Business Results for the Second Quarter of Fiscal Year Ending December 31, 2010

OUTSOURCING Inc.
(JASDAQ 2427)
August 2010

Contents

Consolidated Financial Summary for Q2 FY12/10

Consolidated Financial Highlights for Q2 FY12/10

- Driven primarily by the transport equipment and electronics related industries, two of OUTSOURCING Group's core clients, the volume of orders from the start of the term surged beyond expectations
  - Net sales increased by 66.0% year-on-year
- Because the order volume surge occurred after OSI had gone through a major restructuring of management in response to the previous economic crisis, the Group experienced a temporary hike in costs, including those associated with sales and project site management personnel, contract workers, and for worker dormitories.
  - One-time, frontloaded expense of approx. ¥200 million posted
- Earnings took a major spike upward, mainly for the Group's core production
  - Operating income: Up ¥630 million y/y from a loss of ¥374 million in Q2 FY12/09

The frontloaded investment to bolster OSI's ability to cope with the order volume surge was completed in Q2. While H1 sales rose as a result of the order volume surge, high order volume is expected to carry over into the H2 and boost earnings.

Consolidated Financial Summary for Q2 FY12/10

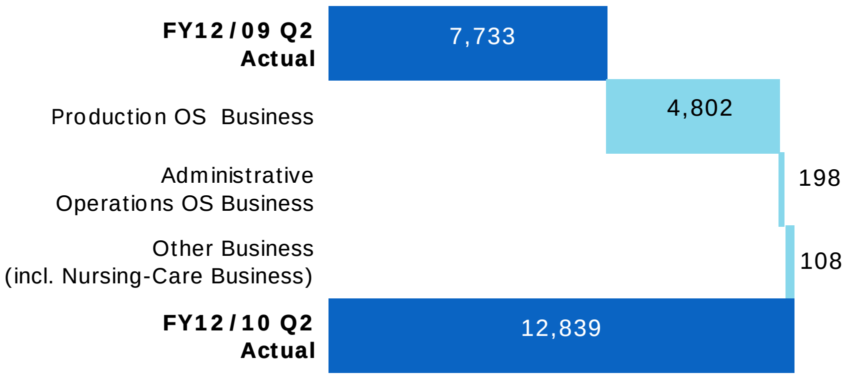
(¥Million)	FY12/09 Q2 (accum.)		FY12/10 Q2 (accum.)		Change			
					Year-on-Year		vs. Forecast dated Feb.10,2010	
	Amount	Composition Ratio	Amount	Composition Ratio	Amount	Ratio	Amount	Ratio
Net sales	**7,733**	**100.0%**	**12,839**	**100.0%**	**5,106**	**66.0%**	**539**	**4.4%**
Cost of Sales	6,557	84.8%	10,294	**80.2%**	3,736	**57.0%**	-	-
Gross Profit	**1,175**	**15.2%**	**2,545**	**19.8%**	**1,369**	**116.5%**	-	-
SG & A	1,550	20.0%	2,288	17.8%	737	**47.6%**	-	-
Operating Income	**△ 374**	**-4.8%**	**256**	**2.0%**	**631**	**n.a**	**△ 263**	**-50.6%**
Non-operating Income	82	1.1%	311	2.4%	228	**275.5%**	-	-
Non-operating expenses	14	0.2%	188	1.5%	173	**1165.7%**	-	-
Ordinary Income	**△ 306**	**-4.0%**	**379**	**3.0%**	**686**	**n.a**	**△ 190**	**-33.4%**
Extraordinary income	0	0.0%	31	0.2%	31	**n.a**	-	-
Extraordinary loss	205	2.7%	58	0.5%	△ 146	**-71.4%**	-	-
Net Income	**△ 401**	**-5.2%**	**162**	**1.3%**	**564**	**n.a**	**△ 177**	**-52.3%**

Summary for Net Sales and Operating Income by Segment for Q2 FY12/10

Breakdown of Changes in Net Sales

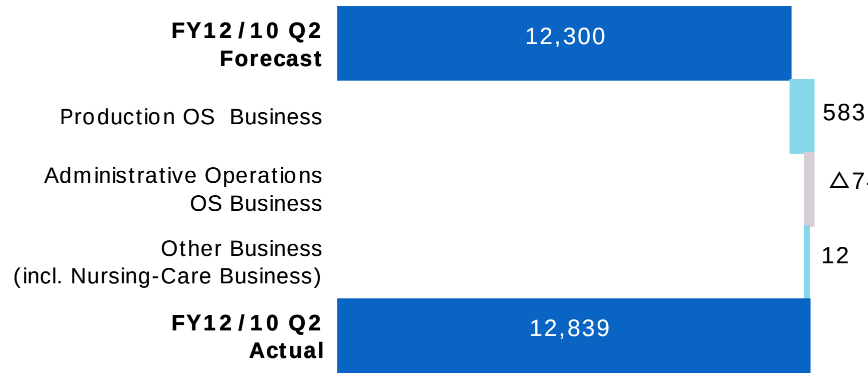
【Year-on-Year】

（Unit: ¥Million）



【vs. Forecast as of Feb. 10, 2010】

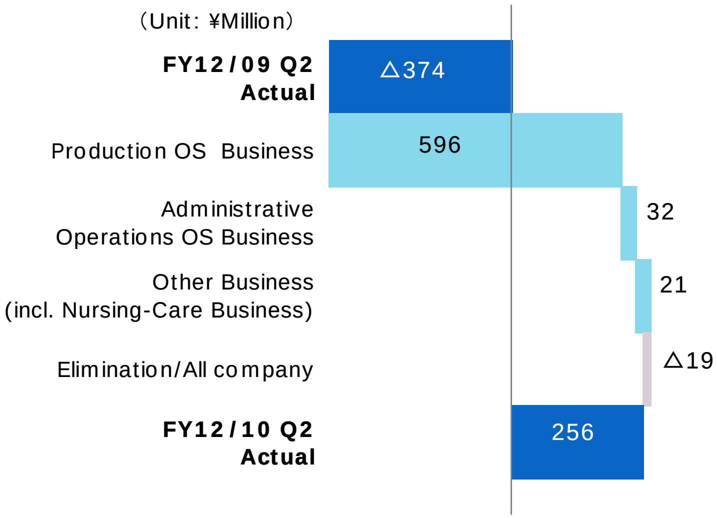
（Unit: ¥Million）



Breakdown of Changes in Operating Income

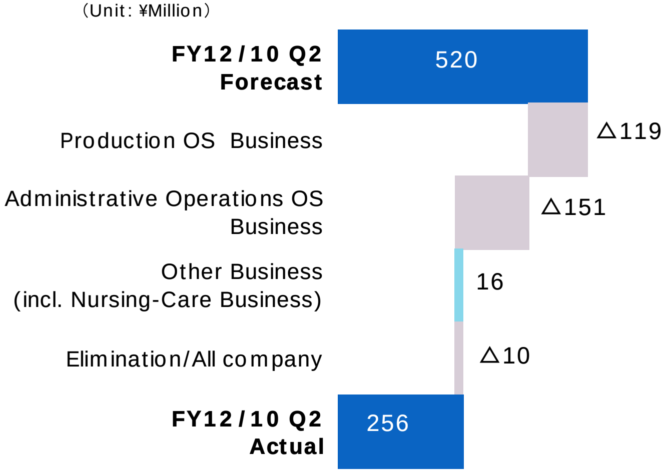
【Year-on-Year】

（Unit: ¥Million）



【vs. Forecast as of Feb. 10, 2010】

（Unit: ¥Million）



Quarterly Financial Results by Segment

(Unit: ¥Million)		FY12/09				FY12/10	
		Actual Q1	Actual Q2	Actual Q3	Actual Q4	Actual 1Q	Actual Q2
Production Outsourcing Business	Number of worksite employees at the end of the quarter	4,824	4,559	5,030	6,109	6,223	6,192
	Net Sales	3,908	3,548	4,174	5,569	6,020	6,245
	Operating Income	△ 300	△ 89	11	160	112	94
Administrative Operations Outsourcing Business	Net Sales	7	36	54	85	80	161
	Operating Income	0	15	16	5	9	36
Nurcing-Care Business	Net Sales	35	100	104	107	118	108
	Operating Income	8	19	19	21	28	22
Other Business	Net Sales	56	40	64	70	63	41
	Operating Income	6	0	8	6	5	0
Elimination/ All company	Operating Income	△ 17	△ 17	△ 4	△ 20	△ 26	△ 26
Total	Net Sales	4,007	3,725	4,397	5,832	6,282	6,557
	Operating Income	△ 303	△ 70	51	172	128	128

Summary of Consolidated Balance Sheets for Q2 FY12/10

(Unit:¥Million)	FY12/09 Q2		FY12/10 Q2		Y/Y Change
【Assets】	Amount	Composition Ratio	Amount	Composition Ratio	Amount
Current assets	3,973	56.4%	5,766	60.7%	1,792
(Cash and deposits)	1,298	18.4%	1,425	15.0%	127
(Notes and accounts receivable-trade	1,963	27.8%	3,531	37.2%	1,568
(inventories)	84	1.2%	65	0.7%	△ 19
Noncurrent assets	3,071	43.6%	3,732	39.3%	661
Property, plant and equipment	2,150	30.5%	2,153	22.7%	2
Intangible assets	199	2.8%	590	6.2%	390
Investments and other assets	721	10.2%	989	10.4%	267
Total assets	**7,049**	**100.0%**	**9,502**	**100.0%**	**2,453**
Current liabilities	2,505	58.7%	4,691	70.5%	2,186
(Notes and accounts payable-trade)	8	0.2%	64	1.0%	55
(Short-term loans payable)	690	16.2%	1,496	22.5%	806
Noncurrent liabilities	1,763	41.3%	1,959	29.5%	196
(Long-term loans payable)	621	14.6%	980	14.7%	359
Total liabilities	**4,268**	**100.0%**	**6,651**	**100.0%**	**2,382**
Shareholders' equity	2,664	37.8%	2,754	29.0%	89
Capital stock	479	6.8%	483	5.1%	3
Capital surplus	876	12.4%	879	9.3%	3
Retained earnings	1,527	21.7%	1,781	18.7%	254
Treasury stock	△ 218	-3.1%	△ 391	-4.1%	△ 172
Valuation and translation adjustments	△ 6	-0.1%	1	0.0%	8
Subscription rights to shares	38	0.5%	49	0.5%	10
Minority interests	83	1.2%	45	0.5%	△ 37
Total net assets	2,780	39.4%	2,850	30.0%	70
Total liabilities and net assets	**7,049**	**100.0%**	**9,502**	**100.0%**	**2,453**

- Increase in trade receivables due to business volume expansion

- Increase due to acquisition of subsidiaries

- Short-term borrowing for working capital in response to business volume expansion

- Borrowing for worker dormitory construction
- Increase due to acquisition of subsidiaries

- Increase due to purchase of treasury stock

Summary of Cash Flow Statement for Q2 FY12/10

(Unit: ¥Million)	FY12/09 Q2 Amount	FY12/10 Q2 Amount	Year-on-Year Change Amount
Income (loss) before income taxes	△ 511	352	863
Depreciation	91	114	22
Amortization of goodwill	40	60	19
Negative amortization of goodwill	△ 29	△ 77	△ 48
Decrease (increase) in notes and accounts receivable-trade	1,106	△ 486	△ 1,593
Increase (decrease) in notes and accounts payable-trade	△ 368	520	889
Others	△ 415	△ 50	365
Net cash provided by (used in) operating activities	**△ 86**	**433**	**520**
Net cash provided by (used in) investing activities	**△ 321**	**269**	**591**
Increase (decrease) in loans payable	117	△ 629	△ 746
Purchase of treasury stock	-	△ 172	△ 172
Cash dividends paid	△ 72	△ 95	△ 23
Others	△ 24	△ 54	△ 30
Net cash provided by (used in) financing activities	**20**	**△ 951**	**△ 972**
Increase (decrease) in cash and cash equivalents resulting from merger	**848**	**-**	**△ 848**
Cash and cash equivalents, end of term	**1,052**	**1,386**	**333**

- Increase in trade receivables due to net sales increase

- Increase in unpaid salary and other costs in response to business volume expansion

- Decrease due to repayment of bank loans

H2 Group Strategy to Achieve FY12/10 Budget

OUTSOURCING Group's H2 Order Volume Strategy

※ Prepared by OUTSOURCING Inc. based on Nihon Keizai Shimbun (Nikkei) newspaper article of January 18, 2010

Shop-floor personnel moves of makers prior to economic crisis

Number of manufacturing temporary placement workers: 550,000※

Shop-floor personnel moves of makers in post-crisis production recovery phase coping with risk of Worker Dispatch Law revisions

Directly hired workers: 240,000※

Outsourced contracting workers: 120,000※

Our Solution

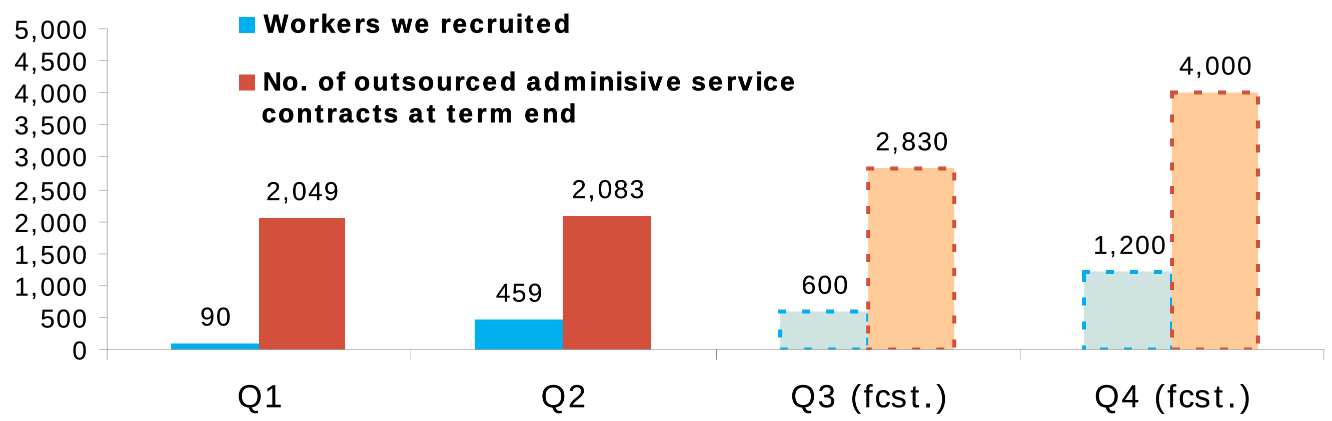
Our Group Strategy

Increase order volume through Group's outsourced administrative contracting services	Order volume expansion by manufacturing group
Provide integrated, full-service contracting services (from recruitment agency to administrative operations services) through subsidiary ORJ	As an outsourced contracting service provider, our production engineering skills, backed by expertise and experience, are the best in Japan

Our manufacturing group enables makers to make a smooth transition from direct employment (managed by ORJ) to outsourced contracting

The expected legal ban on manufacturing temporary placement at this point in the production recovery phase will be a boon for our Group, which has promoted outsourced contracting, and lead to greater order volume in H2.

Projected H2 Orders for Outsourced Administrative Contracting Services

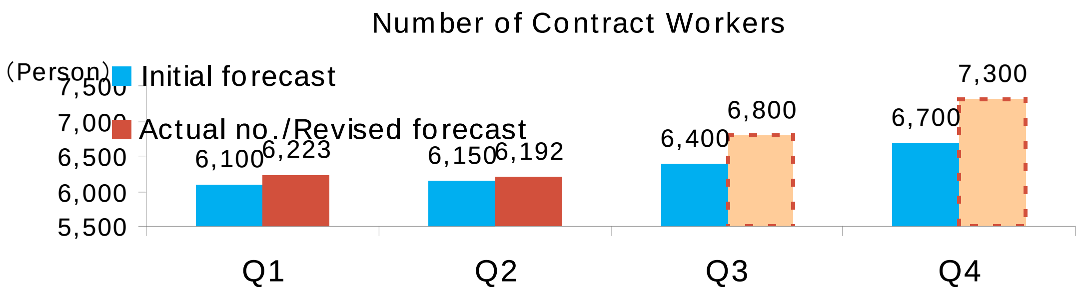


- Projected H2 Orders

~Recruitment agency to outsourced administrative operations service range through H2~

Company	Recruitment agency to outsourced administrative operations service range	Note
Corporate Group A	600 workers	Orders from all 5 transport equipment manufacturing group companies
Company B	500 workers	Orders from 5 factories nationwide
Company C	400 workers	Orders from 13 factories nationwide

Projected H2 Orders for Production Outsourcing Services



- Actual Q2 results
  - Fewer short-term workers in food industry means fewer contract workers
  - Q2 net sales rose by 4.4% y/y, driven by increases in fulltime workers in the transport equipment and other industries
- Projected H2 Orders
  - Outsourced contracting program starts at Company A's Sakai Factory, which makes G10 LCD panels

    At the end of March: some 100 workers ⇒ End of June: some 140 workers (achieved)

    ⇒ End of October: some 300 workers (projected)
  - ORJ manages seasonal workers hired directly by makers, whose production processes are then converted by outsourced contracting by our manufacturing group

    Of Company B's seasonal workers managed by ORJ at 7 factories nationwide, 120 workers in 2 factories will be systematically rehired as contract worker status from late July and conversion to outsourced contracting begun.

    By the end of this term, all 280 seasonal workers at the 7 factories will be rehired as our contract workers.

By the end of December 2012, 5,000 workers—or some 80% of the 6,700 workers projected to managed under outsourced administrative service contracts—will be converted to outsourced contracting.

Summary of FY12/10 Earnings Forecast by Segment

(Unit: ¥Million)		FY12/10 Actual Q1	Actual Q2	Future Outlook Q3	Q4
Production Outsourcing Business	Number of worksite employees at the end of the quarter	6,223	6,192	6,800	7,300
	Net Sales	6,020	6,245	↗	↗
	Operating Income	112	94		
Administrative Operations Outsourcing Business	Net Sales	80	161	↗	↗
	Operating Income	9	36		
Others Business (incl. Nursing-Care Business)	Net Sales	181	150	↘ ※	→
	Operating Income	33	23		
Elimination/All Company	Operating Income	△ 26	△ 26		
Total	Net Sales	6,282	6,557	↗	↗
	Operating Income	128	128		

※Note: Dip due to divestiture of subsidiary WARABEUTA CO., LTD.

【Reference】Quarterly Earning Forecasts by Segment announced on Feb. 10, 2010

(Unit: ¥Million)		FY12/10 (Announced on Feb. 10,2010) Q1	Q2	Q3	Q4
Production Outsourcing Business	Number of worksite employees at the end of the quarter	6,100	6,150	6,400	6,700
	Net Sales	5,822	5,860	6,177	6,499
	Operating Income	134	192	234	312
Administrative Operations Outsourcing Business	Net Sales	109	206	347	370
	Operating Income	55	142	261	273
Nurcing-Care Business	Net Sales	160	160	160	160
	Operating Income	20	20	20	20
Elimination/All Company	Operating Income	△ 20	△ 20	△ 20	△ 20
Total	Net Sales	6,091	6,227	6,685	7,029
	Operating Income	191	334	495	586

Projected Operating Income

Jun.

¥182 million (actual)

Jul.

¥200 million (forecast)

Aug.

Due to the decrease of operating days, the operating income will decrease to less than Jul.

After Sep.

As, in addition to the production recovery, increased production toward the end of year and early next year is added, higher level of operating income than July is expected.

Production Outsourcing Business: Transition and Direction in Net Sales by Industry

(Unit: ¥Million)	FY12/09				FY12/10		Future Trend
	Actual Q1	Actual Q2	Actual Q3	Actual Q4	Actual Q1	Actual Q2	
Production Outsourcing Business	**3,908**	**3,548**	**4,174**	**5,569**	**6,020**	**6,245**	
Electric Equipment	994	1,081	1,052	1,614	1,754	2,074	
Transport Equipment	465	261	751	1,332	1,564	1,448	
Chemicals/Medicals	849	810	938	1,070	1,017	975	
Metals	119	52	61	98	72	59	
Foods	1,044	873	843	675	510	478	
Others	435	467	527	777	1,100	1,167	

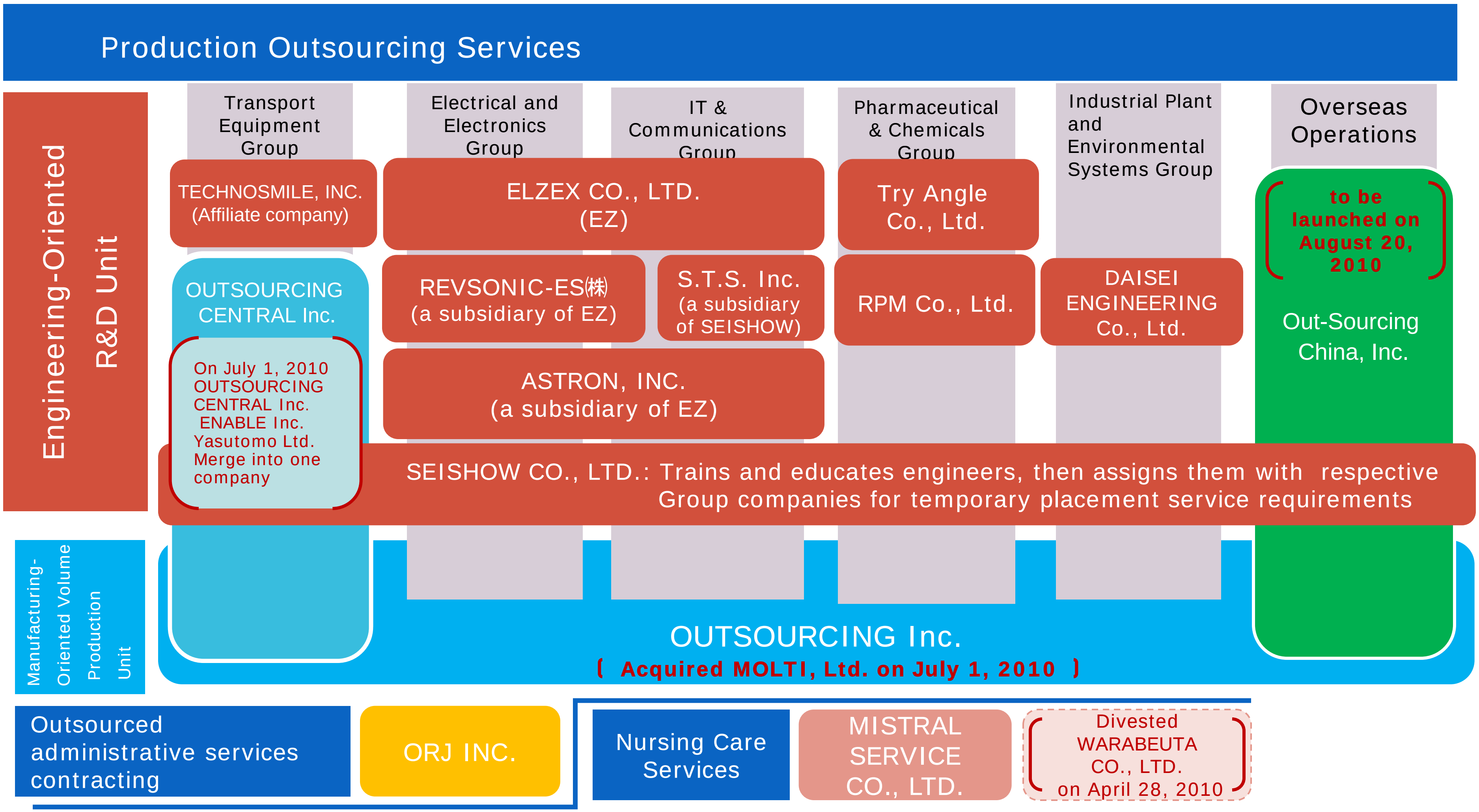
- Integrated contract framework includes design, development and volume production for automobiles at Company A
  - April: 40 workers in design department; 70 workers in volume production unit (part of production process converted to outsourced contracting service)
  - Order received to manage volume production process of lithium ion batteries to be installed on new automobiles from August
    - End of fiscal 2010: 160-worker system (order accepted)
    - End of fiscal 2011: 500-worker system (estimate based on production plan)

- OSI places 400 contract workers at an air conditioner plant for Company B from April to July every year
  - Due to orders for industrial air conditioners, Company B shifted to outsourced contracting and a full-year, 200-worker system was adopted.
  - Company B is expected to switch to outsourced contracting to produce its water heater and pre-fabricated kitchen units next year

OUTSOURCING Group Short- and Mid-Term Management Plan

OUTSOURCING Group's Upgraded Integrated Contract Framework (as of July 31, 2010)

- Actively acquired business resources required to provide advanced R&D contracting services through strategically designed M&A program in the previous year
- Launched an infrastructure capable of managing upstream-to-downstream contracting services starting with peripheral R&D and extends to volume production, in response to manufacturers' needs



Business Upgrades to OUTSOURCING Group

- Industry-specific subsidiaries offer integrated contracting services
  - Transport Equipment
  - Electrical & Electronics
  - Pharmaceutical & Chemicals
- Overseas Operations

- Business Upgrades to Restructured OUTSOURCING Group

OUTSOURCING Inc.

Goal is Group management to control industry-specific volatility risks from business swings and enhance productivity through in-house synergy

Engineering Oriented R&D Unit

Manufacturing Oriented Volume Production Unit

I) Subsidiary specializing in transport equipment industry

II) Subsidiary specializing in electrical and electronics industries

III) Subsidiary specializing in pharmaceutical and chemicals industries

Synergy Effect

Subsidiary specializing in overseas operations

Status of Engineer Placement System as Precondition to Integrated Contracting Services and Orders Received

- Japan's engineer placement market
  - Manufacturer reduced engineer at maximum due to the significant reduction of R&D budget under economic recession. As a result, the shortage of engineer became obvious at recovery phase in FY12/10.

Engineering applicants seeking to transfer from our competitors to OUTSOURCING	**Some 200 workers**	**Because we successfully rode out the economic crisis, the number of skilled engineers seeking to transfer to our Group is on the rise**

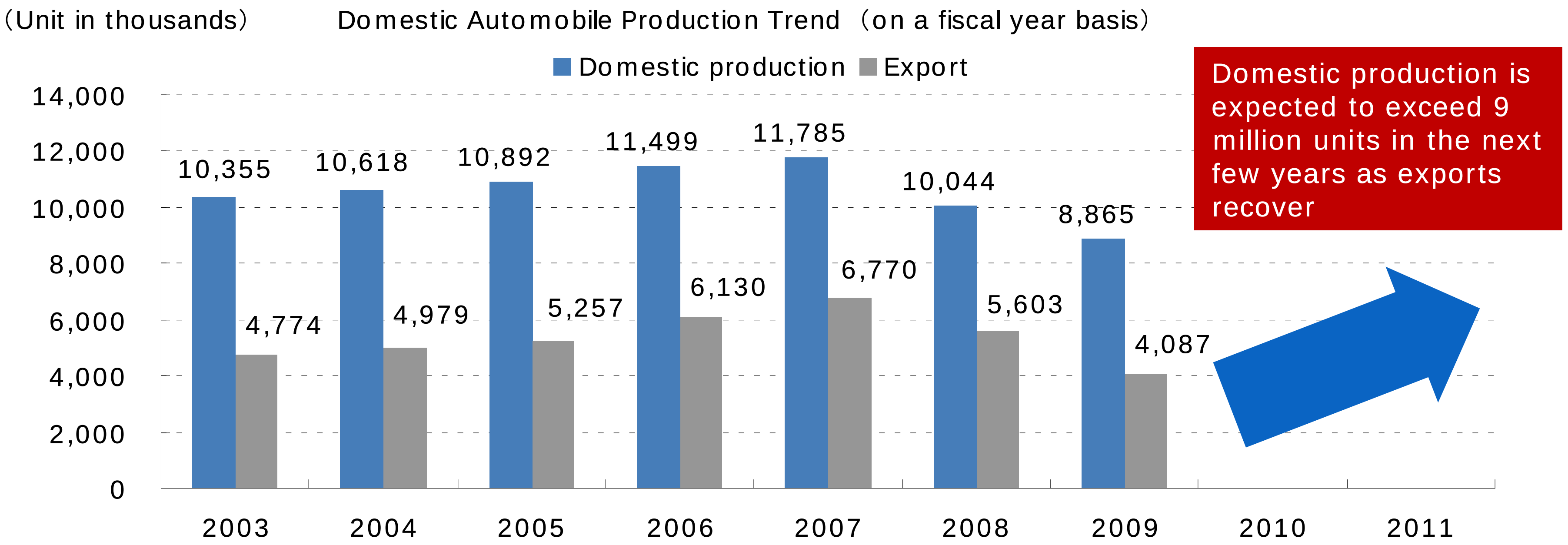
Meeting orders from makers for skilled engineers has become easier, as we can readily acquire engineering talent without recruiting costs.

- H2 Status of Orders for Engineer Placement

Projected Orders	Projected Numbers	Projected Starting Date
Company A: Automotive design and development	50 workers	Order confirmed in July Subsidiary SEISHOW CO., LTD. receives priority placement order under Company A's purchase ceiling regulation
Company B: Design, development and manufacture of SPE	20 workers	Order confirmed in July
Company C: Maintenance of LCD fabrication equipment	30 workers	Expected to start in September Contract integrated with OUTSOURCING's engineering and volume production units
Company D: FE operation for SPE	10 workers	Expected to start in September To start with installation and preparation operations overseas
Company E: FE operation of SPE	20 workers	Expected to start in October

Integrated Contracting Services by Industry-Specific Subsidiary Ⅰ: Transport Equipment Group

● Operating Environment



Source: Japan Automobile Manufacturers Association, Inc.

● Domestic Automobile Production Trend

Short Term

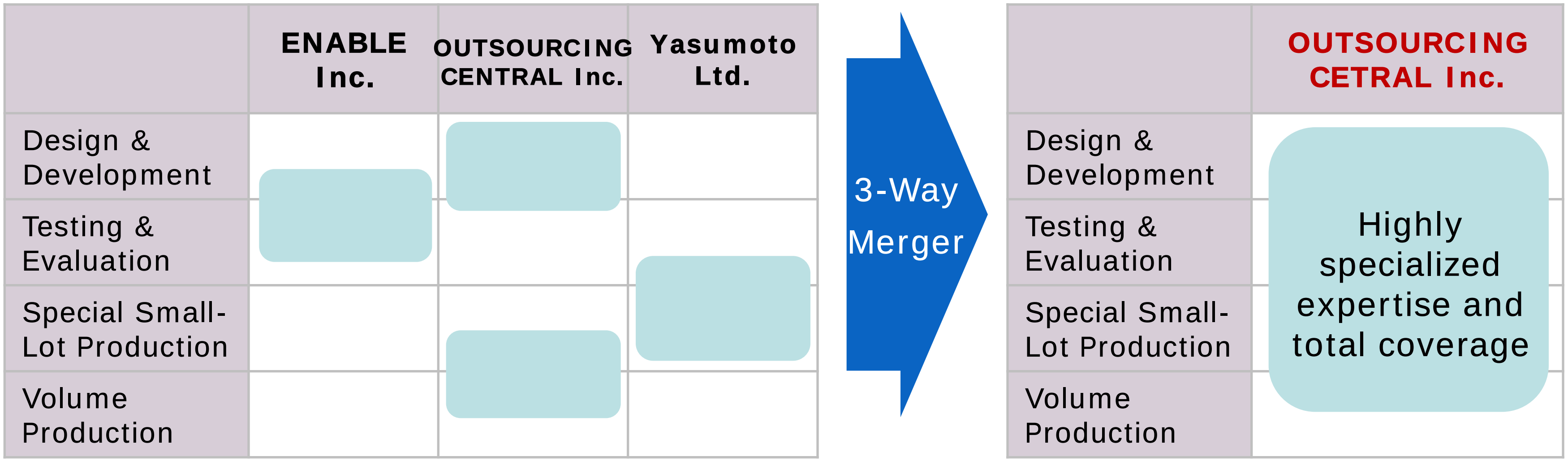
With the termination of the government's tax cut on cars, domestic production is expected to weaken in October-December 2010. However, production should regain stability after 2011 due to such factors as the rise in consumer purchasing power in emerging countries and new design changes for domestic models.

Mid-Term

Production outsourcing providers who survive the ongoing industry shakeout will gain market share as manufacturers increasingly turn to production outsourcing

Integrated Contracting Services by Industry-Specific Subsidiary Ⅰ: Transport Equipment Group

- Highly specialized business infrastructure created through the merger of three companies



- 3-way merger makes for advanced business infrastructure operations from 2H
  - Commenced CNG trial service
    - Entered into new transaction with major automaker A
  - Began hydrogen-fueled engine test program
  - Accepted foreign trainees at OUTSOURCING CENTRAL's domestic outsourced contracting sites
    - Reallocated to Asian-based factories of our clients' makers as officer candidate
  - These initiatives have gotten high marks and have led to an agreement with major automaker B

Our full-service contracting framework, which ranges from specialized services to volume production, has not only expanded business opportunities for increased market share, it has clearly differentiated us from the competition

Integrated Contracting Services by Industry-Specific Subsidiary Ⅱ : Electrical & Electronics Group

- Operating Environment and Business Strategy

Current Market	In the electrical and electronics industries, the semiconductor market has staged a remarkable earnings recovery
Future Prospects	Market for end-products based on semiconductors is expanding Production: Devices are primarily produced overseas SPE produced primarily in Japan
Industry Issues	Significant production swings depending on the type of semiconductors → Outsourcing to a single company for a single process is risky

Our Group's Target【Semiconductor Industry】

Process Range : Integrated outsourced contracting service covering development, manufacturing and maintenance

Business Domain : Expand from production equipment to device manufacturer

- Business Domain

	Design & Development	Trial Production	Volume Production	Order Delivery
SPE Manufacturer	Outsourced contracting for SPE design activities Outsourced contracting for control board design	Outsourced contracting for SPE assembly and inspection Outsourced contracting SPE installation		
Device Manufacturer	Outsourced contracting to develop wafer test program Outsourced contracting of failure analysis		Outsourced contracting for SPE maintenance Outsourced contracting for washing, assembly and replacement of vacuum pumps, ion sources and other components Outsourced contracting of volume production operations, wafer processing, wafer testing and other steps Outsourced contracting of volume PC board production	

Integrated Contracting Services by Industry-Specific Subsidiary Ⅱ : Electrical & Electronics Group

- Business Domain

Expansion & Growth

Preparation Phase
H1 of FY12/10

- ☐ Establish general administration department
  Hire general manager of a major SPE maker's manufacturing unit to supervise operations
- ☐ Coordinate with clients
- ☐ Coordinate with partners
- ☐ Arrange in-house coordination

Startup Phase
H2 of FY12/10

- ☐ Commence transaction with client makers (starting manufacturing operations)
- ☐ Initiate alliance activities with partner-companies
- ☐ Initiate Group activities
- ☐ Initiate promotion of progress, management

Business Expansion Phase
After FY12/11

- ☐ Expand client base
- ☐ Expand business parameters of orders（Entry into product development and trial production phases ）
- ☐ Group cooperation to set up integrated outsourced contracting framework

Integrated Contracting Services by Industry-Specific Subsidiary Ⅲ: Pharmaceutical & Chemicals Group

- Market Trends and H2 Orders of Subsidiary Try Angle Co., Ltd.
  - With patents on blockbuster medicines held by pharmaceutical companies expiring (the so-called "2010 Issue"), low molecular drugs have become heavily commoditized. Meanwhile, bioengineered products such as antibody drugs and other solutions gain momentum.
  - While manufacturers are seeking to develop new business opportunities, they lack the technology, human resources and facilities. We offer a new service in which exploratory research is outsourced to us. We, in turn, collaborate with universities and other research institutes to develop solutions.

Offering integrated outsourced contracting service through partnership with university-founded pharmaceutical venture company

June:	Dispatched clinical technician
July:	Paid introduction of manager to vaccine production plant as permanent hire
August:	Secured placement order for 40 production engineers at vaccine production plant (expecting order for 20 additional engineers)
2011:	Potential order from new plant in Shizuoka prefecture

Integrated Contracting Services by Industry-Specific SubsidiaryⅢ: Pharmaceutical & Chemicals Group

- Market Trends and H2 Orders of Subsidiary RPM Co., Ltd.

  - As more major pharmaceutical companies enter the generic drug market and the recognition of generic products enhanced, competition in this area is intensifying.

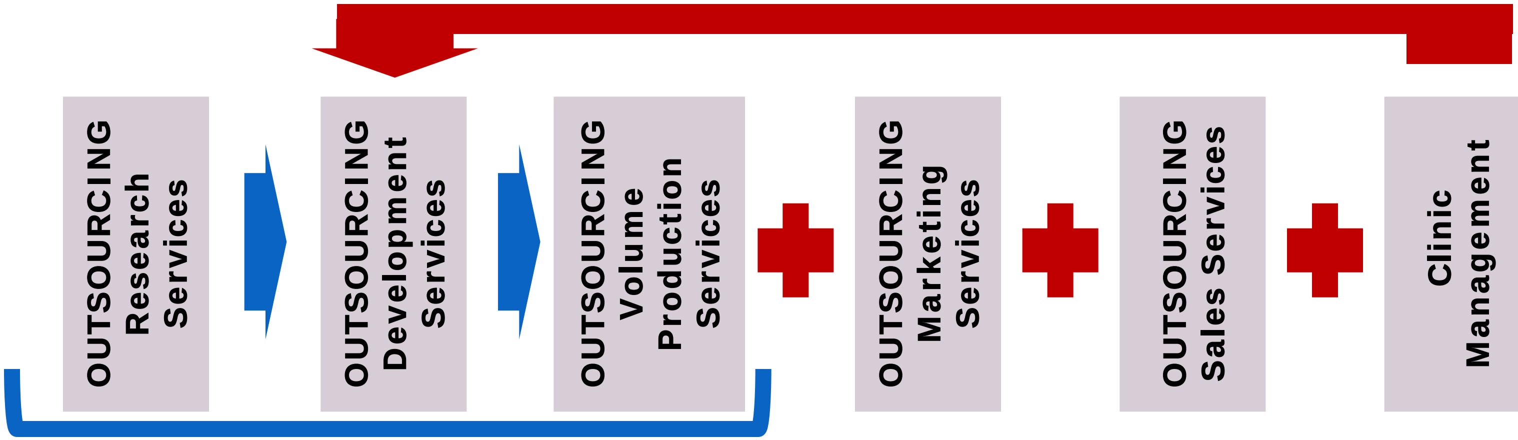
  - Meanwhile, the shortage of medical professionals and facilities to take advantage of these generic products is a growing concern.

Our contract with a clinical trial site, which can develop new applications for generic medicines, will begin in September

- We have concluded outsourced monitoring service contracts with several generic drug manufacturers.
- Demand for our services is growing among our existing drug maker clients as well
- Due to increasing demand for our monitoring service, we are now working to secure integrated service contracts for drug development projects, which include data management, statistics analyses and product quality control.

Integrated Contracting Services by Industry-Specific SubsidiaryⅢ: Pharmaceutical & Chemicals Group

- Our Medico-Chemical Strategy for 2010-2012



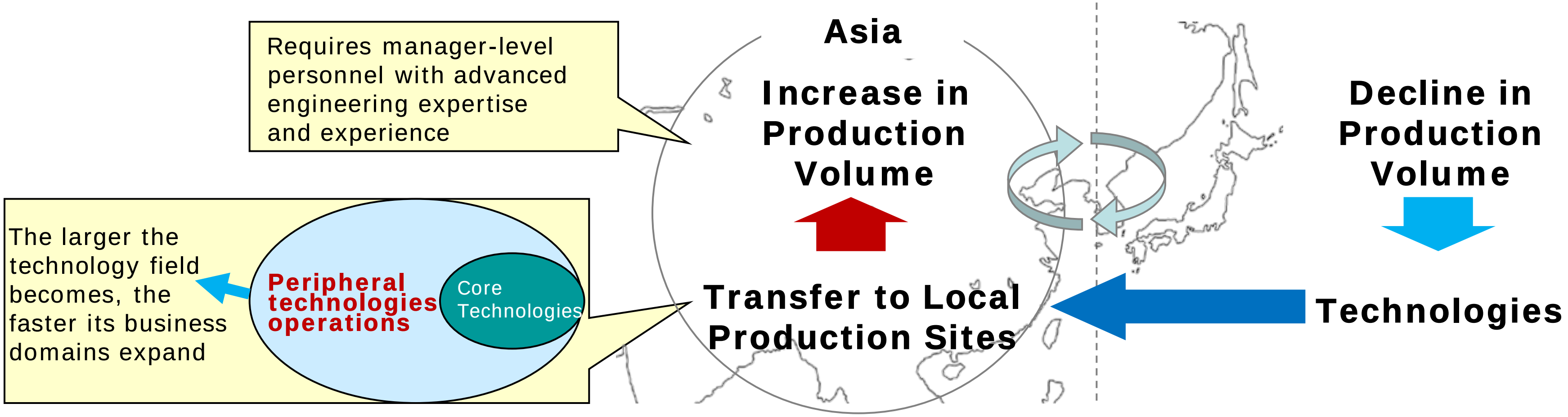
In the pharmaceutical and chemicals fields, an integrated service contract, in which research leads to development, which then leads to volume production, can be extended for more than ten years.

By collaborating with a manufacturer to develop marketing and sales strategies, we can sustain our partnership with clients on a long-term basis. Moreover, by carrying out development services for pharmaceutical companies at our clinical trial center, that can ultimately lead to outsourced contracting for volume production—creating an ever-expanding dynamic of business opportunities.

Overseas Operations

- Established Overseas Business Department in December 2009
  - Recruited personnel experienced in launching Japanese subsidiaries in several foreign countries, including China
- Launch of Shanghai-Based Out-Sourcing China, Inc. Expected on August 20, 2010
  - Basic Strategy
    - Provide local enterprises with quality engineering solutions through collaborative effort of our Group's industry-specific subsidiaries
    - By winning engineering contracts, establish an integrated service contract framework that spans R&D to volume production for specific technology fields
    - Provide Japanese expertise in R&D and production to local enterprises in need of such know-how
  - H2 Strategies: Provide Highly Specialized Outsourced Services Based on Our Group's Expertise
    - Win engineering training and consultation service contracts supervised by our Group's engineering professionals
    - Enlist local enterprises to adopt a training system for candidates fast-tracked for management positions developed by our Group
    - Win technology-related service contracts proposed as a result of a collaborative effort by our Group's industry-specific subsidiaries
      - Win engineering service contracts from local enterprises working in the transport equipment field
      - Win engineering service contracts from local enterprises working in the electrical and electronics fields
      - Win engineering service contracts from local enterprises working in the pharmaceutical and chemicals fields

● 2010-2012 Asia Business Plan



① Strategy addressing needs of Japanese companies ready to transfer production overseas

Need for supervisors with production management skills is growing locally

Provide a training system for engineers based on Techno Smile expertise and our marketing know-how

② Strategy addressing needs of Japanese companies ready to transfer R&D functions overseas

Need for a core engineering corps that can carry out R&D is growing locally

Set up a placement service for foreign engineers using our Group’s experience in engineer placement

③ Strategy addressing needs of Japanese companies targeting consumer markets in Asia

Set up local subsidiaries and capitalize on the expanding need for outsourced contracting services

By implementing the three strategies, it will be possible to provide the full range of outsourced contracting services, from R&D to production

Revised Earnings Figures and FY12/10 Forecast

Summary of FY12/10 Revised Earnings Figures

<H2>

Consolidated (¥Million)	FY12/10 Q2 (Previous Forecast) (dated Feb. 10, 2010)		FY12/10 Q2 (Revised Forecast) (as of Jul. 14, 2010)				FY12/10 Q2 Actual
	Amount	Composition Ratio	Amount	Composition Ratio	Change in Amount	Change in Percentage	
Net Sales	12,300	100.0%	12,800	100.0%	500	4.1%	12,839
Operating Income	520	4.2%	230	1.8%	△ 290	-55.8%	256
Ordinary Income	570	4.6%	370	2.9%	△ 200	-35.1%	379
Net Income	340	2.8%	160	1.3%	△ 180	-52.9%	162

Consolidated (¥Million)	FY12/10 Full Year (Previous Forecast) (dated Feb. 10, 2010)		FY12/10 Full Year (Revised Forecast) (as of Jul. 14, 2010)			
	Amount	Composition Ratio	Amount	Composition Ratio	Change in Amount	Change in Percentage
Net Sales	26,000	100.0%	28,500	100.0%	2,500	9.6%
Operating Income	1,600	6.2%	1,600	5.6%	0	-
Ordinary Income	1,700	6.5%	1,800	6.3%	100	5.9%
Net Income	1,000	3.8%	1,050	3.7%	50	5.0%

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Nonconsolidated (¥Million)	FY12/10 Q2 (Previous Forecast) (dated Feb. 10, 2010)		FY12/10 Q2 (Revised Forecast) (as of Jul. 14, 2010)				FY12/10 Q2 Actual
	Amount	Composition Ratio	Amount	Composition Ratio	Change in Amount	Change in Percentage	
Net Sales	6,900	100.0%	7,750	100.0%	850	12.3%	7,765
Operating Income	160	2.3%	280	3.6%	120	75.0%	305
Ordinary Income	200	2.9%	350	4.5%	150	75.0%	373
Net Income	120	1.7%	200	2.6%	80	66.7%	211

Nonconsolidated (¥Million)	FY12/10 Full Year (Previous Forecast) (dated Feb. 10, 2010)		FY12/10 Full Year (Revised Forecast) (as of Jul. 14, 2010)			
	Amount	Composition Ratio	Amount	Composition Ratio	Change in Amount	Change in Percentage
Net Sales	14,600	100.0%	16,400	100.0%	1,800	12.3%
Operating Income	500	3.4%	800	4.9%	300	60.0%
Ordinary Income	580	4.0%	900	5.5%	320	55.2%
Net Income	350	2.4%	550	3.4%	200	57.1%

Summary of Consolidated Earnings Forecast

(Unit: ¥Million)	FY12/09 Full Year (Actual)		FY12/10 H1 (Actual)		FY12/10 H2 (Actual)		FY12/10 Full Year (Forecast)		Y/Y Change	
	Amount	Composition Ratio	Amount	Composition Ratio	Amount	Composition Ratio	Amount	Composition Ratio	Amount	Percentage
Net Sales	**17,964**	**100.0%**	**12,839**	**100.0%**	**15,660**	**100.0%**	**28,500**	**100.0%**	**10,536**	**58.7%**
Cost of Sales	14,578	-	**10,294**	-	-	-	-	-	-	-
Gross Profit	**3,386**	**18.9%**	**2,545**	**19.8%**	-	-	-	-	-	-
SG&A	3,536	-	**2,288**	-	-	-	-	-	-	-
Operating Income	**△ 150**	**-0.8%**	**256**	**2.0%**	**1,343**	**8.6%**	**1,600**	**5.6%**	**1,750**	**-**
Nonoperating Income	318	-	**311**	-	-	-	-	-	-	-
Nonoperating Expenditures	146	-	**188**	-	-	-	-	-	-	-
Ordinary Income	**22**	**0.1%**	**379**	**3.0%**	**1,420**	**9.1%**	**1,800**	**6.3%**	**1,778**	**8081.8%**
Extraordinary Income	6	-	**31**	-	-	-	-	-	-	-
Extraordinary loss	205	-	**58**	-	-	-	-	-	-	-
Net Income	**△ 215**	**-1.2%**	**162**	**1.3%**	**887**	**5.7%**	**1,050**	**3.7%**	**1,265**	**-**

Summary of Dividend Forecast Revision for FY12/10

(¥)	Dividend per Share Q1	Q2	Q3	Term End	Total
Previous Forecast (as of Feb. 10, 2010)	**-**	**0.00**	**-**	**672.00**	**672.00**
Revised Forecast (as of Jul. 14, 2010)	**-**	**0.00**	**-**	**721.00**	**721.00**
FY12/10 Actual	**-**	**0.00**	**-**		
FY12/09 Actual	**-**	**0.00**	**-**	**644.00**	**644.00**

- Based on our Group's dividend policy mandating a payout ratio of 10%, we revised upward to ¥721 per share our dividend forecast for this fiscal year's end. This is in response to the upward revision of net profit for FY12/10.

Mid-Term Vision for OUTSOURCING Group

- Our objective is to achieve an average annual growth rate of ordinary income of 50% or more over the next three years. We set this target as a result of having acquired through M&A and other means the necessary business resources to fully meet the complex new needs of manufacturers, which are in the process of recovering from the financial crisis of 2008.

Reference

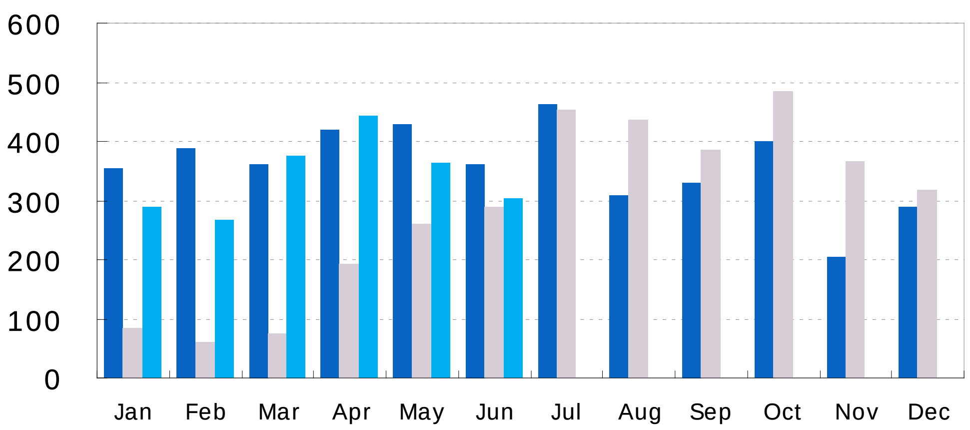
Quarterly Financial Results

(Unit: ¥Million)	FY12/09				FY12/10	
	Actual Q1	Actual Q2	Actual Q3	Actual Q4	Actual Q1	Actual Q2
Net Sales	4,007	3,725	4,397	5,832	6,282	6,557
Gross Profit	487	687	877	1,332	1,282	1,262
Gross Margin	12.2%	18.5%	20.0%	22.9%	20.4%	19.3%
SG&A	791	758	826	1,159	1,154	1,134
SG&A Ratio	19.7%	20.4%	18.8%	19.9%	18.4%	17.3%
Operating Income	△ 303	△ 70	51	172	128	128
Operating Margin	-7.6%	-1.9%	1.2%	3.0%	2.0%	2.0%
Ordinary Income	△ 274	△ 32	90	238	207	172
Ordinary Income Ratio	-6.9%	-0.9%	2.1%	4.1%	3.3%	2.6%

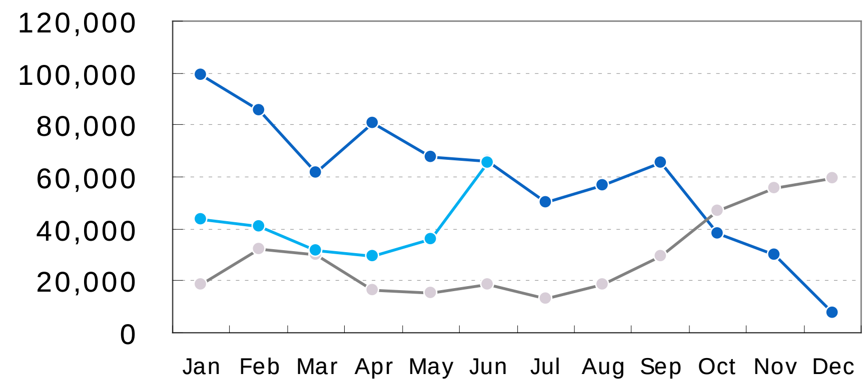
Quarter-on -Quarter	FY12/09				FY12/10	
Change Ratio	Actual Q1	Actual Q2	Actual Q3	Actual Q4	Actual Q1	Actual Q2
Net Sales	-31.3%	-7.0%	18.0%	32.6%	7.7%	4.4%
Gross Profit	-56.6%	41.1%	27.6%	51.8%	-3.8%	-1.6%
SG&A	-2.1%	-4.1%	8.9%	40.4%	-0.5%	-1.7%
Operating Income	-	-	-	236.7%	-25.6%	0.0%
Ordinary Income	-	-	-	162.4%	-12.8%	-17.0%

Monthly Changes in Recruiting Cost of Production Outsourcing Business per Head (Nonconsolidated)

(Persons) Monthly Number of Recruits

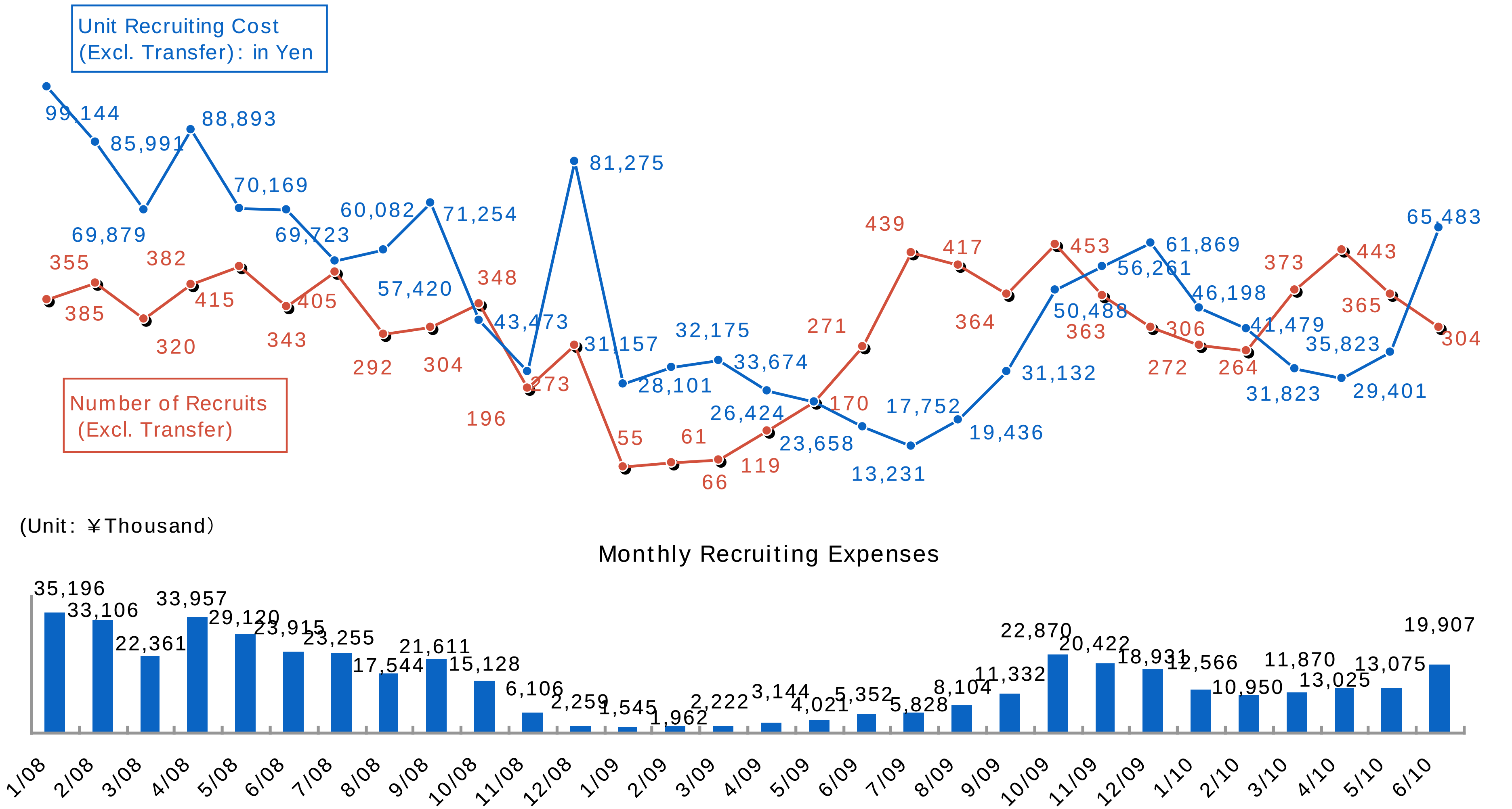


(¥) Monthly Unit Recruiting Cost

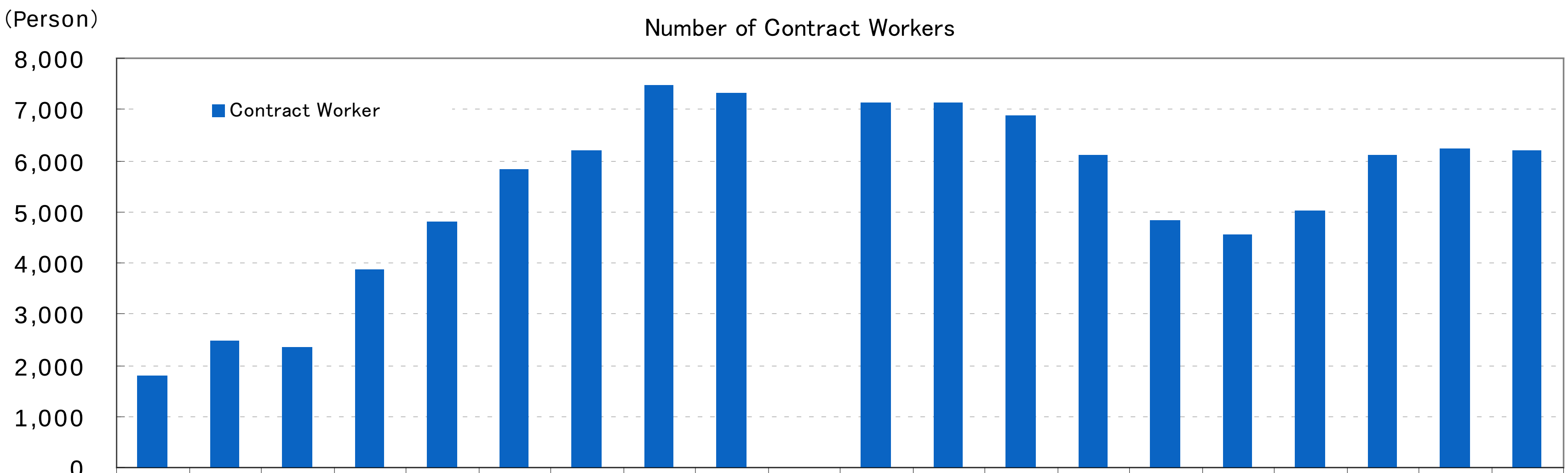


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
No. of Recruits (incl. Transfer) in 2008	355	387	362	420	430	361	463	308	331	399	205	290
No. of Recruits (incl. Transfer) in 2009	85	61	74	193	261	290	452	436	385	485	366	318
No. of Recruits (incl. Transfer) in 2010	289	267	375	444	365	304						
Unit Recruiting Cost (incl. Transfer) in 2008	99,144	85,546	61,772	80,850	67,721	66,247	50,227	56,961	65,441	37,917	29,789	7,790
Unit Recruiting Cost (incl. Transfer) in 2009	18,813	32,175	30,034	16,292	15,410	18,458	12,850	18,589	29,434	47,157	55,800	59,534
Unit Recruiting Cost (incl. Transfer) in 2010	43,480	41,013	31,653	29,335	35,823	65,483						

Monthly Changes in Recruiting Cost of Production Outsourcing Business (Nonconsolidated)



Quarterly Changes in Number of Contract Workers



	12/99	12/00	12/01	12/02	12/03	12/04	12/05	12/06	12/07		3/08	6/08	9/08	12/08	3/09	6/09	9/09	12/09	3/10	6/10
Contract Worker	1,809	2,478	2,351	3,890	4,821	5,823	6,209	7,468	7,324		7,124	7,130	6,884	6,102	4,824	4,559	5,030	6,109	6,223	6,192

※ Contract workers are those working at clients' manufactureres' worksites, including currently active temp. workers.

OuT-Sourcing!

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 differ materially from those projected

株式会社アウトソーシング!

Corporate Planning Office
OUTSOURCING Inc.
TEL: 8-54-281-4888 FAX: 8-54-654-3101
E-Mail:os-ir@outsourcing.co.jp
URL:http://www.outsourcing.co.jp