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

Financial Results for the 2nd Quarter of Fiscal Year Ending December 31, 2018

August 2018

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Consolidated Financial Results for Q2 FY12/18 (IFRS)

Consolidated Financial Results for Q2 FY12/18 (IFRS)

Consolidated Financial Results Summary

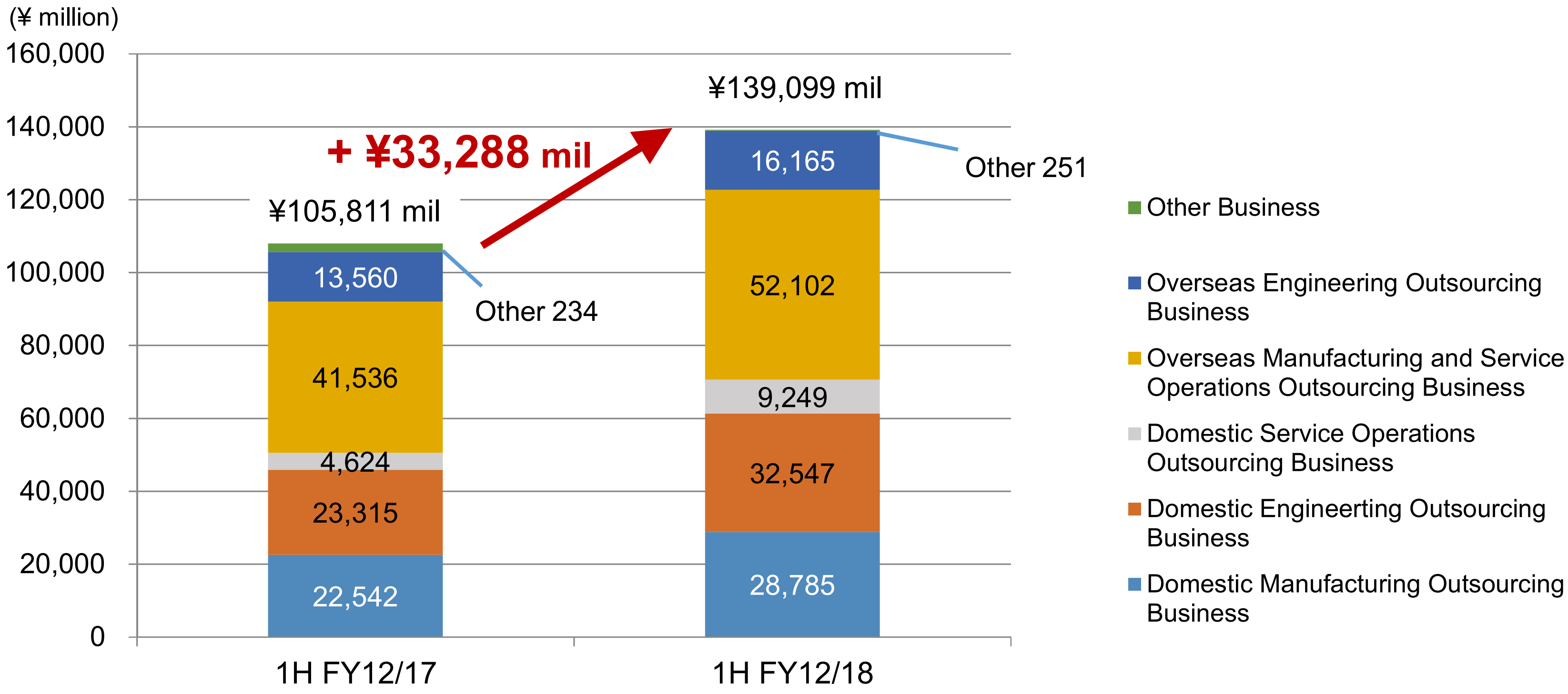
(¥ million)	FY12/17 1H Actual		FY12/18 1H Actual		YoY Changes	
	Amount	Composition Ratio	Amount	Composition Ratio	Amount	Ratio
Revenue	**105,811**	**100.0%**	**139,099**	**100.0%**	**33,288**	**31.5%**
Cost of sales	86,035	81.3%	112,618	81.0%	26,583	30.9%
Gross profit	**19,776**	**18.7%**	**26,481**	**19.0%**	**6,705**	**33.9%**
SG&A expenses	16,489	15.6%	21,514	15.5%	5,025	30.5%
Operating profit	**3,474**	**3.3%**	**4,908**	**3.5%**	**1,434**	**41.3%**
Profit before tax	3,075	2.9%	3,887	2.8%	812	26.4%
Profit for the period	1,740	1.6%	2,465	1.8%	725	41.7%
Profit attributable to owners of the Company	**1,390**	**1.3%**	**2,069**	**1.5%**	**679**	**48.9%**

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

Highlights of Consolidated Financial Results

Revenue ¥139,099 million (+31.5% YoY)

- Through generating group synergies, all segments grew.
  - Through accurate response to special demand-type needs arising from revised labor law and industrial paradigm changes such as autonomous driving vehicles etc., Japan business grew sharply.
  - Overseas business expanded favorably on progress in the scheme to establish cross-border mobility HR services on a global scale for sourcing staff from countries with abundant workforces to countries with tight labor markets.

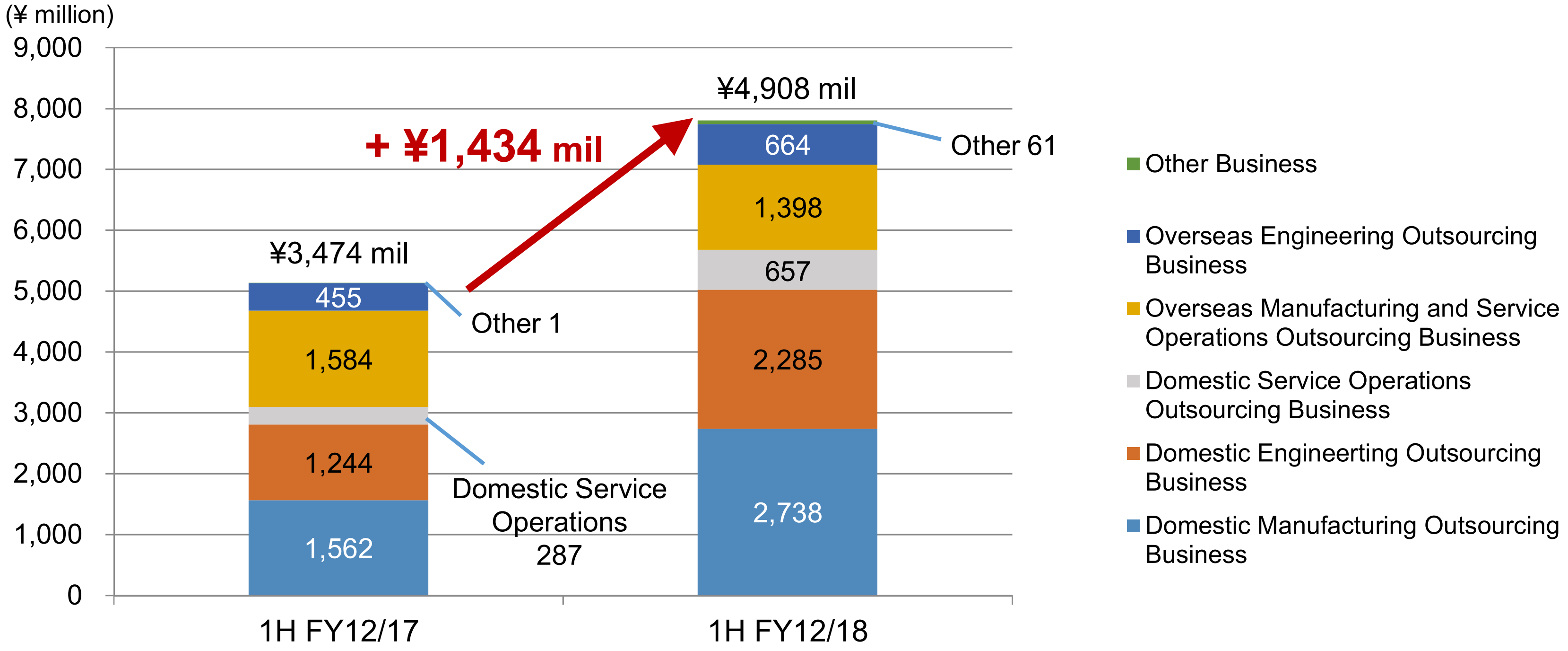


*1H FY12/17 segments in the graph have been restated to correspond to new segment classifications from FY12/18.

Highlights of Consolidated Financial Results

Operating Profit ¥ 4,908 million (+41.3% YoY)

- While the budget contains liberal provision for investment expense for new growth, that is being offset by growth in revenue and growth in high unit price orders, with operating profit growing by +41.3%.
  - This absorbed M&A costs including OTTO and pre-assignment training costs for roughly 1,400 new graduate hires.



*1H FY12/17 segments in the graph have been restated to correspond to new segment classifications from FY12/18.

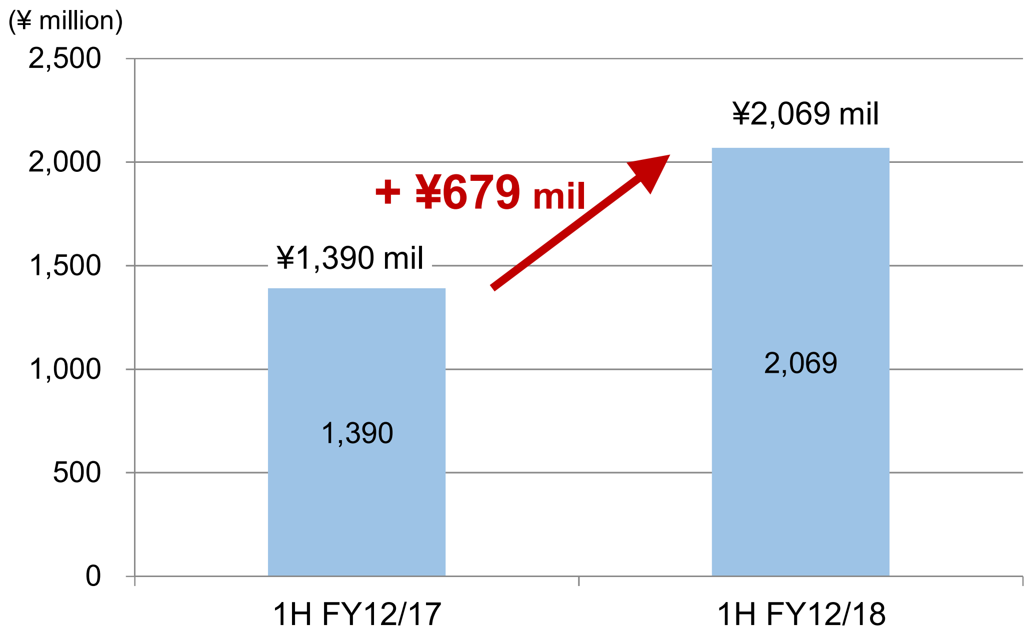
*The operating profit adjustments (1H FY12/17 -¥1,659 million and 1H FY12/18 -¥2,895 million) are not shown in the graph but are reflected in the total operating profit amounts.

Consolidated Financial Results for Q2 FY12/18 (IFRS)

● Highlights of Consolidated Financial Results

Profit Attributable to Owners of the Company ¥ 2,069 million (+48.9% YoY)

- Due to strong growth in revenue and operating profit, profit attributable to owners of the Company renewed a record level by a wide margin.



- Highlights of Consolidated Financial Results

Overview by Operating Segment

Domestic Manufacturing Outsourcing Business

1H FY12/18: Revenue ￥28,785 million (+27.7% YoY) :Operating Profit ¥2,738 million (+75.4% YoY)

Through proposal and promotion of differentiated, high value-added schemes that are not simply increasing workers for production hikes, both orders and contract unit prices increased.

Ratio of gross profit increased by 1.1pp YoY to 24.7%.

Ratio of operating profit increased by 2.6pp YoY to 9.5% from the increase in ratio of gross profit and decline in the ratio of SG&A expenses.

High value-added schemes including PEO and technical intern trainees etc. will accelerate further going forward.

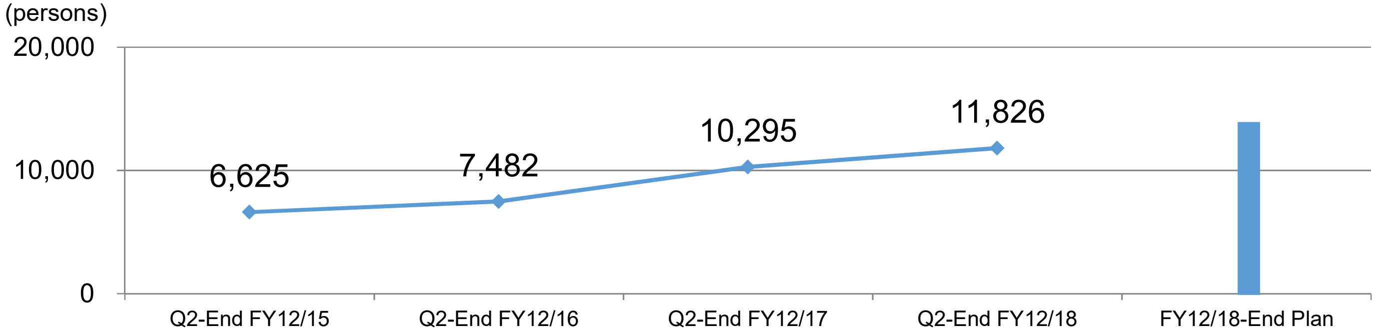
Highlights of Consolidated Financial Results

Overview by Operating Segment

Domestic Manufacturing Outsourcing Business

- Number of enrolled workers for Domestic Manufacturing Outsourcing Business
  (excluding the number of workers under administrative contract and recruiting and placing)

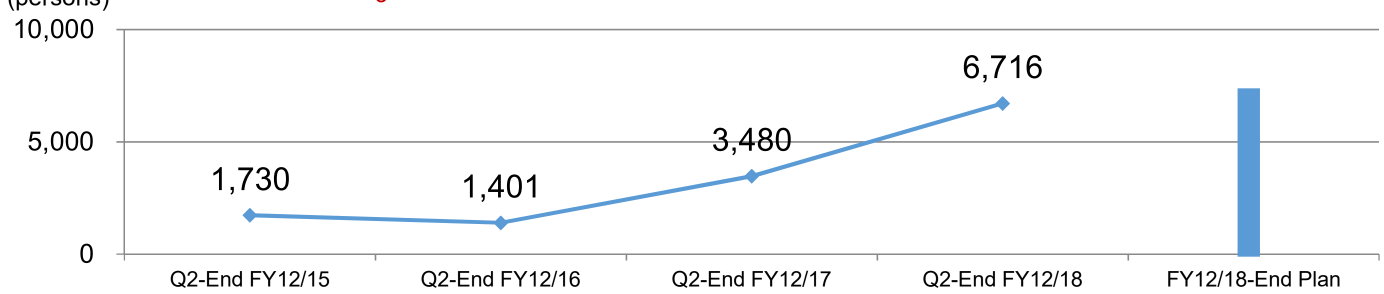
Under the Revised Labor Contracts Act, the PEO Scheme is trending favorably, with the number of enrolled workers, which is directly linked to earnings growth, increasing. *1 *2



As of the end of FY12/18 plan: 15,636 enrolled

- Number of workers under administration

As a replacement for fixed-term contract employees directly hired by maker, administrative support work for the increasing introduction of technical intern trainees are growing steadily. *3



As of the end of FY12/18 plan:
7,989 under administration

*1 → Please refer to P.34, *2 → P.33-38, *3 → P.34

Highlights of Consolidated Financial Results

Overview by Operating Segment

Domestic Engineering Outsourcing Business

1H FY12/18: Revenue ¥ 32,547 million (+39.6% YoY) :Operating Profit ¥2,285 million (+83.7% YoY)

- Hiring of new graduates: 1,050 (joined April 2018)

  Now as required technology cycles are getting shorter, applicants are increasing from student popularity of entry into various engineering fields including IT, construction, automobiles etc.

- KEN School scheme: 734 (1H cumulative hires)

  The scheme for training general applicants without technical skills in the OS Group's KEN School and then assigning them is advancing favorably.

- Taking in natural industry consolidation: 360 (1H cumulative hires)

  In the wake of the Revised Worker Dispatching Act, taking in personnel from competitors which can no longer survive as going concerns is progressing favorably. *4

Ratio of gross profit tends to decline in the 2Q due to pre-assignment training cost for new graduates, however unit price hikes negotiated with clients etc. resulted in a YoY rise by 2.4pp to 23.5%.

Against the backdrop of growth in the engineer dispatch industry due to tight conditions for hiring engineers, the OS Group is securing the hiring of many engineers through proprietary schemes, which will boost earnings growth from the Q3 onward. *5

*4 → please refer to P.34 *5 → please refer to P.39

Highlights of Consolidated Financial Results

Overview by Operating Segment

Domestic Engineering Outsourcing Business

Engineer hiring through proprietary schemes

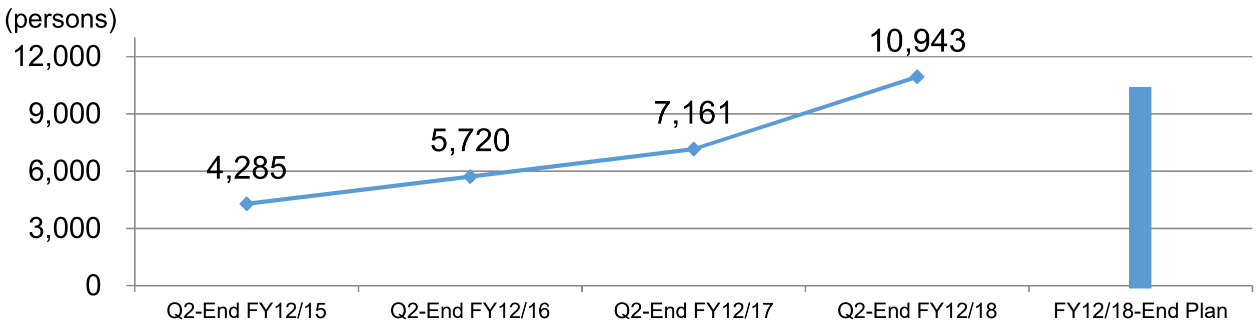
・KEN School scheme

Q2 plan: 370 engineers ⇒ actual 372 engineers 1H actual: 734 engineers Full-Year plan: 1,500 engineers

・Taking in natural industry consolidation

Q2 plan: 165 engineers ⇒ actual 155 engineers 1H actual: 360 engineers Full-Year plan: 650 engineers

Hiring of both new graduates and mid-career employees expanded, making progress toward the year-end target for the number of enrolled employees for Domestic Engineering Outsourcing.



As the end of FY12/18 plan: 11,534 engineers

Highlights of Consolidated Financial Results

Overview by Operating Segment

Domestic Service Operations Outsourcing Business

1H FY12/18: Revenue ¥9,249 million (+100.0% YoY) :Operating Profit ¥657 million (+129.0% YoY)

- AEC (AMERICAN ENGINEERING CORPORATION) gained an expanded bonded insurance framework required for bidding in auctions by joining the OS Group, and orders for maintenance and repairs of buildings and facilities in US military bases increased, boosting earnings growth.

- Expanding development of dispatching business such as for welfare facilities to over 20 locations nationwide of the major US military bases, leveraging the Group's domestic sales network.

In the FY2017 sales ranking of companies in Okinawa Prefecture, AEC ranked No.1 for the highest growth in revenue, realizing further growth in FY2018.

*Source: Tokyo Shoko Research (TSR) Okinawa branch, announced July 27, 2018

米軍の空調工事好調

アメリカンエンジニアコーポ

増収率1位 2期ぶり100億円超

増収率トップはアメリカンエンジニアコーポレイションで、米軍基地の空調工事を中心に実績を上げ大幅に伸びた。2期ぶりに売上高が100億円を超えた。

2位の那覇鋼材は、建設需要の拡大に加え、鉄筋加工センターの建設効果もあり、100億円を突破し過去最高だった。3位の沖縄出光は、原油価格の高騰を受けて増収。4位は沖縄砂利採取事業協同組合で、那覇空港第2滑走路増設工事への出荷で伸びた。

5位の拓南製鐵は単価上昇と販売量増が重なった。6位は小野建沖縄でホテルなどの大型施設などの受注があった。7位の琉球海運は新造船投入もあり、輸送量が増えた。

8位は沖縄協同ガスで住設機器の需要があった。9位の全保連は家賃保証の契約件数を伸ばしている。10位は、石油とガスの単価が上昇したりゅうせきだった。

増収率上位10社

順位	商号	増収率 (%)	当期売上高 (百万円)	前期売上高 (百万円)
1	アメリカンエンジニアコーポレイション	57.9	15.766	9.985
2	那覇鋼材	28.5	11.916	9.274
3	沖縄出光	24.8	32.919	26.379
4	沖縄砂利採取事業	17.4	8.301	7.068
5	拓南製鐵	17.4	13.029	11.097
6	小野建沖縄	15.4	9.813	8.505
7	琉球海運	15.4	18.902	16.385
8	沖縄協同ガス	14.9	8.087	7.041
9	全保連	14.8	11.766	10.250
10	りゅうせき	14.6	59.810	52.187

Excerpt from *"The Okinawa Times,"* dated July 28, 2018

● Highlights of Consolidated Financial Results

Overview by Operating Segment

Overseas Manufacturing and Service Operations Outsourcing Business

1H FY12/18: Revenue ¥ 52,102 million (+25.4% YoY) :Operating Profit ¥1,398 million (-11.8% YoY)

Measures in response to Germany's revisions to labor-related laws in January finished during the Q1, and although 1H operating profit declined YoY due to the impact from the Q1, it exceeded initial plan by ¥156 million, posting a better than expected recovery.

・Both Manufacturing and Services Outsourcing were firm in Europe, Australia, South America and Asia, making progress on global cross-border mobility of human resources for Manufacturing Outsourcing, and for Services Outsourcing, HR services for government institutions and consignment payroll business which are less susceptible to economic fluctuation grew.

・OTTO Holding B.V. of the Netherlands (hereinafter OTTO) was acquired and made a subsidiary in May 2018.

In the EU mainly in the Netherlands and Poland, it has established a certain position in cross-border logistics and manufacturing HR services.

⇒ The background is the EU's characteristic of free movement of people, goods, capital and services.

The earnings of acquired OTTO will make a full contribution from the Q3 onward, additionally generating synergies with OS Group companies in Europe. *6

*6 → Please refer to P.40

● Highlights of Consolidated Financial Results

Overview by Operating Segment

Overseas Engineering Outsourcing Business

1H FY12/18: Revenue ¥ 16,165 million (+19.2% YoY) : Operating Profit ¥664 million (+46.1% YoY)

In Europe and Australia, BPO contract business using proprietary in-house developed systems for central and local governments and privatized outsourcing of work for public facilities, which are less susceptible to economic fluctuation, and contract business for financial institutions grew.

For government-related contract business, the OS Group is promoting higher level contract business than in the past.

Consolidated Financial Results for Q2 FY12/18 (IFRS)

Consolidated Financial Results (Quarterly Trends)

(¥ million)	FY12/17 Actual					FY12/18 Actual	
	Q1	Q2	Q3	Q4	Full-Year	Q1	Q2
Revenue	50,238	55,573	59,704	64,657	230,172	63,198	75,901
Gross profit	9,343	10,433	11,977	14,063	45,816	12,250	14,231
Ratio of gross profit	18.6%	18.8%	20.1%	21.8%	19.9%	19.4%	18.7%
SG&A expenses	8,009	8,480	8,929	9,368	34,786	9,922	11,592
Ratio of SG&A expenses	15.9%	15.3%	15.0%	14.5%	15.1%	15.7%	15.3%
Operating profit	1,422	2,052	3,231	4,655	11,360	2,050	2,858
Ratio of operating profit	2.8%	3.7%	5.4%	7.2%	4.9%	3.2%	3.8%
Profit before tax	1,239	1,836	2,935	4,385	10,395	1,935	1,952
Ratio of profit before tax	2.5%	3.3%	4.9%	6.8%	4.5%	3.1%	2.6%
Profit attributable to owners of the Company	544	846	1,750	3,040	6,180	1,186	883
Ratio of profit attributable to owners of the Company	1.1%	1.5%	2.9%	4.7%	2.7%	1.9%	1.2%

QoQ/YoY Changes	FY12/17 Actual					FY12/18 Actual	
	Q1	Q2	Q3	Q4	Full-Year	Q1	Q2
Revenue	22.6%	10.6%	7.4%	8.3%	71.4%	-2.3%	20.1%
Gross profit	4.6%	11.7%	14.8%	17.4%	65.0%	-12.9%	16.2%
SG&A expenses	27.7%	5.9%	5.3%	4.9%	60.7%	5.9%	16.8%
Operating profit	-12.0%	44.4%	57.4%	44.1%	104.2%	-56.0%	39.4%
Profit before tax	-31.8%	48.2%	59.8%	49.5%	110.5%	-55.9%	0.9%
Profit attributable to owners of the Company	-61.0%	55.4%	106.9%	73.7%	103.4%	-61.0%	-25.6%

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

Consolidated Financial Results for Q2 FY12/18 (IFRS)

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

(¥ million)		FY12/17 Actual Q1	FY12/17 Actual Q2	FY12/18 Actual Q1	FY12/18 Actual Q2
Domestic Manufacturing Outsourcing Business	Revenue	10,909	11,633	13,848	14,937
	Operating profit	655	907	1,368	1,370
	No. of worksite employees at term-end	9,480	10,295	11,050	11,826
	No. of outsourcing administrative workers at term-end	3,381	3,480	5,554	6,716
	No. of placed workers	834	1,065	818	1,033
Domestic Engineering Outsourcing Business	Revenue	11,279	12,306	15,359	17,188
	Operating profit	583	661	986	1,299
	No. of worksite employees at term-end	6,286	7,161	9,474	10,943
Domestic Service Operations Outsourcing Business	Revenue	823	3,801	4,574	4,675
	Operating profit	(5)	292	356	301
	No. of worksite employees at term-end	1,762	2,503	2,890	2,985
Overseas Manufacturing and Service Operations Outsourcing Business	Revenue	20,612	20,924	21,943	30,159
	Operating profit	929	655	380	1,018
	No. of worksite employees at term-end	31,953	32,219	32,281	46,034
Overseas Engineering Outsourcing Business	Revenue	6,491	7,069	7,329	8,836
	Operating profit	164	291	309	355
	No. of worksite employees at term-end	1,893	2,038	2,091	2,252
Other Business	Revenue	124	110	145	106
	Operating profit	8	(7)	19	42
	No. of worksite employees at term-end	4	5	3	3
Adjustments	Operating profit	(912)	(747)	(1,368)	(1,527)
Total	Revenue	50,238	55,573	63,198	75,901
	Operating profit	1,422	2,052	2,050	2,858

Revenue by Region (¥ million)	FY12/17 Actual Q1	FY12/17 Actual Q2	FY12/18 Actual Q1	FY12/18 Actual Q2
Japan	23,135	27,580	33,926	36,906
Asia (excl. Japan)	4,232	4,500	4,716	4,367
Oceania	8,685	9,540	9,149	11,133
Europe	12,922	12,866	14,057	21,785
South America	1,264	1,087	1,350	1,710
Total	50,238	55,573	63,198	75,901

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

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

Consolidated Financial Results for Q2 FY12/18 (IFRS)

Summary of Consolidated Statement of Financial Position

(¥ million)	FY12/17-End		Q2-End FY12/18		YoY Changes
	Amount	Composition Ratio	Amount	Composition Ratio	Amount
Current assets	**59,312**	**47.6%**	**79,371**	**50.9%**	**20,059**
(Cash and cash equivalents)	19,108	15.3%	20,368	13.1%	1,260
(Trade and other receivables)	34,390	27.6%	44,444	28.5%	10,054
(Inventories)	1,373	1.1%	1,589	1.0%	216
Non-current assets	**65,333**	**52.4%**	**76,701**	**49.1%**	**11,368**
Property, plant and equipment	6,922	5.6%	8,285	5.3%	1,363
Goodwill	39,239	31.5%	48,334	31.0%	9,095
Intangible assets	10,936	8.8%	10,685	6.8%	(251)
Other non-current financial assets	3,137	2.5%	4,281	2.7%	1,144
Total assets	**124,645**	**100.0%**	**156,072**	**100.0%**	**31,427**
Current liabilities	**51,594**	**41.4%**	**74,612**	**47.8%**	**23,018**
(Trade and other payables)	23,758	19.1%	32,133	20.6%	8,375
(Bonds and borrowings)	14,354	11.5%	26,669	17.1%	12,315
(Income tax payables)	4,659	3.7%	3,717	2.4%	(942)
Non-current liabilities	**46,294**	**37.1%**	**60,019**	**38.5%**	**13,725**
(Bonds and borrowings)	33,727	27.1%	43,568	27.9%	9,841
(Other non-current financial liabilities)	5,740	4.6%	9,832	6.3%	4,092
Total liabilities	**97,888**	**78.5%**	**134,631**	**86.3%**	**36,743**
Share capital	7,131	5.7%	7,139	4.6%	8
Share premium	8,843	7.1%	8,849	5.7%	6
Treasury shares	(0)	-0.0%	(0)	-0.0%	-
Other share premium	(5,814)	-4.7%	(10,542)	-6.8%	(4,728)
Retained earnings	14,057	11.3%	14,244	9.1%	187
Equity attributable to owners of the Company	**24,958**	**20.0%**	**18,607**	**11.9%**	**(6,351)**
Non-controlling interests	**1,799**	**1.5%**	**2,834**	**1.8%**	**1,035**
Equity	**26,757**	**21.5%**	**21,441**	**13.7%**	**(5,316)**
Total liabilities and equity	**124,645**	**100.0%**	**156,072**	**100.0%**	**31,427**

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

Trade and other receivables:

Increased from acquiring subsidiaries' shares and expanding business

Goodwill:

Increased from acquiring subsidiaries' shares

Bonds and borrowings:

Increased due to loans following business combination

Other non-current financial liabilities:

Increased due to booking liabilities following business combination

Other share premium:

Decreased due to accounting treatment following business combination

Consolidated Financial Results for Q2 FY12/18 (IFRS)

Summary of Consolidated Statement of Cash Flows

(¥ million)	FY12/17 1H Amount	FY12/18 1H Amount	YoY Changes Amount
Profit before tax	3,075	3,887	812
Depreciation and amortization	1,189	1,429	240
Decrease (increase) in trade and other receivables	(2,153)	(3,649)	(1,496)
Increase (decrease) in trade and other payables	2,166	4,247	2,081
Cash flows from operating activities	**3,733**	**2,278**	**(1,455)**
Payments for purchase of business	(6,169)	(11,280)	(5,111)
Cash flows from investing activities	**(5,507)**	**(17,080)**	**(11,573)**
Increase (decrease) of borrowings	(114)	18,851	18,965
Dividends paid	(733)	(1,937)	(1,204)
Cash flows from financing activities	**8,156**	**16,429**	**8,273**
Cash and cash equivalents at end of period	**18,267**	**20,368**	**2,101**

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

Cash flows from operating activities:

Decreased from increase in trade and other receivables

Cash flows from investing activities:

Decreased from increase in payments for purchases of business

Cash flows from financing activities:

Reflected increase of borrowings

Consolidated Financial Forecasts for FY12/18 (IFRS)

Consolidated Financial Forecasts for FY12/18 (IFRS)

Summary for FY12/18 Consolidated Financial Forecasts

(¥ million)	FY12/17 Actual				FY12/18 Actual	FY12/18 Forecasts				YoY Changes	
	1H	2H	Full-Year		1H	1H	2H	Full-Year			
	Amount	Amount	Amount	Composition Ratio	Amount	Amount	Amount	Amount	Composition Ratio	Amount	Ratio
Revenue	**105,811**	**124,361**	**230,172**	**100.0%**	**139,099**	**130,000**	**160,000**	**290,000**	**100.0%**	**59,828**	**26.0%**
Cost of sales	86,035	98,321	184,356	80.1%	112,618	-	-	-	-	-	-
Gross profit	**19,776**	**26,040**	**45,816**	**19.9%**	**26,481**	**-**	**-**	**-**	**-**	**-**	**-**
SG&A expenses	16,489	18,297	34,786	15.1%	21,514	-	-	-	-	-	-
Operating profit	**3,474**	**7,886**	**11,360**	**4.9%**	**4,908**	**3,700**	**10,100**	**13,800**	**4.8%**	**2,440**	**21.5%**
Finance income	227	135	362	0.2%	69	-	-	-	-	-	-
Finance costs	626	701	1,327	0.6%	1,090	-	-	-	-	-	-
Profit before tax	**3,075**	**7,320**	**10,395**	**4.5%**	**3,887**	**3,200**	**9,600**	**12,800**	**4.4%**	**2,405**	**23.1%**
Profit for the period	**1,740**	**5,189**	**6,929**	**3.0%**	**2,465**	**1,700**	**6,900**	**8,600**	**3.0%**	**1,671**	**24.1%**
Profit attributable to owners of the Company	**1,390**	**4,790**	**6,180**	**2.7%**	**2,069**	**1,100**	**5,800**	**6,900**	**2.4%**	**720**	**11.7%**

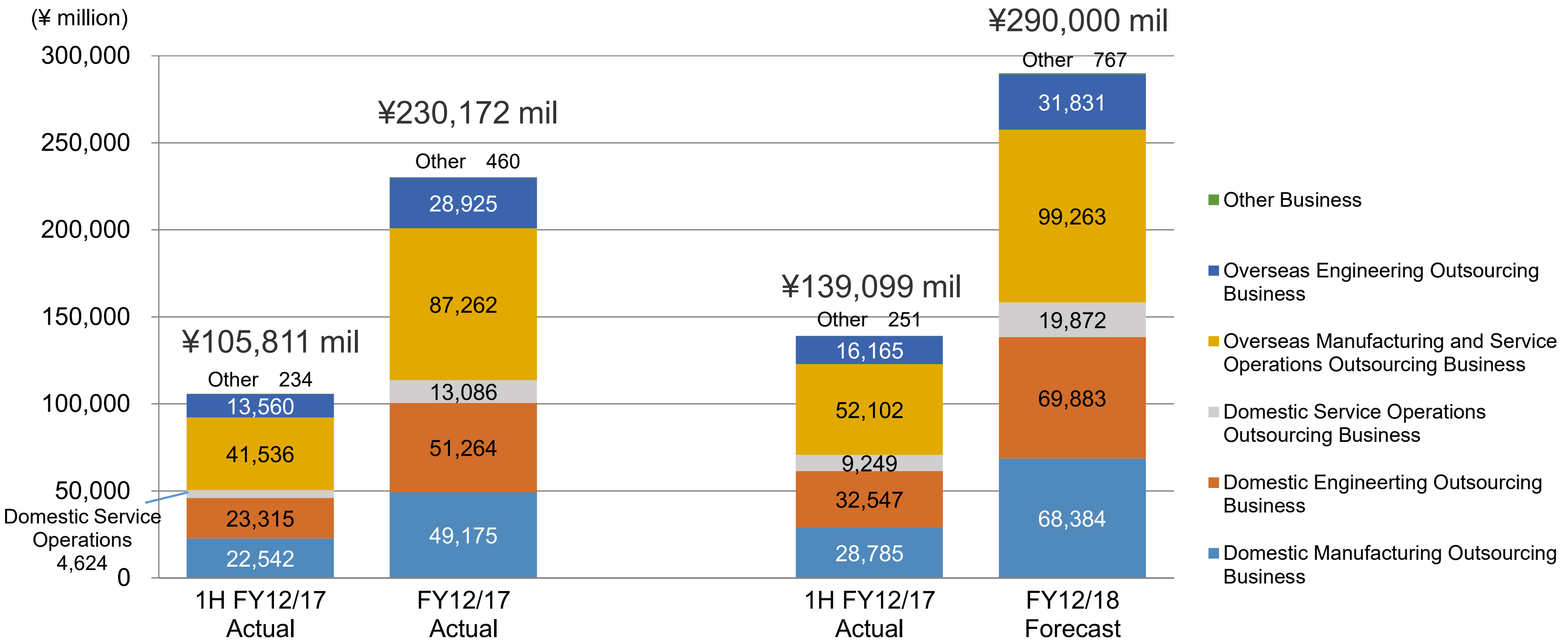
*The amounts shown are rounded off to the nearest million yen.

Consolidated Financial Forecasts for FY12/18 (IFRS)

Revenue

FY12/18 plan ¥290,000 million (+26.0% YoY)

*1H FY12/17 segments in the graph have been restated to correspond to new segment classifications from FY12/18.



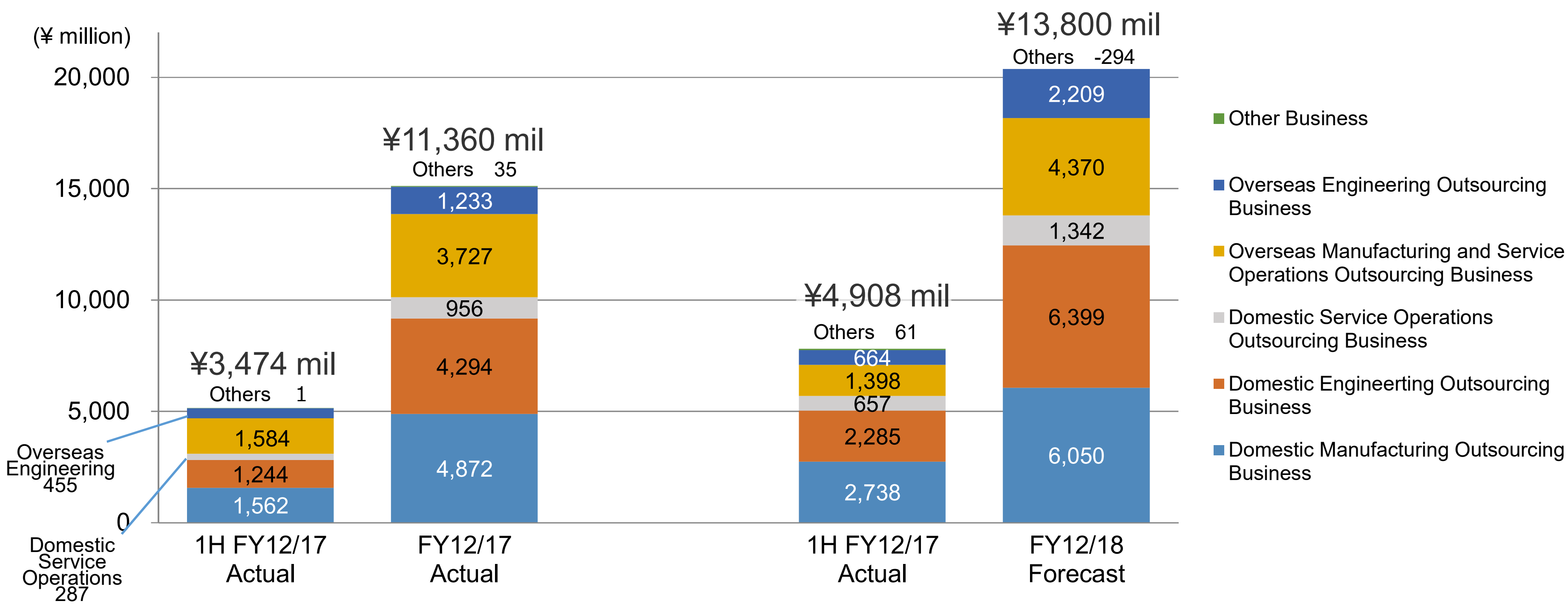
Achievement ratio: (1H versus Full-Year) FY12/17 46.0% ⇒ FY12/18 48.0% **+2.0pp**

*Operating segment classifications have been changed from FY12/18. Figures for each segment under the new classifications are unaudited.

Operating Profit

FY12/18 plan ¥13,800 million (+21.5% YoY)

*1H FY12/17 segments in the graph have been restated to correspond to new segment classifications from FY12/18.



Achievement ratio: (1H versus Full-Year) FY12/17 30.6% ⇒ FY12/18 35.6% **+5.0pp**

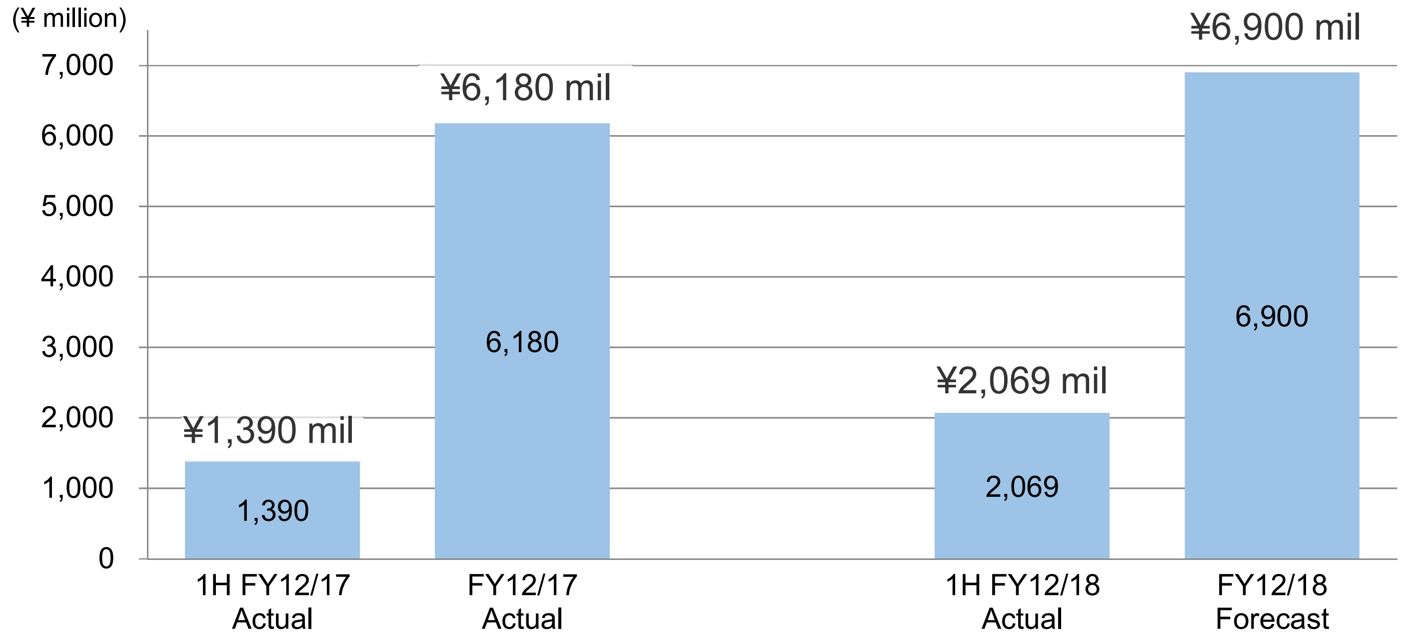
*The operating profit adjustments are not shown in the graph but are reflected in the total operating profit amounts.
1H FY12/17(act.) -¥1,659 million, FY12/17(act.)-¥3,759 million, 1H FY12/18(act.) -¥2,895 million, FY12/18(fcst.) -¥6,275 million.

*Operating segment classifications have been changed from FY12/18. Figures for each segment under the new classifications are unaudited.

Consolidated Financial Forecasts for FY12/18 (IFRS)

- Profit Attributable to Owners of the Company

FY12/18 plan ¥6,900 million (+11.7% YoY)



Achievement ratio: (1H versus Full-Year) FY12/17 22.5% ⇒ FY12/18 30.0% **+7.5pp**

Consolidated Financial Forecasts for FY12/18 (IFRS)

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

(¥ million)		FY12/17		FY12/18						
		Actual		Actual		Forecasts				
		Q1	Q2	Q1	Q2	Q3	Q4	1H	2H	Full-Year
Domestic Manufacturing Outsourcing Business	Revenue	10,909	11,633	13,848	14,937	17,470	21,534	29,380	39,004	68,384
	Operating profit	655	907	1,368	1,370	1,544	1,929	2,577	3,473	6,050
	No. of worksite employees at term-end	9,480	10,295	11,050	11,826	13,630	15,636	12,118	15,636	15,636
	No. of outsourcing administrative workers at term-end	3,381	3,480	5,554	6,716	7,309	7,989	6,626	7,989	7,989
	No. of placed workers	834	1,065	818	1,033	898	865	1,656	1,763	3,419
Domestic Engineering Outsourcing Business	Revenue	11,279	12,306	15,359	17,188	17,800	19,093	32,990	36,893	69,883
	Operating profit	583	661	986	1,299	1,459	2,846	2,094	4,305	6,399
	No. of worksite employees at term-end	6,286	7,161	9,474	10,943	11,091	11,534	10,495	11,534	11,534
Domestic Service Operations Outsourcing Business	Revenue	823	3,801	4,574	4,675	5,217	5,501	9,154	10,718	19,872
	Operating profit	(5)	292	356	301	429	442	471	871	1,342
	No. of worksite employees at term-end	1,762	2,503	2,890	2,985	4,822	5,316	4,090	5,316	5,316
Overseas Manufacturing and Service Operations Outsourcing Business	Revenue	20,612	20,924	21,943	30,159	27,800	28,158	43,305	55,958	99,263
	Operating profit	929	655	380	1,018	1,562	1,566	1,242	3,128	4,370
	No. of worksite employees at term-end	31,953	32,219	32,281	46,034	36,621	38,979	34,385	38,979	38,979
Overseas Engineering Outsourcing Business	Revenue	6,491	7,069	7,329	8,836	8,525	8,505	14,801	17,030	31,831
	Operating profit	164	291	309	355	730	780	699	1,510	2,209
	No. of worksite employees at term-end	1,893	2,038	2,091	2,252	2,144	2,113	2,242	2,113	2,113
Other Business	Revenue	124	110	145	106	188	209	370	397	767
	Operating profit	8	(7)	19	42	(79)	(76)	(139)	(155)	(294)
	No. of worksite employees at term-end	4	5	3	3	4	4	4	4	4
Adjustments	Operating profit	(912)	(747)	(1,368)	(1,527)	(1,645)	(1,387)	(3,243)	(3,032)	(6,275)
Total	Revenue	50,238	55,573	63,198	75,901	77,000	83,000	130,000	160,000	290,000
	Operating profit	1,422	2,052	2,050	2,858	4,000	6,100	3,700	10,100	13,800

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

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

Domestic Recruitment Plan for FY12/18

Annual and Semi-Annual Trends

		FY12/17 Actual 1H	FY12/17 Actual 2H	FY12/17 Actual Full-Year	FY12/18 Actual 1H	FY12/18 Forecasts 2H	FY12/18 Forecasts Full-Year
Manufacturing	**No. of workers recruited (persons)**	**3,888**	**3,959**	**7,847**	**4,329**	**5,884**	**9,411**
	Recruitment unit price (¥/worker)	64,349	67,669	66,024	78,465	70,142	82,519
Engineering	**No. of workers recruited (persons)**	**1,803**	**2,277**	**4,080**	**3,188**	**1,691**	**4,251**
	Recruitment unit price (¥/worker)	346,039	322,285	332,782	346,184	392,885	380,306
Service Operations	**No. of workers recruited (persons)**	**2,182**	**2,226**	**4,408**	**2,559**	**4,050**	**7,279**
	Recruitment unit price (¥/worker)	14,741	14,922	14,832	19,123	19,361	20,183
Recruiting and Placing	**No. of workers recruited (persons)**	**1,899**	**1,715**	**3,614**	**1,851**	**1,763**	**3,419**
	Recruitment unit price (¥/worker)	131,245	144,342	137,460	155,620	160,900	168,474

Quarterly Trends

		FY12/17 Actual Q1	FY12/17 Actual Q2	FY12/17 Actual Q3	FY12/17 Actual Q4	FY12/17 Actual Full-Year	FY12/18 Actual Q1	FY12/18 Actual Q2	FY12/18 Forecasts Q3	FY12/18 Forecasts Q4	FY12/18 Forecasts Full-Year
Manufacturing	**No. of workers recruited (persons)**	**1,729**	**2,159**	**1,994**	**1,965**	**7,847**	**1,681**	**2,648**	**2,672**	**3,212**	**9,411**
	Recruitment unit price (¥/worker)	73,625	56,920	70,294	65,004	66,024	101,105	64,093	81,194	60,948	82,519
Engineering	**No. of workers recruited (persons)**	**475**	**1,328**	**1,134**	**1,143**	**4,080**	**1,017**	**2,171**	**874**	**817**	**4,251**
	Recruitment unit price (¥/worker)	638,072	241,584	277,031	367,182	332,782	610,174	222,519	514,907	262,350	380,306
Service Operations	**No. of workers recruited (persons)**	**598**	**1,584**	**1,232**	**994**	**4,408**	**1,338**	**1,221**	**2,047**	**2,003**	**7,279**
	Recruitment unit price (¥/worker)	25,346	10,737	18,630	10,326	14,832	19,229	19,007	19,300	19,422	20,183
Recruiting and Placing	**No. of workers recruited (persons)**	**834**	**1,065**	**881**	**834**	**3,614**	**818**	**1,033**	**898**	**865**	**3,419**
	Recruitment unit price (¥/worker)	146,327	119,434	149,185	139,226	137,460	162,725	149,994	167,772	153,766	168,474

OUTSOURCING Group Venture Spirit

OUTSCOURCING Group Venture Spirit

- Risks currently being taken for the Company's global strategy

・Increase of goodwill from M&A (risk of valuation loss due to failure to achieve targets at the time of M&A)

・Risk associated with an increase of interest-bearing debt from strengthening global expansion (loan withdrawal/credit contraction during a financial crisis, etc.)

・Governance-related risk from an inadequate global management structure (compliance risk, etc.)

・Country risk (risks associated with political change, revisions of laws, etc.)

・・・etc.

All directors and employees of the Company understand these risks, constantly maintaining a sense of crisis, and focusing on risk-hedging.

The Company has determined that the aforementioned risks should be taken for future growth.

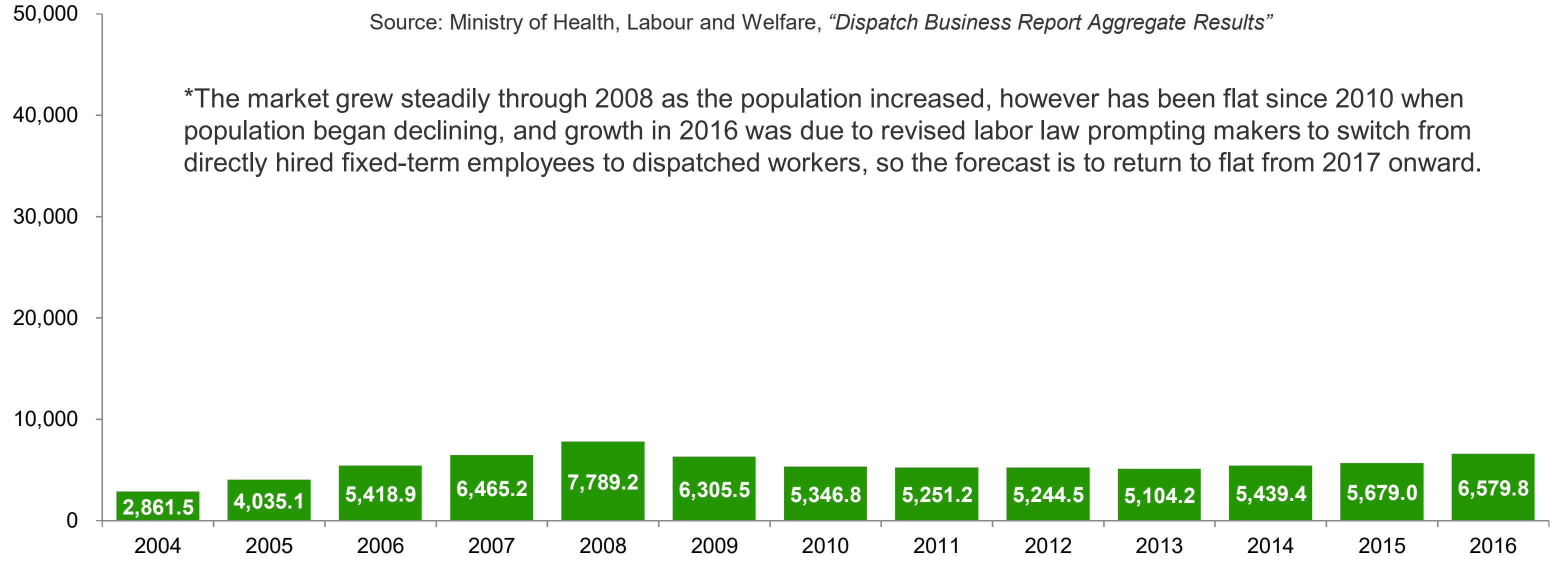
OUTSOURCING Group Venture Spirit

Relative risk from not taking the risks listed in P.26

Japan's dispatch sales

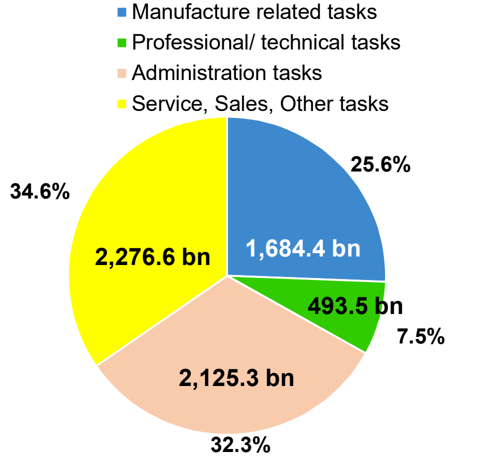
Source: Ministry of Health, Labour and Welfare, *"Dispatch Business Report Aggregate Results"*

*The market grew steadily through 2008 as the population increased, however has been flat since 2010 when population began declining, and growth in 2016 was due to revised labor law prompting makers to switch from directly hired fixed-term employees to dispatched workers, so the forecast is to return to flat from 2017 onward.



Dispatched workers by job type as percentage of total

Source: Ministry of Internal Affairs and Communications, *"Labor Force Survey,"* 2016 (annual)



Breakdown of agency work sales, 2016
(Total: ¥ 6,579.8 bn)

The domestic market in Japan is currently strong due to special demand associated with revised labor law and paradigm changes mainly for the auto industry.

⇒ Due to unit price increases from automakers etc., people are moving from other industries, however since the population is declining, it is a zero sum game element.

⇒ For Japan where the market was limited and small to begin with, going forward with population decline accelerating, long-term sustainable growth is not possible.

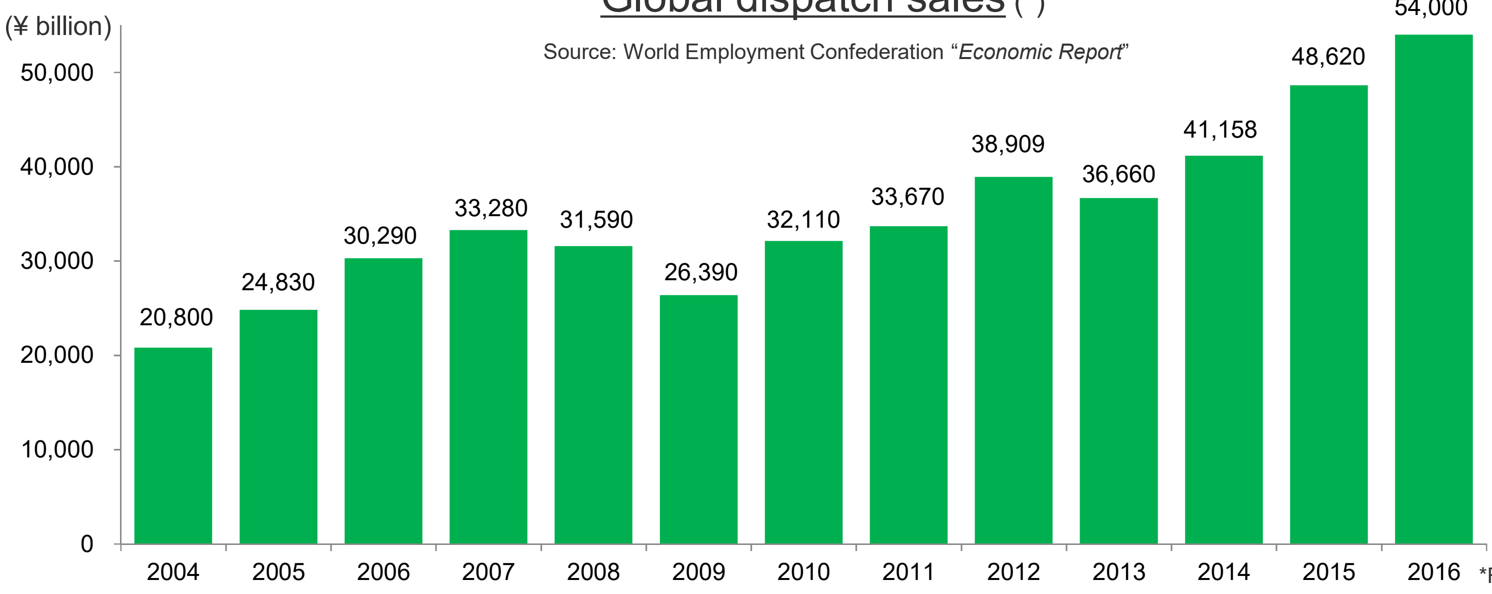
Even if we focus on paradigm changes for the auto industry etc., growth from the domestic market only is limited, with maximum upside of roughly ¥200 billion each for Manufacturing and Engineering outsourcing.

In the near future, there is risk of growth stagnating for individual dispatching firm with Japan-only business portfolios.

- Targeted return for risks assumed listed on P.26

Global dispatch sales (*)

Source: World Employment Confederation “*Economic Report*”



* Total sales of member work agencies and MSPs to the World Employment Confederation from global 50 nations. (MSP: Managed Services Provision, or a service whereby a company takes on primary responsibility for managing an organization customer’s contingent workforce plans by undertaking creation/ management of overall plans, selection/ management of supply agencies, consolidation of billings, etc.)

* Translated into JPY at JPY 130/ EUR for convenience as data in the original source are denominated in euros.

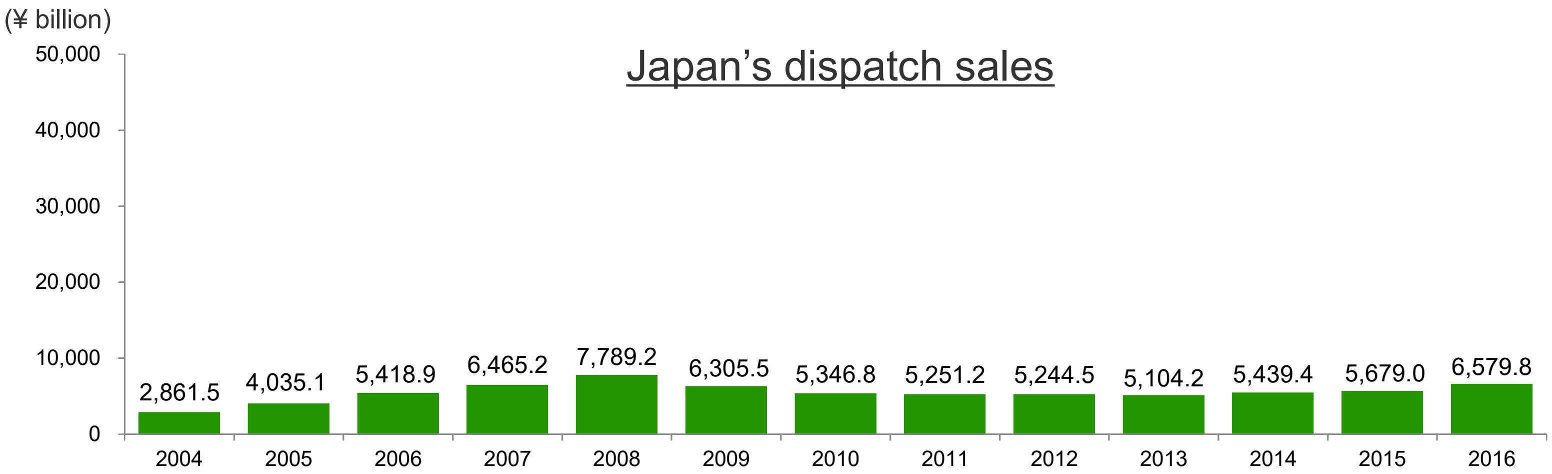
*Figure for 2016 is the Company’s estimate

World population is expected to increase from 7.5 billion to 10.0 billion in 2050, forecasting a continuous upwardly sloping market growth.

The top firm in the global dispatch market currently has annual sales of roughly ¥3 trillion, however competition is estimated to move to the ¥4-5 trillion level in the near future, 20-30 times the size of Japan.

For the OS Group, capturing a growth opportunity to revenue of several trillion yen

The business field of the OS Group



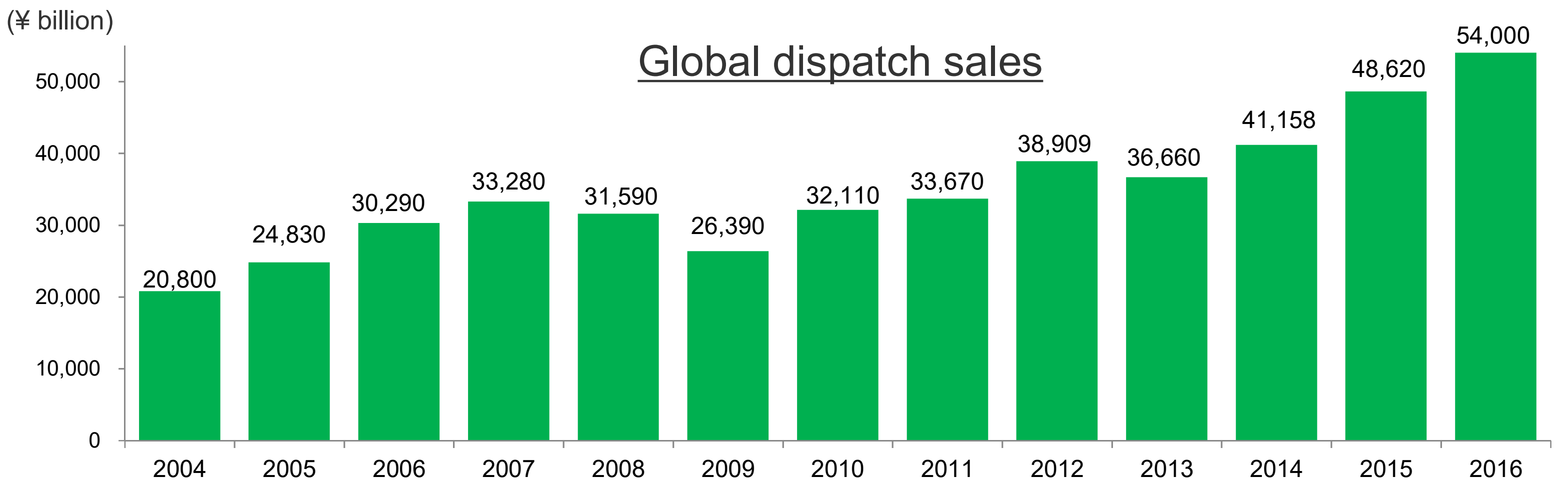


*Figure for 2016 is the Company's estimate

Unlimited potential to raise value for the Company's shareholders

The OUTSOURCING Group has absolutely no intention to compete under the old dispatch model in the Japanese market where reinvestment funds are not needed and continue to pour money into that market, fighting over the scraps of tiny growth.

The OUTSOURSING Group is aiming to become the No.1 outsourcing firm in the world.

OUTSOURCING Group Venture Spirit

- Targeted revenue levels for formulating the next Medium-Term Management Plan (MTP)

In Japan

For Manufacturing and Engineering Outsourcing, maximize capturing special demand arising from revised labor law and paradigm changes for the auto industry, and accelerate growth in areas expected to have long-term demand such as IT and AI engineers, technical intern trainees etc., becoming the dominant top company in Japan.

Overseas

For Manufacturing and Engineering Outsourcing, maximize capturing potential demand arising from growing populations through cross-border mobility of human resources globally, as well as accelerating entry into government BPO business, toward further growth above the domestic market.

For outsourcing business for US military facilities

Until now business has only been in Japan, however accelerate developing business to the Pacific Rim such as Guam etc., toward stable long-term growth.

As an interim stepping stone toward becoming the world's top outsourcing firm, we will target revenue of ¥1 trillion in formulating our next MTP.

References

Regarding Employment in Japan

Legal definition of employment

The Civil Code stipulates that “an employment contract shall become effective when one of the parties promises to the other party that he/she will engage in work and the other party promises to pay remuneration for the same”, and both parties have equal standing.

The Labor Contracts Act stipulates that “a labor contract is established by agreement between a Worker and an Employer on the basis that the Worker will work by being employed by the Employer and the Employer will pay wages for such work”, however, in the real world, since employers are positioned advantageously while workers are subordinate, the special laws of the Labor Standards Act and the Labor Contracts Act, etc. contain mandatory criteria and provisions regarding labor contracts (=employment contracts) to protect workers.

Main names and forms of employment

■ Regular employees, indefinite-term contract employees, regularly employed employees

Form of employment where employment contracts do not specify fixed terms, and both workers and employers enter the agreement under the assumption of long-term employment with the aim of raising skills, etc.

■ Non-regular employees, fixed-term contract employees, non-regularly employed employees

Form of employment where employment contracts specify fixed terms, and both workers and employers enter the agreement under the assumption that when the term is completed, if needs require, fixed-term employment can be renewed, however, at times when there is a surplus of workers, employment contracts can be cancelled or terminated.

The Revised Labor Contracts Act Enforced in April 2013

■ Requiring employers to convert fixed-term contracts to regular employments when requested by fixed-term contract employees after 5 consecutive years of services.

The 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.

■ Abolished specified occupations which had no term limits for use on dispatching, and limiting the use of all fixed-term contract employees employed by dispatch business operators to a maximum of 3 years at the same workplace.

■ No restriction on period for regular worker dispatching.

■ 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

Technical Intern Training Act (Act on Proper Technical Intern Training and Protection of Technical Intern Trainees) Enforced in November 2017

■ The maximum 3 years internship period was extended to a maximum 5 years.

*Technical intern trainee ⇒ based on Japan's official program, the Foreign Technical Intern Trainee System, makers hire foreigners mainly from Asia technical intern trainees, and after they return to their home countries when the internship is completed, have them use the skills they acquired locally.

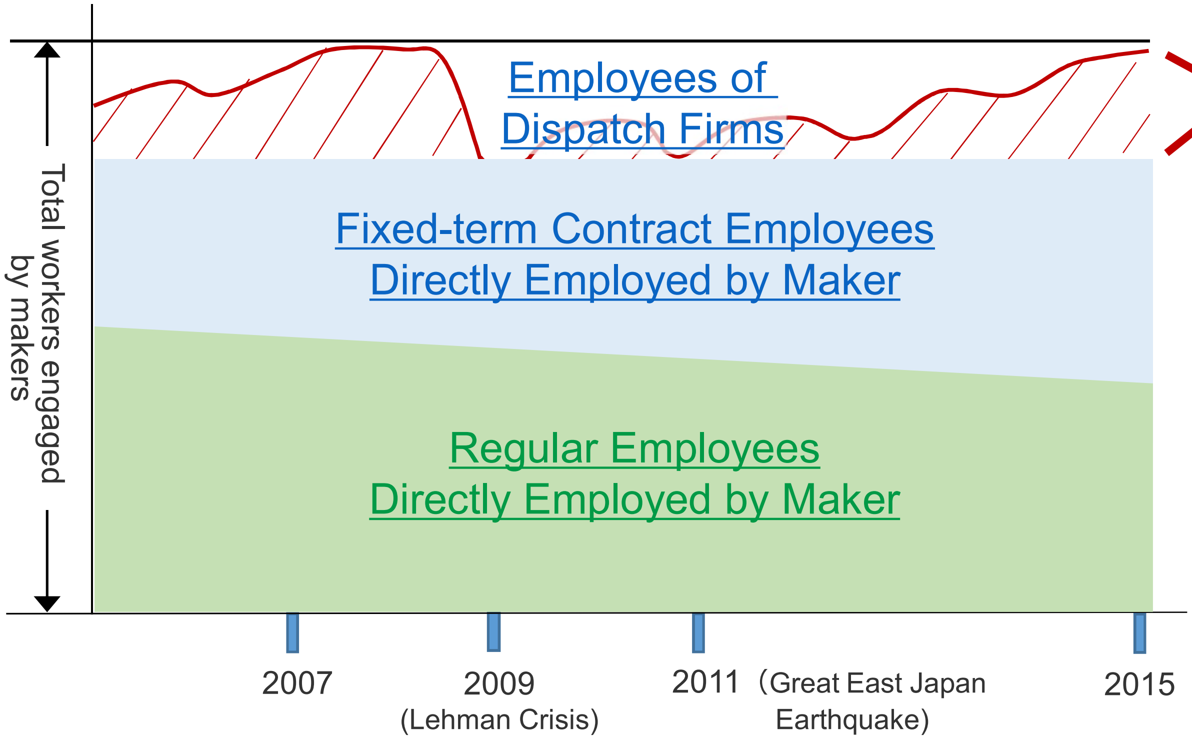
Capturing Special Demand in Japan

PEO Scheme

Previous growth mechanism in dispatching business in the manufacturing field

In dispatching business, net addition of personnel was directly linked to revenue growth

■ Composition of production personnel for makers (conceptual diagram)



The Company's core business domain in the past

Adjustment domain repeated in short-term cycles depending on production fluctuation due to maker production hikes and production cuts.

Handled through repeatedly hiring and cancelling short-term employment contracts.

■ In the past there was an abundance of people, so even if employment was terminated, it was easy to hire relatively large numbers when production increased again.

■ At present, if you terminate employment, it is difficult to hire again when production increases, so there is no net addition of personnel and revenue does not increase.

The Company has determined that the mechanism for growth in the past in manufacturing outsourcing business has collapsed.

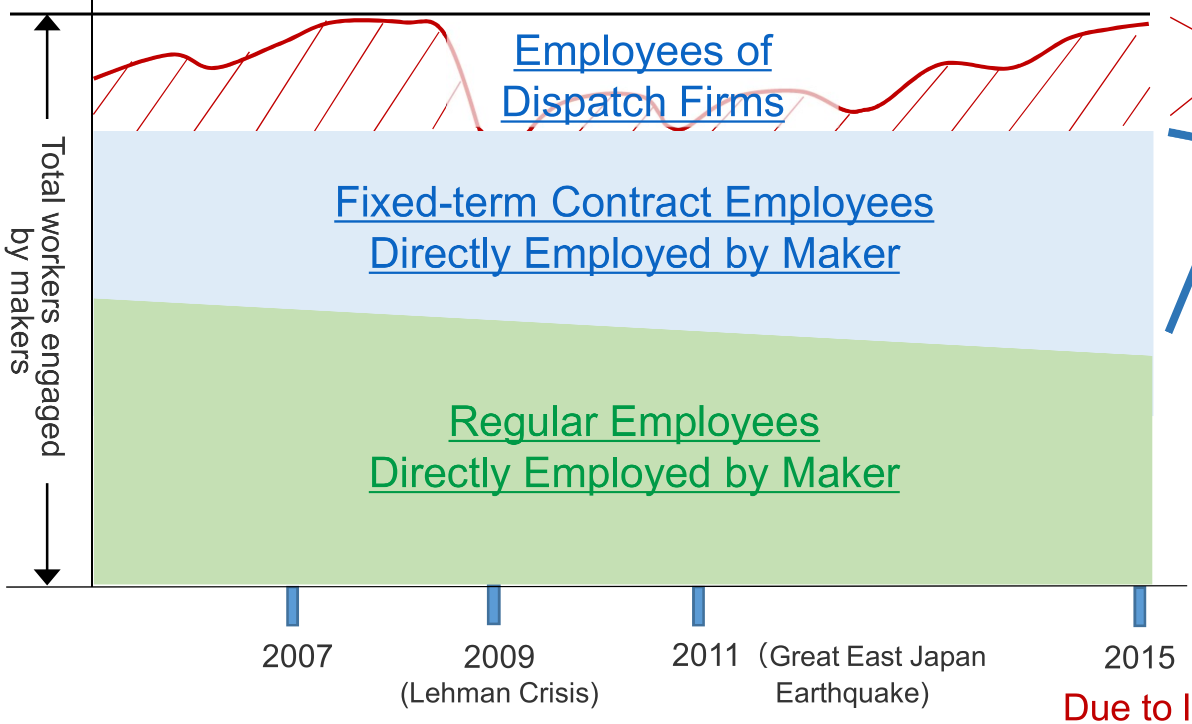
Capturing Special Demand in Japan

- PEO Scheme

Capturing demand newly arising in the manufacturing field following labor-related revised laws

Makers compartmentalize use of dispatching, directly hired fixed-term contract employees and full-time employees depending on the degree of necessity to respond to production fluctuation

■ Composition of production personnel for makers (conceptual diagram)



For competitors in manufacturing outsourcing, this is currently the core business domain

The domain of long-term use by makers repeatedly renewing directly hired, fixed-term contracts after developing skills

2013: Revised Labor Contracts Act enforced

■ Continuous renewal of fixed-term contract employees limited to 5 years

2015: Revised Worker Dispatching Act enforced

■ No term limit for dispatching of full-time employees

Due to legal and regulatory revised, maintaining employment of fixed-term contract employees hired directly is no longer possible.

Converting the business domain to the adjustment domain of the long-term cycle where makers in the past had used direct hiring of fixed-term contract employees to the Company's effective solution of dispatching using full-time employees.

PEO Scheme

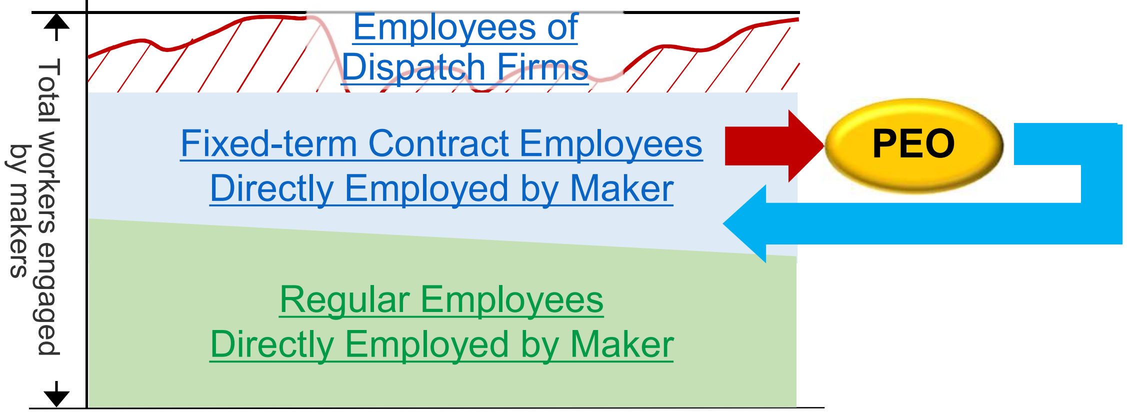
Under the Revised Labor Contract Act, fixed-term contract employees whose employment can not be maintained by makers are transferred and enrolled under the PEO Scheme.

*PEO Scheme = Professional Employer Organization (skilled worker employment organization) mechanism

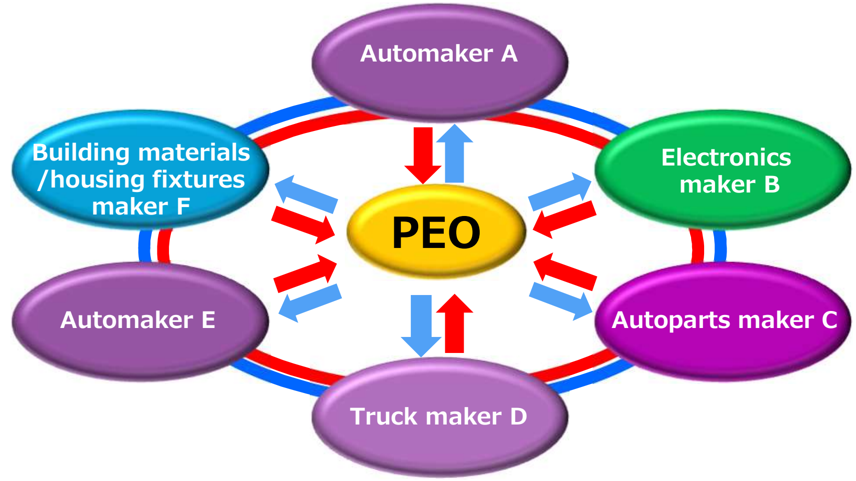
Many makers participate in the PEO Scheme run by the Group

- Fixed-term contract employees directly hired by makers are transferred to PEO as full-time employees
- Dispatching from PEO as full-time employees who can be used by makers on a long-term basis

■ PEO Scheme for individual makers (conceptual diagram)



■ Overall image of the PEO Scheme



Focus on further expansion of the PEO Scheme leading to further cementing of relationships with the makers.

Capturing Special Demand in Japan

PEO Scheme

Under the Revised Labor Contracts Act, fixed-term contract employees whose employment can not be maintained by makers are transferred and enrolled under the PEO Scheme.

■ Benefits and Demerits for the Group from the PEO Scheme

[Benefits from the PEO Scheme]

- Recruitment media expenses for hiring which have risen due to the labor shortage is not required.
- Since fixed-term contract employees for long-term use by makers are being converted to full-time employee dispatching, contract periods with makers are getting longer.
- Since the Company is taking the employment risk of making employees full-time, contract unit prices with makers are roughly 30% higher relative to those of competitors on the presumption of short-term use of dispatching.

[Demerits from the PEO Scheme]

- Since this is employment of full-time employees, even when the economy deteriorates and clients for dispatching disappear, employment must be maintained.
- Due to the Revised Worker Dispatching Act being enforced in 2015, since makers are expanding use of dispatched workers which has become more convenient, the PEO Scheme will not be able to grow from 2021 onward.

Along with promoting the PEO Scheme from 2015, the Company developed entry on a global scale into fields which have a different business cycle from manufacturing, and into new markets which are less susceptible to the economy with the aim of resolving demerits of PEO, which is leading to high growth for the Company.

Capturing Special Demand in Japan

- Growth through hiring new graduates and proprietary scheme for hiring IT and construction engineers

■ Strengthen hiring, training and assignment of new graduates

Through enhancing the work content in diversified fields and expanding the Group's scale globally, target raising recognition and corporate value and increase the number of hires, shorten the training period in which costs arise mainly through the KEN School, and seek assignment as soon as possible.

■ Scheme using the OS Group's KEN School, which jointly developed engineer training curriculum with telecom carriers and major general contractors

- Individuals with low technical skills are hired, then after implementing roughly 2 months of training using KEN School curriculum, they are assigned to appropriate worksites on slightly reduced contract unit prices.
- Training is continued after assignment, officially making a career change as an engineer after 1 year, and contract unit prices are hiked by 30%.

■ Capturing share from natural consolidation of the industry due to the Revised Worker Dispatching Act

Specified dispatch which was possible as dispatching business just through registration has disappeared, with all firms falling under a license system where requirements have become strict, and since an estimated 80% of dispatch business operators will likely be unable to obtain the required license for dispatching, the Company is expanding acquisition of dispatch business operators who are being weeded out through industry consolidation.

Overcome the problem facing competitors of “not being able to grow sales due to hiring difficulties,” and capture special demand.

Overseas Growth Strategy

Cross-border mobility of human resources in Europe

Expanding business through Group cross-border mobility of human resources following the acquisition of OTTO

■Overview of OTTO

Dispatch industry ranking

The Netherlands	8th
Poland	6th

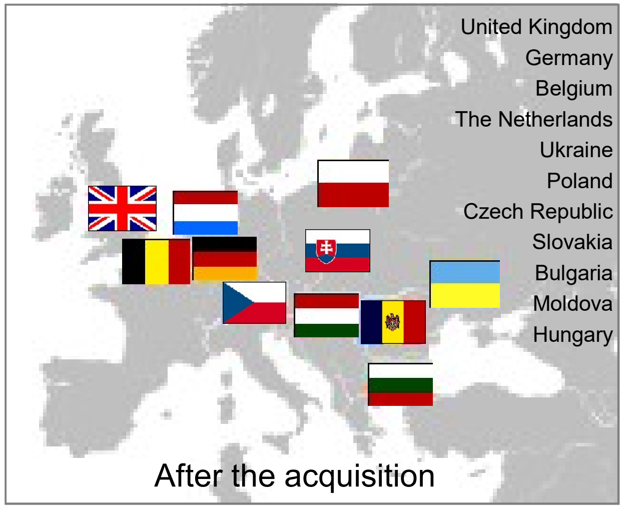
No. of dispatched workers

approx. 18,000 persons

Industry sector

- Logistics
- Manufacturing
- Food
- Technical solutions

■Expanding European bases through the acquisition of OTTO



OTTO has many recruitment bases in Eastern Europe which has lower economic development, and expertise in making assignments in countries in Western and Central Europe.

Germany's Orizon is engaged in Manufacturing Outsourcing Business in Europe, and is handing order expansion through synergies from leveraging OTTO Group's recruitment network of roughly 40 companies and its expertise, targeting dramatic growth from current annual revenues of roughly ¥30 billion.

Target business expansion across all regions of Europe through synergies between OS Group European companies and OTTO, aiming at realization of cross-border mobility of human resources not just in Europe but on a global scale.

Expansion of public-related outsourcing business overseas

Expanding entry into markets where civil servants are being reduced and public work is being outsourced to the private sector, a trend that is spreading in advanced countries due to fiscal constraints.

■ Consignment of public work that is less susceptible to impact of the economy

- BPO business for various operations of central and local governments in the U.K., etc., utilizing proprietary systems
- Various outsourcing business for public facilities including prisons and airports where the clients are public institutions in Australia, the U.K., etc.

Promote mutual development of all types of public-related business within the OS Group, promote maximizing synergies between companies which have many engineers and much expertise and those companies which have sales networks across Europe, and accelerate global development of cross-border mobility of human resources.

Global payroll business

Payroll business (agency calculation of salaries) where consignment is expanding from European and US companies entering Asia.

Promoting payroll business in 19 Asian countries for major firms including a German global luxury car maker, US investment bank, US precision equipment maker, etc., where consignment is for payrolls for total staff in regional bases of over 120,000.

Expanding business in Asia where diffusion of payroll business, which is less susceptible to impact from the economy, has begun, and at the same time through collaboration with OUTSOURCING group companies in the clients' home countries, accelerating business development in Europe, the U.S., etc.

Growth Strategy Summary in the Medium-Term Management Plan

Japan | Overseas

Growth through maximizing the capture of special demand

Manufacturing Outsourcing

- Through the Company's proprietary schemes of PEO and technical intern trainees, capture demand for replacing fixed-term contract employees directly employed by maker under the revised labor law

Engineering Outsourcing

- Capture special demand through engineer hiring using the OS Group's KEN School
- Take in natural industry consolidation of the dispatching firm due to revised law

Grow through global development of business areas which are less susceptible to economic impact

Business for US military facilities

- Expand dispatch for welfare and recreation facilities within US military bases and contract business
- Expand maintenance business for the US military facilities

Accelerate developing business to the Pacific Rim such as Guam etc.

UK (market for privatized outsourcing of public work)

BPO business for central and local governments

Australia (market for privatized outsourcing of public work)

All types of contract business for public institutions including the government, and outsourcing business for public facilities

Asia

Global development of global payroll business (Agency payroll processing business)

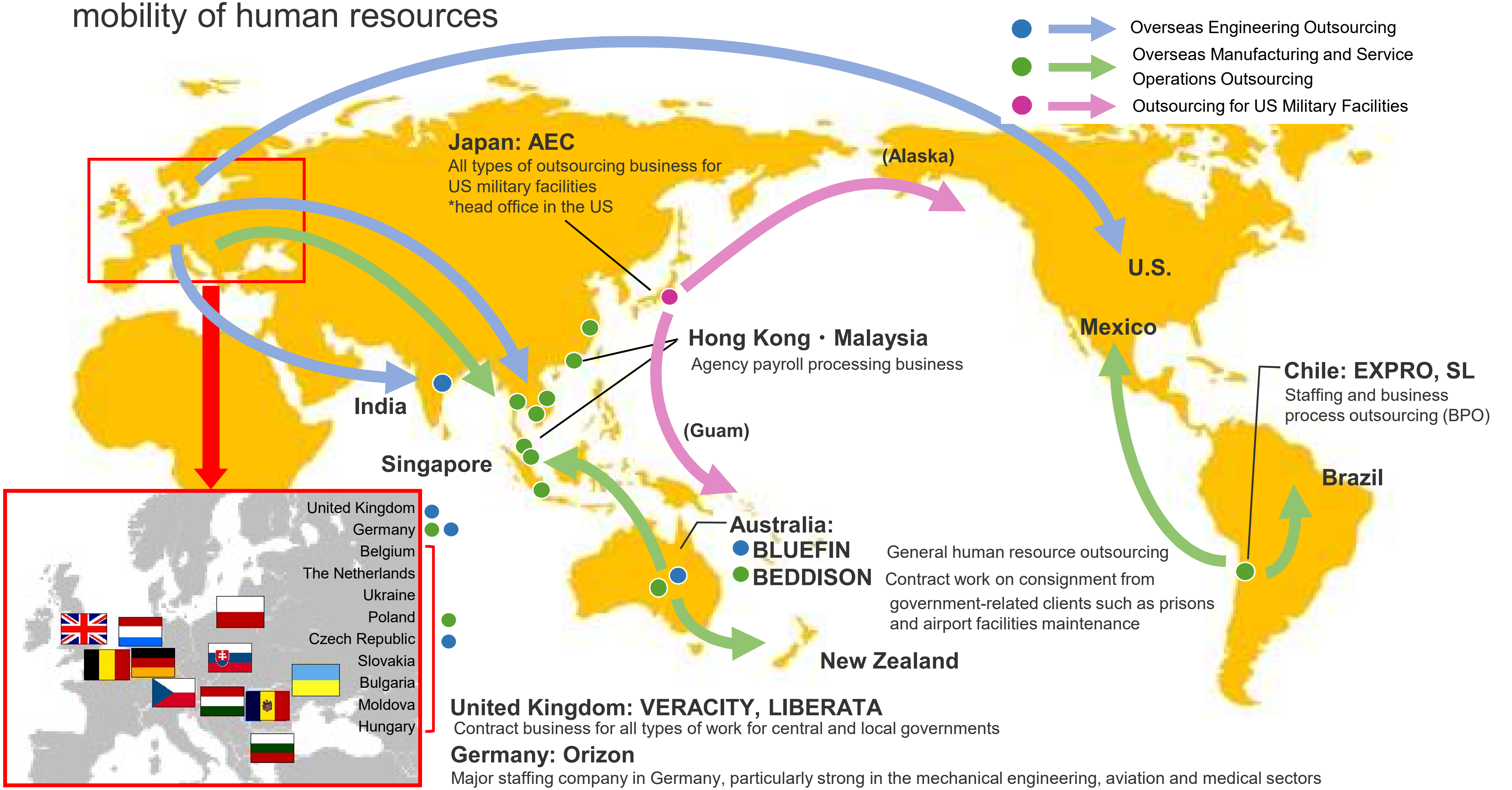
Promote mutual development between Group companies of business and human resources on a global scale

Even if domestic business shrinks due to dramatic changes in the economic environment, etc., new businesses less susceptible to impact from the economy will take up the slack.

Build a global structure for cross-border mobility of human resources, and become the world's largest provider of HR services.

Growth Strategy Summary in the Medium-Term Management Plan

- Accelerate global development of a variety of outsourcing businesses and cross-border mobility of human resources



Strengthen mutual development of business within Europe and cross-border mobility of human resources

United Kingdom: VERACITY, LIBERATA
Contract business for all types of work for central and local governments

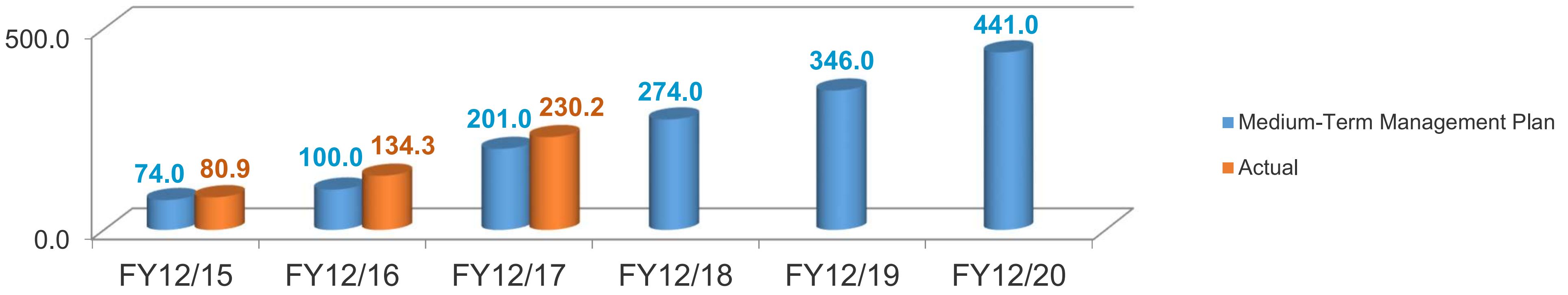
Germany: Orizon
Major staffing company in Germany, particularly strong in the mechanical engineering, aviation and medical sectors

The Netherlands・Poland・Others: OTTO
Engaged in outsourcing business for logistics, manufacturing and engineering, and has a network of recruiting bases across all of Europe with roughly 40 group companies

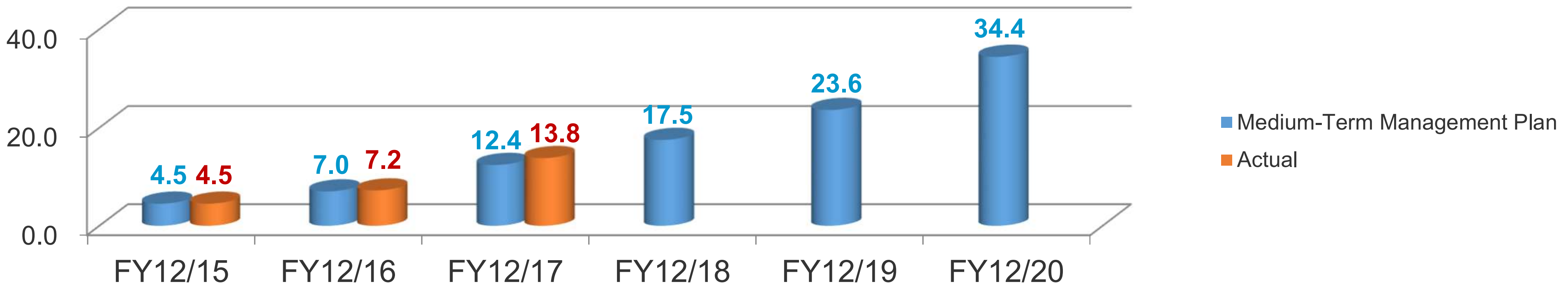
Out-Sourcing!

Progress of the FY2017-2020 Medium-Term Management Plan
(MTP partially revised December 14, 2016)

Revenue unit: ¥ billion



EBITDA unit: ¥ billion



Continuing growth ahead of the aggressive Medium-Term Management Plan through FY12/20, which is a minimum commitment level to the market.

Regarding FY12/18 operating profit forecast for ¥13.8 billion

If we are only in pursuit of operating profit figures for FY12/18, ¥16.0 billion, which is sharply ahead of the Medium-Term Management Plan, is within striking distance.

Rather than being overly conscious about profits for a single year, we determined that it is more important to speed up building a structure that can aim at becoming No.1 globally.

<Strategy that should be adopted by the OUTSOURCING Group>

While clearing the aggressive commitments pledged to the market in the Medium-Term Management Plan as a minimum, we will deploy the portion exceeding the Medium-Term Management Plan in leading investments toward securing even greater future earnings expansion.

Aiming for revenue of ¥1 trillion in formulating the next MTP

FY12/18 operating profit forecast for ¥13.8 billion is not a conservative figure, rather contains a hidden message of maximum aggressiveness “achieving at a minimum the aggressive earnings targets put forward in the Medium-Term Management Plan, deploying the portion exceeding that in leading investments, carrying through an ‘offensive stance’ to achieve growth on a different dimension.”

Strengthening Group's Governance

2018 Global governance project initiative

In FY2018, implementing an initiative to strengthen governance for all group companies

Key Challenges

- Development of global governance policy
- Taking hold of risk management
- Ongoing evolution of the accounting function
- Strengthening information systems security
- More in-depth compliance training

Strengthening Group's Governance

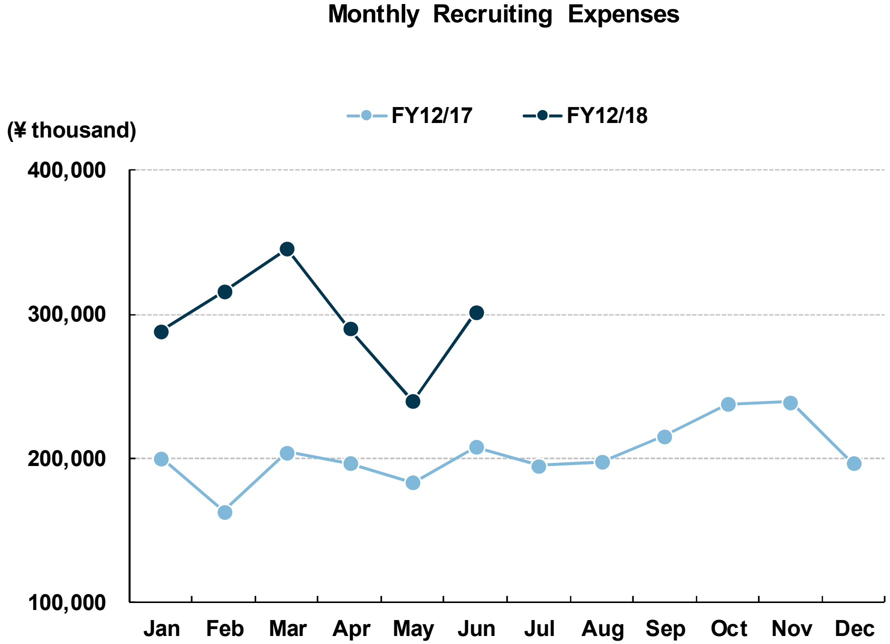
Promoting activities for FY12/18 to be the year of group governance "permeation"

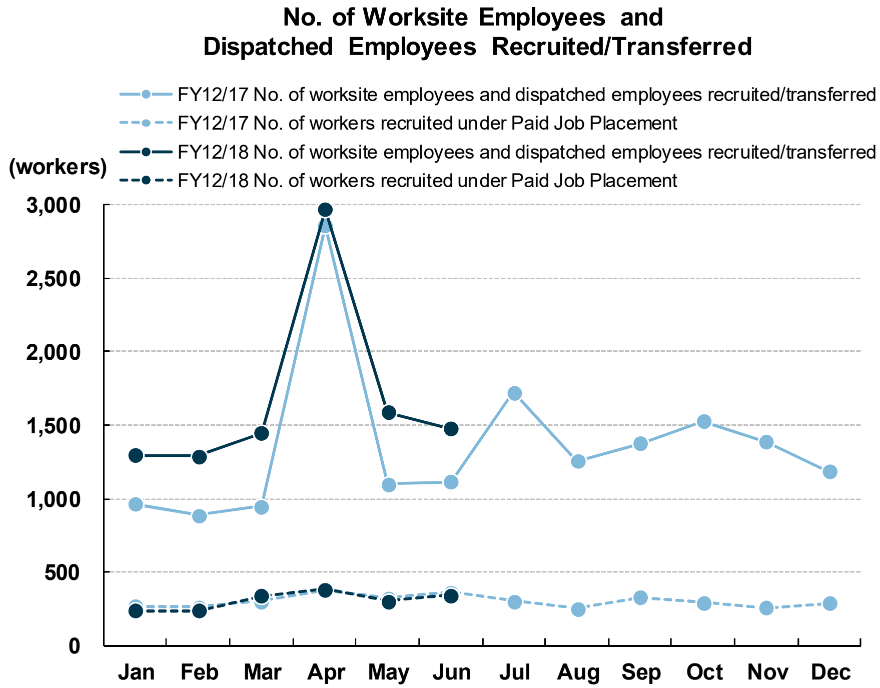
Item	Jan. Feb. Mar. Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec.
◆**Development of global governance policy**	Asia & South America: Explanation to all group companies and monitoring (Jan.–Jun.) Europe & Australia: Explanation to all group companies and monitoring (Jul.–Dec.)
◆**Taking hold of risk management**	Application of the internal controls checklist and ongoing creation of risk maps Strengthening the internal reporting system (establishment and operation of a common window for Asia) Implementing governance due diligence and governance post-merger integration (PMI)
◆**Ongoing evolution of the accounting function**	Accounting: Strengthening the check function of the consolidated accounts settlement process and ongoing initiatives to speed up and raise efficiency and accuracy of accounts settlement operations Finance: Strengthening international competitiveness through "Global Cash Management (GCM)" based on financial strategy Training: Thorough learning of international accounting standards through internal and external training, and raising the accuracy of accounts settlement processing work overall through revision of manuals, regulations, etc.
◆**Strengthening information systems security**	Promoting the global information security infrastructure construction project Making preparations for introduction to group companies in Europe & Australia (Jan.–Jun.) Infrastructure construction (Jun.–Nov.) Development (Nov.–Dec.)
◆**More in-depth compliance training**	Developing "training for anti-corruption policy" through e-learning for all group companies "Compliance study to raise corporate value (=legal compliance mechanism)" through e-learning

Favorable progress until now according to plan

Trends in Recruited Number of Workers and Recruiting Expenses in Japan

Monthly Trends (Consolidated)





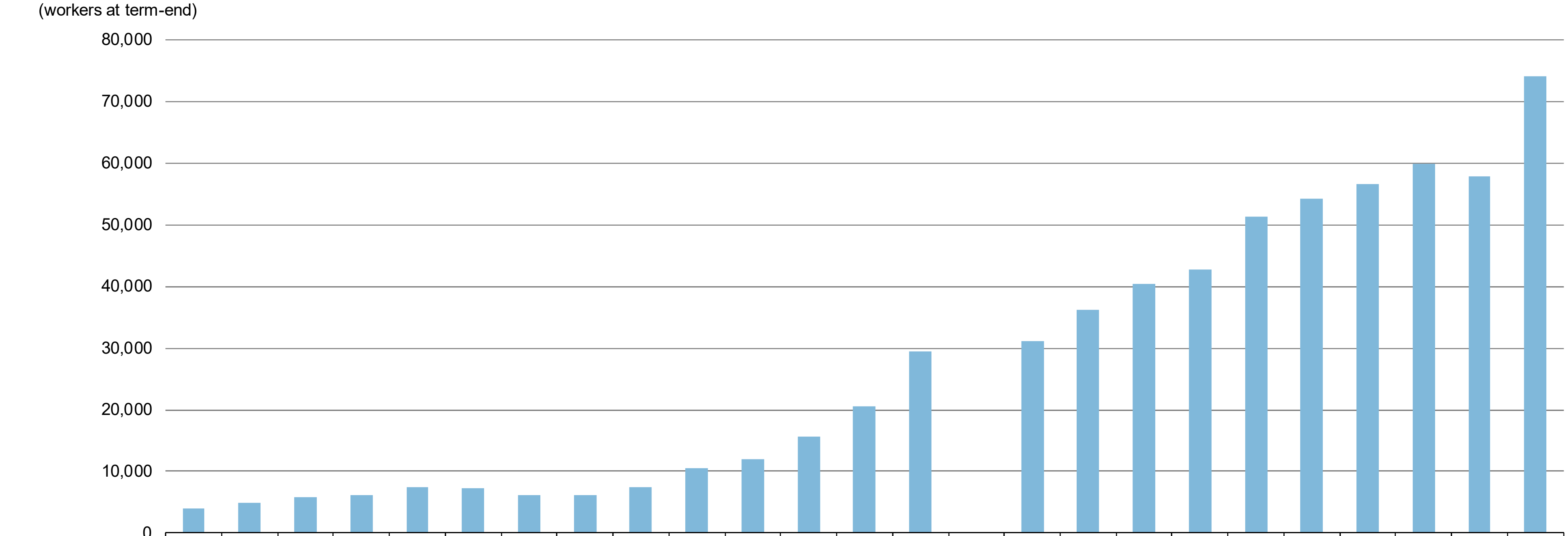
FY12/17	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
No. of worksite employees and dispatched employees recruited/transferred	963	889	950	2,860	1,098	1,113	1,727	1,254	1,379	1,529	1,387	1,186
No. of workers recruited under Paid Job Placement	268	265	301	377	323	365	302	252	327	291	256	287
Recruiting expenses (¥ thousand)	200,402	163,084	204,090	196,759	183,252	207,908	195,140	197,760	215,804	237,753	239,310	196,738

FY12/18	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
No. of worksite employees and dispatched employees recruited/transferred	1,298	1,291	1,447	2,971	1,590	1,479						
No. of workers recruited under Paid Job Placement	240	239	339	383	305	345						
Recruiting expenses (¥ thousand)	288,522	315,618	345,201	289,861	239,816	301,282						

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

Trends in Number of Worksite Employees and Dispatched Workers

- Quarterly Trends (Consolidated)
  - Up to FY12/15: Annual trend
  - From FY12/16: Quarterly trend



	12/02	12/03	12/04	12/05	12/06	12/07	12/08	12/09	12/10	12/11	12/12	12/13	12/14	12/15		3/16	6/16	9/16	12/16	3/17	6/17	9/17	12/17	3/18	6/18
Worksite Employees	3,890	4,821	5,823	6,209	7,468	7,324	6,102	6,109	7,434	10,542	11,913	15,585	20,505	29,477		31,172	36,152	40,322	42,838	51,378	54,221	56,606	59,883	57,789	74,043

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

Note

In accordance with provisional accounting treatments associated with business combinations made between August 2016 through April 2017 being finalized, consolidated financial statements from FY12/16 onward have been retrospectively revised.

In addition, since certain accounting treatments for M&A etc. were inconsistent with IFRS specific accounting treatments, consolidated financial statements in FY12/17 have been amended.

Legal Disclaimer

A cautionary note on forward-looking statements:

This material contains forward-looking statements about the Company's future plans and forecasts, which are based on the Company's assumptions and beliefs judged from the information currently available and are subject to a number of risks and uncertainties. This may cause actual results to differ materially from those projected.

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