



# Financial Results for the 3<sup>rd</sup> Quarter of Fiscal Year Ending December 31, 2018

November 2018



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# Consolidated Financial Results Summary for Q3 FY12/18 (IFRS)



# Consolidated Financial Results Summary for Q3 FY12/18 (IFRS)

## ● Consolidated Financial Results Summary

(¥ million)	FY12/17		FY12/18		YoY	
	Q3 YTD Actual		Q3 YTD Actual		Changes	
	Amount	Composition Ratio	Amount	Composition Ratio	Amount	Ratio
<b>Revenue</b>	<b>165,515</b>	<b>100.0%</b>	<b>221,058</b>	<b>100.0%</b>	<b>55,543</b>	<b>33.6%</b>
<b>Cost of sales</b>	133,762	80.8%	178,217	80.6%	44,455	33.2%
<b>Gross profit</b>	<b>31,753</b>	<b>19.2%</b>	<b>42,841</b>	<b>19.4%</b>	<b>11,088</b>	<b>34.9%</b>
<b>SG&amp;A expenses</b>	25,418	15.4%	33,603	15.2%	8,185	32.2%
<b>Operating profit</b>	<b>6,704</b>	<b>4.1%</b>	<b>9,283</b>	<b>4.2%</b>	<b>2,579</b>	<b>38.4%</b>
<b>Profit before tax</b>	6,009	3.6%	8,081	3.7%	2,072	34.5%
<b>Profit for the period</b>	3,699	2.2%	4,910	2.2%	1,211	32.7%
<b>Profit attributable to owners of the Company</b>	<b>3,140</b>	<b>1.9%</b>	<b>4,149</b>	<b>1.9%</b>	<b>1,009</b>	<b>32.1%</b>

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

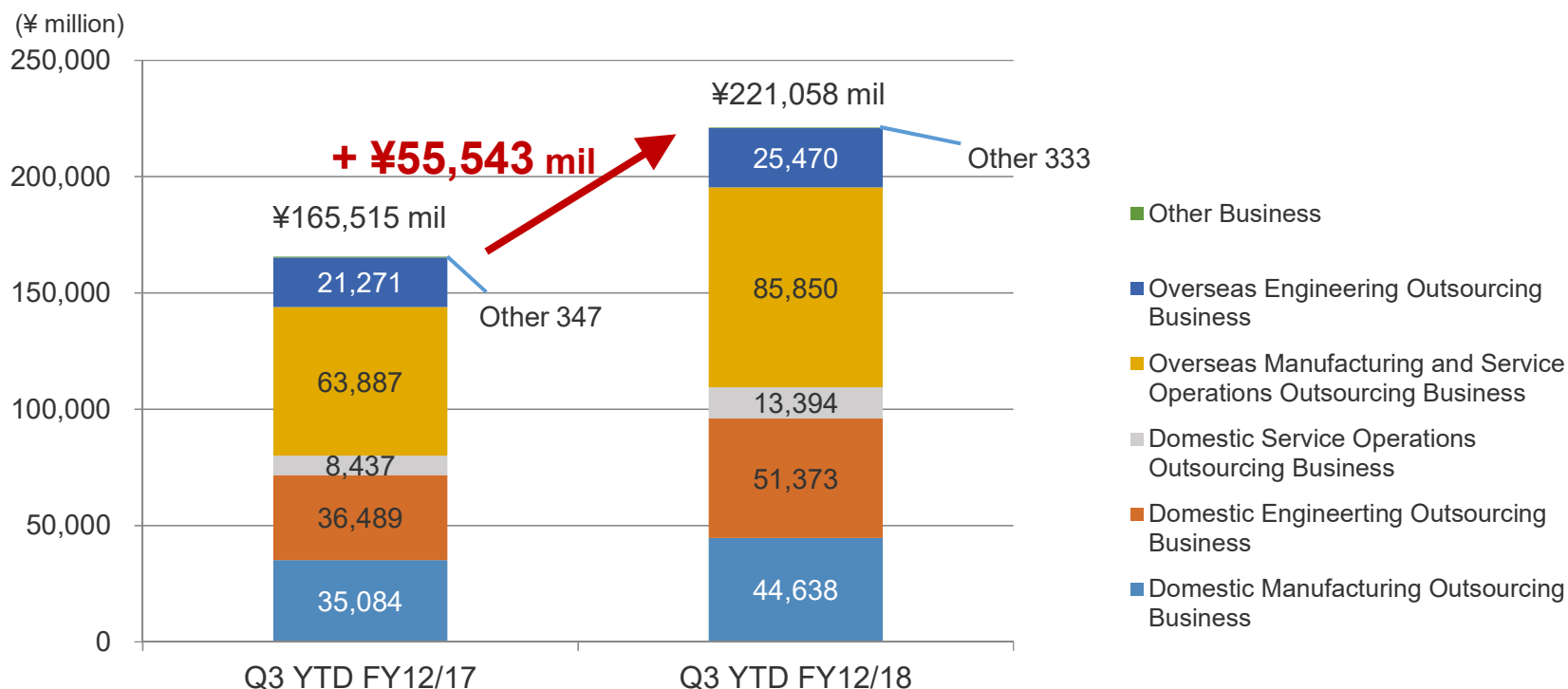
# Consolidated Financial Results Summary for Q3 FY12/18 (IFRS)

## ● Highlights of Consolidated Financial Results

**Revenue**      **¥221,058 million (+33.6% YoY)**

□ Through generating group synergies, all segments grew

- In Japan, in addition to ongoing demand arising from revised labor laws, demand for technical intern trainees arose
- Overseas, schemes for human resource mobility from countries with abundant workforces to those with tight conditions expanded globally



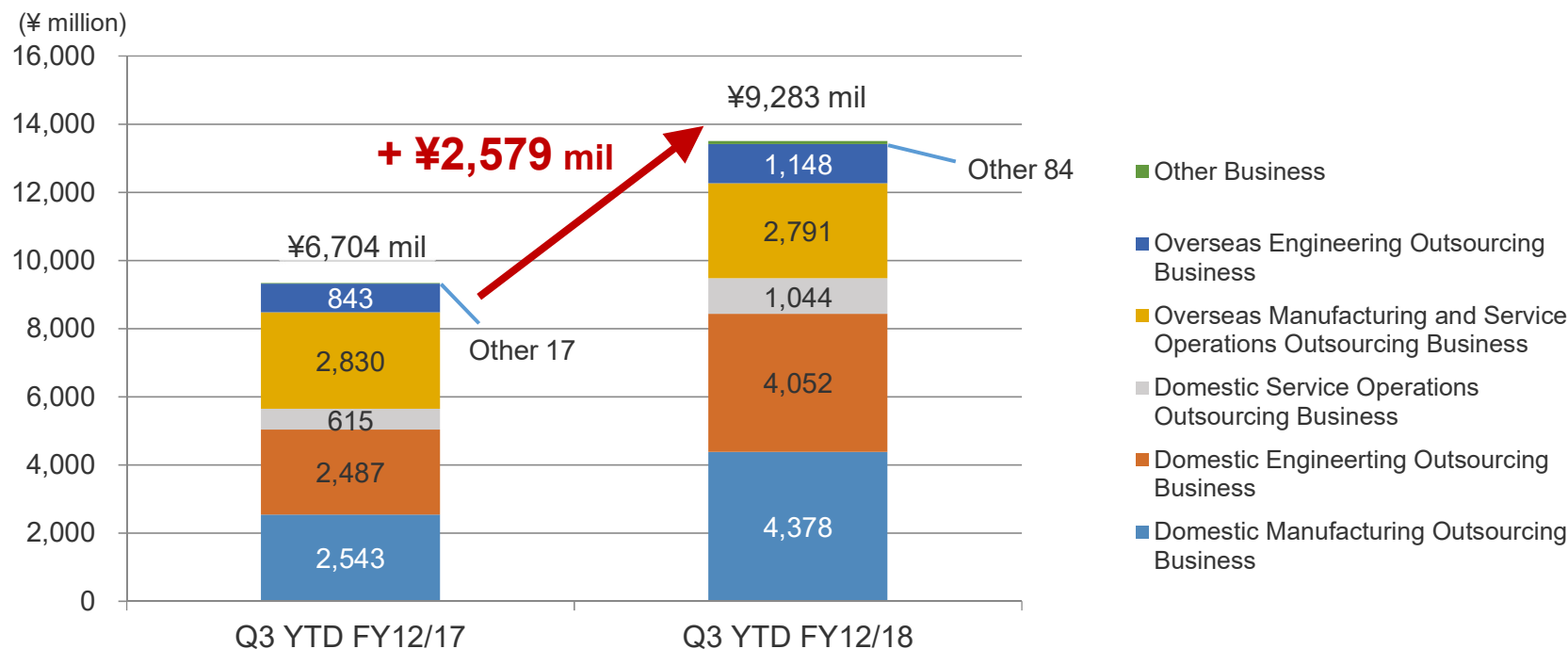
\*Q3 YTD FY12/17 segments in the graph have been restated to correspond to new segment classifications from FY12/18

# Consolidated Financial Results Summary for Q3 FY12/18 (IFRS)

## ● Highlights of Consolidated Financial Results

### Operating Profit      ¥ 9,283 million (+38.4% YoY)

- Despite large-scale investment to M&A etc. conducted in the Q3 for future growth, the operating profit substantially exceeded initial forecasts, marking a new record
  - Even higher growth expected from the Q4 with the effect of M&A



\*Q3 YTD FY12/17 segments in the graph have been restated to correspond to new segment classifications from FY12/18

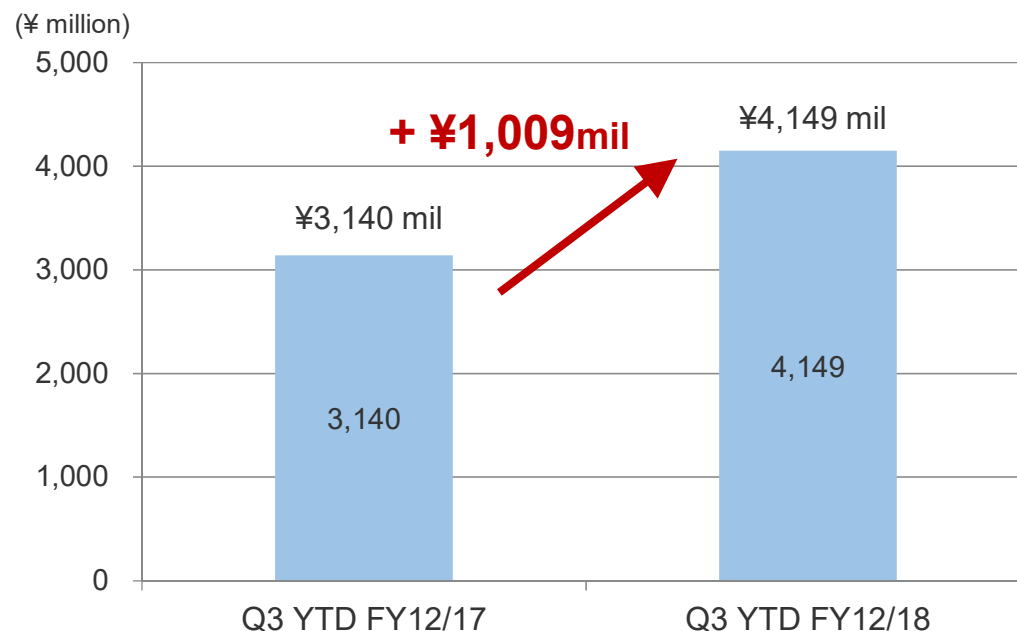
\*The operating profit adjustments (Q3 YTD FY12/17 ¥(2,631) million and Q3 YTD FY12/18 ¥(4,214) million) are not shown in the graph since they are budgeted besides respect segment, but are reflected in the total operating profit amounts

# Consolidated Financial Results Summary for Q3 FY12/18 (IFRS)

## ● Highlights of Consolidated Financial Results

**Profit Attributable to Owners of the Company   ¥ 4,149 million (+32.1% YoY)**

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



# Consolidated Financial Results Summary for Q3 FY12/18 (IFRS)

- Highlights of Consolidated Financial Results

## Overview by Operating Segment

### Domestic Manufacturing Outsourcing Business

Q3 YTD FY12/18: Revenue   ¥ 44,638 million (+27.2% YoY)   :Operating Profit   ¥4,378 million (+72.2% YoY)

Through proposal and promotion of differentiated, high value-added schemes that are not simply increasing workers for production hikes, earnings expanded



Through growth in administrative operations outsourcing of technical intern trainees which has over 35% of ratio of gross profit, segment ratio of gross profit **increased by 0.9pp YoY to 24.5%**



Ratio of operating profit **increased by 2.6pp YoY to 9.8%** from the increase in ratio of gross profit and decline in the ratio of SG&A expenses. (ratio of operating profit for administrative operations outsourcing of technical intern trainees is over 20%)

**Following government policy to expand acceptance of foreign labor, demand for introduction of technical intern trainees is growing**

\*1 → Please refer to P.24



# Consolidated Financial Results Summary for Q3 FY12/18 (IFRS)

## ● Highlights of Consolidated Financial Results

### Overview by Operating Segment

#### Domestic Manufacturing Outsourcing Business

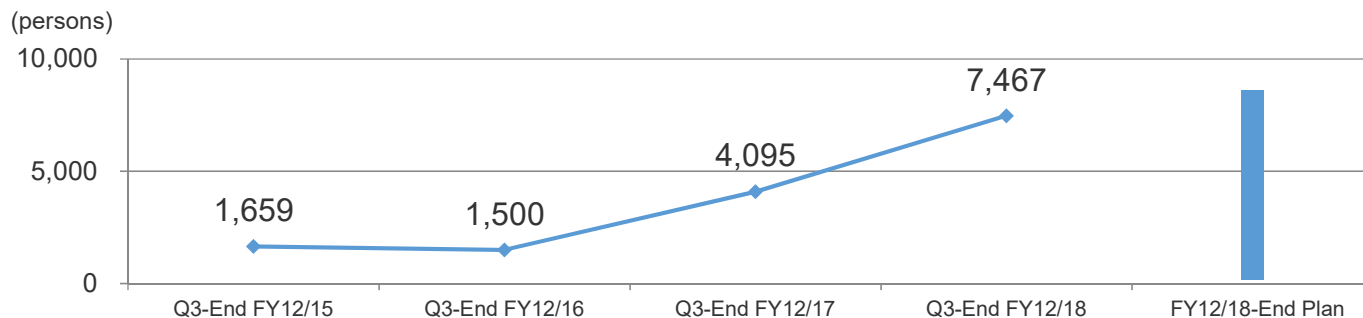
Administrative operations outsourcing of technical intern trainees

From tightening of the labor market due to the declining birthrate, and the 2018 problem due to regulation of dispatch for directly hired fixed-term contract employees and fixed-term contract employees of dispatch business operators as a result of revised labor laws, makers expanded introduction of technical intern trainees<sup>\*2</sup>

Since the Company has rich accumulated know-how in administrative operations outsourcing, administrative operations outsourcing of technical intern trainees for makers grew sharply

Number of workers under administration

Increased by over 750 from the end of the Q2 to the end of the Q3, further sharp increase is expected from the Q4



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

<sup>\*2</sup> → Please refer to P.38

# Consolidated Financial Results Summary for Q3 FY12/18 (IFRS)

## ● Highlights of Consolidated Financial Results

### Overview by Operating Segment

#### Domestic Engineering Outsourcing Business

Q3 YTD FY12/18: Revenue ¥ 51,373 million (+40.8% YoY) :Operating Profit ¥4,052 million (+62.9% YoY)

Earnings expanded by securing many engineers where hiring is tight following paradigm changes for autonomous driving vehicles etc.

- KEN School scheme: The scheme for training general applicants at the Group's KEN School and assigning them grew<sup>\*3</sup>
- Taking in natural industry consolidation: Taking in competitors which can no longer survive as going concerns as a result of the 2018 problem due to the Revised Worker Dispatching Act exceeded the full-term plan number of workers and expanded<sup>\*2</sup>
- Hiring of new graduates: 1,050 (joined April 2018)<sup>\*3</sup>  
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. (for April 2019, currently job offers have been made to over 1,250 new graduates, and we are aiming to exceed 1,600)

Ratio of gross profit improved through raising contract unit prices etc., and the Q3 YTD ratio of gross profit increased by 2.2pp YoY to 24.0%

Through establishing proprietary hiring schemes, the Company is expanding engineer hiring where competitors are struggling<sup>\*3</sup>

<sup>\*2</sup> → please refer to P.38    <sup>\*3</sup> → please refer to P.39

# Consolidated Financial Results Summary for Q3 FY12/18 (IFRS)

## ● Highlights of Consolidated Financial Results

### Overview by Operating Segment

#### Domestic Engineering Outsourcing Business

Engineer hiring through proprietary schemes

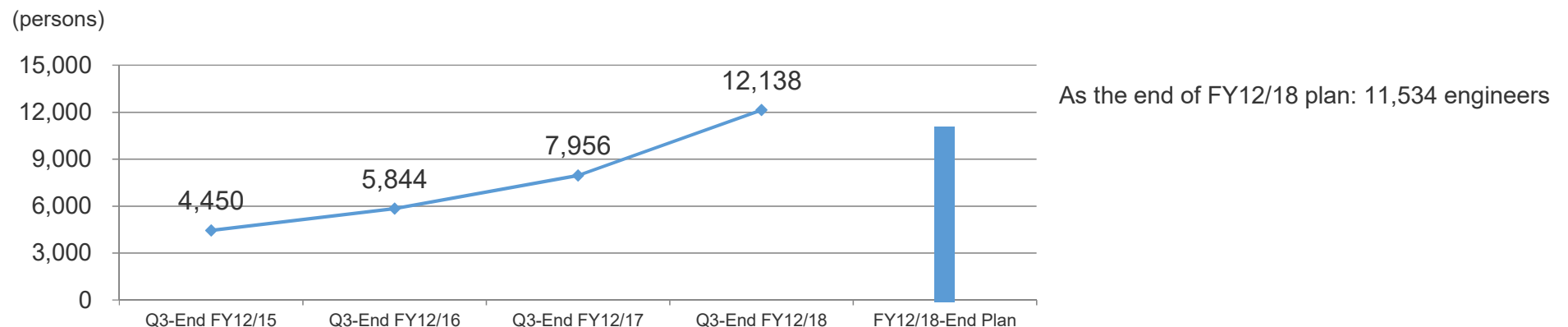
- KEN School scheme

Q3 plan: 385 engineers ⇒ actual 397 engineers    Q3 YTD actual: 1,131 engineers    Full-Year plan: 1,500 engineers

- Taking in natural industry consolidation

Q3 plan: 165 engineers ⇒ actual 584 engineers    Q3 YTD actual: 944 engineers    Full-Year plan: 650 engineers

Trend of the number enrolled in Domestic Engineering: hiring progressed above plan, exceeding the full-year FY2018 enrollment plan by the end of the Q3



# Consolidated Financial Results Summary for Q3 FY12/18 (IFRS)

## ● Highlights of Consolidated Financial Results

### Overview by Operating Segment

#### Domestic Service Operations Outsourcing Business

Q3 YTD FY12/18: Revenue   ¥ 13,394 million (+58.7% YoY)   :Operating Profit   ¥1,044 million (+69.5% YoY)

- Due to the sharply higher than average number of typhoon strikes in Okinawa than seen in normal years, temporary stoppage of construction work compounded in the Q3, resulting in a decline in the level of sales compared with the Q1 and Q2 since revenue is booked on the percentage of completion method, however quarterly operating profit renewed a record high on improved profitability
- AMERICAN ENGINEERING CORPORATION (AEC) was able to obtain a further expanded framework for bonded insurance required to bid in auctions with the help of the Company, and received multiple orders for larger scale projects for maintenance and repairs of US military facilities

Q4 earnings are on track to increase sharply, making up for delays from the Q3 due to the impact of typhoons, and from next term onward, earnings are set to continue high growth from the impact of orders for large-scale projects that have already been received, as well as additional new orders

# Consolidated Financial Results Summary for Q3 FY12/18 (IFRS)

## ● Highlights of Consolidated Financial Results

### Overview by Operating Segment

#### Overseas Manufacturing and Service Operations Outsourcing Business

Q3 YTD FY12/18: Revenue ¥ 85,850 million (+34.4% YoY) :Operating Profit ¥2,791 million (-1.4% YoY)

Measures in response to Germany's revised labor laws in January 2018 were completed in the Q1, and Q3 YTD Operating Profit declined slightly by -1.4% YoY due to said impact, but already resumed a YoY growth trend, an improvement from 1H Operating Profit declining by -11.8% YoY

Both Manufacturing and Service Operations 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 Service Operations 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

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

- ALLEN LANE TOPCO LIMITED (hereinafter ALTL) of the UK was made a subsidiary in August 2018

It has a wide range of customers among the UK central and local governments, having a strength in HR services for accounting and finance

Earnings of the aforementioned 2 companies contributed from the Q3, further generating Group synergies globally

\*4

\*4 → Please refer to P.40-42

# Consolidated Financial Results Summary for Q3 FY12/18 (IFRS)

## ● Highlights of Consolidated Financial Results

### Overview by Operating Segment

#### Overseas Engineering Outsourcing Business

Q3 YTD FY12/18: Revenue   ¥ 25,470 million (+19.7% YoY) : Operating Profit   ¥1,148 million (+36.2% 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.

- PROJECT MANAGEMENT PARTNERS PTY LIMITED (hereinafter PMP) of Australia was made a sub-subsiidiary in September 2018

PMP has received top ratings for its sub-contracting business and advisory business etc. in the ICT field for Australian government agencies and the financial sector, and in addition, operates a training school similar to the Group's KEN School in Japan

Going forward, not only will PMP create synergies with existing Group companies in Oceania, it will also pursue creating synergies through mutual development of global clients and effective use of human resources

<sup>\*4</sup>

<sup>\*4</sup> → Please refer to P.40-42

# Consolidated Financial Results Summary for Q3 FY12/18 (IFRS)

## Consolidated Financial Results (Quarterly Trends)

(¥ million)	FY12/17					FY12/18		
	Q1	Q2	Actual Q3	Q4	Full-Year	Q1	Actual Q2	Q3
Revenue	50,238	55,573	59,704	64,657	230,172	63,198	75,901	81,959
Gross profit	9,343	10,433	11,977	14,063	45,816	12,250	14,231	16,360
Ratio of gross profit	18.6%	18.8%	20.1%	21.8%	19.9%	19.4%	18.7%	20.0%
SG&A expenses	8,009	8,480	8,929	9,368	34,786	9,922	11,592	12,089
Ratio of SG&A expenses	15.9%	15.3%	15.0%	14.5%	15.1%	15.7%	15.3%	14.7%
Operating profit	1,422	2,052	3,230	4,656	11,360	2,050	2,858	4,375
Ratio of operating profit	2.8%	3.7%	5.4%	7.2%	4.9%	3.2%	3.8%	5.3%
Profit before tax	1,239	1,836	2,934	4,386	10,395	1,935	1,952	4,194
Ratio of profit before tax	2.5%	3.3%	4.9%	6.8%	4.5%	3.1%	2.6%	5.1%
Profit attributable to owners of the Company	544	846	1,750	3,040	6,180	1,186	883	2,080
Ratio of profit attributable to owners of the Company	1.1%	1.5%	2.9%	4.7%	2.7%	1.9%	1.2%	2.5%

QoQ/YoY Changes	FY12/17					FY12/18		
	Q1	Q2	Actual Q3	Q4	Full-Year	Q1	Actual Q2	Q3
Revenue	22.6%	10.6%	7.4%	8.3%	71.4%	-2.3%	20.1%	8.0%
Gross profit	4.6%	11.7%	14.8%	17.4%	65.0%	-12.9%	16.2%	15.0%
SG&A expenses	27.7%	5.9%	5.3%	4.9%	60.7%	5.9%	16.8%	4.3%
Operating profit	-12.0%	44.4%	57.4%	44.1%	104.2%	-56.0%	39.4%	53.1%
Profit before tax	-31.8%	48.2%	59.8%	49.5%	110.5%	-55.9%	0.9%	114.9%
Profit attributable to owners of the Company	-61.0%	55.4%	106.9%	73.7%	103.4%	-61.0%	-25.6%	135.6%

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

# Consolidated Financial Results Summary for Q3 FY12/18 (IFRS)

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

(¥ million)		FY12/17 Actual			FY12/18 Actual		
		Q1	Q2	Q3	Q1	Q2	Q3
Domestic Manufacturing Outsourcing Business	Revenue	10,909	11,633	12,542	13,848	14,937	15,853
	Operating profit	655	907	981	1,368	1,370	1,640
	No. of worksite employees at term-end	9,480	10,295	10,686	11,050	11,826	12,363
	No. of outsourcing administrative workers at term-end	3,381	3,480	4,095	5,554	6,716	7,467
	No. of placed workers	834	1,065	881	818	1,033	971
Domestic Engineering Outsourcing Business	Revenue	11,279	12,306	13,174	15,359	17,188	18,826
	Operating profit	583	661	1,243	986	1,299	1,767
	No. of worksite employees at term-end	6,286	7,161	7,956	9,474	10,943	12,138
Domestic Service Operations Outsourcing Business	Revenue	823	3,801	3,813	4,574	4,675	4,145
	Operating profit	(5)	292	328	356	301	387
	No. of worksite employees at term-end	1,762	2,503	2,803	2,890	2,985	2,815
Overseas Manufacturing and Service Operations Outsourcing Business	Revenue	20,612	20,924	22,351	21,943	30,159	33,748
	Operating profit	929	655	1,246	380	1,018	1,393
	No. of worksite employees at term-end	31,953	32,219	33,024	32,281	46,034	47,197
Overseas Engineering Outsourcing Business	Revenue	6,491	7,069	7,711	7,329	8,836	9,305
	Operating profit	164	291	388	309	355	484
	No. of worksite employees at term-end	1,893	2,038	2,132	2,091	2,252	2,507
Other Business	Revenue	124	110	113	145	106	82
	Operating profit	8	(7)	16	19	42	23
	No. of worksite employees at term-end	4	5	5	3	3	4
Adjustments	Operating profit	(912)	(747)	(972)	(1,368)	(1,527)	(1,319)
Total	Revenue	50,238	55,573	59,704	63,198	75,901	81,959
	Operating profit	1,422	2,052	3,230	2,050	2,858	4,375

Revenue by Region (¥ million)		FY12/17 Actual			FY12/18 Actual		
		Q1	Q2	Q3	Q1	Q2	Q3
Japan		23,135	27,580	29,642	33,926	36,906	38,906
Asia (excl. Japan)		4,232	4,500	4,751	4,716	4,367	4,453
Oceania		8,685	9,540	10,178	9,149	11,133	11,347
Europe		12,922	12,866	14,030	14,057	21,785	25,456
South America		1,264	1,087	1,103	1,350	1,710	1,797
Total		50,238	55,573	59,704	63,198	75,901	81,959

\*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 Summary for Q3 FY12/18 (IFRS)

## Summary of Consolidated Statement of Financial Position

(¥ million)	FY12/17-End		Q3-End FY12/18		YoY Changes Amount
	Amount	Composition Ratio	Amount	Composition Ratio	
<b>Current assets</b>	<b>59,312</b>	<b>47.6%</b>	<b>85,037</b>	<b>48.5%</b>	<b>25,725</b>
(Cash and cash equivalents)	19,108	15.3%	21,153	12.1%	2,045
(Trade and other receivables)	34,390	27.6%	50,090	28.6%	15,700
(Inventories)	1,373	1.1%	1,612	0.9%	239
<b>Non-current assets</b>	<b>65,333</b>	<b>52.4%</b>	<b>90,347</b>	<b>51.5%</b>	<b>25,014</b>
Property, plant and equipment	6,922	5.6%	8,847	5.0%	1,925
Goodwill	39,239	31.5%	59,682	34.0%	20,443
Intangible assets	10,936	8.8%	10,868	6.2%	(68)
Other non-current financial assets	3,137	2.5%	4,930	2.8%	1,793
<b>Total assets</b>	<b>124,645</b>	<b>100.0%</b>	<b>175,384</b>	<b>100.0%</b>	<b>50,739</b>
<b>Current liabilities</b>	<b>51,594</b>	<b>41.4%</b>	<b>92,479</b>	<b>52.7%</b>	<b>40,885</b>
(Trade and other payables)	23,758	19.1%	33,653	19.2%	9,895
(Bonds and borrowings)	14,354	11.5%	38,666	22.0%	24,312
(Income tax payables)	4,659	3.7%	4,702	2.7%	43
<b>Non-current liabilities</b>	<b>46,294</b>	<b>37.1%</b>	<b>59,508</b>	<b>33.9%</b>	<b>13,214</b>
(Bonds and borrowings)	33,727	27.1%	41,125	23.4%	7,398
(Other non-current financial liabilities)	5,740	4.6%	11,520	6.6%	5,780
<b>Total liabilities</b>	<b>97,888</b>	<b>78.5%</b>	<b>151,987</b>	<b>86.7%</b>	<b>54,099</b>
Share capital	7,131	5.7%	7,180	4.1%	49
Share premium	8,843	7.1%	8,889	5.1%	46
Treasury shares	(0)	-0.0%	(0)	-0.0%	0
Other share premium	(5,814)	-4.7%	(11,892)	-6.8%	(6,078)
Retained earnings	14,057	11.3%	16,349	9.3%	2,292
<b>Equity attributable to owners of the Company</b>	<b>24,958</b>	<b>20.0%</b>	<b>20,262</b>	<b>11.6%</b>	<b>(4,696)</b>
<b>Non-controlling interests</b>	<b>1,799</b>	<b>1.5%</b>	<b>3,135</b>	<b>1.8%</b>	<b>1,336</b>
<b>Equity</b>	<b>26,757</b>	<b>21.5%</b>	<b>23,397</b>	<b>13.3%</b>	<b>(3,360)</b>
<b>Total liabilities and equity</b>	<b>124,645</b>	<b>100.0%</b>	<b>175,384</b>	<b>100.0%</b>	<b>50,739</b>

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

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

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

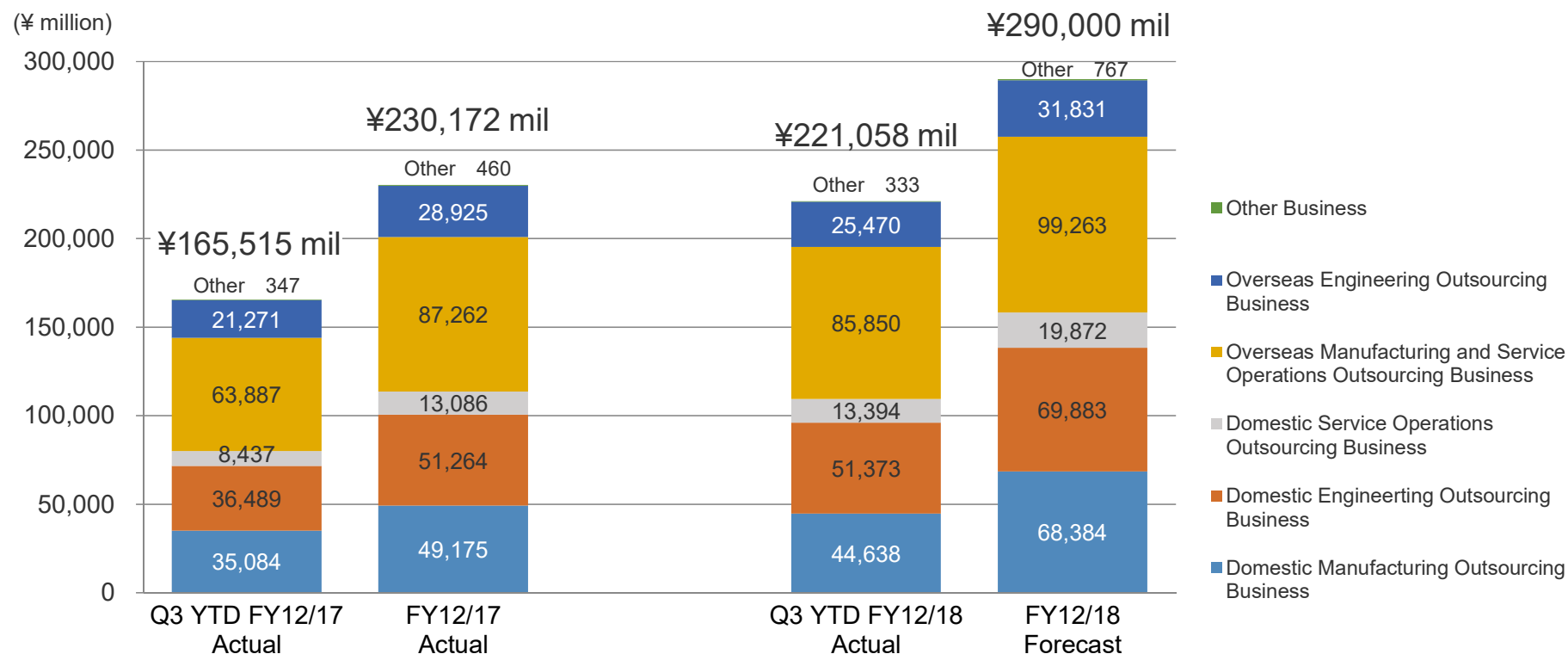
\*The amounts shown are rounded off to the nearest million yen

# Consolidated Financial Forecasts for FY12/18 (IFRS)

## ● Revenue

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

\*Q3 YTD FY12/17 segments in the graph have been restated to correspond to new segment classifications from FY12/18



**Achievement ratio:**  
(Q3 YTD versus Full-Year)

**FY12/17 71.9%**

⇒

**FY12/18 76.2%**

**+4.3pp**

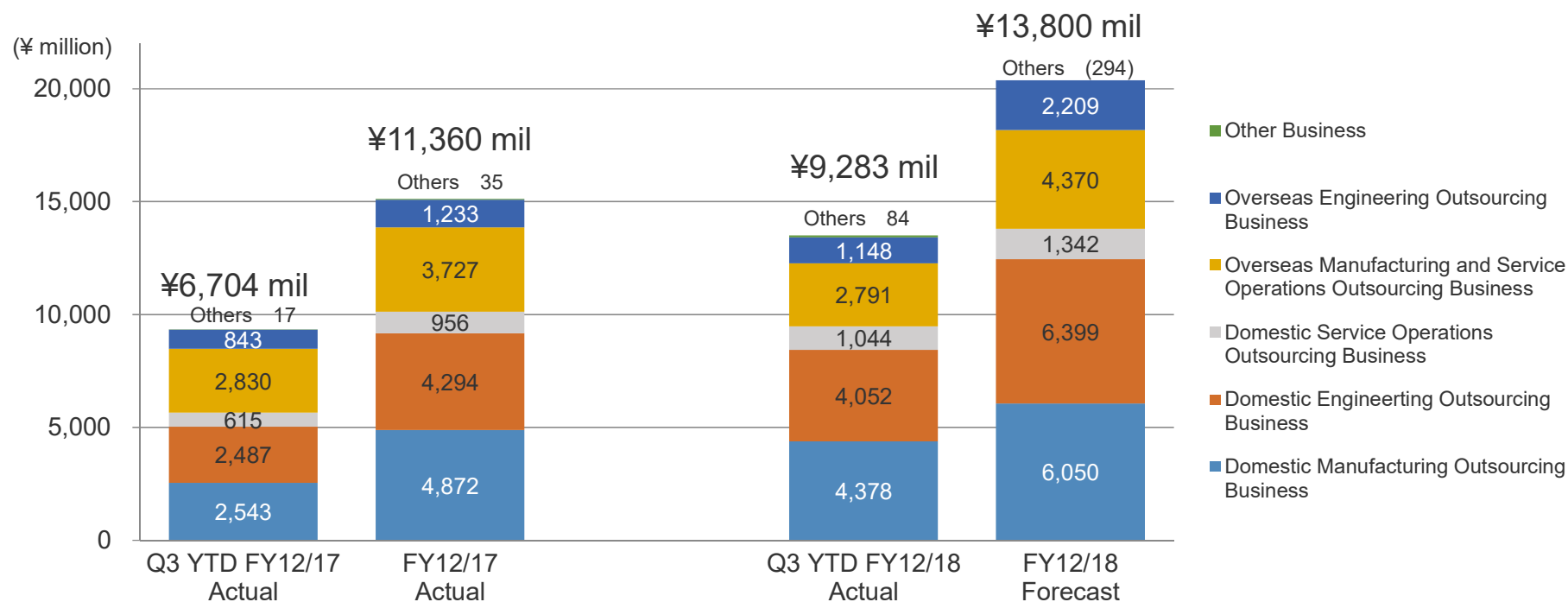
\*Operating segment classifications have been changed from FY12/18. Figures for each segment under the new classifications are unaudited

# Consolidated Financial Forecasts for FY12/18 (IFRS)

## ● Operating Profit

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

\*Q3 YTD FY12/17 segments in the graph have been restated to correspond to new segment classifications from FY12/18



**Achievement ratio: FY12/17 59.0% ⇒ FY12/18 67.3% +8.3pp**  
(Q3 YTD versus Full-Year)

\*The operating profit adjustments are not shown in the graph since they are budgeted besides respect segment, but are reflected in the total operating profit amounts

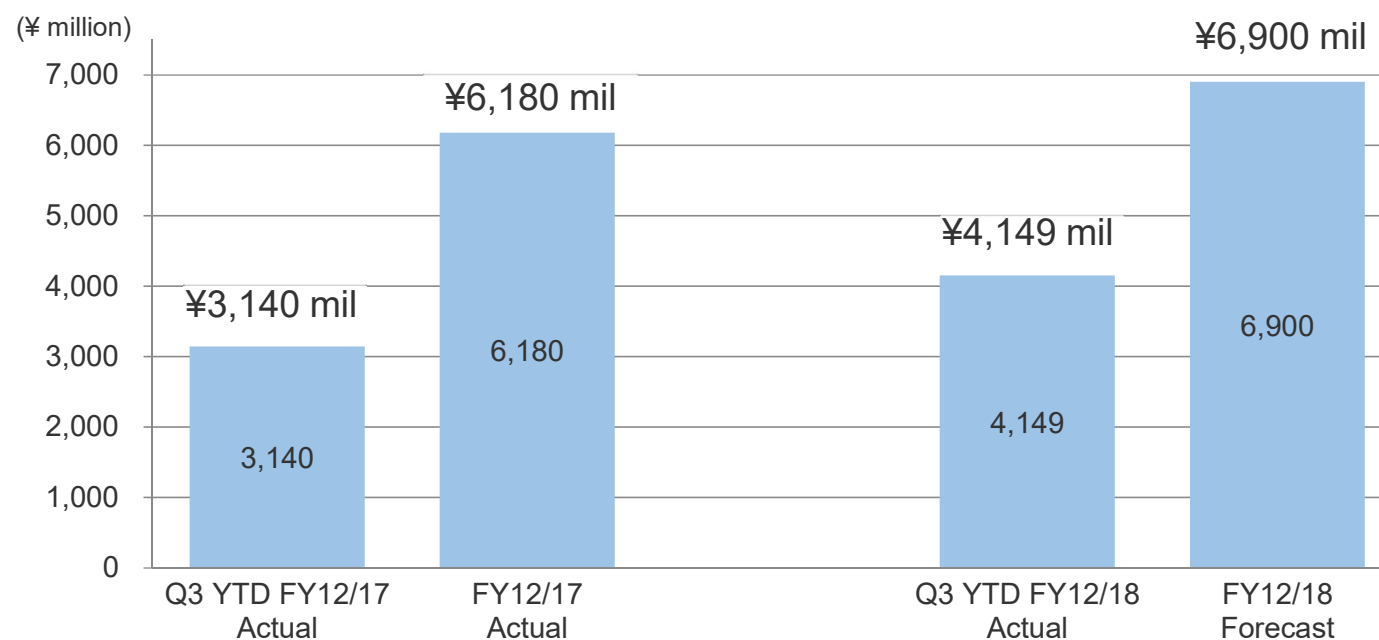
Q3 YTD FY12/17(act.) ¥(2,631) million, FY12/17(act.) ¥(3,759) million, Q3 YTD FY12/18(act.) ¥(4,214) million, FY12/18(fcst.) ¥(6,275) million

\*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:**  
(Q3 YTD versus Full-Year)

**FY12/17 50.8%**

⇒

**FY12/18 60.1%**

**+9.3pp**

# Consolidated Financial Forecasts for FY12/18 (IFRS)

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

(¥ million)		FY12/17			Actual			FY12/18			
		Q1	Q2	Q3	Q1	Q2	Q3	Q4	1H	2H	Full-Year
Domestic Manufacturing Outsourcing Business	Revenue	10,909	11,633	12,542	13,848	14,937	15,853	21,534	29,380	39,004	68,384
	Operating profit	655	907	981	1,368	1,370	1,640	1,929	2,577	3,473	6,050
	No. of worksite employees at term-end	9,480	10,295	10,686	11,050	11,826	12,363	15,636	12,118	15,636	15,636
	No. of outsourcing administrative workers at term-end	3,381	3,480	4,095	5,554	6,716	7,467	7,989	6,626	7,989	7,989
	No. of placed workers	834	1,065	881	818	1,033	971	865	1,656	1,763	3,419
Domestic Engineering Outsourcing Business	Revenue	11,279	12,306	13,174	15,359	17,188	18,826	19,093	32,990	36,893	69,883
	Operating profit	583	661	1,243	986	1,299	1,767	2,846	2,094	4,305	6,399
	No. of worksite employees at term-end	6,286	7,161	7,956	9,474	10,943	12,138	11,534	10,495	11,534	11,534
Domestic Service Operations Outsourcing Business	Revenue	823	3,801	3,813	4,574	4,675	4,145	5,501	9,154	10,718	19,872
	Operating profit	(5)	292	328	356	301	387	442	471	871	1,342
	No. of worksite employees at term-end	1,762	2,503	2,803	2,890	2,985	2,815	5,316	4,090	5,316	5,316
Overseas Manufacturing and Service Operations Outsourcing Business	Revenue	20,612	20,924	22,351	21,943	30,159	33,748	28,158	43,305	55,958	99,263
	Operating profit	929	655	1,246	380	1,018	1,393	1,566	1,242	3,128	4,370
	No. of worksite employees at term-end	31,953	32,219	33,024	32,281	46,034	47,197	38,979	34,385	38,979	38,979
Overseas Engineering Outsourcing Business	Revenue	6,491	7,069	7,711	7,329	8,836	9,305	8,505	14,801	17,030	31,831
	Operating profit	164	291	388	309	355	484	780	699	1,510	2,209
	No. of worksite employees at term-end	1,893	2,038	2,132	2,091	2,252	2,507	2,113	2,242	2,113	2,113
Other Business	Revenue	124	110	113	145	106	82	209	370	397	767
	Operating profit	8	(7)	16	19	42	23	(76)	(139)	(155)	(294)
	No. of worksite employees at term-end	4	5	5	3	3	4	4	4	4	4
Adjustments	Operating profit	(912)	(747)	(972)	(1,368)	(1,527)	(1,319)	(1,387)	(3,243)	(3,032)	(6,275)
Total	Revenue	50,238	55,573	59,704	63,198	75,901	81,959	83,000	130,000	160,000	290,000
	Operating profit	1,422	2,052	3,230	2,050	2,858	4,375	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			FY12/18		
		1H	Actual		1H	Forecasts	
			2H	Full-Year		2H	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					FY12/18				
		Q1	Q2	Actual		Full-Year	Actual			Forecasts	
				Q3	Q4		Q1	Q2	Q3	Q4	Full-Year
Manufacturing	No. of workers recruited (persons)	1,729	2,159	1,994	1,965	7,847	1,681	2,648	2,308	3,212	9,411
	Recruitment unit price (¥/worker)	73,625	56,920	70,294	65,004	66,024	101,105	64,093	78,574	60,948	82,519
Engineering	No. of workers recruited (persons)	475	1,328	1,134	1,143	4,080	1,017	2,171	1,835	817	4,251
	Recruitment unit price (¥/worker)	638,072	241,584	277,031	367,182	332,782	610,174	222,519	299,054	262,350	380,306
Service Operations	No. of workers recruited (persons)	598	1,584	1,232	994	4,408	1,338	1,221	1,226	2,003	7,279
	Recruitment unit price (¥/worker)	25,346	10,737	18,630	10,326	14,832	19,229	19,007	18,721	19,422	20,183
Recruiting and Placing	No. of workers recruited (persons)	834	1,065	881	834	3,614	818	1,033	971	865	3,419
	Recruitment unit price (¥/worker)	146,327	119,434	149,185	139,226	137,460	162,725	149,994	152,800	153,766	168,474



## About Technical Intern Trainees



# About Technical Intern Trainees

Following declining birthrate and aging of the population in Japan, decline of the workforce has advanced rapidly and the labor market has been tightened

⇒ In addition to the aforementioned factor, due to the 2018 problem as a result of revision of labor-related laws, makers are expanding introduction of technical intern trainees



This is subject to various regulations under the Technical Intern Training Act

The objective of the Technical Intern Training Program (TITP) is acceptance in Japan up to a maximum 5 years (current), and international contribution using acquired skills after returning to one's home country



Dispatch business operators can not employ intern trainees and use them for dispatch business

⇒ The Company is expanding all types of administrative operations work on consignment for makers which is not regulated by the Technical Intern Training Act

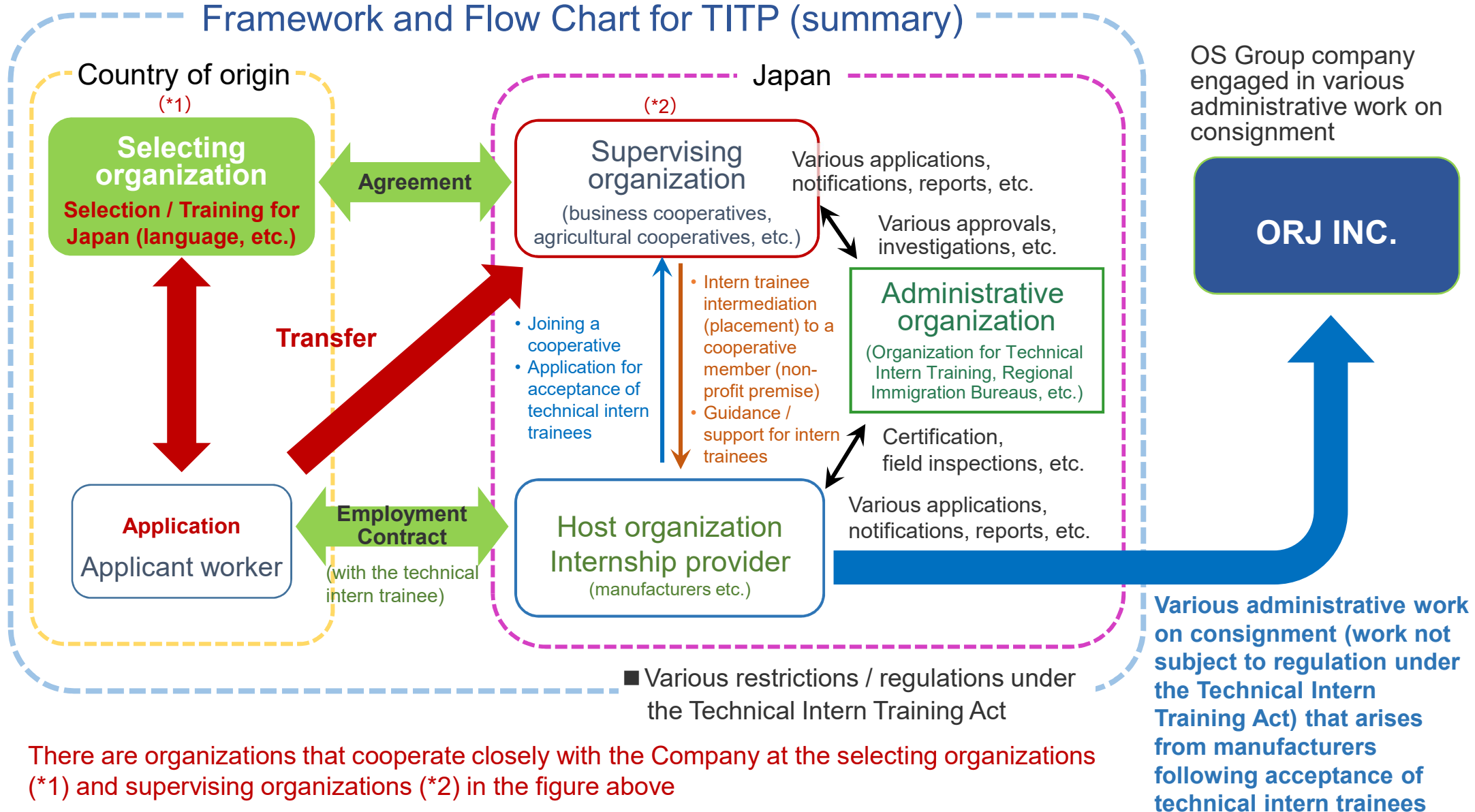
**In Administrative Operations Outsourcing, the Company has unmatched know-how and scale not seen at competitors, with the number of technical intern trainees under administration expected to exceed 10,000 by the end of FY2018, targeting 100,000 by 2025**

\*5 → Please refer to P.38

# About Technical Intern Trainees

## Current Technical Intern Training Program (TITP)

### Framework and Flow Chart for TITP (summary)



There are organizations that cooperate closely with the Company at the selecting organizations (\*1) and supervising organizations (\*2) in the figure above

# About Technical Intern Trainees

## Organizations and groups related to the current Technical Intern Training Program (TITP)

(\*1)

### Selecting organization

- In order to properly convey those wishing to become interns to the supervising organization, it is necessary to conform to related laws and ordinances in Japan
- Revenue is comprised of commissions from intern trainees themselves and the supervising organizations (there are regulations for the calculation method and collection details etc.)

### Applicant worker

- After receiving training in advance including Japanese language for roughly 5 months in the local country, the candidate comes to Japan and is employed as an intern trainee after roughly 2 months of training
- For technical intern trainees, in principle there are no cancellations midway, and it is possible to secure stable income during the internship period
- **There were roughly 270,000 technical intern trainees in Japan at the end of 2017, and the government announced a policy to expand that to 650,000**

### Administrative organization

- Regional Immigration Bureaus grant permission to enter and stay, the Organization for Technical Intern Training approves supervising organizations and internship plans based on laws and regulations, and in coordination with other government agencies, provides supervision and guidance regarding human rights violations, unpaid wages etc.

(\*2)

### Supervising organization

- In order for business cooperatives and agricultural cooperatives etc. to act as employment mediator (for placement) between internship providers and interns, they are approved by conforming to various strict approval standards on the premise of being non-profit (subject to cancellation for violations, with preferential treatment for excellent supervising organizations)
- Internship providers are billed for intern trainee administrative work, and guidance on various applications / report filings and creating internship plans

### Host organization Internship provider

- Private enterprises and organizations such as makers are certified by creating technical intern training plans for each intern trainee, but they are required to conform to certification standards for suitability to host interns, and there are measures for certification cancellation etc. for violations after the internship period has started
- **Makers are expanding acceptance of intern trainees**  
⇒ Since internships can be continued with the same person for 1 year, 3 years or 5 years, it is possible to utilize them as a stable workforce

There are organizations that cooperate closely with the Company at the selecting organizations (\*1) and supervising organizations (\*2) in the figure above

# About Technical Intern Trainees

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ORJ INC.

Consignment work arising from makers that is not regulated under the Technical Intern Training Act

- Preparation and administration of housing, interpretation, guidance for rules and manners for daily life, transportation in the case of long distances between housing and factories, etc.



ORJ takes on consignment of various work either directly from makers or via cooperating supervising organizations

# About Technical Intern Trainees

## Technical Intern Training Program expected to be revised from April 2019 (summary)

### ■ Current system

Technical Intern Training Program (maximum 5 years)

Technical intern  
training (No.1)  
(period of 1 year)

Technical intern  
training (No.2)  
(period of 2 years)

Technical intern  
training (No.3)  
(period of 2 years)

After 5 years, in principle return to one's home country, and that person can not come to Japan again as a technical intern trainee

### ■ Proposed revision to the system

Technical Intern Training Program  
(maximum 5 years)

Specified skill (No.1)  
(maximum 5 years)

Specified skill (No.2)  
(maximum 5 years)

Create specified skill (No.1) and specified skill (No.2) as new categories of status of residence, and those who complete 5 years of technical intern training will be able to advance to specified skill (No.1) with exemption of examination, and after 5 years as (No.1), they can advance to (No.2) upon successfully passing examinations for Japanese language and skills

- Industry sectors and occupations for specified skill (No.1) and specified skill (No.2) are under review. "Simple labor" is likely to be allowed.
- Those who completed technical intern training in the past for a maximum 3 years and returned to their home countries will become eligible for specified skill (No.1)
- Even for those who haven't completed technical intern training, they can become eligible for specified skill (No.1) upon successfully passing examinations for Japanese language and skills
- After 5 years as specified skill (No.2), there is a renewal system with no restriction on the number of times of renewal (long-term employment is possible by passing the renewal screening process)

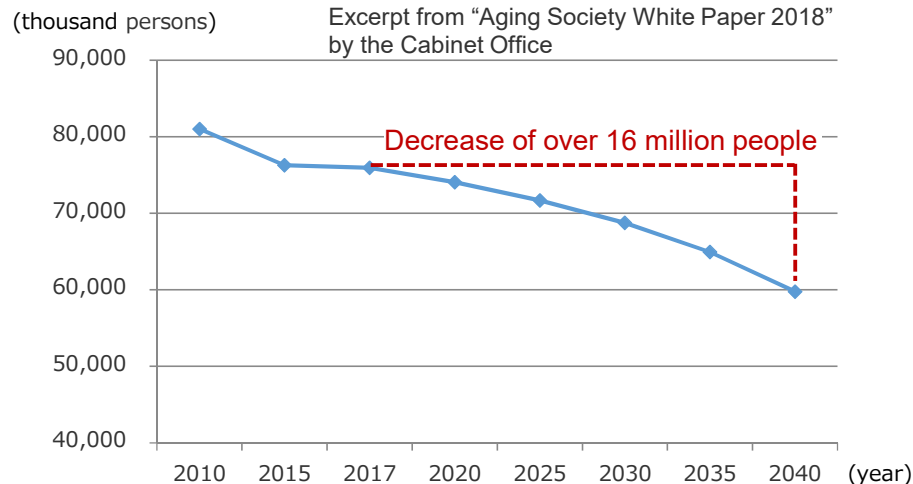
After completing technical intern training, employment in Japan is also possible, and as a result Administrative Outsourcing can be continued and expanded

Currently, bills related to the Technical Intern Training Program are under deliberation at the Diet, which are all tailwinds for the Company

# About Technical Intern Trainees

## Expansion of foreign workers

### ■ Population trend and future forecast for Japan's age group of 15-64 years old (productive age)



In response to the advance of declining birthrate and aging population, the government intends to review and implement various measures to expand acceptance of foreign workers

As of the end of 2017, foreign workers only accounted for 1.7% of the workforce at 1.29 million (roughly 270,000 technical intern trainees)

### ■ Asia Network of OS Group consolidated companies

#### ● 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.
- FOREIGN WORKER EMPLOYMENT AGENCY
- OS LABOUR ASIA COMPANY LIMITED

#### ● Vietnam

- 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.
- OSI-ASIA HOLDINGS PTE. LTD.

#### ● Indonesia

- PT. OS SELNAJAYA INDONESIA

#### ● India

- ALP CONSULTING LIMITED
- DATACORE TECHNOLOGIES PRIVATE LIMITED
- OS HRS INDIA PRIVATE LIMITED

The unmatched Asia Network of OS Group consolidated companies not seen in competitors is an advantage for acceptance of foreign workers, and we are targeting 300,000 workers under administration by 2030

## References






# OUTSOURCING Group Venture Spirit

- Risks being taken and objectives of the Company's global strategy

The Company has determined the following risks should be taken for future growth

- 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 the aforementioned risks, constantly maintaining a sense of crisis and focusing on risk-hedging.

- 
- Going forward, promotion of global strategy which takes risks toward further growth is necessary
  - The shareholders' equity ratio declined due to increased loans following M&A transactions until now, and goodwill increased

An equity financing was implemented this October in order to strengthen the financial base, securing fund raising capacity through partial repayment of loans and boosting shareholders' equity



The Company will continue to promote global strategy, evolving into a Group that can overcome changes to the environment or major recession, achieving a further rise in corporate value

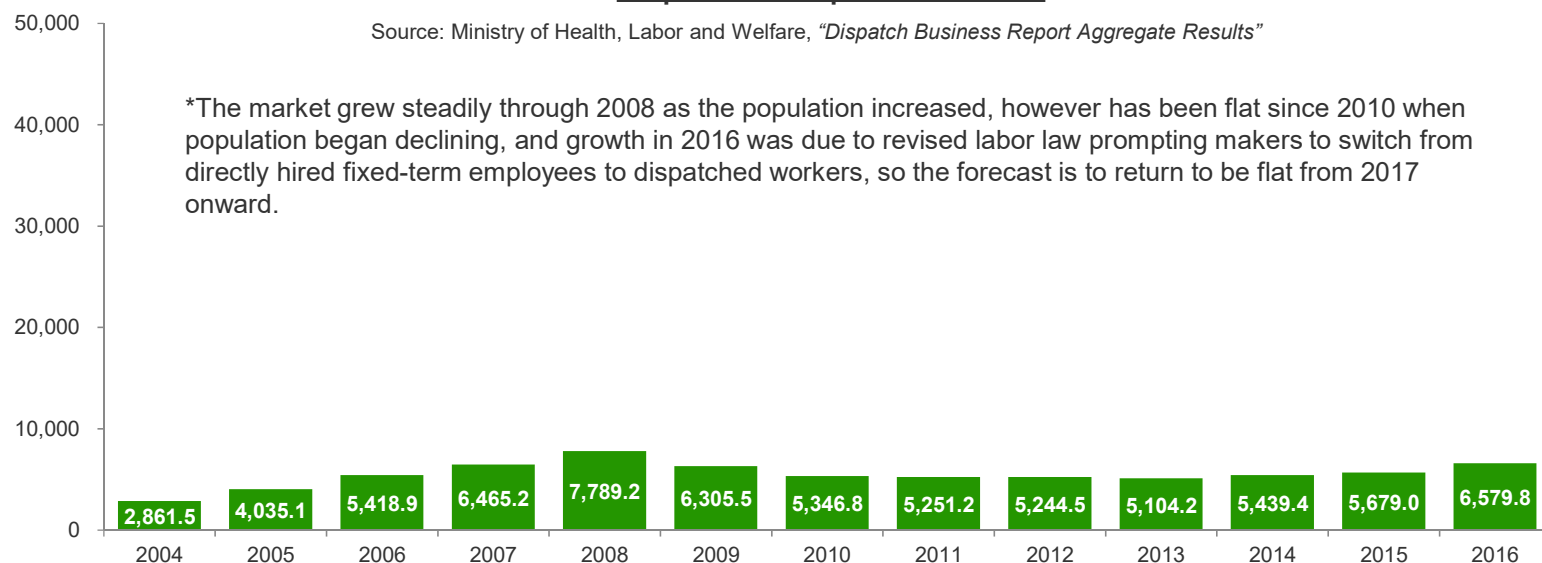
# OUTSOURCING Group Venture Spirit

## ● Relative risk from not taking the risks listed in P.32

(¥ billion)

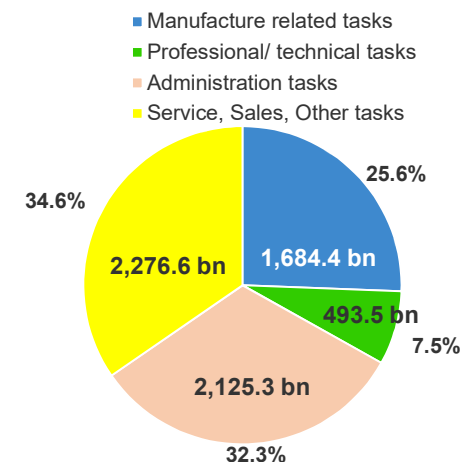
### Japan's dispatch sales

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



### 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

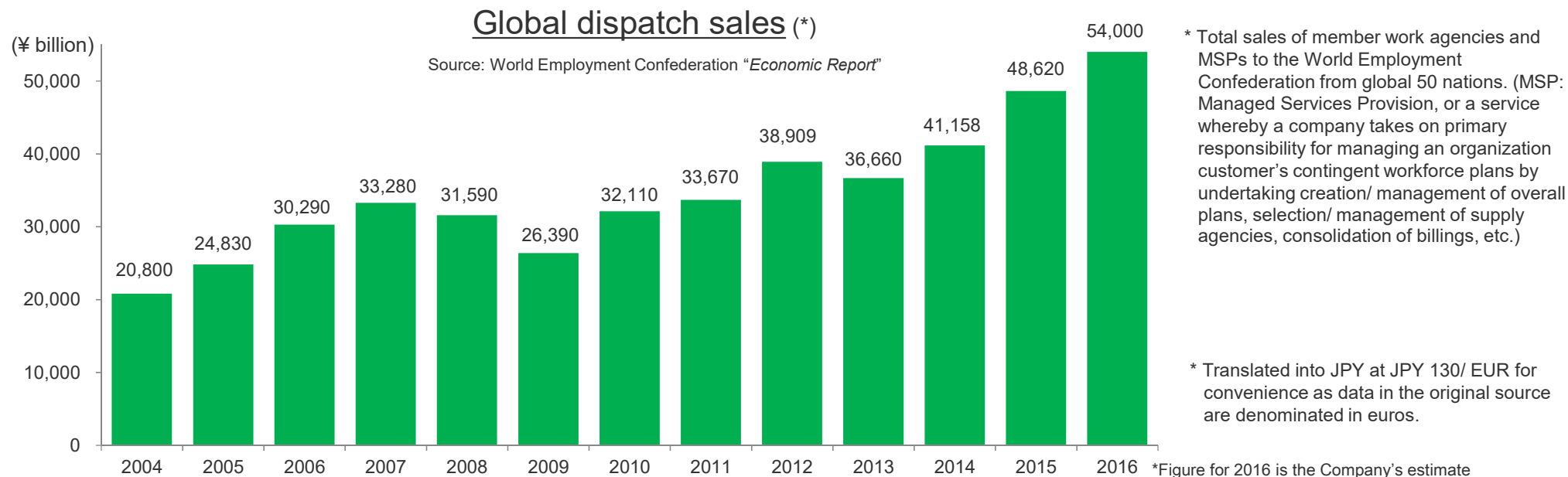
⇒ For Japan where the market was limited and small to begin with, going forward with population decline accelerating, long-term sustainable growth is not possible

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**

# OUTSOURCING Group Venture Spirit

## ● Targeted return for risks assumed listed on P.32

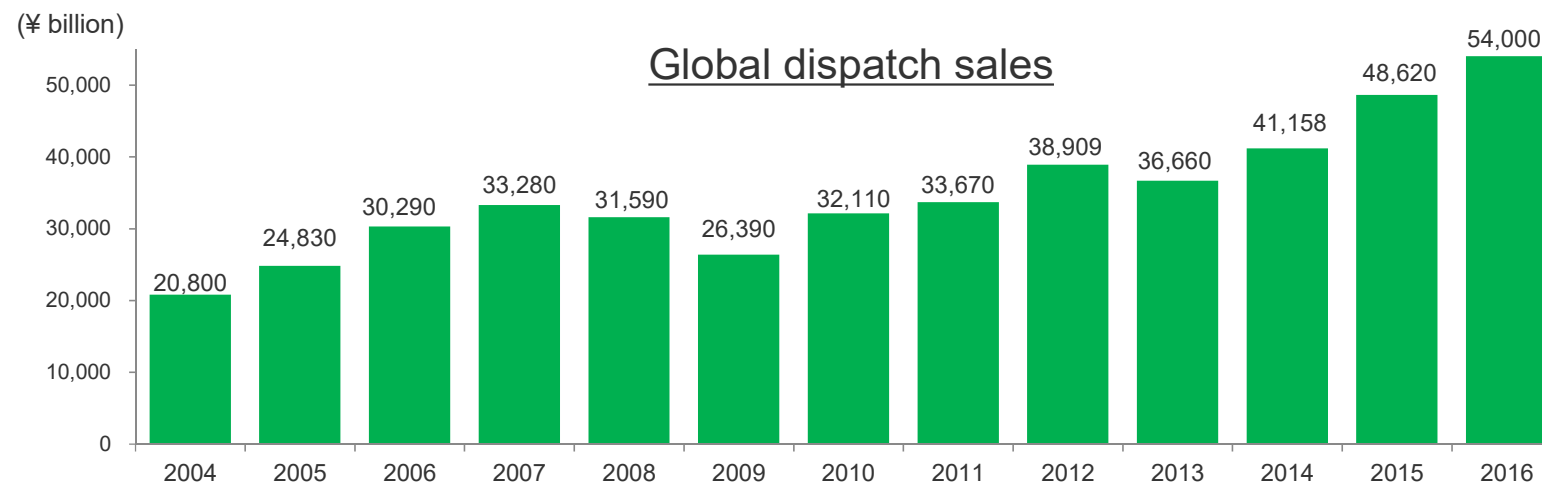
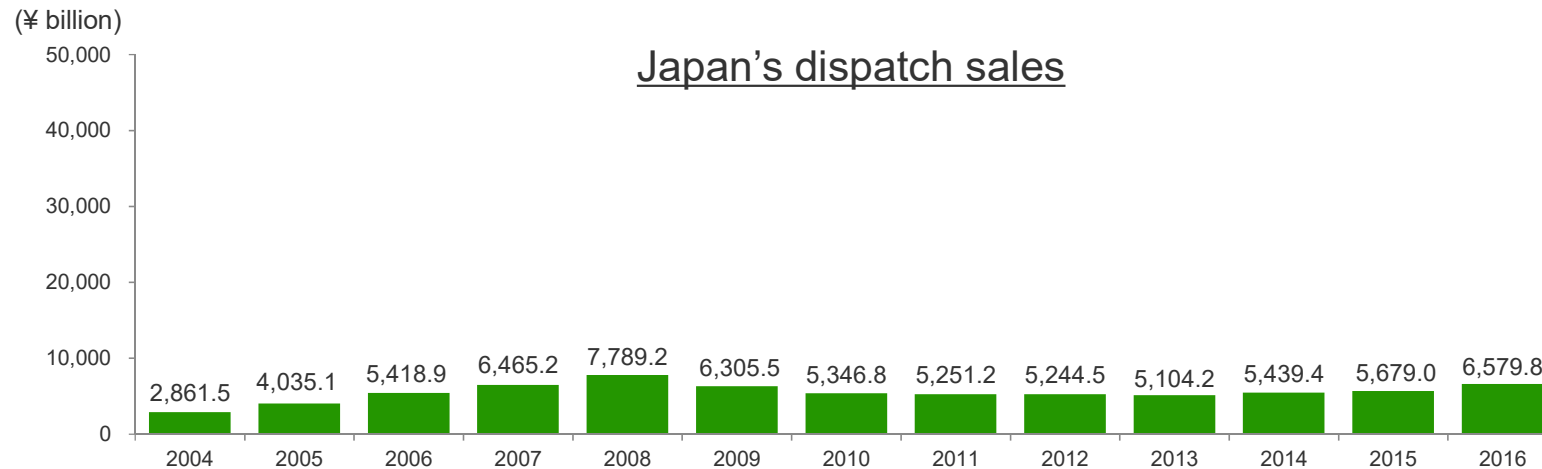


World population is expected to increase from 7.5 billion to 10.0 billion in 2050, forecasting a continuous upwardly sloping market growth

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

# OUTSOURCING Group Venture Spirit

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

The OUTSOURCING Group has no intention to compete under the old dispatch business model in Japan which does not require reinvestment funds, fighting over tiny growth while building up excess cash



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

- In Japan

For Manufacturing and Engineering Outsourcing Business, maximize capturing temporary special demand arising from revised labor laws and paradigm changes in the auto industry, accelerating growth in fields where long-term demand can be expected such as IT / AI engineers and technical intern trainees, becoming the overwhelming top firm in Japan

- Overseas

For Manufacturing and Engineering Outsourcing Business, maximize capturing potential demand arising from population growth through mobility of human resources globally, accelerating entry into government BPO business, toward further growth above the domestic market

- For outsourcing business for US military facilities

Accelerate business development which until now had only been in Japan to the Pacific Rim, 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

# About 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 both parties of a Worker and Employer on the basis that the Worker will work for the Employer, and the Employer will pay wages for said work,” however in the real world, since employers are positioned advantageously while workers are subordinate, under the special laws of the Labor Standards Act and Labor Contracts Act etc., mandatory criteria and provisions related to labor contracts (= employment contracts) are established 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 improvement of 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

# Summary of Revised Labor Laws and Technical Intern Training Act (excerpts)

## 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 2018 problem are in red

## The Revised Worker Dispatching Act Enforced in September 2015

- Dispatch business operators are required to implement employment stabilization measures (asking dispatch customers to employ them directly etc.) for dispatch workers on completion of the dispatch period (partly obligation for best 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

# About hiring Engineering Outsourcing Employees

- Expansion of hiring engineers through proprietary schemes

- Strengthen hiring, training and assignment of new graduates

Through enhancing work content in diversified fields and expanding the Group's scale globally, target raising recognition and corporate value and increasing the number of hires, shortening the training period which becomes cost mainly through the KEN School, and seeking 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

**The Company has overcome “the problem facing competitors in the engineering outsourcing industry of not being able to grow much due to hiring difficulties”**

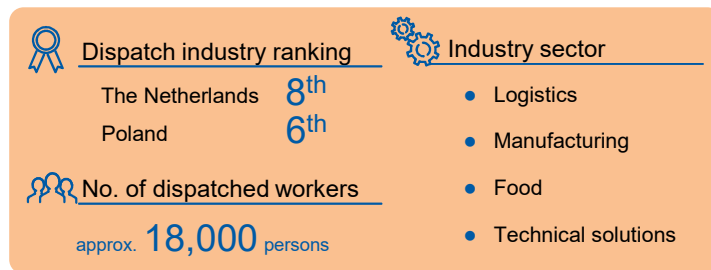


# Overseas Growth Strategy

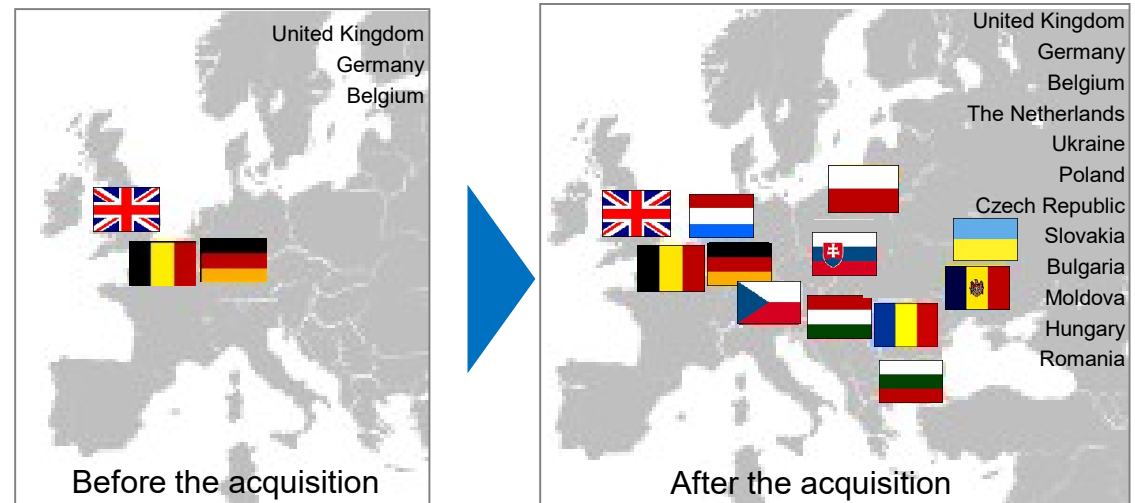
## ● Cross-border mobility of human resources

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

### ■ Overview of OTTO



### ■ 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**

# Overseas Growth Strategy

- Expansion of public-related outsourcing business

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 and HR services
- Various outsourcing business for public facilities including prisons and airports etc., where clients are public institutions



Including the acquisitions of ALTL in the UK and PMP in Australia in August/September 2018, promote mutual development between OS Group companies and maximizing synergies for all types of public-related business know-how, infrastructure, etc., and accelerate global development of business and cross-border mobility of human resources

# Overseas Growth Strategy

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## Global payroll business

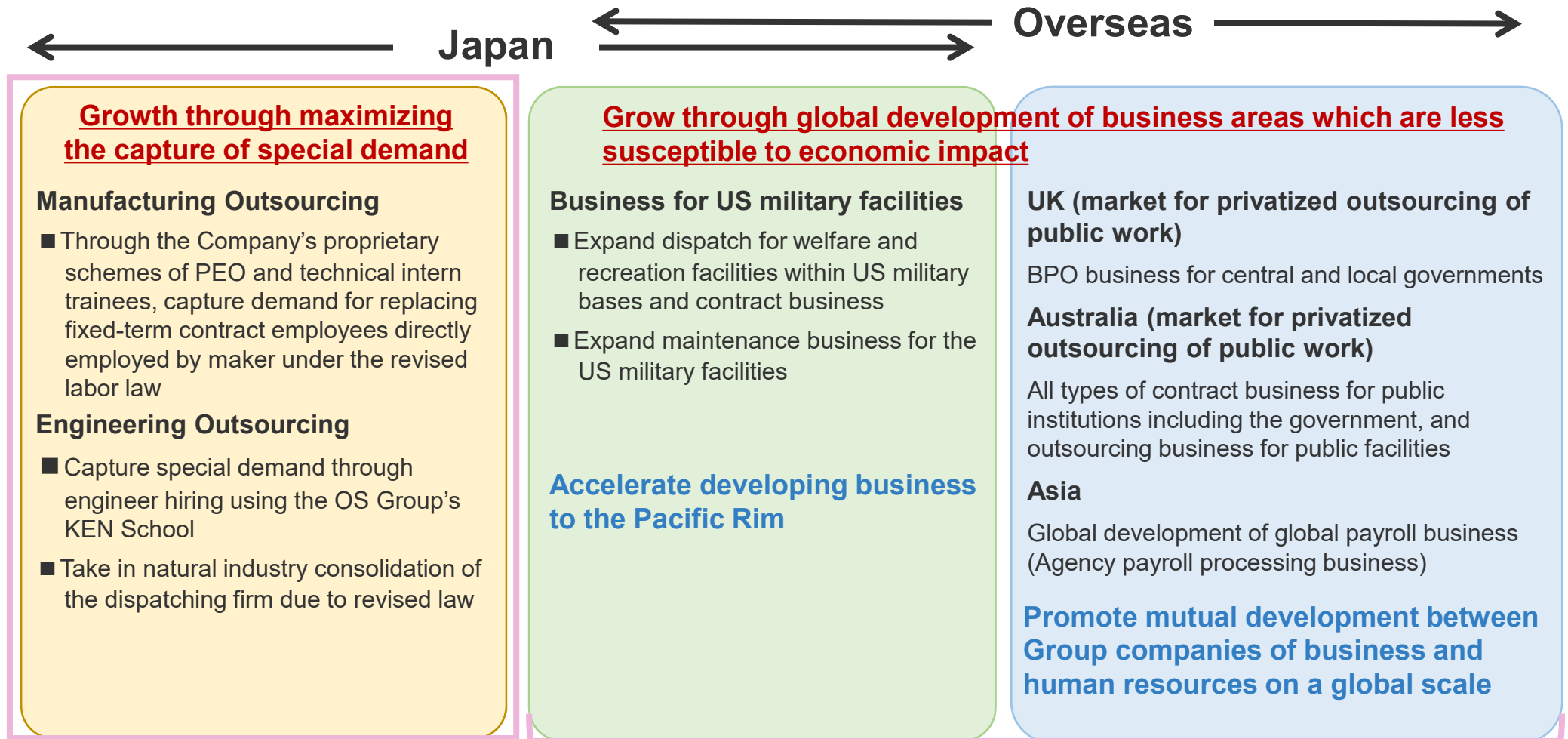
Payroll business (agency calculation of salaries) where consignment is expanding from European and US companies entering Asia

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 OS Group companies in the clients' home countries, accelerating business development and mutual utilization of human resources in Europe and the U.S.

# Growth Strategy Summary of the FY2017-2020 Medium-Term Management Plan

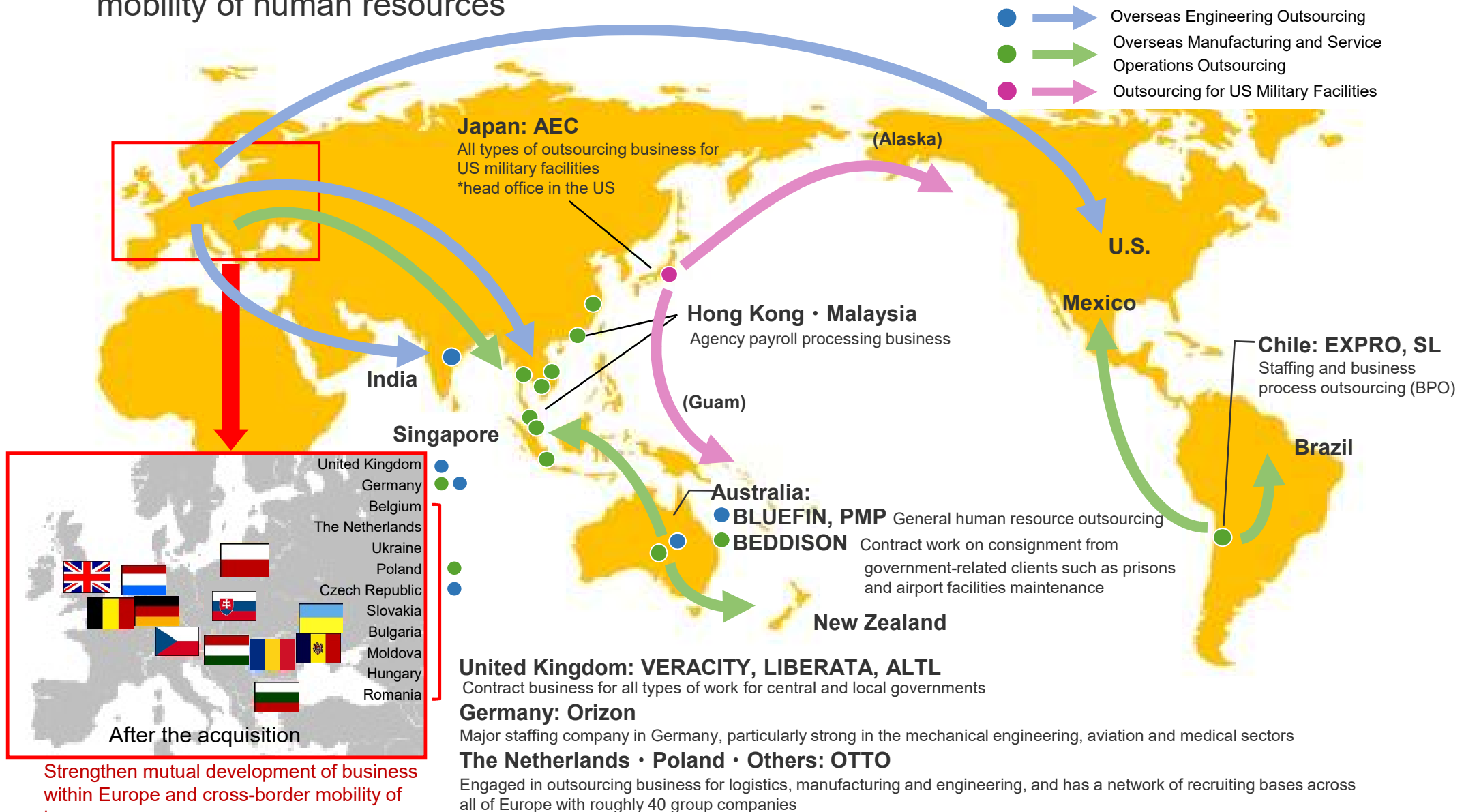


Even if domestic business shrinks due to dramatic changes in the economic environment, etc., new businesses less susceptible to impact from the economy will take up the slack

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

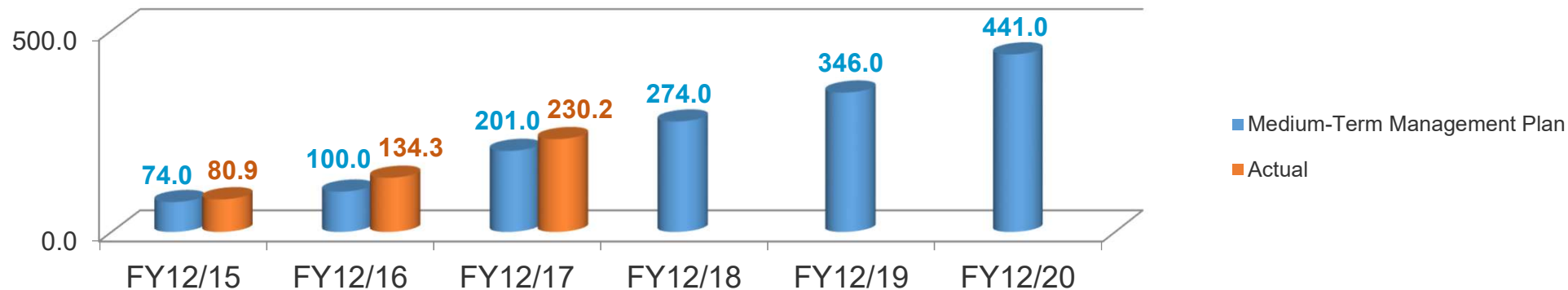
# Growth Strategy Summary of the FY2017-2020 Medium-Term Management Plan

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

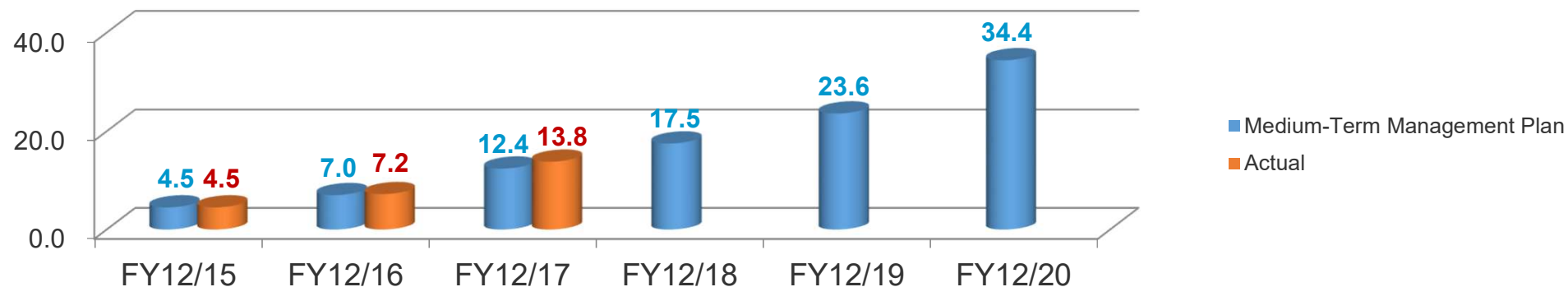


# Progress of the FY2017-2020 Medium-Term Management Plan

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

# 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”

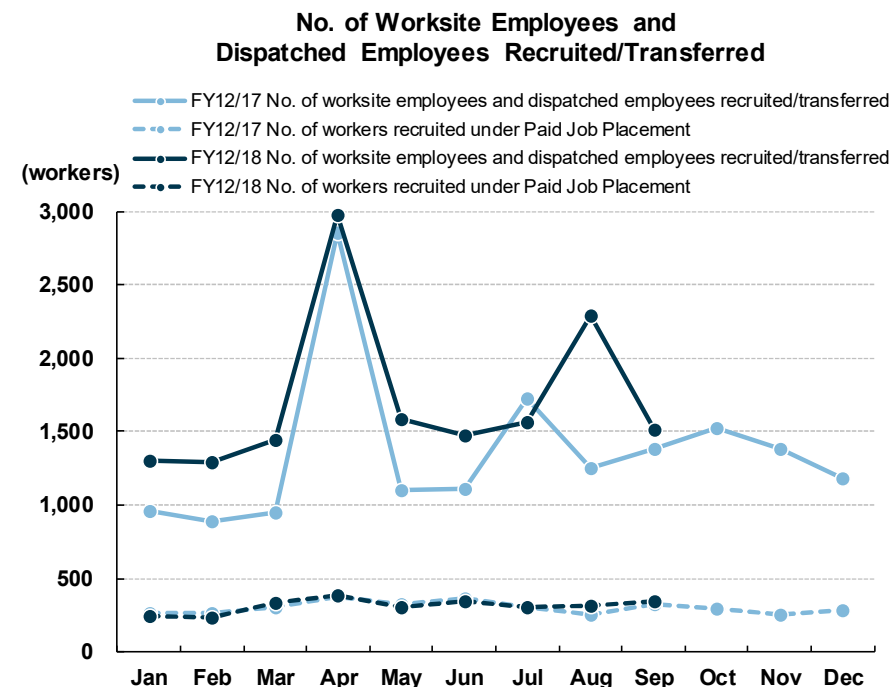
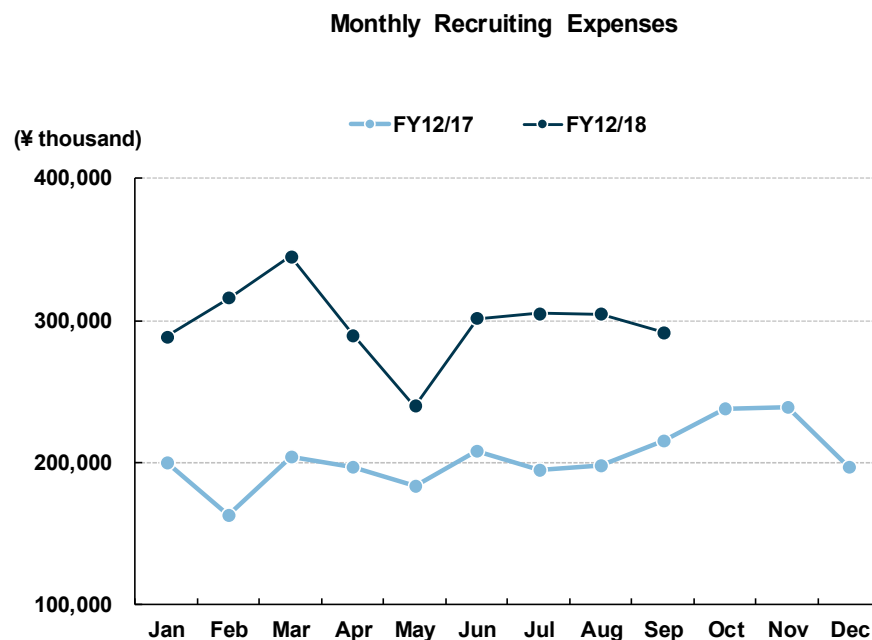
Item	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
◆ <b>Development of global governance policy</b>												
◆ <b>Taking hold of risk management</b>												
◆ <b>Ongoing evolution of the accounting function</b>												
◆ <b>Strengthening information systems security</b>												
◆ <b>More in-depth compliance training</b>												

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

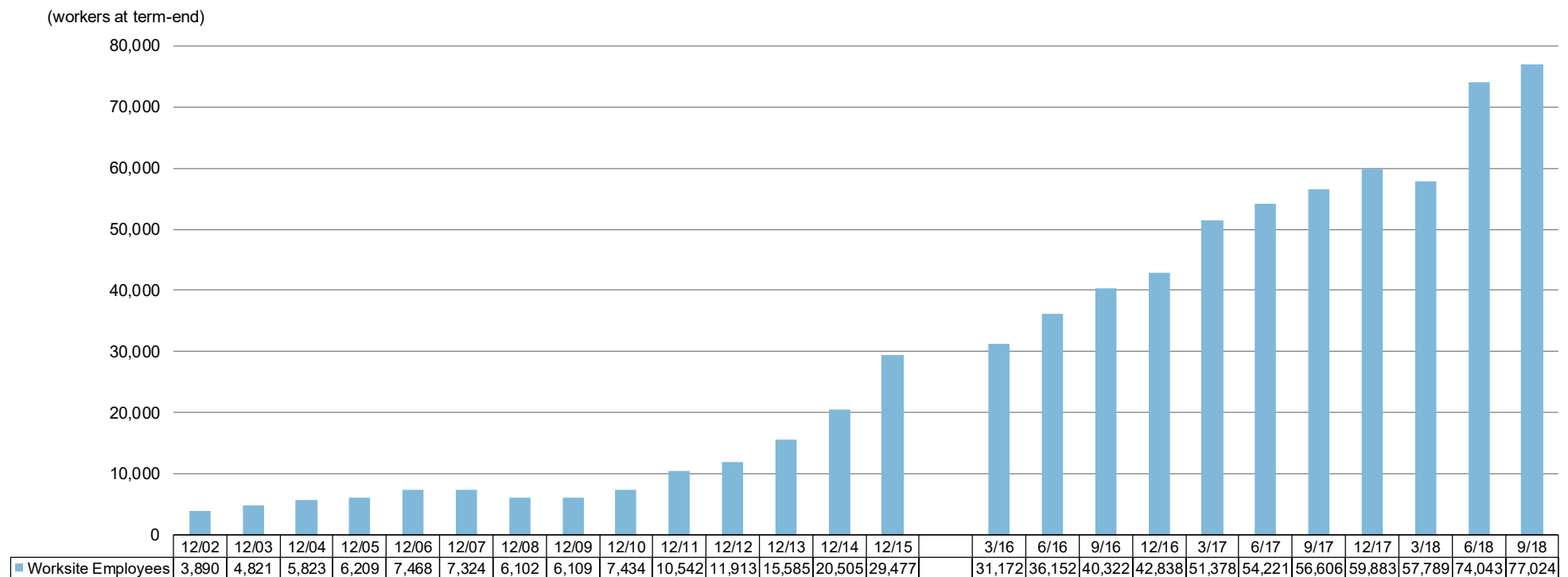
FY12/18		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
—●—	No. of worksite employees and dispatched employees recruited/transferred	1,298	1,291	1,447	2,971	1,590	1,479	1,568	2,289	1,512			
- - -	No. of workers recruited under Paid Job Placement	240	239	339	383	305	345	302	319	350			
—●—	Recruiting expenses (¥ thousand)	288,522	315,618	345,201	289,861	239,816	301,282	305,234	304,662	291,537			

\*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



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

## Note

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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

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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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