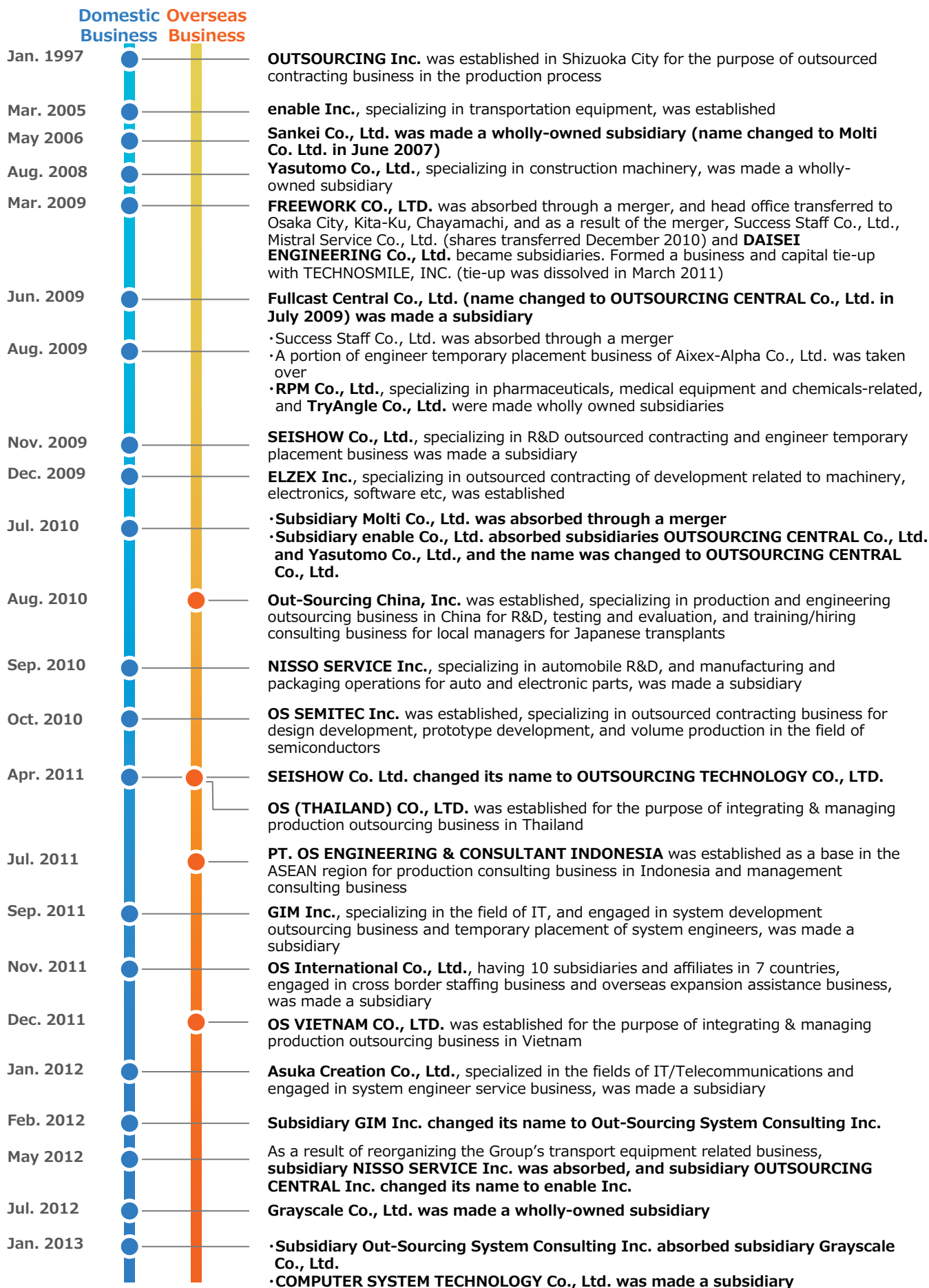
Through Group subsidiary ORJ Inc., this business handles administrative operations from hiring of seasonal workers on behalf of makers to post-hiring labor management and company housing management as a package service.

### Staff Agency Business

Through Group subsidiary ORJ Inc., this business leverages many years of accumulated know-how and our nationwide hiring network, single handedly undertaking issues from hiring plans to recruiting and interviews, a service making referrals and securing staff.



# OUTSOURCING Group Expansion Corporate History



## Domestic Business Locations

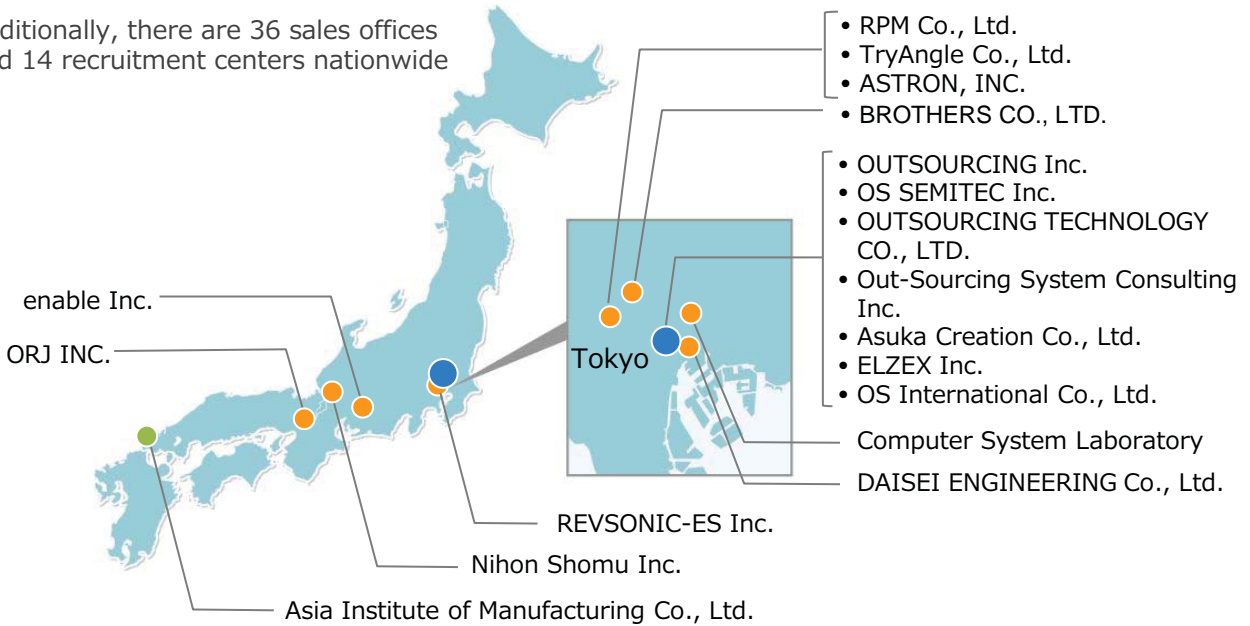
(as of June 30,2013)

Domestic Companies Group : 18

### Domestic Companies Group

● **OUTSOURCING Inc.**   ● **Consolidated Subsidiaries**   ● **Equity Method Affiliate**

Additionally, there are 36 sales offices and 14 recruitment centers nationwide



## Overseas Business Locations

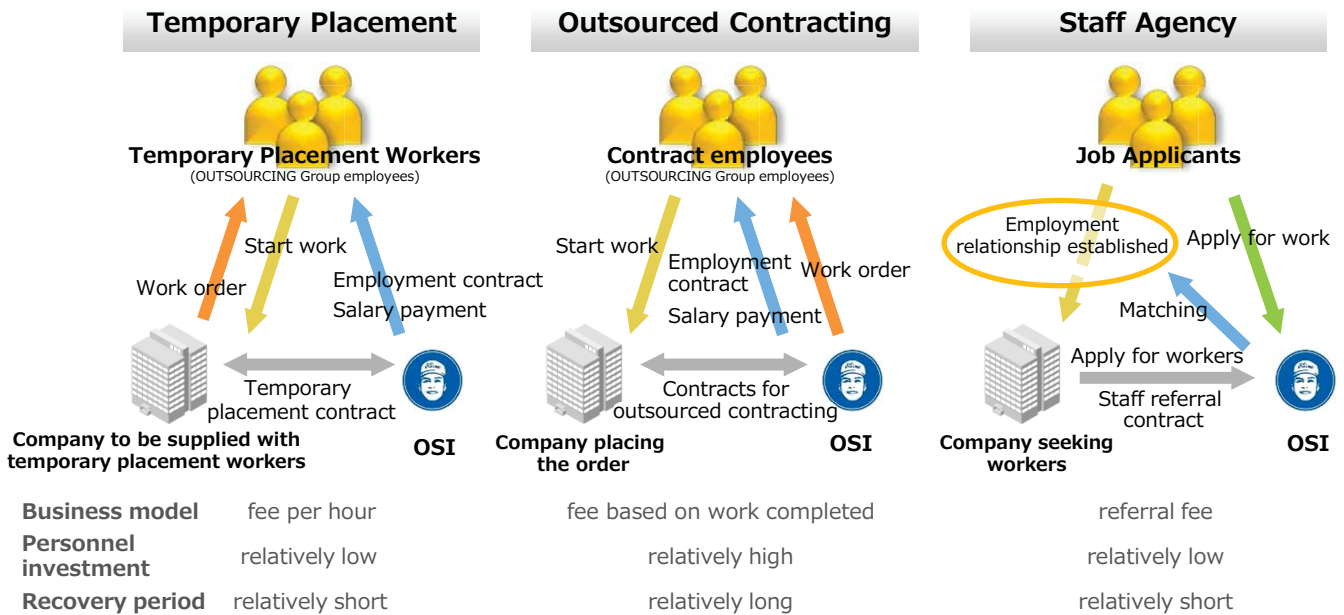
Overseas Companies Group : 20



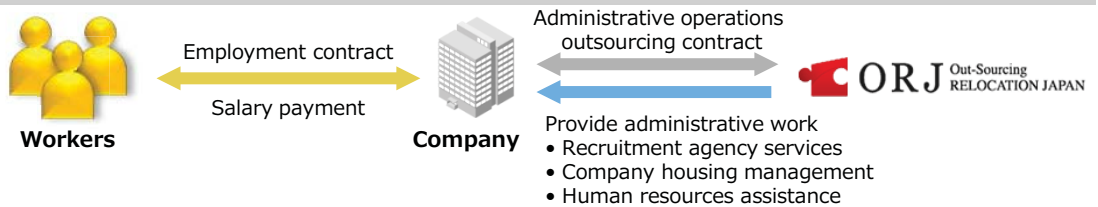
- **China**
  - Out-Sourcing China, Inc.
  - Gray (Dalian) Information Technology Co., Ltd.
  - FARO RECRUITMENT (CHINA) CO.,LTD.
  - Faro Business Consulting (Dalian) Co., Ltd.
  - FARO RECRUITMENT (HONG KONG) CO., LIMITED
- **Thailand**
  - OS (THAILAND) CO., LTD.
  - OS Recruitment (Thailand) Co., Ltd.
  - J.A.R. Services Co., Ltd.
  - P-ONE SUBCONTRACT CO., LTD.
  - A-LINK RECRUITMENT COMPANY LIMITED \*
  - WIDE SPREAD INTERTRADE RECRUITMENT COMPANY LIMITED \*
  - BKK-LINK COMPANY LIMITED \*
- **Indonesia**
  - PT. OS ENGINEERING & CONSULTANT INDONESIA
  - PT. OS SERVICE INDONESIA
  - PT. SELNAJAYA PRIMA
- **Vietnam**
  - OS VIETNAM CO., LTD.
  - OS POWER VIETNAM CO., LTD.
  - Faith Root Recruitment Vietnam Joint Stock Company
- **Singapore**
  - FARO RECRUITMENT (SINGAPORE) PTE. LTD.
- **Australia**
  - STAFF SOLUTIONS AUSTRALIA PTY LTD

\*Equity method affiliate

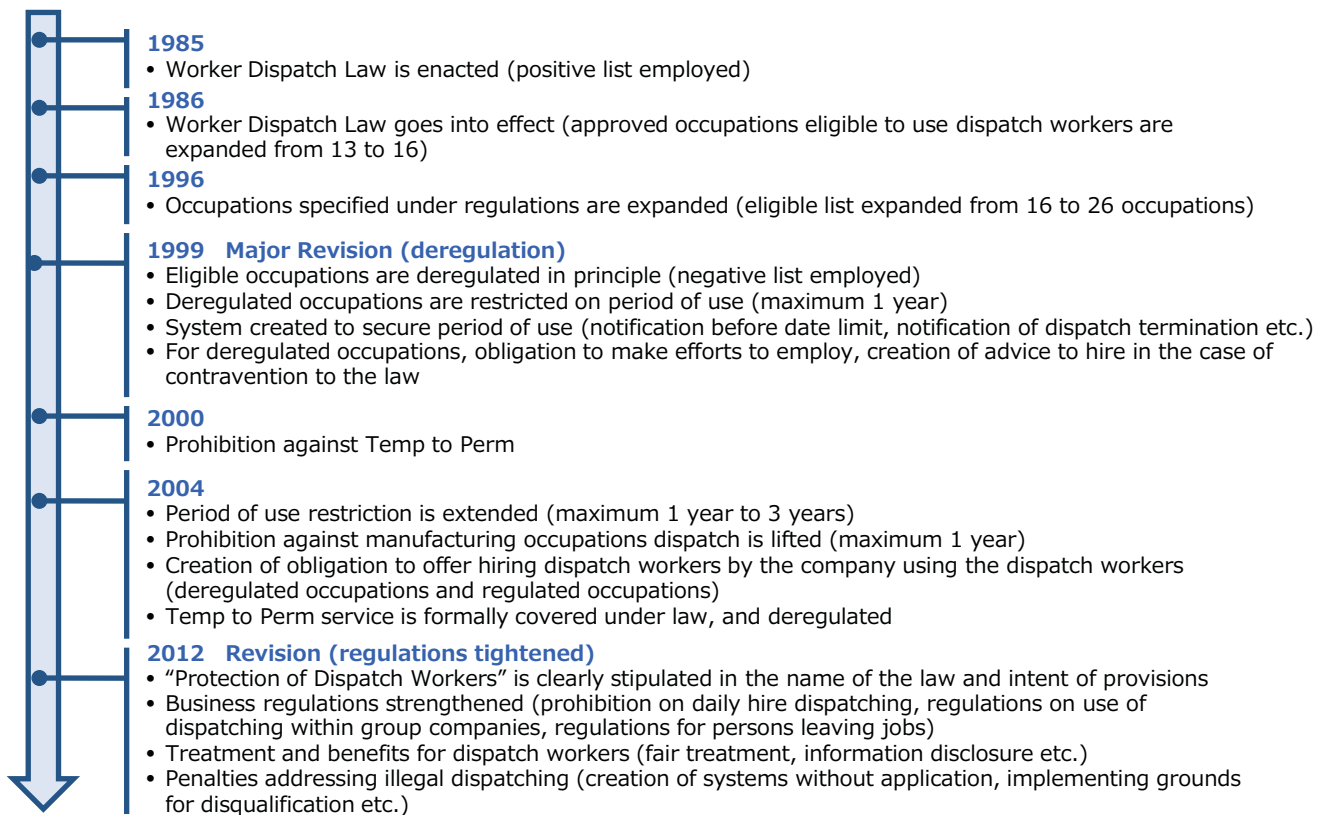
## Major Hiring Formats for Domestic Outsourcing Business



### Administrative Operations



## Trend of Revisions to the Worker Dispatch Law





## [Management Philosophy]

Through collection of our wisdom and original ideas with respect to the rapidly changing economic environment, by contributing to raising the efficiency of production, we will contribute to the development of manufacturing Japan, and realization of a bright and prosperous society.

### Vision 2014: Vector to the Top OSI's Vector to Ascendancy

Earn the highest customer satisfaction ratings in the industry

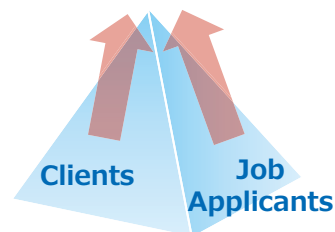
Then become the first choice among job applicants

And emerge as the undisputed leader in production outsourcing services

**No.1 PO Company\***



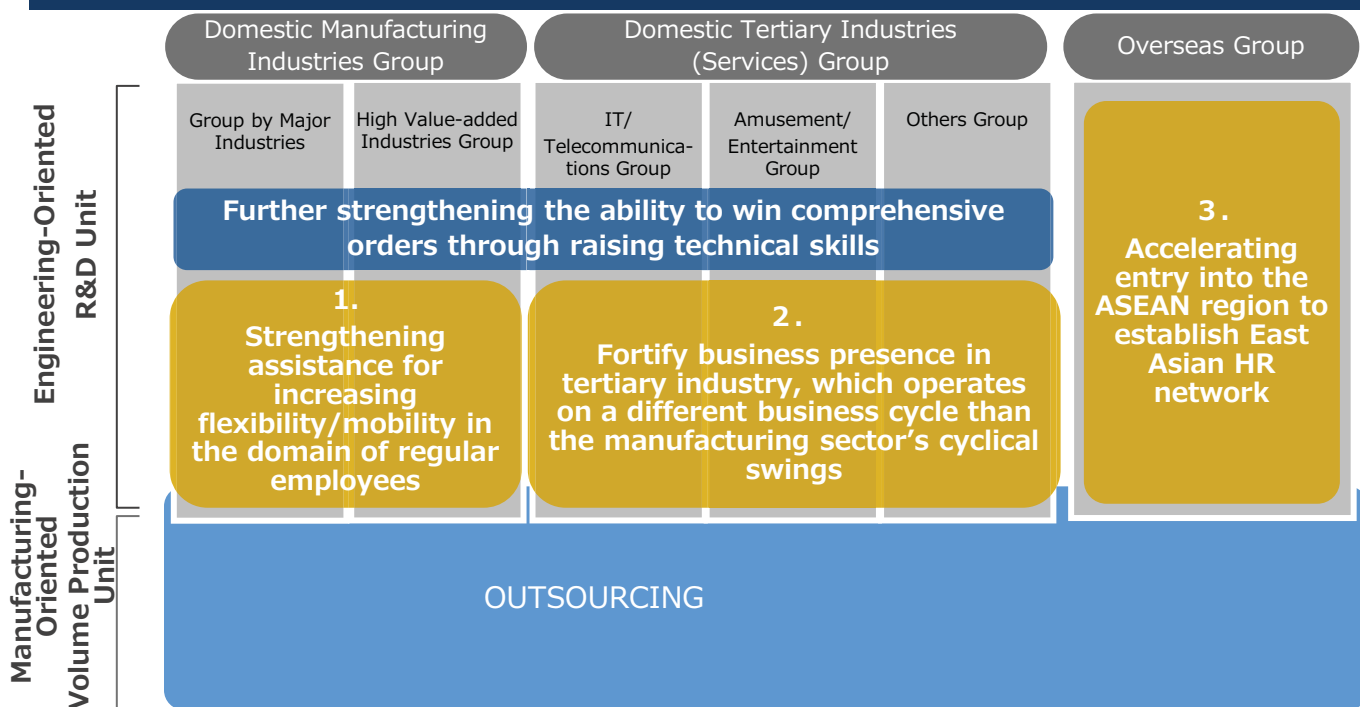
**Out-Sourcing!**



\*PO : Production Outsourcing

## Toward raising manufacturing Japan's production efficiency — Vision 2014 Growth Strategy

### Production Outsourcing Business



Administrative Operations Outsourcing Business

ORJ / OUTSOURCING

## Group Strategy Toward Becoming No.1 in the Industry

### 1. Strengthening assistance for increasing flexibility/mobility in the domain of regular employees (developing new business domains)

#### On-Site Building Work Supervisory Engineers Temporary Placement Business

With growing demand for redevelopment including disaster restoration and earthquake reinforcement work, the shortage of construction-related personnel is becoming more pronounced. In order to effectively utilize maker early retirement workers, together with design and maintenance personnel, the Company is leveraging its nationwide hiring network to secure as many as possible registered workers with qualifications, supplying staffing.

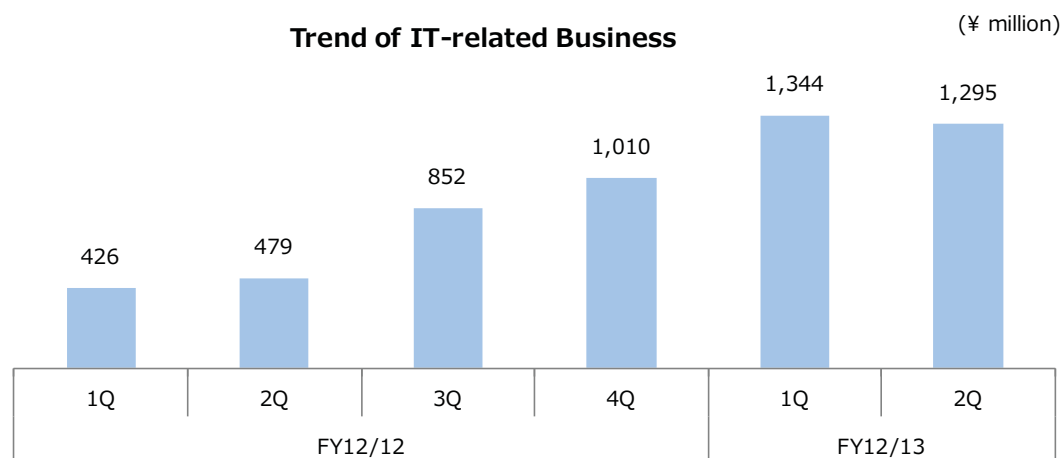
#### Electrical Appliance After-sales Maintenance Service Business

A variety of electrical appliances, including foreign-made appliances, is widely spread throughout society, and demand for maintenance and repair work is ever present and growing. There are high expectations for leveraging early retirees of electrical and electronics makers which can be put to work immediately.

### 2. Fortify business presence in tertiary industry (service sectors)

#### IT/Telecommunications-related Infrastructure and Network Construction and Installation Outsourcing Business

With office relocations becoming quite active and the volume of data handled growing, a shortage of engineers in this field is becoming pronounced. Since there are a large number of personnel possessing the necessary skill set in this field amongst maker early retirees, there is expectation for leveraging this group which can transfer into this field and be put to work immediately.



### 3. Strengthening globalization strategy

Primarily in the ASEAN region, we are accelerating promotion of the following businesses:

- Fully localized placement & referral services
- Mechanical design, software development and other contracting services
- Placement & referral services for Japanese senior citizens
- Referral services for foreign nationals for employment in Japan

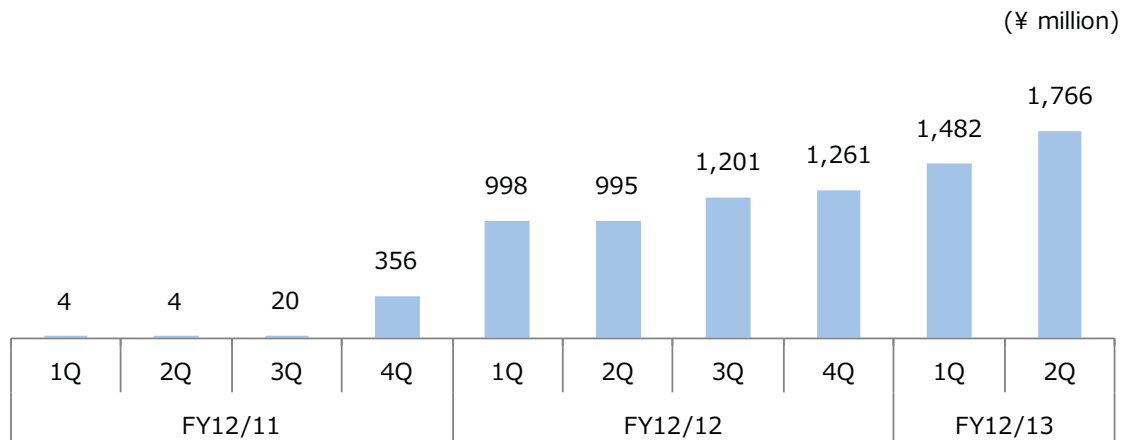


## Global Expansion of the OUTSOURCING Group

We provide one-stop solutions to meet clients' diverse staffing needs through building our Asia staffing network



Trend of Overseas Business



# Consolidated Balance Sheets

## As of June 30, 2013

( ¥ Thousand)	FY12/09 1H End	FY12/10 1H End	FY12/11 1H End	FY12/12 1H End	FY12/13 1H End
<b>Assets</b>					
Total assets	7,049,105	9,502,163	10,465,812	13,527,049	17,114,373
<b>Current assets</b>					
Cash and deposits	1,298,542	1,425,626	1,723,011	3,106,918	4,402,164
Notes and accounts receivable-trade	1,963,157	3,531,631	4,168,752	5,090,074	5,341,239
Work in process	-	65,141	27,192	82,377	82,654
Raw materials and supplies	84,257	63,290	54,326	63,514	83,174
Other	631,215	684,591	843,623	1,023,051	1,068,132
Allowance for doubtful accounts	(3,322)	(4,248)	(7,784)	(25,867)	(30,381)
<b>Noncurrent assets</b>					
Property, plant and equipment	2,150,885	2,153,580	2,015,852	2,097,163	2,053,145
Buildings and structures	893,603	1,238,096	1,174,122	1,178,399	1,146,466
Other	1,257,281	915,484	841,729	918,763	906,678
<b>Intangible assets</b>					
Goodwill	32,857	468,077	564,852	803,364	1,406,466
Other	166,577	122,253	92,838	103,850	465,975
Investments and other assets	721,122	989,017	980,554	1,180,620	2,241,801
Other	-	-	-	-	2,242,899
Allowance for doubtful accounts	-	-	-	-	(1,097)
Deferred assets	3,813	3,203	2,593	1,982	-
<b>Liabilities</b>					
Total liabilities	4,268,938	6,651,227	7,036,372	9,944,368	12,444,333
<b>Current liabilities</b>					
Notes and accounts payable-trade	8,867	64,798	17,933	77,377	243,505
Short-term loans payable	690,296	1,496,848	1,592,159	2,234,400	3,729,809
Accounts payable-other	1,268,513	1,746,219	2,041,103	3,127,508	3,434,792
Accrued income taxes	41,837	283,155	283,309	179,891	245,270
Reserve for bonuses	-	-	84,214	39,339	60,547
Reserves	32,547	42,148	-	-	-
Other	463,525	1,058,498	1,358,763	1,470,519	1,588,726
<b>Noncurrent liabilities</b>					
Bonds payable	251,500	205,500	137,000	96,000	60,000
Long-term loans payable	621,912	980,989	685,722	1,874,770	1,907,528
Reserve for retirement benefits	-	-	364,556	380,003	513,553
Reserves	50,947	88,912	-	-	-
Negative goodwill	721,131	598,271	392,492	255,438	117,209
Other	117,859	85,885	79,119	209,120	543,389
<b>Net assets</b>					
Total net assets	2,780,166	2,850,936	3,429,440	3,582,680	4,670,040
<b>Shareholders' equity</b>					
Capital stock	479,995	483,735	485,202	485,443	492,194
Capital surplus	876,165	879,905	881,373	881,614	888,365
Retained earnings	1,527,128	1,781,539	2,275,890	2,359,073	2,928,927
Treasury stock	(218,703)	(391,094)	(391,094)	(391,094)	(391,094)
Valuation and translation adjustments	(6,731)	1,740	2,603	21,127	165,690
Valuation difference on available-for-sale securities	(6,731)	1,740	4,200	352	17,521
Translation adjustment	-	-	(1,596)	20,775	148,169
Subscription rights to shares	38,688	49,379	73,897	108,709	127,059
Minority interests	83,624	45,731	101,567	117,806	458,897
Total liabilities and net assets	7,049,105	9,502,163	10,465,812	13,527,049	17,114,373

# Consolidated Statements of Income

## For the six months ended June 30, 2013

	FY12/09	FY12/10	FY12/11	FY12/12	FY12/13
( ¥ Thousand)	1H	1H	1H	1H	1H
Net sales	7,733,455	12,839,708	14,874,595	20,408,116	21,433,078
Cost of sales	6,557,789	10,294,535	11,844,990	16,371,052	17,497,349
Gross profit	1,175,666	2,545,173	3,029,605	4,037,064	3,935,728
Selling, general and administrative expenses	1,550,245	2,288,192	2,821,470	3,787,160	3,934,645
Operating income	(374,578)	256,981	208,134	249,903	1,082
Non-operating income	82,863	311,179	255,836	338,551	350,951
Interest income	2,813	2,406	1,902	2,945	7,713
Dividends income	117	177	56	2,506	8,091
Real estate rent	-	137,331	154,127	204,045	200,084
Amortization of negative goodwill	29,076	77,404	70,562	69,165	69,168
Equity in earnings of affiliates	7,269	-	-	25,103	2,477
Subsidy income	31,412	68,118	-	-	-
Other	12,174	25,741	29,187	34,785	63,415
Non-operating expenses	14,888	188,435	182,978	279,248	313,360
Interest expenses	12,162	21,080	13,069	17,068	24,117
Cost of real estate rent	-	146,314	164,496	230,275	198,869
Equity in losses of affiliates	-	14,085	788	-	-
Termination charge for point program	-	-	-	-	68,885
Other	2,725	6,954	4,623	31,904	21,488
Ordinary income	(306,603)	379,725	280,992	309,206	38,672
Extraordinary income	75	31,144	4,962	16,507	93,081
Gain on sales of fixed assets	-	42	4,962	1,163	478
Gain on sales of subsidiaries' stocks	-	31,101	-	-	-
Surrender value of insurance	-	-	-	15,344	78,484
Gain on sales of investment securities	-	-	-	-	14,118
Extraordinary loss	205,081	58,620	79,086	115,366	-
Loss on sales and retirement of noncurrent assets	752	-	14,833	6,184	-
Gain on sales of stocks of affiliates	-	-	10,023	-	-
Impairment loss	204,329	15,590	-	39,221	-
Loss on disaster	-	-	37,197	-	-
Office transfer expenses	-	4,475	-	69,960	-
Provision of reserve for office transfer expenses	-	38,554	-	-	-
Settlement package	-	-	11,200	-	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	-	5,832	-	-
Income before income taxes	(511,609)	352,249	206,868	210,347	131,753
Income taxes-current	22,833	260,184	263,761	186,852	204,333
Income taxes-deferred	(83,397)	(62,328)	(69,578)	55,119	(147,309)
Total income taxes	(60,564)	197,856	194,182	241,972	57,023
Income before minority interests	-	-	12,685	(31,624)	74,730
Minority interests in income	(49,065)	(7,888)	2,064	(8,016)	44,859
Net income	(401,980)	162,281	10,621	(23,607)	29,870

# Consolidated Statements of Cash Flows

## For the six months ended June 30, 2013

( ¥ Thousand)	FY12/09 1H	FY12/10 1H	FY12/11 1H	FY12/12 1H	FY12/13 1H
<b>Cash flows provided by (used in) operating activities</b>					
Net cash provided by (used in) operating activities	(86,745)	433,887	84,286	561,729	840,504
Income before income taxes	(511,609)	352,249	206,868	210,347	131,753
Depreciation and amortization	91,480	114,303	116,052	145,020	156,069
Loss on disaster	-	-	37,197	-	-
Settlement package	-	-	11,200	-	-
Impairment loss	204,329	15,590	-	39,221	-
Amortization of goodwill	40,469	60,044	80,664	118,260	188,267
Impairment loss	-	-	-	(15,344)	(78,484)
Amortization of negative goodwill	(29,076)	(77,404)	(70,562)	(69,165)	(69,168)
Increase (decrease) in allowance for doubtful accounts	(815)	(262)	(194)	(2,192)	3,600
Increase (decrease) in reserve for bonuses	(14,229)	(20,455)	1,081	(52,812)	(11,166)
Increase (decrease) in reserve for retirement benefits	4,123	6,587	(1,206)	(37,334)	13,786
Interest and dividends income	(2,930)	(2,584)	(1,959)	(5,452)	(15,804)
Interest expenses	12,162	21,080	13,069	17,068	24,117
Increase (decrease) in reserve for office transfer expenses	-	38,554	-	-	-
Loss (gain) on sales or retirement of fixed assets	752	-	9,871	5,021	(478)
Equity in (earnings) losses of affiliates	(7,269)	14,085	788	(25,103)	(2,477)
Loss (gain) on sales of stocks of affiliates	-	-	10,023	-	-
Loss (gain) on sales of stocks of subsidiaries	-	(31,101)	-	-	-
Decrease (increase) in notes and accounts receivable-trade	1,106,678	(486,691)	13,728	(62,996)	265,770
Decrease (increase) in inventories	(2,128)	8,067	(2,964)	(6,045)	1,913
Increase (decrease) in notes and accounts payable-trade	(368,794)	520,856	759,142	793,875	573,524
Increase (decrease) in accrued consumption taxes	(163,368)	194,190	(48,734)	4,274	(174,220)
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	-	5,832	-	-
Loss (gain) on sales of investment securities	-	-	-	-	(14,118)
Other, net	(179,012)	(215,663)	(365,268)	(318,748)	(115,613)
<b>Subtotal</b>	<b>180,759</b>	<b>511,447</b>	<b>774,630</b>	<b>737,894</b>	<b>877,271</b>
Interest and dividends income received	3,028	9,332	1,971	5,425	15,796
Interest expenses paid	(14,122)	(21,518)	(13,948)	(17,241)	(24,685)
Payments for loss on disaster	-	-	(34,856)	-	-
Settlement package paid	-	-	(11,200)	-	-
Income tax refund	8,403	-	52,391	13,469	68,305
Income tax paid	(264,814)	(65,374)	(684,700)	(177,818)	(96,183)

# Consolidated Statements of Cash Flows

## For the six months ended June 30, 2013

( ¥ Thousand)	FY12/09 1H	FY12/10 1H	FY12/11 1H	FY12/12 1H	FY12/13 1H
<b>Cash flows provided by (used in) investing activities</b>					
Net cash provided by (used in) investing activities	(321,894)	269,615	252,577	(445,023)	(714,436)
Payments into time deposits	(73,337)	(77,069)	(73,100)	(64,471)	(77,622)
Proceeds from withdrawal of time deposits	54,900	463,817	50,000	80,279	71,664
Purchase of property, plant and equipment	(349,349)	(41,657)	(36,331)	(105,403)	(163,461)
Purchase of intangible fixed assets	(1,111)	(7,039)	(12,480)	(19,674)	(31,963)
Payments for retirement of property, plant and equipment	-	-	(8,297)	-	-
Proceeds from sales of property, plant and equipment	-	785	-	2,823	815
Purchase of investment securities	-	-	(180)	(172)	(248)
Proceeds from sales of investment securities	-	-	-	-	415,619
Payments for acquisition of newly consolidated subsidiaries	-	(4,902)	(39,786)	(195,850)	(975,859)
Proceeds from acquisition of newly consolidated subsidiaries	152,731	43,071	-	-	53,728
Proceeds from sale of investments in subsidiaries resulting in change of scope of consolidation	-	-	380,000	-	-
Proceeds from sales of stocks of affiliates	-	-	6,000	-	-
Purchase of stocks of affiliates	(129,500)	-	-	(10,087)	(9,000)
Payments for transfer of business	-	-	(10,000)	-	(8,879)
Payments of loans receivable	(3,300)	(240)	(25,577)	(5,785)	(2,988)
Collection of loans receivable	6,990	7,654	8,930	35,175	933
Payments for lease and guarantee deposits	(38,362)	(151,913)	(56,210)	(231,044)	(24,240)
Proceeds from collection of lease and guarantee deposits	62,239	43,331	57,992	68,784	30,014
Purchase of insurance funds	(3,645)	(2,068)	(1,599)	(1,560)	(4,977)
Proceeds from cancellation of insurance funds	75	2,539	13,216	1,923	91,088
Purchase of investments in subsidiaries	-	(8,943)	-	-	(79,059)
Other, net	(223)	2,249	-	39	-
<b>Net cash used in financing activities</b>					
Net cash used in financing activities	20,836	(951,616)	(367,419)	729,306	705,059
Increase (decrease) in short-term loans payable	130,000	(628,100)	(71,588)	216,643	795,216
Proceeds from long-term loans payable	80,000	326,545	300,000	1,000,000	500,000
Repayment of long-term loans payable	(92,637)	(327,526)	(458,218)	(312,215)	(312,376)
Redemption of bonds	(7,500)	(41,750)	(41,750)	(61,750)	(149,600)
Proceeds from issuance of common stock	-	-	2,572	-	13,501
Purchase of treasury stock	-	(172,391)	-	-	-
Cash dividends paid	(72,437)	(95,890)	(103,230)	(112,062)	(115,484)
Proceeds from stock issuance to minority shareholders	-	-	6,766	4,068	-
Cash dividends paid to minority shareholders	-	-	(1,534)	(2,111)	(2,310)
Other, net	(16,588)	(12,503)	(437)	(3,265)	(23,888)
Effect of exchange rate change on cash and cash equivalents	-	-	(931)	9,884	101,985
Increase (decrease) in cash and cash equivalents	(387,803)	(248,113)	(31,487)	855,897	933,112
Cash and cash equivalents, beginning of year	591,797	1,634,534	1,713,488	2,166,060	3,248,330
Increase in cash and cash equivalents resulting from merger	848,923	-	-	-	-
Cash and cash equivalents, end of year	1,052,918	1,386,421	1,682,001	3,021,958	4,181,443

# [Reference] Information by Segment, Region (Old)

## For the six months ended June 30, 2013

( ¥ Thousand)	FY12/08 1H	FY12/09 1H	FY12/10 1H	FY12/11 1H	FY12/12 1H
<b>Net Sales by Segment</b>					
Production Outsourcing Business	12,050,874	7,463,575	12,265,655	14,385,000	19,768,313
Composition ratio	98.8%	96.5%	95.5%	96.7%	96.9%
Electric Equipment	3,503,145	2,075,665	3,828,747	4,416,639	3,703,382
Composition ratio	28.7%	26.8%	29.8%	29.7%	18.1%
Foods	2,950,549	1,918,004	989,583	930,586	868,826
Composition ratio	24.2%	24.8%	7.7%	6.3%	4.3%
Transport Equipment	2,822,865	733,521	3,053,342	4,616,989	6,245,724
Composition ratio	23.1%	9.5%	23.8%	31.0%	30.6%
Chemicals and Medicals	1,573,288	1,660,155	1,993,208	2,161,822	2,093,287
Composition ratio	12.9%	21.5%	15.5%	14.5%	10.3%
IT-related	-	-	-	-	1,005,074
Composition ratio	-	-	-	-	4.9%
Metals	376,783	172,884	132,697	186,354	1,919,399
Composition ratio	3.1%	2.2%	1.0%	1.3%	9.4%
Other	824,241	903,339	2,268,072	2,072,605	3,932,618
Composition ratio	6.8%	11.7%	17.7%	13.9%	19.3%
Administrative Operations Outsourcing Business	-	43,960	241,947	419,574	560,742
Composition ratio	-	0.6%	1.9%	2.8%	2.7%
Nursing-care Business	-	135,987	227,013	-	-
Composition ratio	-	1.7%	1.8%	-	-
Other Business	144,441	89,931	105,091	70,020	79,060
Composition ratio	1.2%	1.2%	0.8%	0.5%	0.4%
<b>Total</b>	<b>12,195,315</b>	<b>7,733,455</b>	<b>12,839,708</b>	<b>14,874,595</b>	<b>20,408,116</b>
Composition ratio	100.0%	100.0%	100.0%	100.0%	100.0%

( ¥ Thousand)	FY12/08 1H	FY12/09 1H	FY12/10 1H	FY12/11 1H	FY12/12 1H
<b>Net Sales by Region</b>					
Hokkaido, Tohoku and Kanto	3,084,190	2,023,539	4,280,499	4,479,942	6,186,789
Composition ratio	25.3%	26.2%	33.3%	30.1%	30.3%
Tokai	6,227,387	3,676,261	5,677,211	6,423,477	7,997,382
Composition ratio	51.1%	47.5%	44.2%	43.2%	39.2%
Hokuriku and Kou-shinetsu	828,513	362,265	158,775	555,358	523,105
Composition ratio	6.8%	4.7%	1.2%	3.7%	2.6%
Kinki, Chugoku and Kyushu	2,055,223	1,671,387	2,723,221	3,415,815	3,706,428
Composition ratio	16.8%	21.6%	21.2%	23.0%	18.1%
Overseas	-	-	-	-	1,994,409
Composition ratio	-	-	-	-	9.8%
<b>Total</b>	<b>12,195,315</b>	<b>7,733,455</b>	<b>12,839,708</b>	<b>14,874,595</b>	<b>20,408,116</b>
Composition ratio	100.0%	100.0%	100.0%	100.0%	100.0%



# Information by Segment, Region (New)

## For the six months ended June 30, 2013

### Segment

#### Before the change



#### After the change



### Region

#### Before the change



#### After the change



	FY12/12 1H	FY12/13 1H
(¥ Thousand)		
Net sales by segment		
Manufacturing Outsourcing Business	12,303,341	9,867,413
Composition ratio	60.3%	46.0%
Foods	866,775	753,268
Composition ratio	4.2%	3.5%
Electric & Electronics	2,516,214	2,015,339
Composition ratio	12.3%	9.4%
Transport Equipment	4,254,949	2,888,107
Composition ratio	20.8%	13.5%
Chemicals & Medicals	1,732,725	1,786,265
Composition ratio	8.5%	8.3%
Metals & Construction Materials	1,903,487	1,318,224
Composition ratio	9.3%	6.2%
Others	1,029,189	1,106,208
Composition ratio	5.0%	5.1%
Engineering Outsourcing Business	5,470,522	7,767,150
Composition ratio	26.8%	36.2%
Electric & Electronics	1,159,307	1,084,646
Composition ratio	5.7%	5.1%
Transport Equipment	1,974,077	2,301,355
Composition ratio	9.7%	10.7%
Chemicals & Medicals	358,085	408,626
Composition ratio	1.8%	1.9%
Metals & Construction Materials	13,984	4,792
Composition ratio	0.1%	0.0%
IT-related	905,760	2,639,868
Composition ratio	4.4%	12.3%
Construction & Plant-related	0	165,849
Composition ratio	0.0%	0.8%
After-services Maintenance	0	86,389
Composition ratio	0.0%	0.4%
Others	1,059,306	1,075,622
Composition ratio	5.2%	5.0%
Overseas Business	1,994,449	3,248,206
Composition ratio	9.8%	15.2%
Administrative Outsourcing Business	446,791	319,203
Composition ratio	2.2%	1.5%
Staff Agency Business	113,951	137,347
Composition ratio	0.6%	0.7%
Other Business	79,060	93,757
Composition ratio	0.4%	0.4%
<b>Total</b>	<b>20,408,116</b>	<b>21,433,078</b>
Composition ratio	100.0%	100.0%

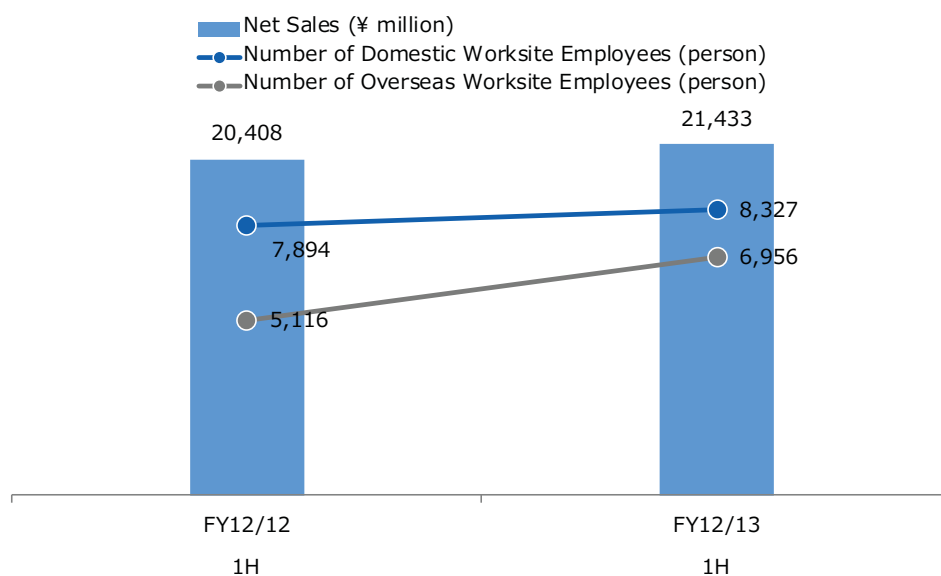
	FY12/12 1H	FY12/13 1H
(¥ Thousand)		
Net sales by region		
Japan	18,413,667	18,184,871
Composition ratio	90.2%	84.8%
Asia/Oceania (excl. Japan)	1,994,449	3,248,206
Composition ratio	9.8%	15.2%
<b>Total</b>	<b>20,408,116</b>	<b>21,433,078</b>
Composition ratio	100.0%	100.0%

# Other Information (Number of Workers / Average Hiring Cost) For the six months ended June 30, 2013

	FY12/12	FY12/13
(person)	1H	1H
<b>Number of Worksite Employees</b>		
Consolidated	13,010	15,283
Domestic	7,894	8,327
Manufacturing Outsourcing Business	6,229	5,969
Engineering Outsourcing Business	1,597	2,282
Administrative Outsourcing Business	68	76
Overseas	5,116	6,956
<b>Number of Outsourced Administrative Workers</b>		
Administrative Outsourcing Business	5,070	2,179
<b>Workers Hired through ORJ</b>		
Staff Agency Business	1,206	792

Note: the number of worksite employees includes temporary placement employees.

1H FY12/12 includes the results of equity method affiliate PT. SELNAJAYA PRIMA.



	FY12/12	FY12/13
	1H	1H
<b>Hiring Efficiency</b>		
<b>Manufacturing Outsourcing Business</b>		
No. of worksite employees (person)	6,229	5,969
% still employed after 2 months	63.7%	— (*)
Average hiring cost (¥/person)	48,932	41,660
<b>Engineering Outsourcing Business</b>		
Number of workers registered (person)	1,597	2,282
Average hiring cost (¥/person)	262,166	257,892
Utilization rate	96.8%	96.3%
<b>Staff Agency Business</b>		
Number of paid referrals (person)	1,206	806
Average hiring cost (¥/person)	133,235	92,196

\*For 1H FY12/13, workers assigned in June become classified as having stayed 2 months as of the end of August, so undetermined.

# Consolidated Profitability Indicators

## For the six months ended June 30, 2013

(¥ million)	FY12/09 1H	FY12/10 1H	FY12/11 1H	FY12/12 1H	FY12/13 1H
Net Sales	7,733	12,839	14,874	20,408	21,433
Gross Profit	1,175	2,545	3,029	4,037	3,935
SG&A Expenses	1,550	2,288	2,821	3,787	3,934
Operating Income	(374)	256	208	249	1
Ordinary Income	(306)	379	280	309	38
Net Income	(401)	162	10	(23)	29

(%)	FY12/09 1H	FY12/10 1H	FY12/11 1H	FY12/12 1H	FY12/13 1H
Gross Profit on Sales Ratio	15.2	19.8	20.4	19.8	18.4
SG&A Expenses Ratio	20.0	17.8	19.0	18.6	18.4
Operating Income Margin	-4.8	2.0	1.4	1.2	0.0
Ordinary Income Margin	-4.0	3.0	1.9	1.5	0.2
Net Income Margin	-5.2	1.3	0.1	-0.1	0.1

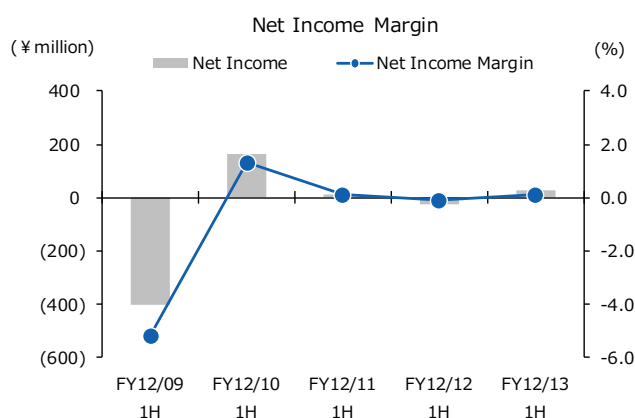
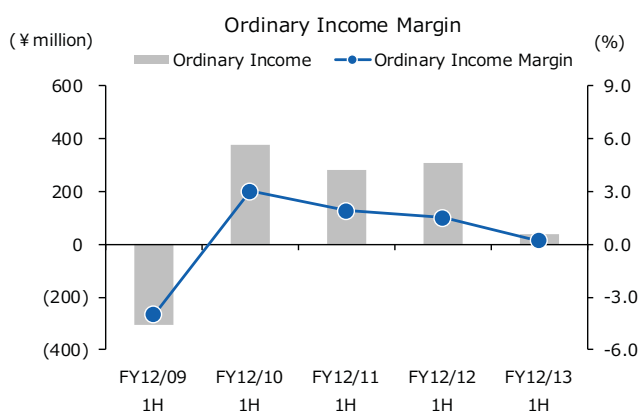
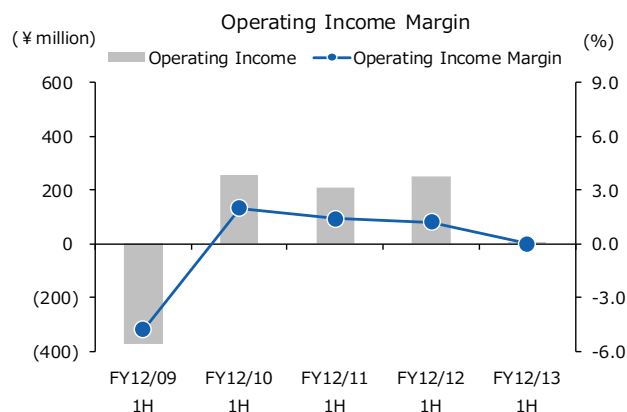
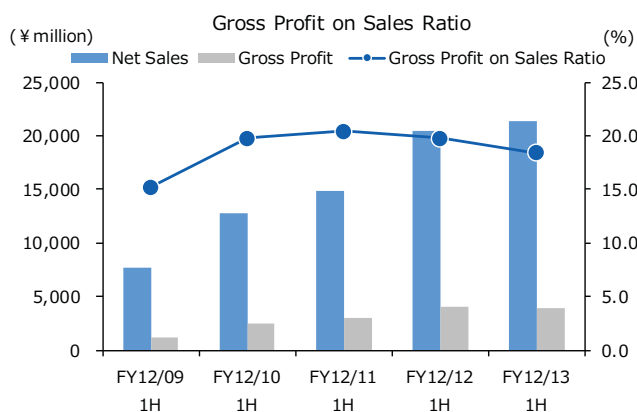
Gross Profit on Sales Ratio=Gross Profit/Net Sales

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

## For the six months ended June 30, 2013

(times)	FY12/09 1H	FY12/10 1H	FY12/11 1H	FY12/12 1H	FY12/13 1H
Total Assets Turnover	2.4	2.7	2.8	3.2	2.8
Noncurrent Assets Turnover	5.9	6.9	8.0	10.0	8.1
Current Assets Turnover	4.0	4.5	4.3	4.7	4.2

Total Assets Turnover=Net Sales×2/Average Total Assets

Noncurrent Assets Turnover=Net Sales×2/Average Noncurrent Assets

Current Assets Turnover=Net Sales×2/Average Current Assets

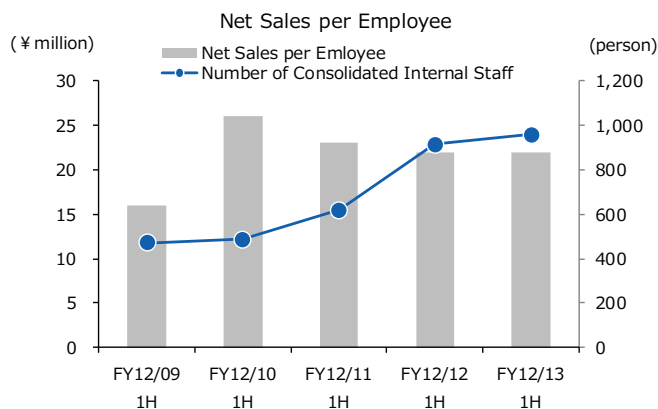
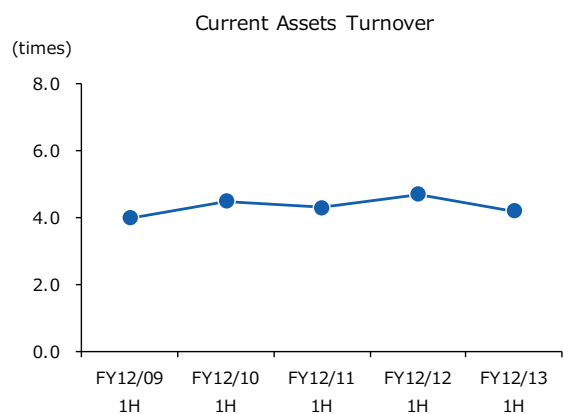
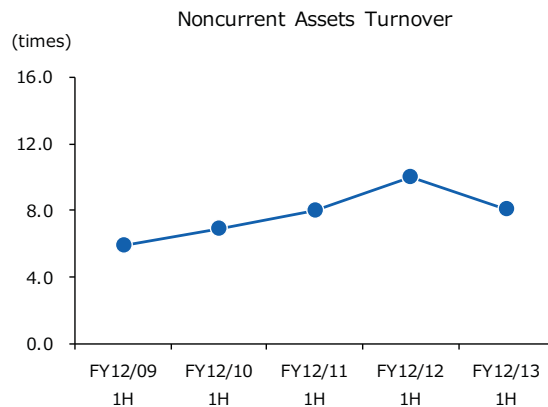
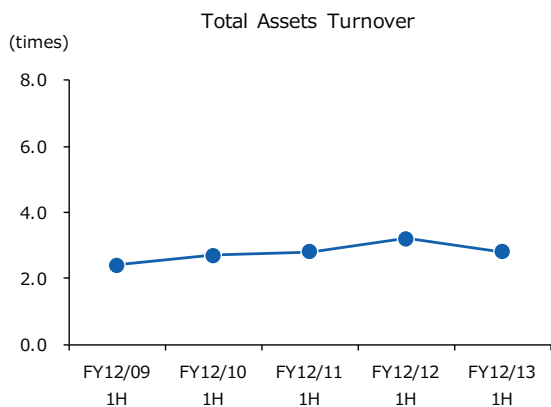
(¥ million)	FY12/09 1H	FY12/10 1H	FY12/11 1H	FY12/12 1H	FY12/13 1H
Net Sales per Employee	16	26	23	22	22
Operating Income per Employee	-0	+0	+0	+0	+0
Ordinary Income per Employee	-0	+0	+0	+0	+0
Net Income per Employee	-0	+0	+0	-0	+0

Net Sales per Employee=Net Sales/Number of Consolidated Internal Staff

Operating income per Employee=Operating Income/Number of Consolidated Internal Staff

Ordinary income per Employee=Ordinary Income/Number of Consolidated Internal Staff

Net Income per Employee=Net Income/Number of Consolidated Internal Staff



# Consolidated Stability and Financial Indicators

## For the six months ended June 30, 2013

(¥ million)	FY12/09 1H	FY12/10 1H	FY12/11 1H	FY12/12 1H	FY12/13 1H
Equity	2,657	2,755	3,253	3,356	4,084
Total Assets	7,049	9,502	10,465	13,527	17,114
Noncurrent Assets	3,071	3,732	3,654	4,184	6,167
Current Assets	3,973	5,766	6,809	9,340	10,946
Current Liabilities	2,505	4,691	5,377	7,129	9,302
Interest-bearing Debt	1,730	2,831	2,533	4,402	5,954

Interest-bearing Debt=Short-term Loans Payable+Long-term Loans Payable+Bonds Payable+Lease Obligations  
+Accounts Payable-Land+a Part of Accounts Payable

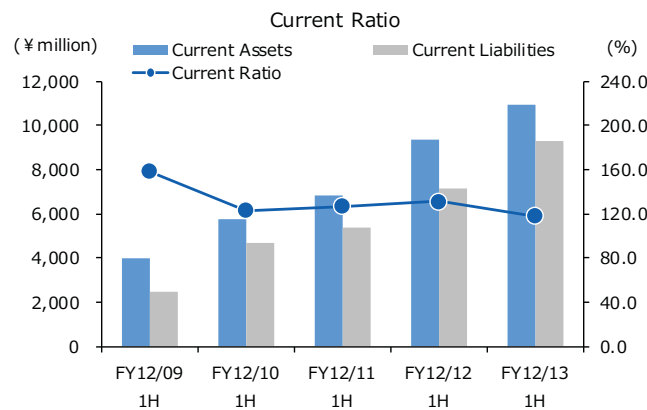
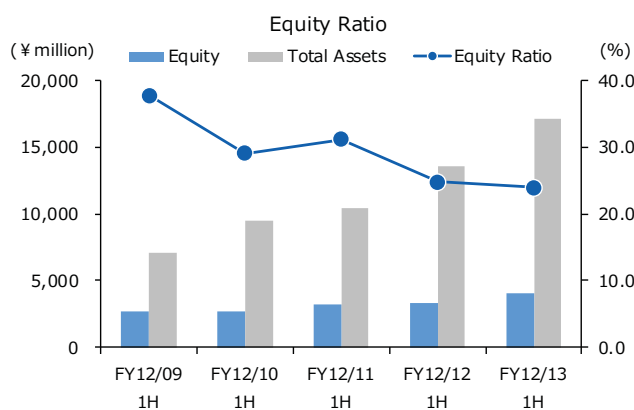
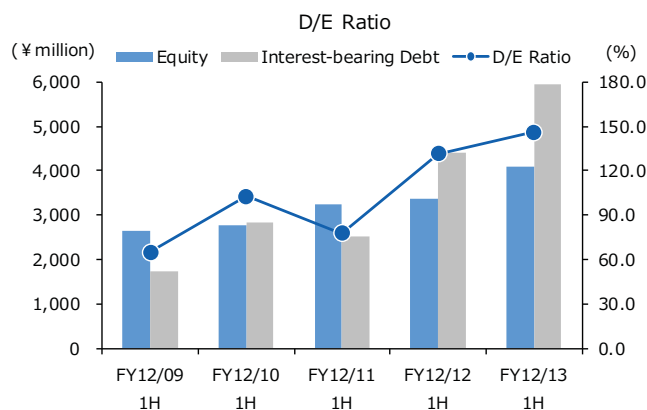
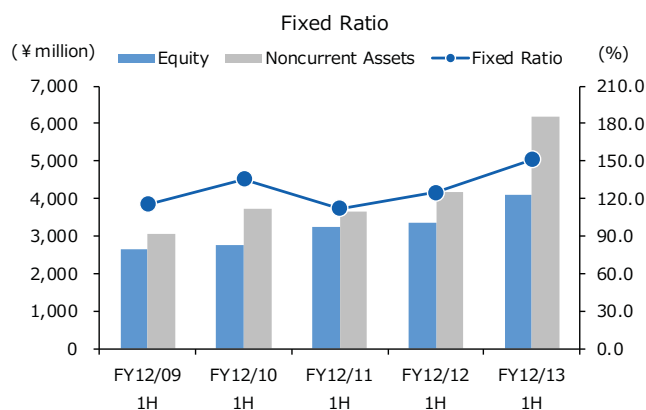
(%)	FY12/09 1H	FY12/10 1H	FY12/11 1H	FY12/12 1H	FY12/13 1H
Equity Ratio	37.7	29.0	31.1	24.8	23.9
D/E Ratio	65.1	102.7	77.9	131.2	145.8
Fixed Ratio	115.6	135.5	112.3	124.7	151.0
Current Ratio	158.6	122.9	126.6	131.0	117.7

Equity Ratio=Equity/Total Assets

D/E Ratio=Interest-bearing Debt/Equity

Fixed Ratio=Noncurrent Assets/Equity

Current Ratio=Current Assets/Current Liabilities



# Stock Information

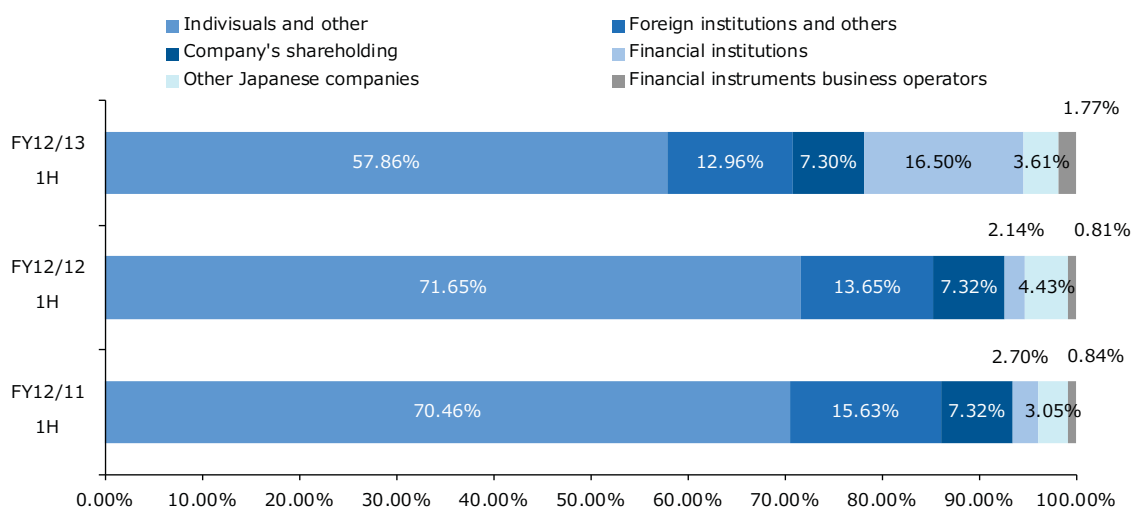
## For the six months ended June 30, 2013

### Major Shareholders

		As of June 30, 2013	
Top 10 Shareholders	Number of Shares	Shareholding Ratio	
Haruhiko Doi	3,747,700	24.01%	
Masahiko Dourin	1,500,000	9.61%	
Japan Trustee Services Bank, Ltd. (Trust Account)	1,291,100	8.27%	
The Bank of NY Melon as Agent BNYM AS EA Dutch Pension Omnibus 140016	604,800	3.87%	
Societe Generale Private Banking Japan (Designated Securities Trust)	533,800	3.42%	
Deutsche Bank AG London PB Non-treaty Clients 613	517,000	3.31%	
Chiharu Doi	310,000	1.98%	
Yoshiki Sano	300,000	1.92%	
AI Corporation	300,000	1.92%	
The Master Trust Bank of Japan, Ltd. (Trust Account)	214,000	1.37%	

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

### Breakdown by Type of Shareholders



### Per Share Indicators

(¥)	FY12/09 1H	FY12/10 1H	FY12/11 1H	FY12/12 1H	FY12/13 1H
Share price at term-end	41,000	32,100	483	302	681
Net income per share	(2,940.53)	1,113.46	0.73	(1.63)	2.06
Net income per share (fully diluted)	-	1,109.42	0.73	-	2.03
Net assets per share	17,908.01	19,131.30	225.55	232.57	282.30
Dividend per share	-	-	-	-	-

Note: Share splits (1 to 100) in November 2010.



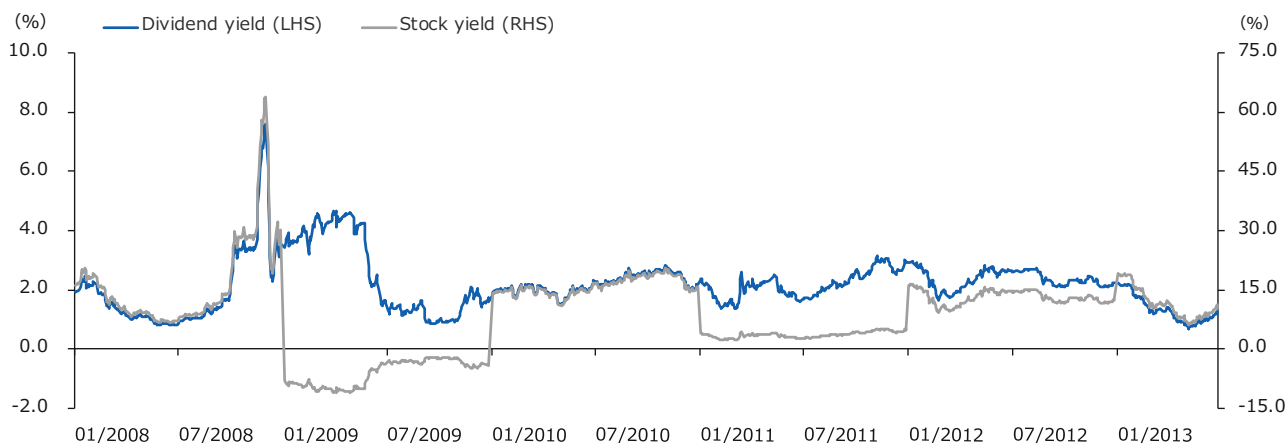
## Stock Price / Other Indicators

	FY12/09 1H	FY12/10 1H	FY12/11 1H	FY12/12 1H	FY12/13 1H
PER (times)	-	28.8	661.6	-	330.6
PBR (times)	2.3	1.7	2.1	1.3	2.4

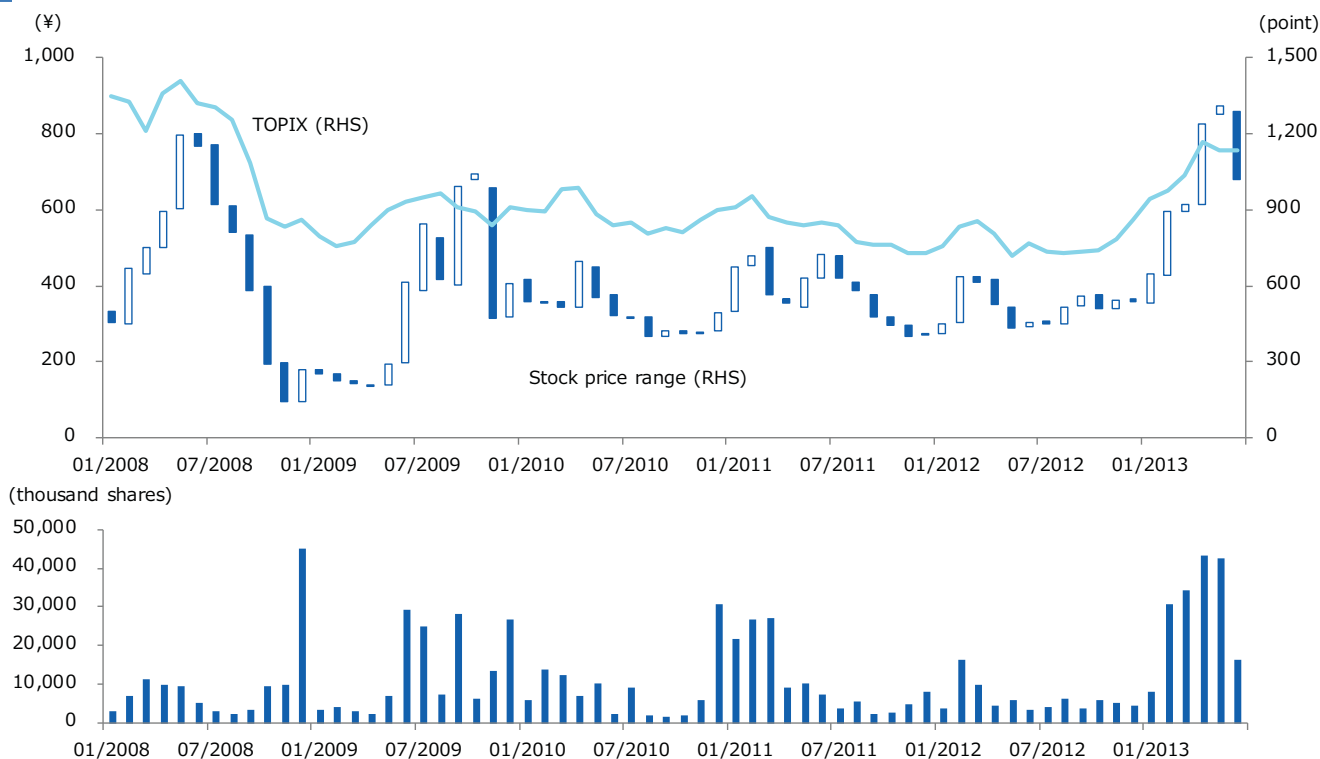
### (reference)

	FY12/09 Full-Year	FY12/10 Full-Year	FY12/11 Full-Year	FY12/12 Full-Year	FY12/13 Full-Year
ROE (%)	-8.0	24.6	5.8	17.0	-
ROA (%)	-2.3	7.1	1.6	4.6	-
Dividend on Net Asset (%)	2.9	3.4	3.4	2.8	-

## Stock Yield / Dividend Yield



## Stock Price Range / Trading Volume





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