



# FACTBOOK

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

For the 2nd Quarter of Fiscal Year  
Ending December 31, 2017 [IFRS]

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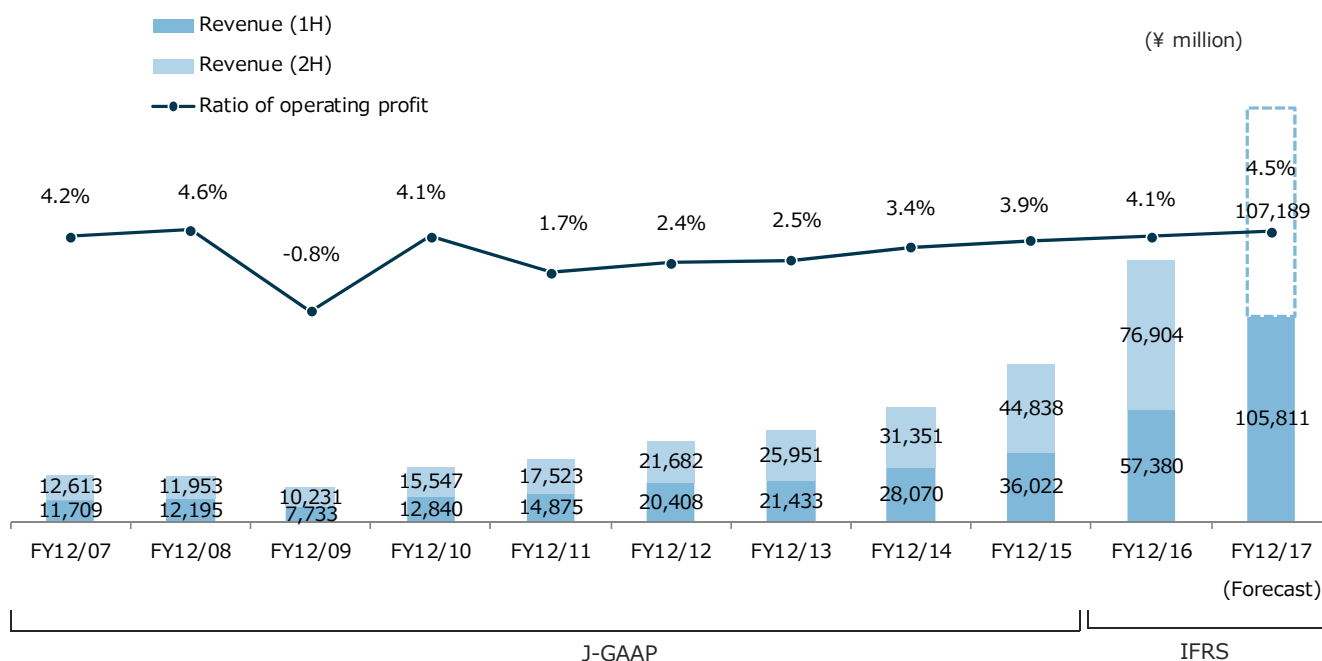


# Corporate Profile / Revenue and Ratio of Operating Profit

## Corporate Profile (as of June 30, 2017)

Company Name	OUTSOURCING Inc.
URL	<a href="https://www.outsourcing.co.jp/en/">https://www.outsourcing.co.jp/en/</a>
Head Office	19F Marunouchi Trust Tower Main Bldg., 1-8-3 Marunouchi, Chiyoda-ku, Tokyo, 100-0005 Japan
Capital Stock	¥7,040 million
Established	January 1997
Representative	Haruhiko Doi, Chairman & CEO
Main Businesses	Domestic Engineering Outsourcing Business, Domestic Manufacturing Outsourcing Business, Domestic Service Operations Outsourcing Business, Domestic Administrative Outsourcing Business, Domestic Recruiting and Placing Business, Overseas Engineering Outsourcing Business, Overseas Manufacturing and Service Operations Outsourcing Business
Number of Branches	40 Sales Offices and 9 Recruitment Centers
Total Employees (Group)	57,726

## Revenue and Ratio of Operating Profit




Note: IFRS (International Financial Reporting Standards) has been applied from FY12/16.

# Business Overview

## Operating Segments


Domestic Engineering Outsourcing Business  
**22.0%** (Composition Ratio)

 13 Group Companies

Service providing advanced technology/know-how to makers in the design/development, and verification testing/appraisal phases, building web/smart phone telecom applications and e-commerce sites, all type of solution services and construction for backbone IT Systems/infrastructure/networks, outsourcing service for R&D work specialized in medical/chemical-related, service providing specialized technical know-how for on-site construction supervision/design and design/installation/management of all types of plants, IT-related schools, etc.

【Major Group Companies】  
enable Inc., RPM Co., Ltd., TryAngle Co., Ltd., OUTSOURCING TECHNOLOGY Inc., OS. SEMITEC Inc., Thinketh Bank Co., Ltd., Kyodo Engineering Corporation


Domestic Manufacturing Outsourcing Business  
**20.1%**

 10 Group Companies

In response to maker outsourcing needs for the manufacturing processes, provides production technology and administrative know-how, and service achieving higher productivity

OUTSOURCING Inc., PEO Co., Ltd., OS Partners CO., LTD.


Domestic Service Operations Outsourcing Business  
**4.4%**

 5 Group Companies

Provides services for public institutions, including facilities within US military bases, and services for convenience stores

OTS Inc., ISE INTERNATIONAL Co., Ltd., IOD Inc., AMERICAN ENGINEERING CORPORATION (OKINAWA)


Domestic Administrative Outsourcing Business  
**0.4%**

 2 Group Company

Provides total administrative contract work including labor management for fixed-term contract employees directly employed by makers as well as interns after hiring, housing management, as well as outplacement assistance for workers whose contracts have expired

ORJ INC.


Domestic Recruiting and Placing Business  
**0.8%**

 3 Group Companies

Provides recruitment agency services for fixed-term contract employees etc. directly employed by makers

ORJ INC.


Overseas Engineering Outsourcing Business  
**12.8%**

 19 Group Companies

At overseas subsidiaries mainly in Europe and Australia, provides dispatching services for IT engineers and financial industry specialists

BLUEFIN RESOURCES PTY. LIMITED, NTRINSIC CONSULTING EUROPE LIMITED, NTRINSIC CONSULTING SPRL, J.B.W. GROUP LIMITED, CLICKS RECRUIT (AUSTRALIA) PTY LTD, INDEX CONSULTANTS PTY LTD


Overseas Manufacturing and Service Operations Outsourcing Business  
**39.3%**

 45 Group Companies

At overseas subsidiaries in Asia, South America, and Europe etc. provides manufacturing outsourcing HR services, as well as dispatching and recruiting and placing for clerk/service personnel and agency payroll processing business, also provides BPO services for public authorities in Europe

OS (THAILAND) CO., LTD., OS VIETNAM CO., LTD., SANSHIN (MALAYSIA) SDN. BHD., OUTSOURCING (CAMBODIA) Inc., PT. OS SELNAJAYA INDONESIA, EXPROCHILE S.A., ALP CONSULTING LIMITED, HOBAN RECRUITMENT PTY LTD, FARO RECRUITMENT(CHINA),CO,LTD., FARO RECRUITMENT (HONG KONG) CO., LIMITED, FARO RECRUITMENT (SINGAPORE) PTE. LTD., OS HRS SDN. BHD., OUTSOURCING UK LIMITED, VERACITY OSI UK LIMITED, LIBERATA UK LIMITED, Orizon GmbH

Other Segments Total  
**0.2%**

 5 Group Companies

Provides product development/manufacturing/sales as well as agency secretarial work

enable Inc., Outsourcing Business Service Inc., WP Co., Ltd.

# OUTSOURCING Group Expansion Corporate History

Domestic Business Overseas Business

- Jan. 1997 ● OUTSOURCING Inc. was founded in Shizuoka City, Shizuoka Pref. as a provider of contract services for production processes
- Mar. 2005 ● Launched enable Inc., an outsourcing service provider specializing in transport equipment industry
- Mar. 2009 ● Acquired FREE WORK CO., LTD. and relocated its head office to Chayamachi, Kita-ku, Osaka City; DAISEI ENGINEERING Co., Ltd. became a subsidiary
- Jun. 2009 ● Acquired FULLCAST CENTRAL CO., LTD. as a subsidiary (commercially registered name changed to Out Sourcing Central Inc. in July 2009)
- Aug. 2009 ● Acquired RPM Co., Ltd. and TryAngle Co., Ltd. as subsidiaries specializing in medical products and equipment, and chemical products
- Nov. 2009 ● Acquired Seishow Co., Ltd., a service provider specializing in development contract services in the R&D and engineering fields, as a subsidiary
- Jul. 2010 ● Subsidiary enable Inc. merges with subsidiaries Out Sourcing Central Inc. and Yasutomo Ltd., changed commercially registered name to Out Sourcing Central Inc.
- Aug. 2010 ● Launched Out-Sourcing China, Inc. in Shanghai; subsidiary specializes in providing a broad range of engineering and production outsourcing services, including R&D and product testing and evaluation, while also offering consultancy services to train and recruit local talent for Japanese transplant companies
- Oct. 2010 ● Launched OS.SEMITEC Inc. as a contract service provider specializing in product design & development, prototype testing and volume production processes
- Apr. 2011 ● Subsidiary Seishow Co., Ltd. changes commercially registered name to OUTSOURCING TECHNOLOGY Inc.  
● Launched OS (THAILAND) CO., LTD. to consolidate local production outsourcing businesses
- Nov. 2011 ● Acquired OS International Co., Ltd. as a subsidiary with overseas 10 subsidiaries and affiliated companies in seven countries and tasked with cross-border human resource services and support services for Japanese companies seeking to enter foreign markets
- Dec. 2011 ● Launched OS VIETNAM CO., LTD. in Viet Nam to provide outsourcing services primarily for the transport equipment, electric and electronics fields
- May 2012 ● Subsidiary Out Sourcing Central Inc. changes commercially registered name to enable Inc.
- Jan. 2013 ● Subsidiary Grayscale Co., Ltd. was consolidated into subsidiary Out-Sourcing System Consulting Inc.  
● Acquired Computer System Laboratory Co., Ltd. as a subsidiary
- Oct. 2013 ● Acquired Sanshin Electric Co., Ltd. and SANSHIN (MALAYSIA) SDN. BHD. as subsidiaries and expanded into the Malaysia market (Sanshin Electric Co., Ltd. was consolidated into OUTSOURCING TECHNOLOGY Inc. in December 2016.)
- Jan. 2014 ● Acquired ALP CONSULTING LIMITED, DATACORE TECHNOLOGIES PRIVATE LIMITED and DATACORE TECHNOLOGIES INC as subsidiaries and expanded into the Indian market
- Apr. 2014 ● Subsidiary OUTSOURCING TECHNOLOGY Inc. acquired Thinketh Bank Co., Ltd., which operates IT schools, as a subsidiary
- Sep. 2014 ● OUTSOURCING Inc. launched PEO Co., Ltd.
- Dec. 2014 ● Subsidiary OS (THAILAND) CO., LTD. acquired CELCO (THAILAND) CO., LTD. as a subsidiary
- Jan. 2015 ● OUTSOURCING Inc. acquired KDE Holding Corporation as a subsidiary, thereby also acquiring Kyodo Engineering Corporation as a subsidiary
- Apr. 2015 ● Launched OUTSOURCING (CAMBODIA) Inc. and expanded into the Cambodian market
- Aug. 2015 ● Launched HR services for US military base facilities by subsidiary IOD Inc.  
● OUTSOURCING Inc. acquired BLUEFIN Group companies as subsidiaries, strengthening business in Australia  
● OUTSOURCING Inc. acquired NTRINSIC Group companies as subsidiaries and expanded into the UK and Belgium markets
- Sep. 2015 ● OUTSOURCING Inc. acquired CRS Co., Ltd. as a subsidiary  
● Launched Outsourcing Business Service Inc. as a special subsidiary company for hiring handicapped employees
- Oct. 2015 ● OUTSOURCING Inc. acquired ISE INTERNATIONAL Co., Ltd. as a subsidiary, and launched outsourcing business for convenience stores with CRS Co., Ltd.
- Dec. 2015 ● OUTSOURCING Inc. acquired Grupo Expro Group companies as subsidiaries and expanded into the Chile market
- Apr. 2016 ● OUTSOURCING Inc. acquired BEDDISON Group companies in Australia as subsidiaries  
● OUTSOURCING Inc. acquired J.B.W. Group companies in the U.K. as subsidiaries  
● OUTSOURCING Inc. acquired SYMPHONY HRS SDN. BHD. in Malaysia as a subsidiary (commercially registered name changed to OS HRS SDN. BHD. in June 2016)
- May 2016 ● Subsidiary BROTHERS CO., LTD. merged subsidiaries CRS Co., Ltd. and ATS Inc. and changed commercially registered name to OTS Inc.
- Aug. 2016 ● Acquired Recruit Factory Partners Co., Ltd. and changes commercially registered name to OS Partners CO., LTD.  
● Subsidiary OUTSOURCING UK LIMITED acquired LIBERATA UK LIMITED as a subsidiary
- Jan. 2017 ● Local subsidiary OSI Holding Germany GmbH announced acquisition of Orizon Group as a subsidiary and expanded into the German market
- Apr. 2017 ● OUTSOURCING Inc. acquired AMERICAN ENGINEERING CORPORATION (OKINAWA) as subsidiaries

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.



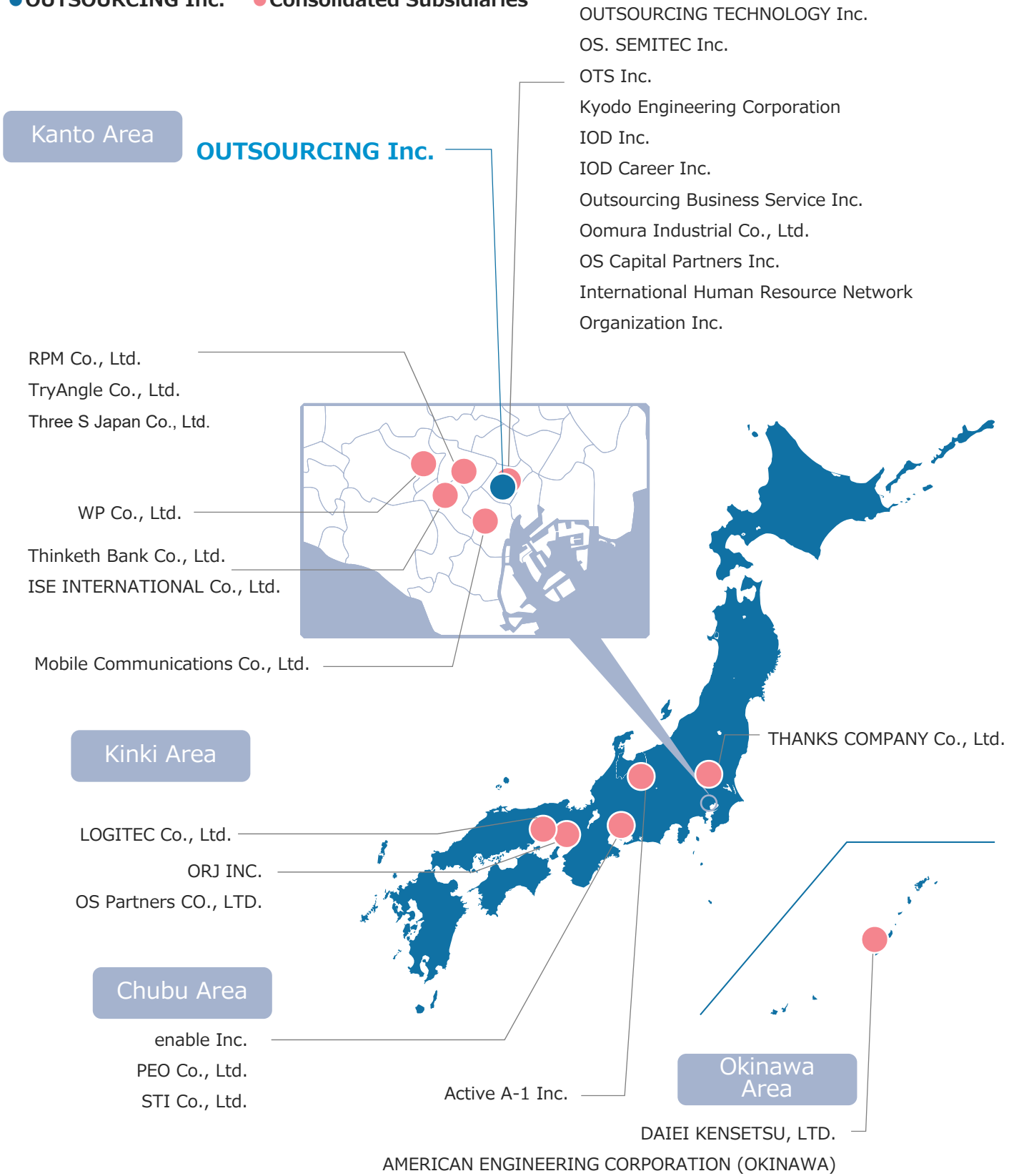
# Business Locations Overview

## Domestic Business Locations

(as of June 30, 2017)

### Domestic Consolidated Subsidiaries : 34

● **OUTSOURCING Inc.**   ● **Consolidated Subsidiaries**

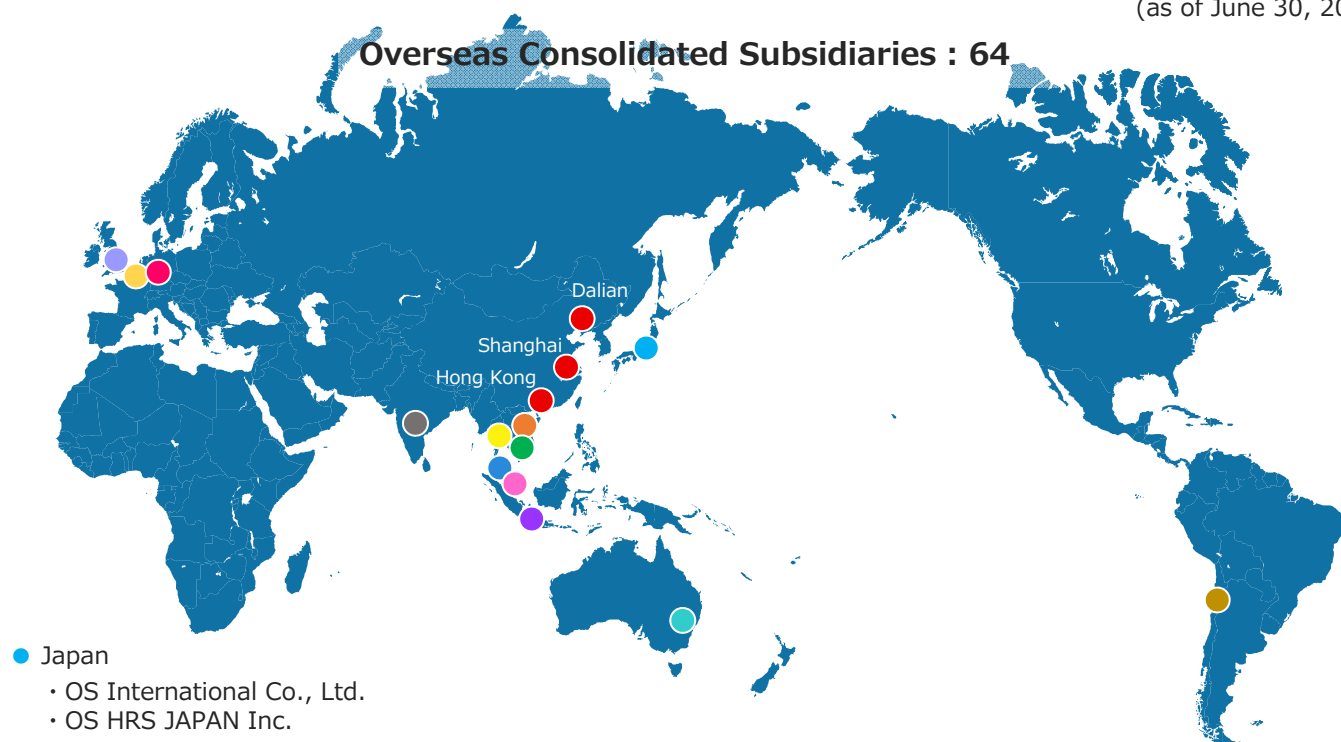


# Business Locations Overview

## Overseas Business Locations

(as of June 30, 2017)

Overseas Consolidated Subsidiaries : 64



### Japan

- OS International Co., Ltd.
- OS HRS JAPAN Inc.

### Asia

- China
  - Out-Sourcing China, Inc.
  - Gray (Dalian) Information Technology Co., Ltd.
  - FARO RECRUITMENT(CHINA).,CO, LTD.
  - FARO RECRUITMENT (HONG KONG) CO., LIMITED
- Thailand
  - OS (THAILAND) CO., LTD.
  - OS Recruitment (Thailand) Co., Ltd.
  - J.A.R. Service Co., Ltd.
  - P-ONE SUBCONTRACT CO., LTD.
  - CELCO (THAILAND) CO., LTD.
  - HUMAN VALUE CO., LTD.
- Viet Nam
  - OS VIETNAM CO., LTD.
  - OS POWER VIETNAM CO., LTD.
  - FAITH ROOT RECRUITMENT VIETNAM JOINT STOCK COMPANY
  - FAITH ROOT LABOUR OUTSOURCING VIETNAM COMPANY LIMITED
- Cambodia
  - OUTSOURCING (CAMBODIA) Inc.
- Malaysia
  - SANSHIN (MALAYSIA) SDN. BHD.
  - OS HRS SDN. BHD.
- Singapore
  - FARO RECRUITMENT (SINGAPORE) PTE. LTD.
- Indonesia
  - PT. OS SELNAJAYA INDONESIA
- India
  - ALP CONSULTING LIMITED
  - DATACORE TECHNOLOGIES PRIVATE LIMITED
  - OS HRS INDIA PRIVATE LIMITED

### Oceania

- Australia
  - STAFF SOLUTIONS AUSTRALIA PTY LTD
  - BLUEFIN RESOURCES GROUP PTY LIMITED
  - BLUEFIN RESOURCES PTY. LIMITED
  - THE BEDDISON GROUP PTY LTD
  - HOBAN RECRUITMENT PTY LTD
  - CLICKS RECRUIT (AUSTRALIA) PTY LTD
  - INDEX CONSULTANTS PTY LTD

### Europe

- United Kingdom
  - NTRINSIC HOLDINGS LIMITED
  - NTRINSIC CONSULTING RESOURCES LIMITED
  - NTRINSIC CONSULTING EUROPE LIMITED
  - J.B.W. GROUP LIMITED
  - HITO LIMITED
  - OS HRS EUROPE LIMITED
  - OUTSOURCING UK LIMITED
  - LIBERATA UK LIMITED
  - VERACITY OSI UK LIMITED
- Belgium
  - NTRINSIC CONSULTING SPRL
- Germany
  - OSI Holding Germany GmbH
  - Orizon Holding GmbH
  - Orizon GmbH
  - Orizon Projekt GmbH
  - Plumer Konstruktionen GmbH
  - jobs in time medical GmbH
  - Orizon Hamburg GmbH

### South America

- Chile
  - EST EXPROSERVICIOS S.A.
  - EST EXPROTEMPO S.A.
  - EXPROCHILE S.A.
  - EXPROSERVICIOS S.A.
  - RIVAS Y ASOCIADOS LIMITADA

VISION 2020  
**Tackling New Frontiers**  
Evolving into a game-changing enterprise

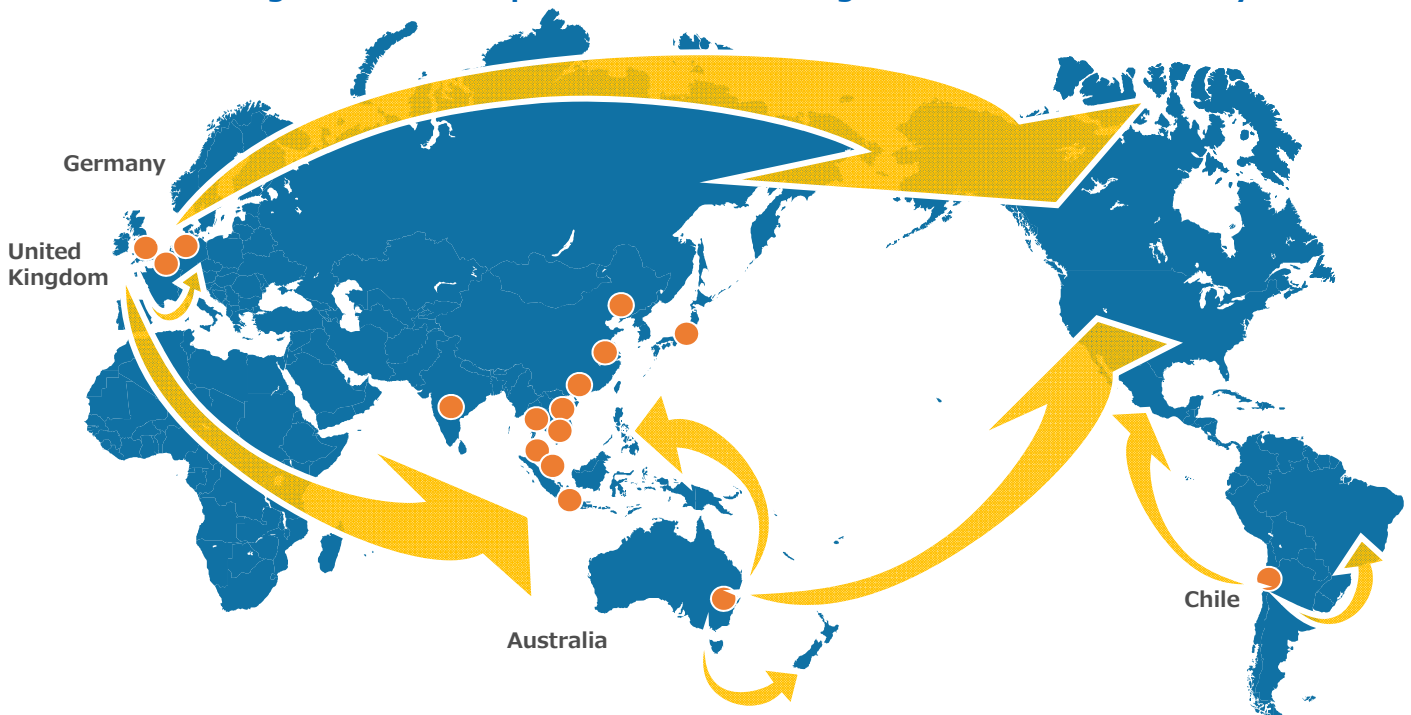
OUTSOURCING Group is taking the next leap as a global provider of comprehensive human resource solutions.

To respond to the changes in the Group's operating environment, it is transitioning away from its core business in manufacturing outsourcing to engineering and service operations outsourcing businesses while moving into foreign markets.

**Looking ahead toward the challenges and objectives OUTSOURCING Group faces over next 20 years, it has been engaged in the process of reinventing itself. Among the initiatives the Group has adopted is move actively into sectors that operate on business cycles that are different from the manufacturing sector, thereby enhancing its corporate strength and stamina against every conceivable shift and upheaval in its operating environment. The Group is concurrently making an extended foray into the outsourced public services business and other service fields that are less susceptible to external economic factors.**

### Global Development of Overseas Business

Seeking to maximize synergies through global development of Engineering and Manufacturing and Service Operations Outsourcing Business in each country





# Medium-Term Management Plan

## VISION 2020: Tackling New Frontiers

### Medium-Term Management Plan VISION2020 (FY12/17-FY12/20)

IFRS

(¥ billion)

**Revenue for FY12/20**

**441.0**

**EBITDA for FY12/20**

**34.4**

(EBITDA margin 7.8%)

Revenue by operating segment	Domestic Engineering Outsourcing Business	97.0
	Domestic Manufacturing Outsourcing Business	88.0
	Domestic Service Operations Outsourcing Business	38.0
	Overseas Engineering Outsourcing Business	83.0
	Overseas Manufacturing and Service Operations Outsourcing Business	129.0
	Other Segments Total	6.0

### Strategy: Creating a Group-wide System Enabling the Group to Evolve as a Game-changing Enterprise

#### Domestic Operation

**Develop and expand services catering to new core industries and businesses less vulnerable to economic volatilities**

Offer greater range of outsourced services to convenience store franchisors while expanding businesses directed toward US military base facilities, which, while resistant to entry by newcomers, provide stable buffer against economic swings.

#### Global Operation

**Aggressively create Group-wide synergies by leveraging the Group's global network of companies**

Goal is to proactively expand such outsourced engineering services as Information Technology Outsourcing (ITO) and Knowledge Process Outsourcing (KPO), and in doing so, drive solutions-based businesses via proprietary services that leverage our IT strengths.

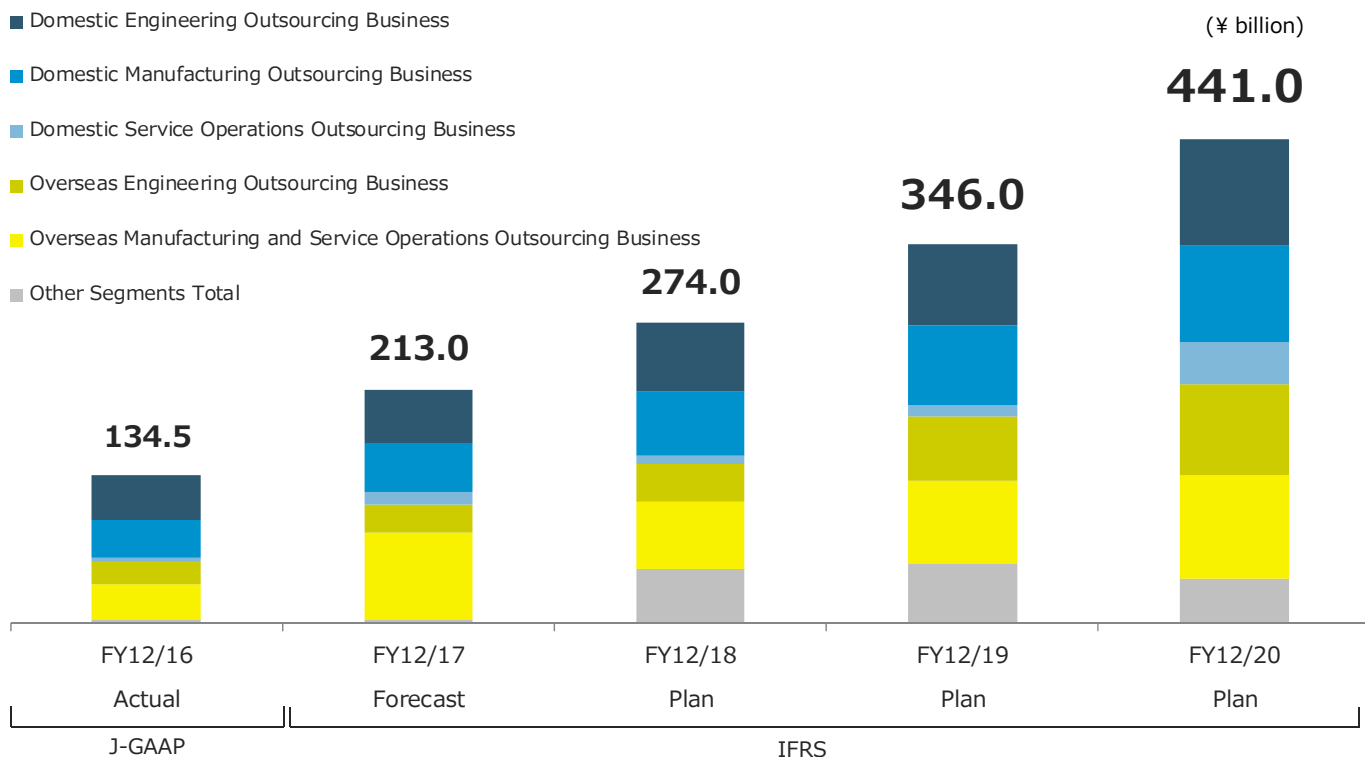
Given the trend toward the state outsourcing of public services to the private sector, exploit this public sector needs and move into other new markets less susceptible to economic volatilities.

# Medium-Term Management Plan

## VISION 2020: Tackling New Frontiers

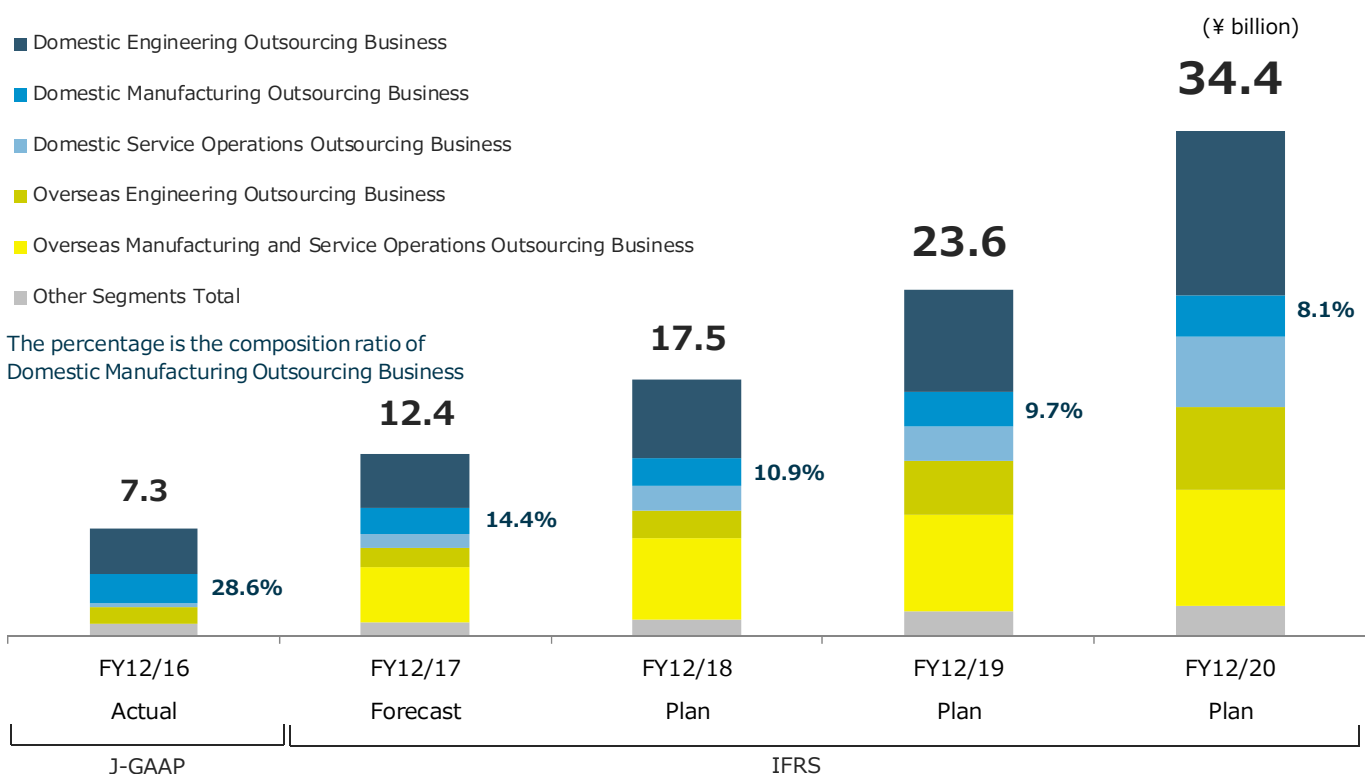
### Revenue Plan by Operating Segment

Achieve through implementation of various measures including M&A with high synergies for each operating segment



### EBITDA Plan by Operating Segment

In FY12/20, achievement of reducing the EBITDA composition ratio for highly volatile Domestic Manufacturing Outsourcing Business within 10% of the total, reaching consolidated EBITDA over ¥30 billion





# Consolidated Statement of Financial Position [IFRS] )

(¥ million)	FY12/16 End	FY12/17 1H End
<b>ASSETS</b>		
Total assets	90,355	115,942
Total Current assets	36,251	54,529
Cash and cash equivalents	11,746	18,267
Trade and other receivables	21,006	30,897
Inventories	808	1,151
Other current financial assets	974	1,729
Other current assets	1,717	2,485
Total Non-current assets	54,104	61,413
Property, plant and equipment	4,994	6,603
Goodwill	26,315	39,118
Intangible assets	8,640	8,598
Other non-current financial assets	9,671	2,378
Other non-current assets	1,862	2,062
Diferred tax assets	2,622	2,654

(¥ million)		
<b>Liabilities and Equity</b>		
Total liabilities	75,423	89,571
Total Current liabilities	45,319	57,382
Trade and other payables	13,763	24,104
Bonds and borrowings	24,375	24,246
Other current financial liabilities	1,258	867
Income tax payables	948	3,889
Other current liabilities	4,975	4,276
Total Non-current liabilities	30,104	32,189
Bonds and borrowings	21,114	23,712
Other non-current financial liabilities	2,851	2,686
Net defined benefit liabilities	3,184	3,421
Non-current provisions	640	675
Other non-current liabilities	195	103
Diferred tax liabilities	2,120	1,592
Total Equity	14,932	26,371
Share capital	1,759	7,040
Share premium	3,502	8,129
Treasury shares	(0)	(0)
Other share premium	125	146
Other components of equity	(1,089)	(446)
Retained earnings	8,333	9,177
Equity attributable to owners of the Company	12,630	24,046
Non-controlling interests	2,302	2,325
Total Liabilities and Equity	90,355	115,942

Note1: IFRS (International Financial Reporting Standards) has been applied from FY12/16.

Note2: Fractions less than unit in the above amount figures are rounded off.

# Consolidated Statement of Income [IFRS]

( ¥ million)	FY12/16 1H End	FY12/17 1H End
Revenue	57,380	105,811
Cost of sales	(46,042)	(86,035)
Gross profit	11,338	19,776
SG&A expenses	(9,372)	(16,401)
Other operating income	568	316
Other operating expense	(167)	(129)
Operating profit	2,367	3,562
Finance income	31	227
Finance costs	(867)	(548)
Profit before tax for the period	1,531	3,241
Income tax expenses	(809)	(1,362)
Profit for the period	722	1,879
Attributable to :		
Owners of the Company	650	1,529
Non-controlling interests	72	350
Profit for the period	722	1,879

Note1: IFRS (International Financial Reporting Standards) has been applied from FY12/16.

Note2: Fractions less than unit in the above amount figures are rounded off.

# Consolidated Statement of Cash Flows [IFRS]

(¥ million)	FY12/16 1H End	FY12/17 1H End
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	770	3,733
Profit before tax for the period	1,531	3,241
Depreciation and amortization	661	1,101
Increase/ (decrease) in provision and net defined benefit liabilities	(63)	162
Finance income	(31)	(227)
Finance costs	867	548
(Increase) /decrease in inventories	246	85
Decrease/(increase) in trade and other receivables	(1,179)	(2,153)
Increase /(decrease) in trade and other payables	1,614	2,166
Increase /(decrease) in accrued consumption taxes	(639)	(293)
Others	(776)	383
<b>Subtotal</b>	<b>2,231</b>	<b>5,013</b>
Interest and dividend income received	31	31
Interest paid	(206)	(399)
Income taxes paid	(1,318)	(985)
Income taxes refund	32	73

Note1: IFRS (International Financial Reporting Standards) has been applied from FY12/16.

Note2: Fractions less than unit in the above amount figures are rounded off.

# Consolidated Statement of Cash Flows [IFRS]

(¥ million)	FY12/16 1H End	FY12/17 1H End
<b>Cash flows from investing activities</b>		
Net cash used in investing activities	(6,583)	(5,507)
Payments into time deposits	(161)	(229)
Withdrawals of time deposits	1,115	576
Payments for purchase of business	(7,639)	(6,169)
Proceeds from purchase of business	-	1,059
Payments for lease and guarantee deposits	(315)	(344)
Proceeds from collection of lease and guarantee deposits	71	61
Others	346	(461)
<b>Cash flows from financing activities</b>		
Net cash used in financing activities	8,004	8,156
Net increase/ (decrease) in short-term borrowings payable	5,750	(3,614)
Proceeds from long-term borrowings payable	3,892	5,370
Repayment of long-term borrowings payable	(828)	(1,845)
Payments for redemption of bonds	(25)	(25)
Payments for contingent consideration	-	(357)
Proceeds from issuing shares	30	10,537
Dividends paid	(610)	(733)
Transactions with non-controlling interest shareholders	-	(737)
Cash dividends paid to non-controlling interests	(2)	(227)
Others	(203)	(213)
Effect of exchange rate changes on cash and cash equivalents	(350)	139
Net increase / (decrease) in cash and cash equivalents	1,841	6,521
Cash and cash equivalents at the beginning of period	7,501	11,746
Cash and cash equivalents at the end of period	9,342	18,267

Note: IFRS (International Financial Reporting Standards) has been applied from FY12/16.

Note2: Fractions less than unit in the above amount figures are rounded off.

# Consolidated Information by Operating Segment and Region [IFRS]

(¥ million)	FY12/16 1H	FY12/17 1H
<b>Revenue by operating segment</b>		
Domestic Engineering Outsourcing Business	18,821	23,315
Composition ratio	32.8%	22.0%
Electrical & Electronics	3,172	4,793
Composition ratio	5.5%	4.5%
Transport Equipment	4,701	5,657
Composition ratio	8.2%	5.3%
Pharm. & Chemicals	802	1,100
Composition ratio	1.4%	1.0%
IT-related	6,540	7,059
Composition ratio	11.4%	6.7%
Construction & Plant-related	2,407	3,038
Composition ratio	4.2%	2.9%
Others	1,199	1,668
Composition ratio	2.1%	1.6%
Domestic Manufacturing Outsourcing Business	15,452	21,258
Composition ratio	26.9%	20.1%
Electrical & Electronics	4,386	8,421
Composition ratio	7.6%	8.0%
Transport Equipment	6,133	6,659
Composition ratio	10.7%	6.3%
Pharm. & Chemicals	1,801	2,162
Composition ratio	3.1%	2.0%
Metals & Construction Materials	1,253	1,847
Composition ratio	2.2%	1.7%
Foods	812	825
Composition ratio	1.4%	0.8%
Others	1,067	1,344
Composition ratio	1.9%	1.3%
Domestic Service Operations Outsourcing Business	1,475	4,624
Composition ratio	2.6%	4.4%
Retail	833	832
Composition ratio	1.5%	0.8%
Civil Service	311	3,076
Composition ratio	0.5%	2.9%
Others	331	716
Composition ratio	0.6%	0.7%
Domestic Administrative Outsourcing Business	356	436
Composition ratio	0.6%	0.4%
Domestic Recruiting and Placing Business	593	848
Composition ratio	1.0%	0.8%
Overseas Engineering Outsourcing Business	8,520	13,560
Composition ratio	14.9%	12.8%
Overseas Manufacturing and Service Operations Outsourcing Business	11,781	41,536
Composition ratio	20.5%	39.3%
Other Business	382	234
Composition ratio	0.7%	0.2%
<b>Total</b>	<b>57,380</b>	<b>105,811</b>
Composition ratio	100.0%	100.0%

(¥ million)	FY12/16 1H	FY12/17 1H
<b>Revenue by region</b>		
Japan	37,079	50,715
Composition ratio	64.6%	47.9%
Asia (excl. Japan)	6,461	8,732
Composition ratio	11.3%	8.3%
Oceania	9,864	18,225
Composition ratio	17.2%	17.2%
Europe	2,145	25,788
Composition ratio	3.7%	24.4%
South America	1,831	2,351
Composition ratio	3.2%	2.2%
<b>Total</b>	<b>57,380</b>	<b>105,811</b>
Composition ratio	100.0%	100.0%

Note1: IFRS (International Financial Reporting Standards) has been applied from FY12/16.

Note2: Fractions less than unit in the above amount figures are rounded off.

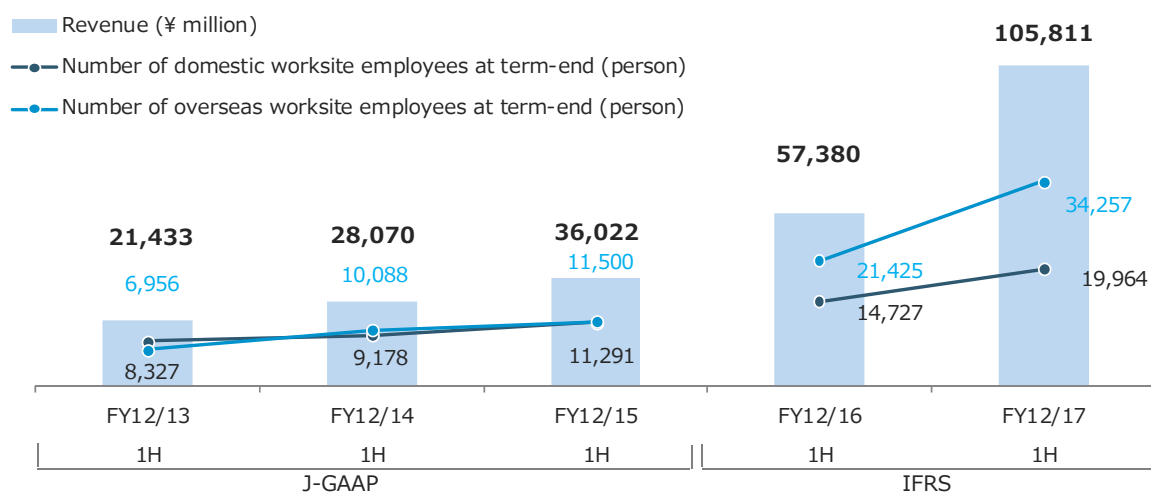


# Consolidated Other Information (Number of Workers / Recruitment Unit Price)

(person)	FY12/13 1H	FY12/14 1H	FY12/15 1H	FY12/16 1H	FY12/17 1H
<b>Number of worksite employees at term-end</b>					
Consolidated	15,283	19,266	22,791	36,152	54,221
Domestic	8,327	9,178	11,291	14,727	19,964
Domestic Engineering Outsourcing Business	2,282	2,893	4,285	5,720	7,161
IT-related	540	788	1,017	1,431	1,612
Construction & Plant-related	85	82	548	779	1,039
Domestic Manufacturing Outsourcing Business	5,969	6,213	6,554	7,482	10,293
Domestic Service Operations Outsourcing Business*	-	-	381	1,521	2,503
Retail	-	-	381	1,202	1,746
Civil Service	-	-	-	277	757
Others	-	-	-	42	0
Domestic Administrative Outsourcing Business	76	72	71	-	2
Other Business	-	-	-	4	5
Overseas	6,956	10,088	11,500	21,425	34,257
Overseas Engineering Outsourcing Business	-	-	472	1,778	2,038
Overseas Manufacturing and Service Operations Outsourcing Business	-	-	11,028	19,647	32,219
Production Outsourcing Business	5,122	7,545	7,987	10,789	19,264
Other Business	1,834	2,543	3,041	8,858	12,955
<b>Number of outsourcing administrative workers at term-end</b>					
Domestic Administrative Outsourcing Business	2,179	2,018	1,730	1,401	3,480
<b>Number of placed workers</b>					
Domestic Recruiting and Placing Business	806	1,455	1,194	1,695	1,899

Note 1: the number of worksite employees includes dispatched employees.

\* Operating segments newly introduced in FY12/16



Note2: IFRS (International Financial Reporting Standards) has been applied from FY12/16.

	FY12/13 1H	FY12/14 1H	FY12/15 1H	FY12/16 1H	FY12/17 1H
<b>Recruitment efficiency</b>					
<b>Domestic Engineering Outsourcing Business</b>					
Number of workers recruited (persons)	479	545	1,073	1,482	1,803
Recruitment unit price (¥/worker)	257,892	241,758	197,892	206,814	346,039
Utilization rate	96.3%	96.8%	97.5%	97.6%	97.5%
<b>Domestic Manufacturing Outsourcing Business</b>					
Number of workers recruited (persons)	2,542	2,892	3,418	2,819	3,888
Recruitment unit price (¥/worker)	41,660	73,276	77,678	73,466	64,349
<b>Domestic Service Operations Outsourcing Business*</b>					
Number of workers recruited (persons)	-	-	-	1,478	2,182
Recruitment unit price (¥/worker)	-	-	-	13,934	14,741
<b>Domestic Recruiting and Placing Business</b>					
Number of workers recruited (persons)	806	1,412	1,194	1,695	1,899
Recruitment unit price (¥/worker)	92,196	116,930	121,715	127,053	131,245

Note 3: Fractions less than unit in the above amount figures are rounded off.

# Consolidated Major Indicators

( ¥ million)	J-GAAP			IFRS	
	FY12/13 1H	FY12/14 1H	FY12/15 1H	FY12/16 1H	FY12/17 1H
Revenue	21,433	28,070	36,022	57,380	105,811
Gross profit	3,936	5,521	7,075	11,338	19,776
SG&A expenses	3,935	4,808	6,137	9,372	16,401
Operating profit	1	713	938	2,367	3,562
Profit before tax	-	-	-	1,531	3,241
Profit attributable to owners of the Company	30	375	489	650	1,529

Note1: IFRS (International Financial Reporting Standards) has been applied from FY12/16.

Note2: Fractions less than unit in the above amount figures are rounded off.

(%)	FY12/13 1H	FY12/14 1H	FY12/15 1H	FY12/16 1H	FY12/17 1H
Ratio of gross profit	18.4	19.7	19.6	19.8	18.7
Ratio of SG&A expenses	18.4	17.1	17.0	16.3	15.5
Ratio of operating profit	0.0	2.5	2.6	4.1	3.4
Ratio of profit before tax	-	-	-	2.7	3.1
Ratio of profit attributable to owners of the Company	0.1	1.3	1.4	1.1	1.4

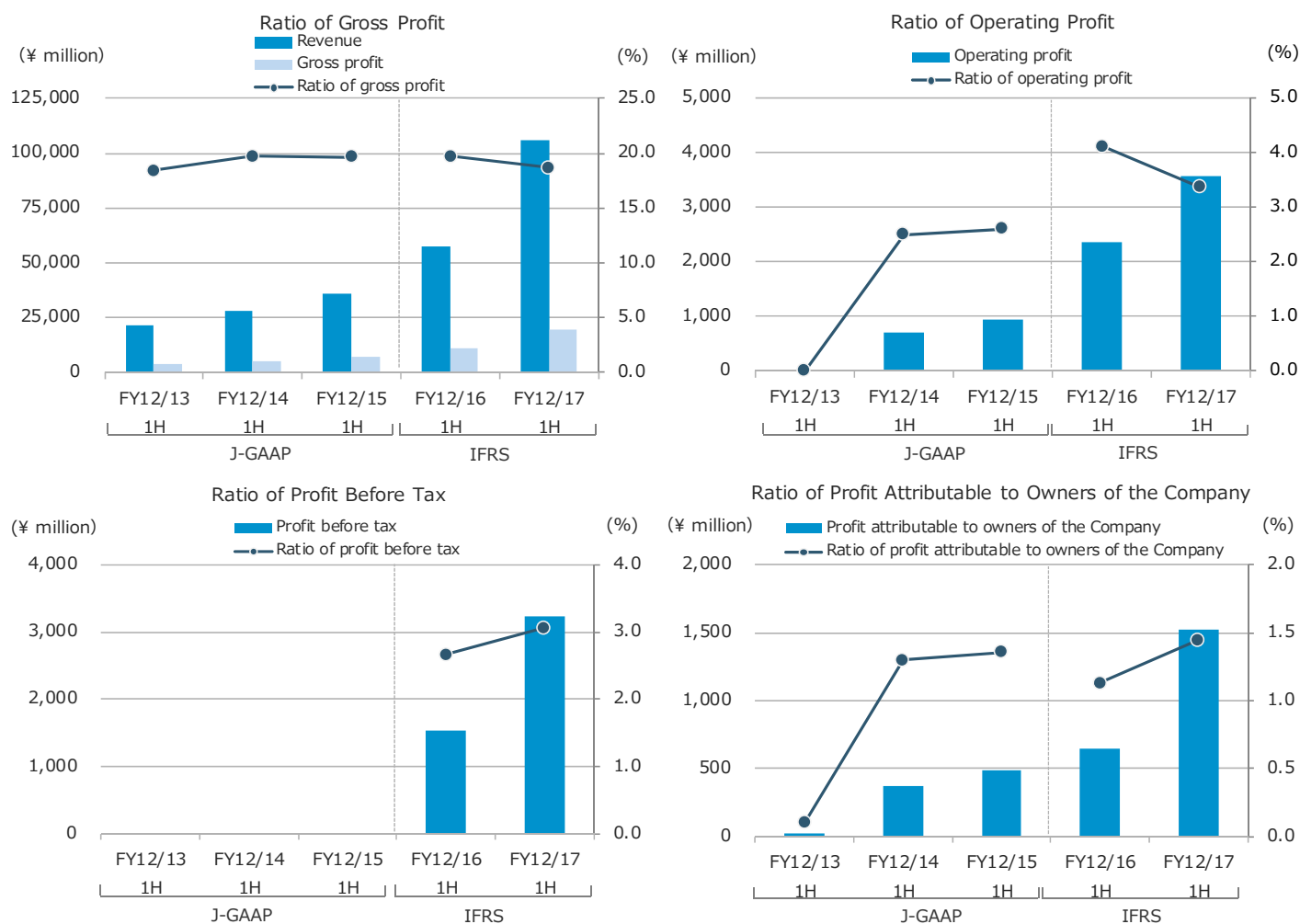
Ratio of gross profit=Gross profit/Revenue

Ratio of SG&A expenses=SG&A expenses/Revenue

Ratio of operating profit=Operating profit/Revenue

Ratio of profit before tax=Profit before tax/Revenue

Ratio of profit attributable to owners of the Company=Profit attributable to owners of the Company/Revenue



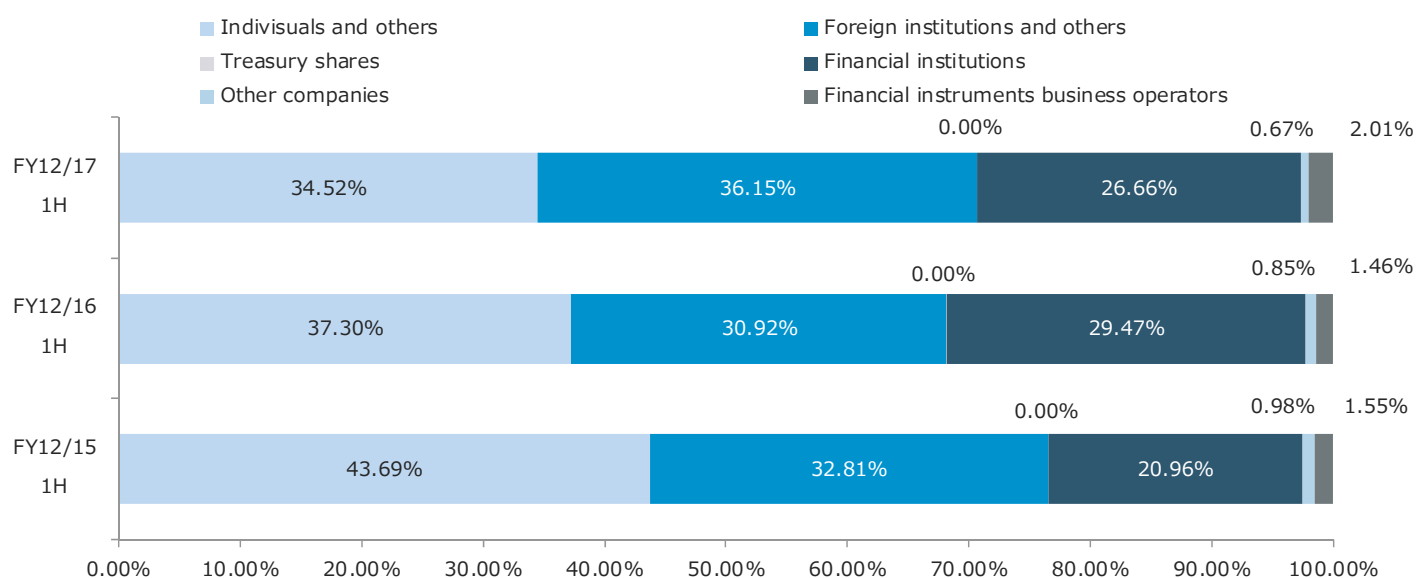
# Stock Information

## Major Shareholders

As of June 30, 2017

Top 10 Shareholders	Number of Shares	Shareholding Ratio
Haruhiko Doi	3,747,700	18.46%
JAPAN TRUSTEE SERVICES BANK, LTD. (Trust account)	2,304,500	11.35%
THE MASTER TRUST BANK OF JAPAN, LTD. (Trust account)	1,256,400	6.19%
THE CHASE MANHATTAN BANK 385036	719,518	3.54%
Masahiko Dorin	699,000	3.44%
STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A/C UK LONDON BRANCH CLIENTS- UNITED KINGDOM	670,000	3.30%
NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	404,000	1.99%
JAPAN TRUSTEE SERVICES BANK, LTD. (Trust account 9)	381,500	1.88%
Trust & Custody Services Bank, Ltd. (Securities investment trust account)	355,300	1.75%
GOLDMAN, SACHS & CO. REG	352,819	1.74%

## Breakdown by Type of Shareholders



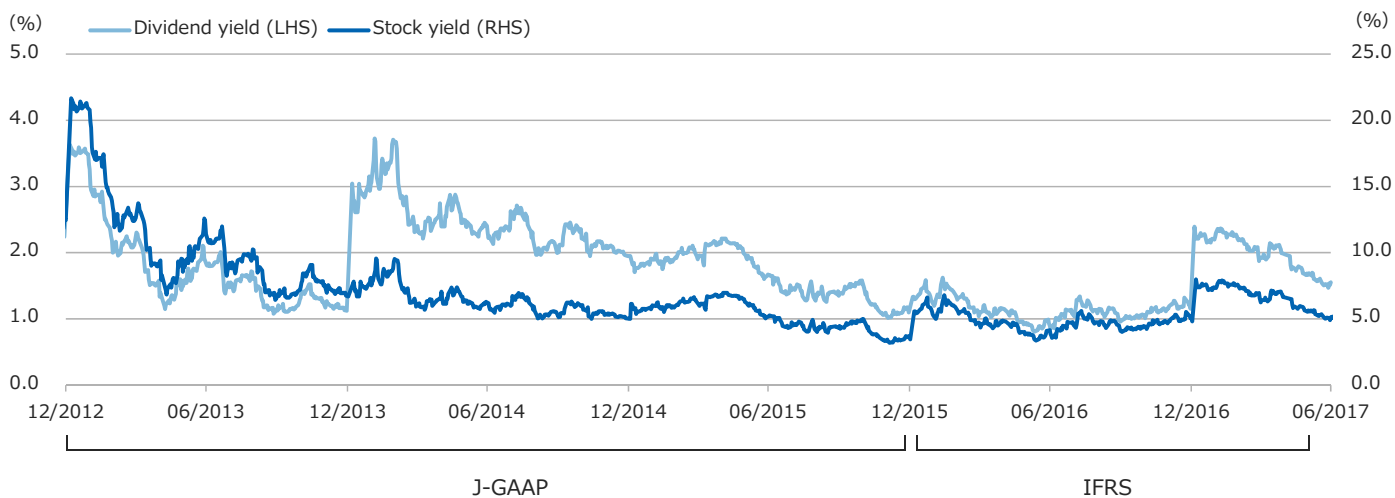
## Per Share Indicators

(\$)	J-GAAP			IFRS	
	FY12/13 1H	FY12/14 1H	FY12/15 1H	FY12/16 1H	FY12/17 1H
Share price at term-end	681	1,457	2,095	4,695	5,480
Basic earnings per share	2.06	25.77	31.64	37.34	79.83
Diluted earnings per share	2.03	25.22	31.41	36.91	78.95
Equity attributable to owners of the Company per share	282.30	377.84	619.35	-	1,184.33
Dividend per share	5.00	8.00	-	-	-

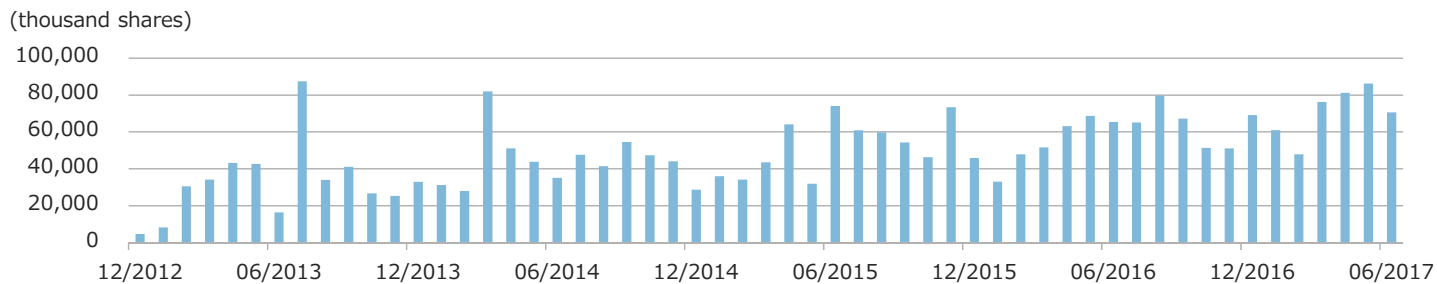
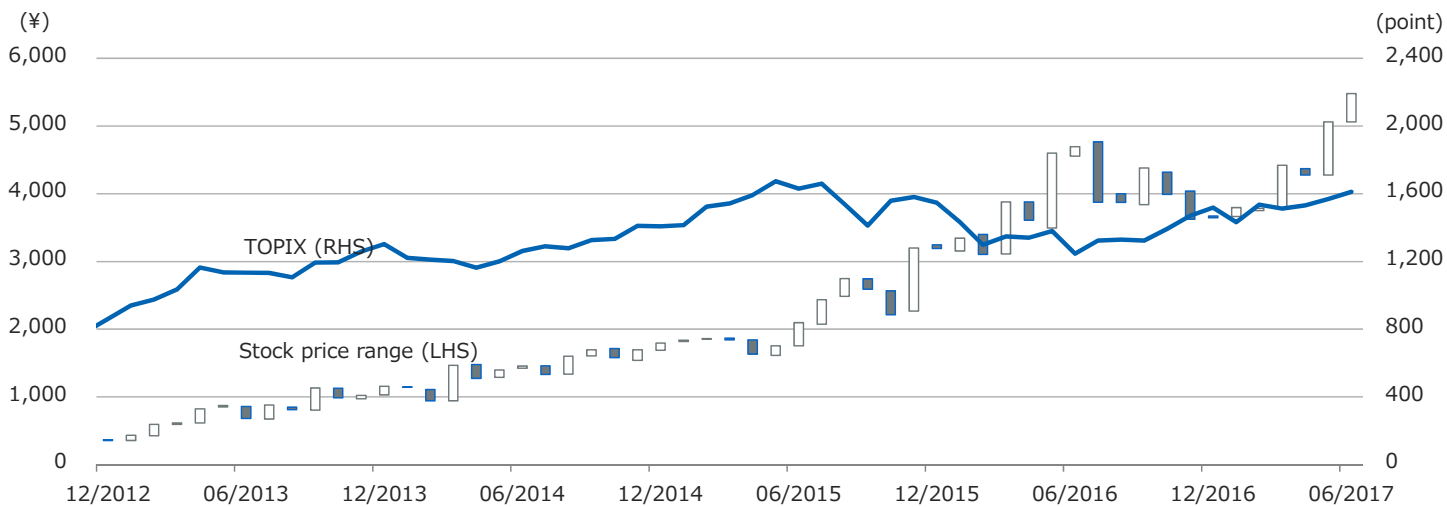
Note: IFRS (International Financial Reporting Standard s) has been applied from FY12/16.

## Stock Yield / Dividend Yield

01/2017~06/2017 forecast



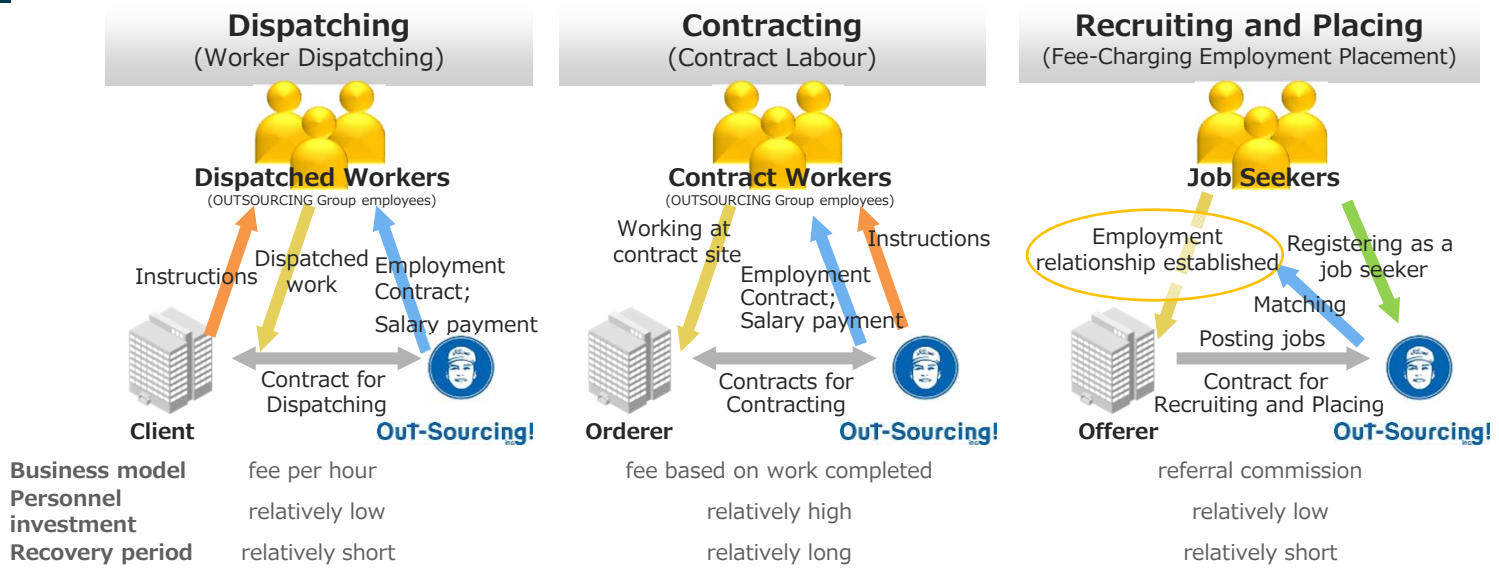
## Stock Price Range / Trading Volume



# Reference

# OUTSOURCING Group: Legal and Regulatory Framework Affecting Our Domestic Outsourcing Business (1)

## Major Hiring Formats for Our Domestic Outsourcing Business



Note: From Q2 FY12/15, the Company adopts the following English terms to describe its recruiting formats. The contents of the recruiting formats remain the same. Dispatching (formerly Temporary Placement), Contracting (formerly Outsourced Contracting), and Recruiting and Placing (formerly Recruitment and Placement)

## Administrative Operations



## Revisions to the Worker Dispatching Act

- 1985**
  - Worker Dispatching Act is enacted (positive list employed)
- 1986**
  - Worker Dispatching Act goes into effect (approved job categories eligible to use dispatched workers are expanded from 13 to 16)
- 1996**
  - Job categories specified under the Act are expanded (eligible list expanded from 16 to 26 occupations)
- 1999 Major Revision (deregulation)**
  - Eligible job categories are deregulated in principle (negative list employed)
  - Deregulated job categories are restricted on period for accepting (maximum 1 year)
  - System created to secure period for accepting (notification before date limit, notification of dispatching termination etc.)
  - For deregulated job categories, obligation to make efforts to employ, creation of advice to hire in the case of contravention to the Act
- 2000**
  - Remove the ban on Employment Placement Dispatching
- 2004**
  - Period for accepting restriction is extended (minimum 1 year, maximum 3 years)
  - Remove the ban on manufacturing occupations worker dispatching is lifted (maximum 1 year)
  - Creation of client's obligation to offer employment contracts to a dispatched worker(s) (deregulated occupations and regulated occupations)
  - Employment Placement Dispatching is formally covered under regulations
- 2012 Revision (regulations tightened)**
  - "Protecting dispatched workers" is explicitly stated in the title and the purpose of the Act
  - Business regulations strengthened (prohibition on day worker dispatching, regulations on dispatching to group companies, regulations for persons leaving jobs)
  - Treatment and benefits for dispatched workers (fair treatment, information disclosure, etc.)
  - Penalties addressing illegal worker dispatching (creation of systems for the deemed offers of an employment contract\*, implementing grounds for causes of disqualification, etc.) \*Note: Effective as of October 1, 2015
- 2015 Revision**
  - All worker dispatching undertakings fall under a license system, with distinctions between general dispatching and 26 specified occupations dispatching eliminated
  - Employment security measures for dispatched workers and training for their career advancement become mandatory for the dispatch business operators
  - Restrictions on the periods for receiving worker dispatching services are reviewed, with restriction on period for business office unit and individual unit
  - Introduction of the deemed offer system of an employment contract in the case of illegal worker dispatching

# OUTSOURCING Group: Legal and Regulatory Framework Affecting Our Domestic Outsourcing Business (2)

## Revised Worker Dispatching Act

### 1. Revised Labor Contracts Act Enforced in April 2013

- When a fixed term employment contract is renewed repetitively and the total exceeds 5 years, the user is required to convert it to an unlimited term employment contract at the request of the employee.



#### Key Points

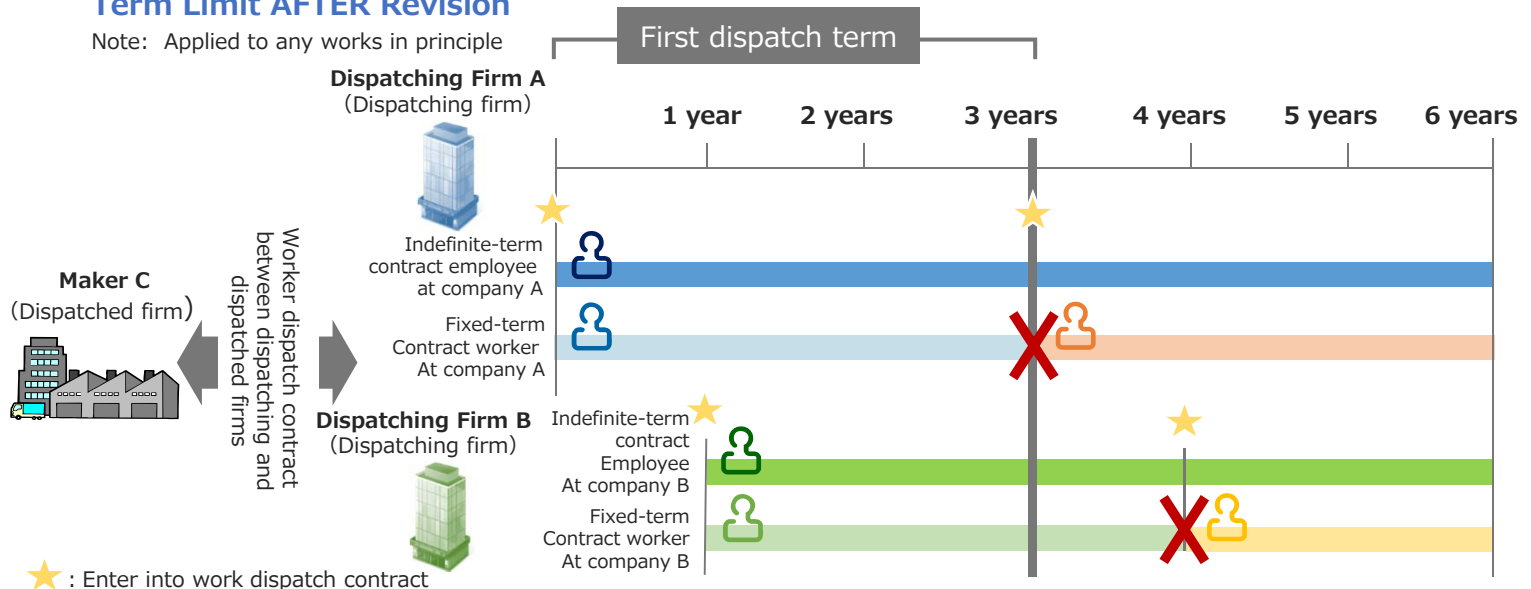
- The Revised Worker Dispatching Act aims for employment stabilization through foreclosing malicious businesses by imposing various requirements on dispatch business operators and relaxed term limit for indefinite-term contract worker dispatching
- The Revised Labor Contracts Act aims to reduce unstable employments at any companies

### 2. Revised Worker Dispatching Act Enforced in September 2015

- Requiring dispatch business operators to secure employment stabilization measures for dispatched workers at the expiration of dispatching period (Partly obligation to make efforts)
- Abolishing specified works had no restriction on period and limiting up to 3 years for dispatching all fixed-term contract employees employed by dispatch business operators to the same workplace
- No restriction on period for indefinite-term contract worker dispatching (Before revised: Up to 3 years at the same manufacturing workplace)**
- For dispatch business operators, planned education and training for dispatched workers and career consulting for those who desire it become mandatory**
- Specified worker dispatching undertaking (notification system) is abolished, and all worker dispatching undertakings come under a license system (Tightened the terms of license permissions)

#### Term Limit AFTER Revision

Note: Applied to any works in principle



Dispatch to the same work

- No term limit for indefinite-term contract dispatching
- 3 years limit for fixed-term contract worker dispatching

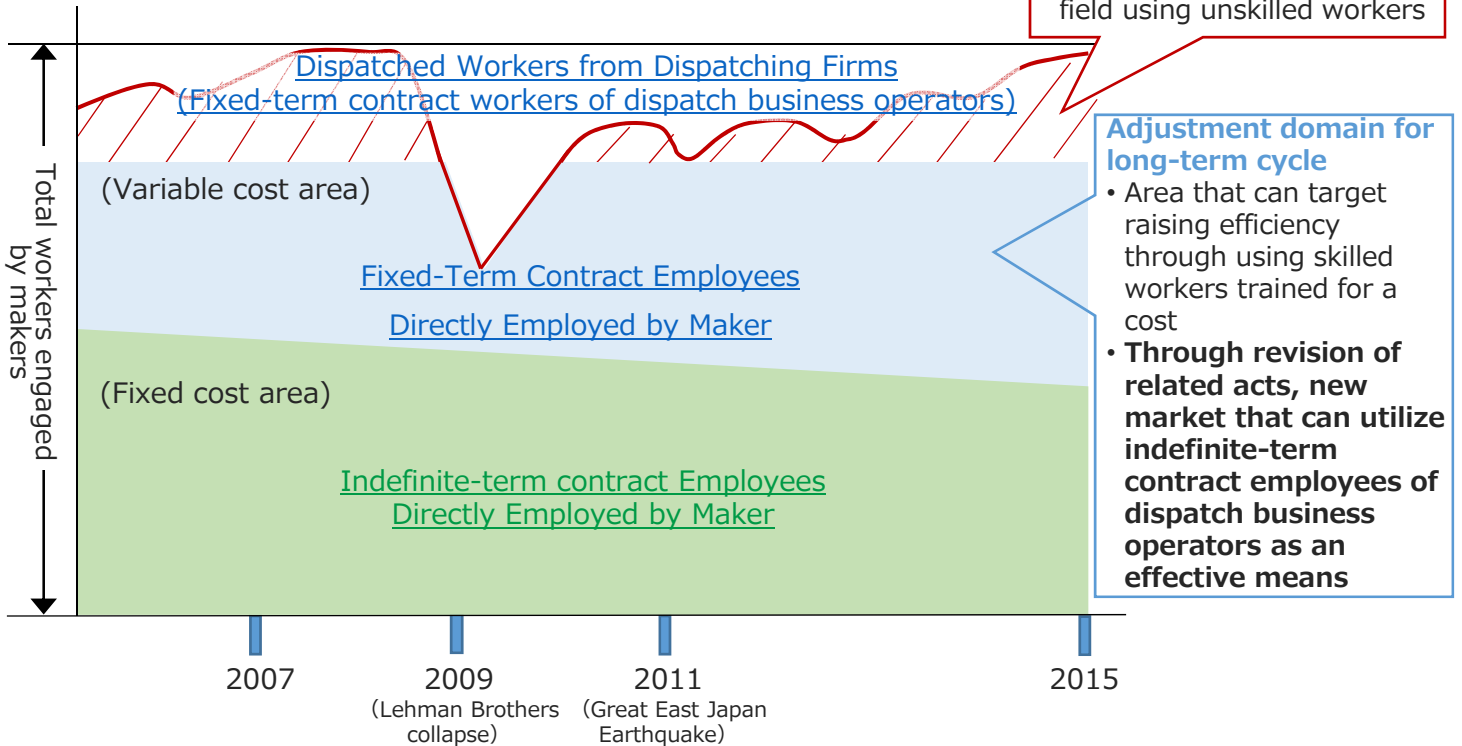
Note: When the worker is changed, continued dispatch to the same work is allowed without a cooling-off period.

# OUTSOURCING Group: Legal and Regulatory Framework Affecting Our Domestic Outsourcing Business (3)

## New Business Opportunities Created by Revision of Related Acts

### 1. Replacement market created by revision of related acts

Composition of production workforce for major automobile makers (general image)



\*Source: Company estimates based on the Ministry of Internal Affairs and Communications Labor Force Survey results and other data

### 2. PEO Scheme

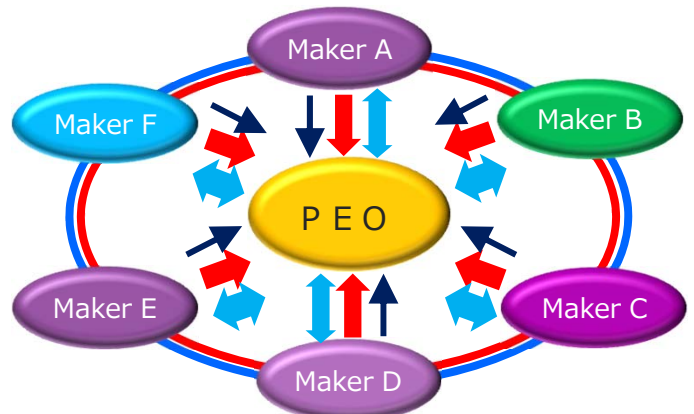
PEO stands for Professional Employer Organization

- Makers become members of the PEO Association managed by PEO Co., Ltd.
- PEO takes on fixed-term contract employees directly employed by the maker as its indefinite-term contract employees
- Dispatching of indefinite-term contract employees meeting the needs of makers for long-term use



#### Key Points

- Using the OS Group's proprietary PEO Scheme, **fixed-term contract employees employed directly by makers are hired by the Company as indefinite-term contract employees, thereby converting business to the adjustment field meeting long-term cycle production fluctuation**
- **While satisfying needs of makers to make costs variable, this secures stable employment of workers**







# Memorandum

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# Memorandum

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## Contact

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19F Marunouchi Trust Tower Main Bldg.,  
1-8-3 Marunouchi, Chiyoda-ku, Tokyo, 100-0005 Japan  
Email: [os-ir@outsourcing.co.jp](mailto:os-ir@outsourcing.co.jp)  
<https://www.outsourcing.co.jp/en/>

