



Reference Materials

for the 1st Quarter of Fiscal Year Ending December 31, 2023

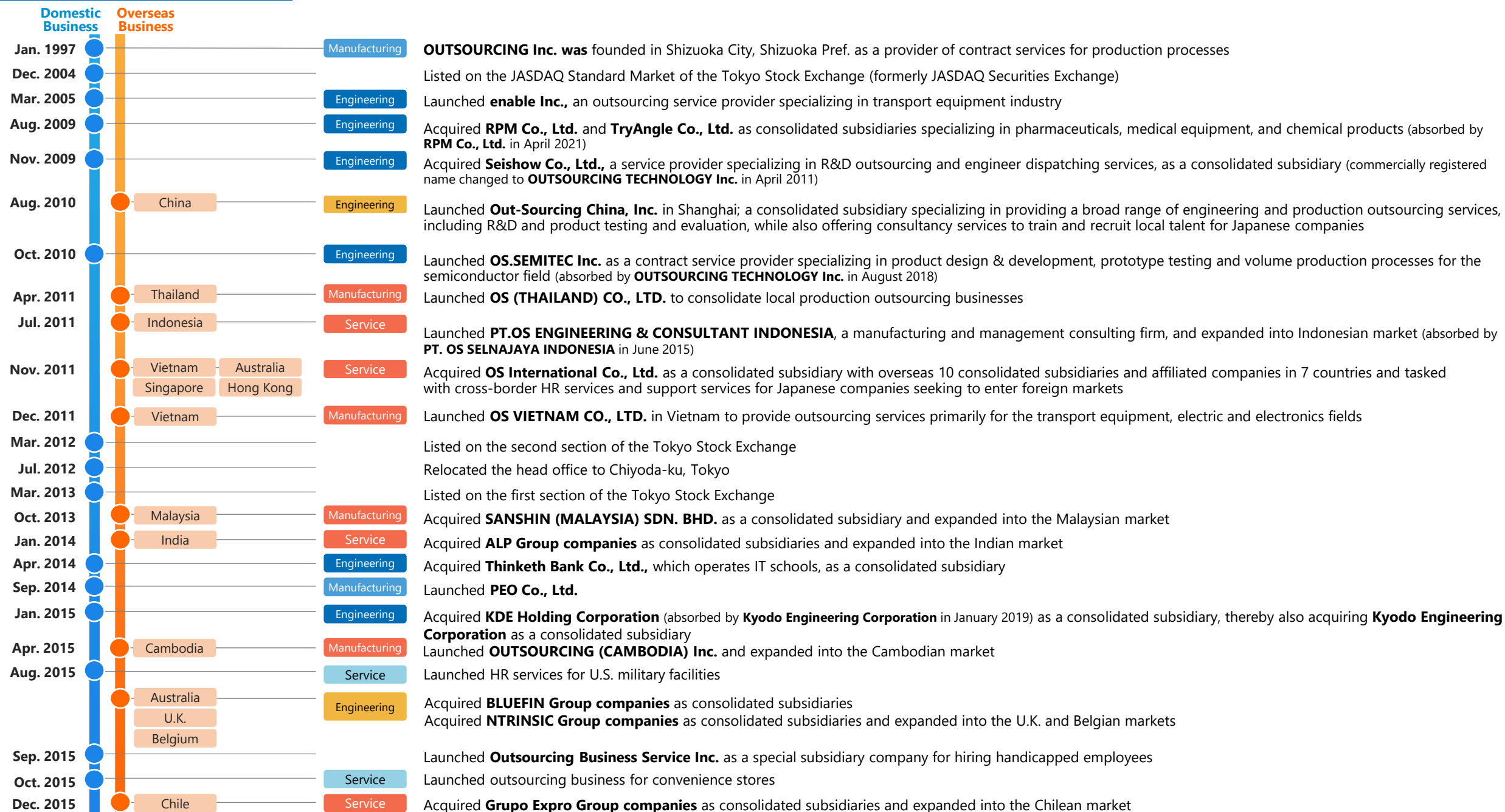
May 2023

OUTSOURCING Inc.
Securities Code: 2427/TSE Prime Section

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and Our Business Opportunities
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OUTSOURCING Group Expansion Corporate History

Founding - 2015



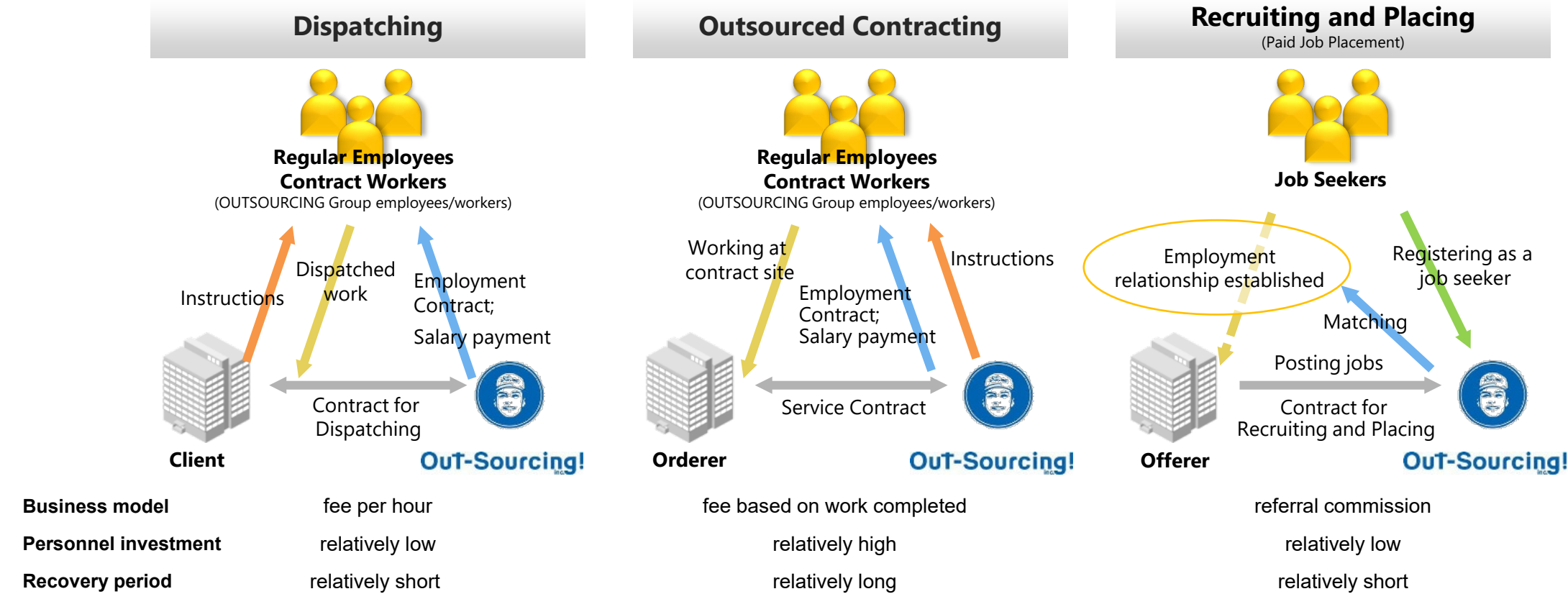
2016 - Present



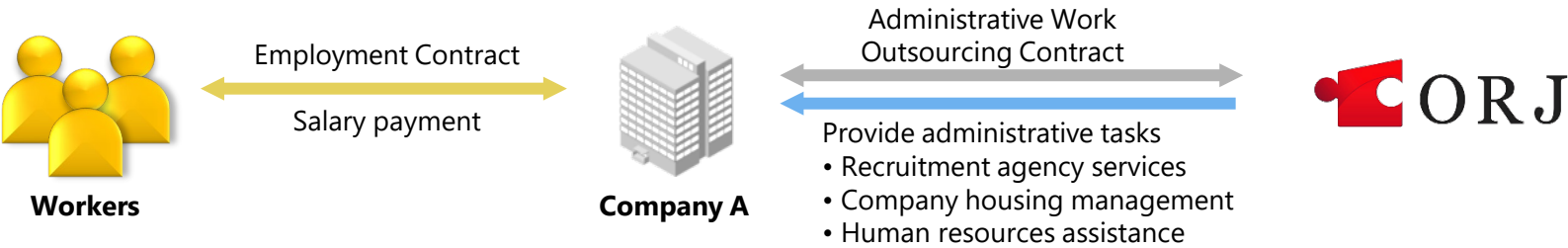
Environment Surrounding Domestic HR Services Industry and Our Business Opportunities

Major Employment Formats

Major Employment Formats for Our Domestic Outsourcing Business

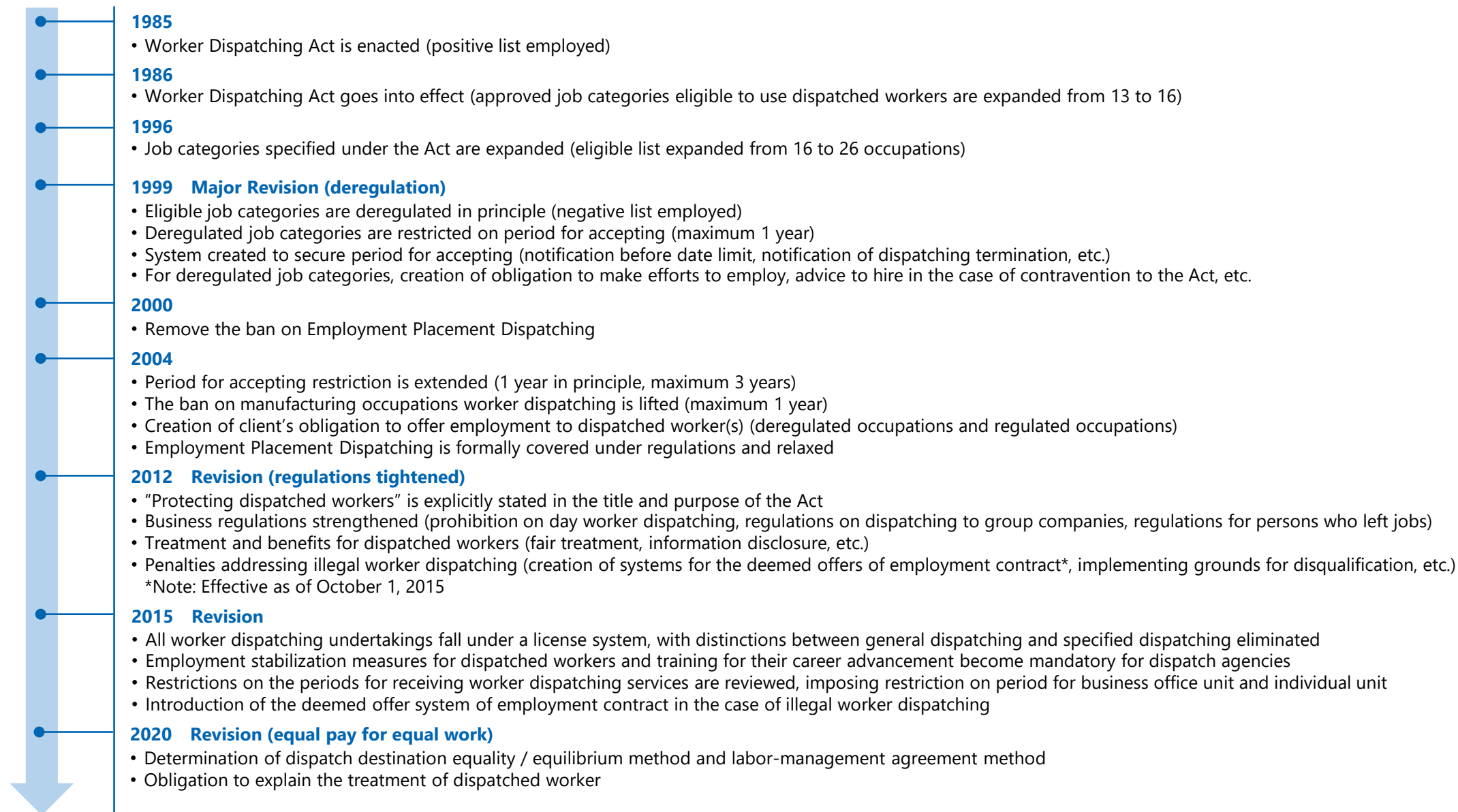


Administrative Work Outsourcing



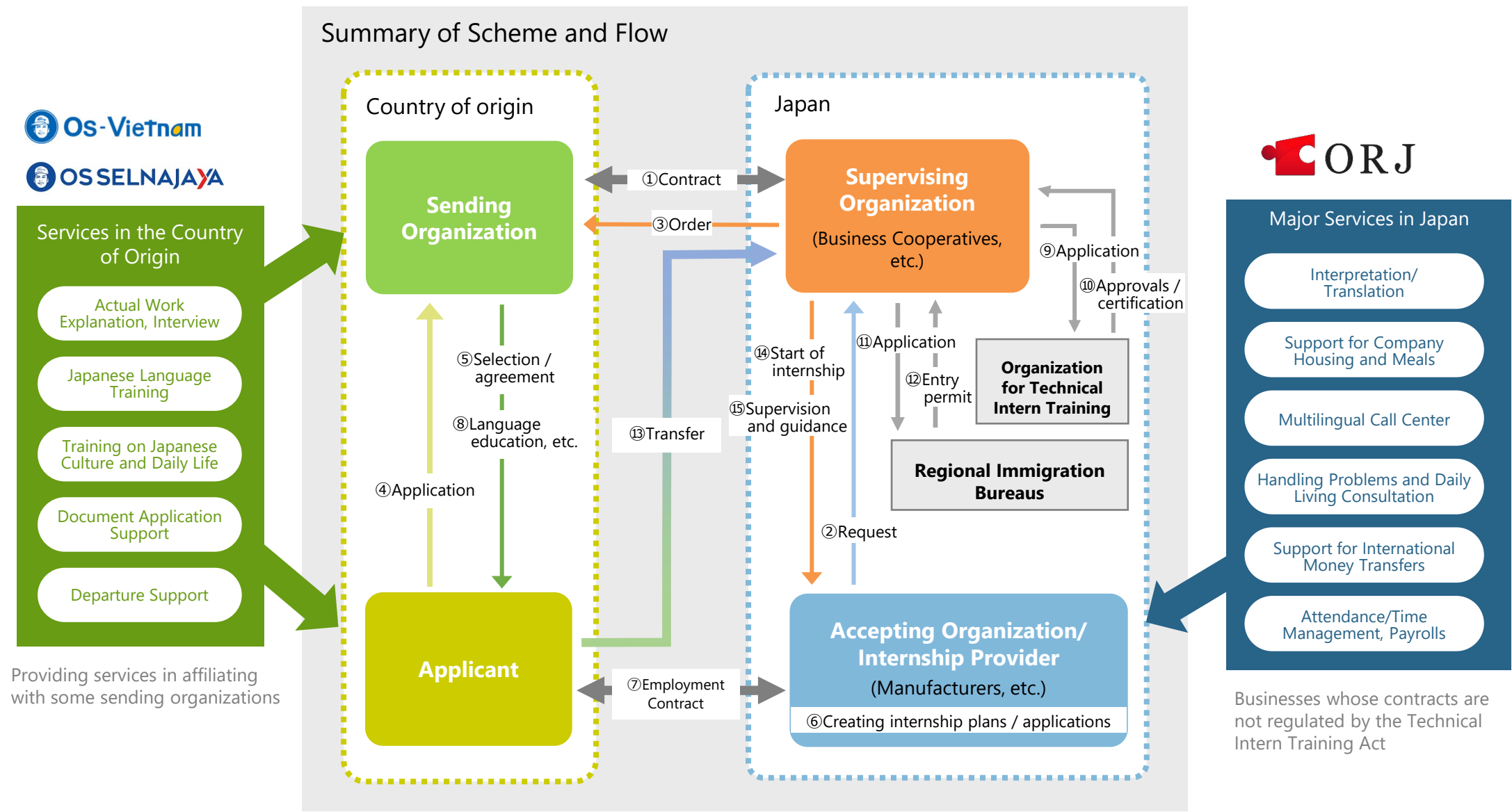
History of Legal and Regulatory Framework

● Revisions to the Worker Dispatching Act



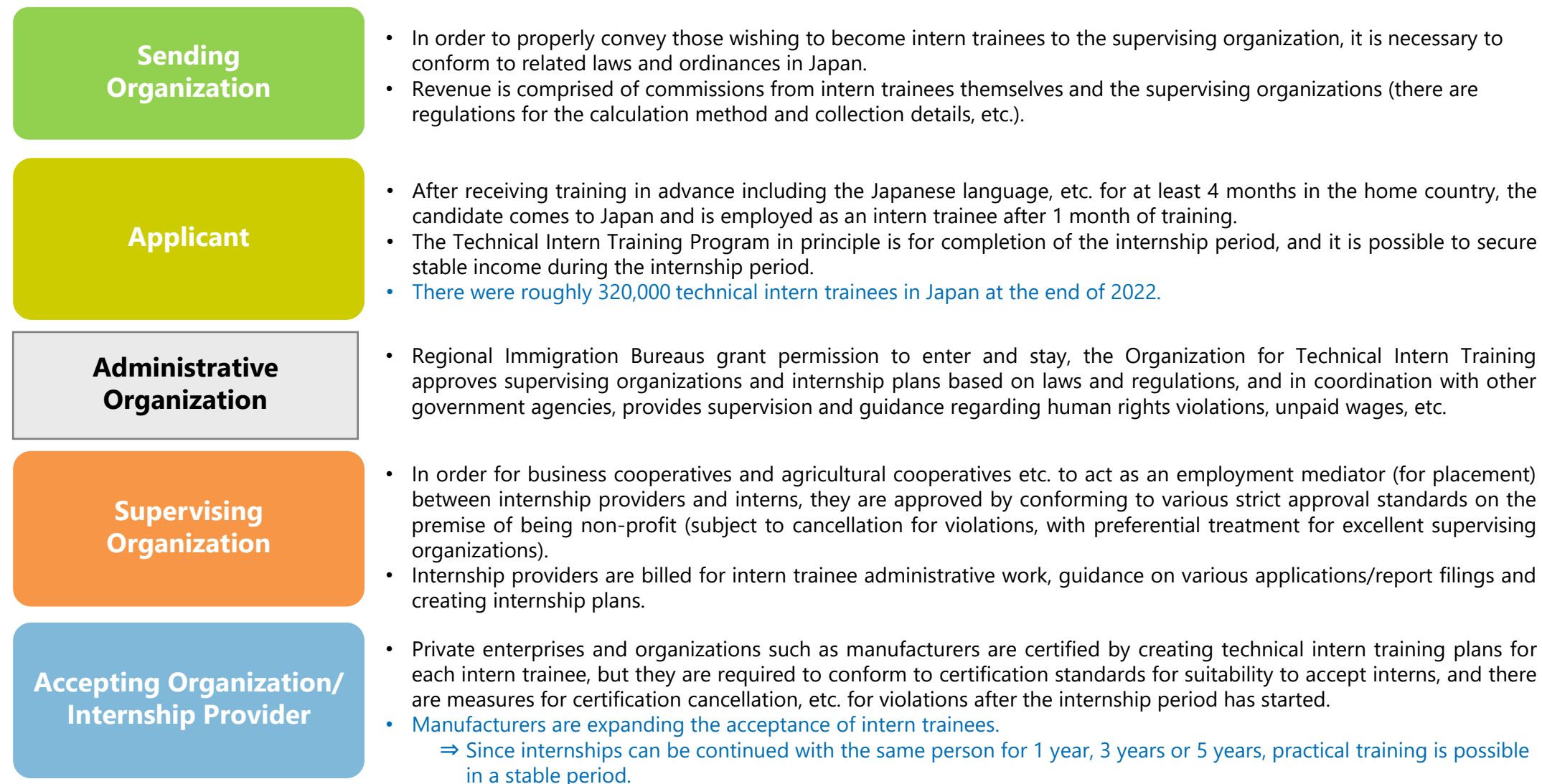
Outline of Technical Intern Training Program (1)

● Outline of Technical Intern Training Program (Current)



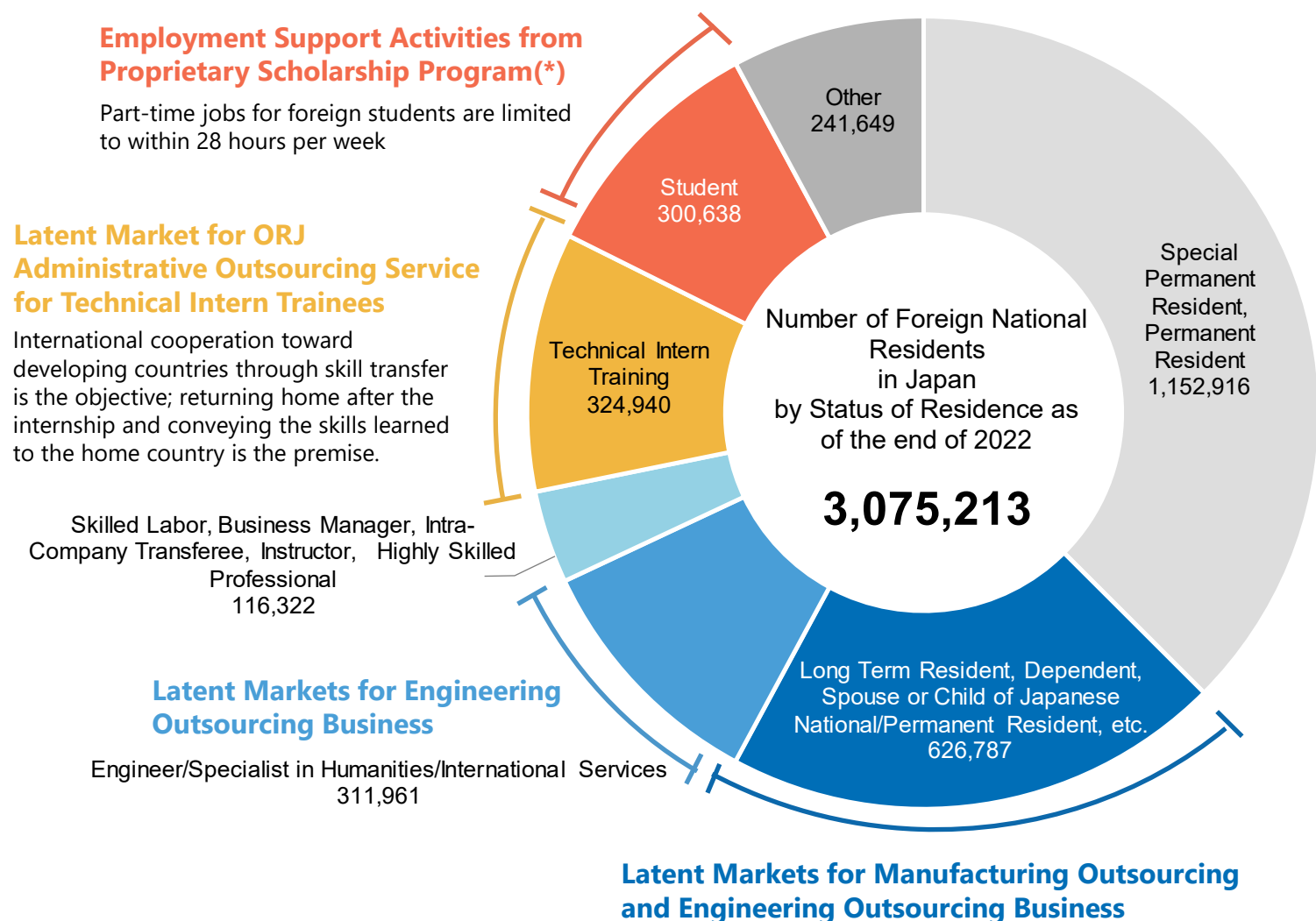
Outline of Technical Intern Training Program (2)

● Related Organizations



Outline of Foreign National Residence Status (Visa Status) and Potential for OUTSOURCING Group

● Foreign National Residence Status (Visa Status) Related to OS Group, Newly Established Specified Skilled Worker Status



In order to resolve critical labor shortages concerning specified fields, raise productivity, and realize HR development reform, the Specified Skilled Worker status has been newly established since April 1, 2019 (targeting to receive up to a maximum of 345,150 over 5 years).

⇒ **Latent markets for Manufacturing Outsourcing, Engineering Outsourcing, and ORJ Administrative Outsourcing Service**

Specified Skilled Worker (i)

Foreign nationals with a level of skill that can be put to use immediately for a certain degree of work without receiving special training

5 years in total

Specified Skilled Worker (ii)

Foreign nationals who can oversee operations as supervisors and who can put to work expert skills

Renewable, can bring family members along

Source: Compiled by the Company from the Ministry of Justice's "Regarding the number of foreign nationals in residence as of the end of 2022"

Note* Through the International Human resource Network Organization Foundation (IHNO), scholarships are paid to foreign students who work while studying. They provide support for foreign students from overseas studying and living in Japan, and for job hunting after graduation.

International Financial Reporting Standards (IFRS)

Impacts of IFRS 16 “Leases” on OUTSOURCING Group

Change in IFRS 16 (Lease accounting)

- ✓ According to the decision of the International Accounting Standards Board (IASB), companies complying with International Financial Reporting Standards (IFRS) are required under IFRS 16 to recognize lease (right of use) as an asset and record lease liabilities for all lease transactions except for short-term and low-value assets lease from fiscal year beginning January 1, 2019 onward. (Lease assets are subject to depreciation instead of being recorded as expense)

Impacts of Change in IFRS 16 (Lease accounting)

- ✓ Total assets increase by bringing lease on the balance sheet as an asset, which results in deterioration of financial indicators, including equity ratio
- ✓ Accounting process becomes more complicated

Legal Disclaimer

This material contains forward-looking statements such as earnings estimates and plans made by the Company, which are based upon the best available information as of the date of the presentation of this material. Therefore, the actual results may differ from the plan and the estimate values due to various factors in the future. Note that the contents of this material are relevant as of the date of this document (or a date specified separately therein) and are subject to change without advance notice. Also, the information described in this presentation other than corporate information of the Group has been compiled by the Company based on publicly available sources, and we have not verified and will not guarantee the accuracy or appropriateness of such information.

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