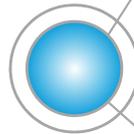


FACTBOOK

(2427)
OUTSOURCING, Inc.

For the Fiscal Year Ended December 31, 2009



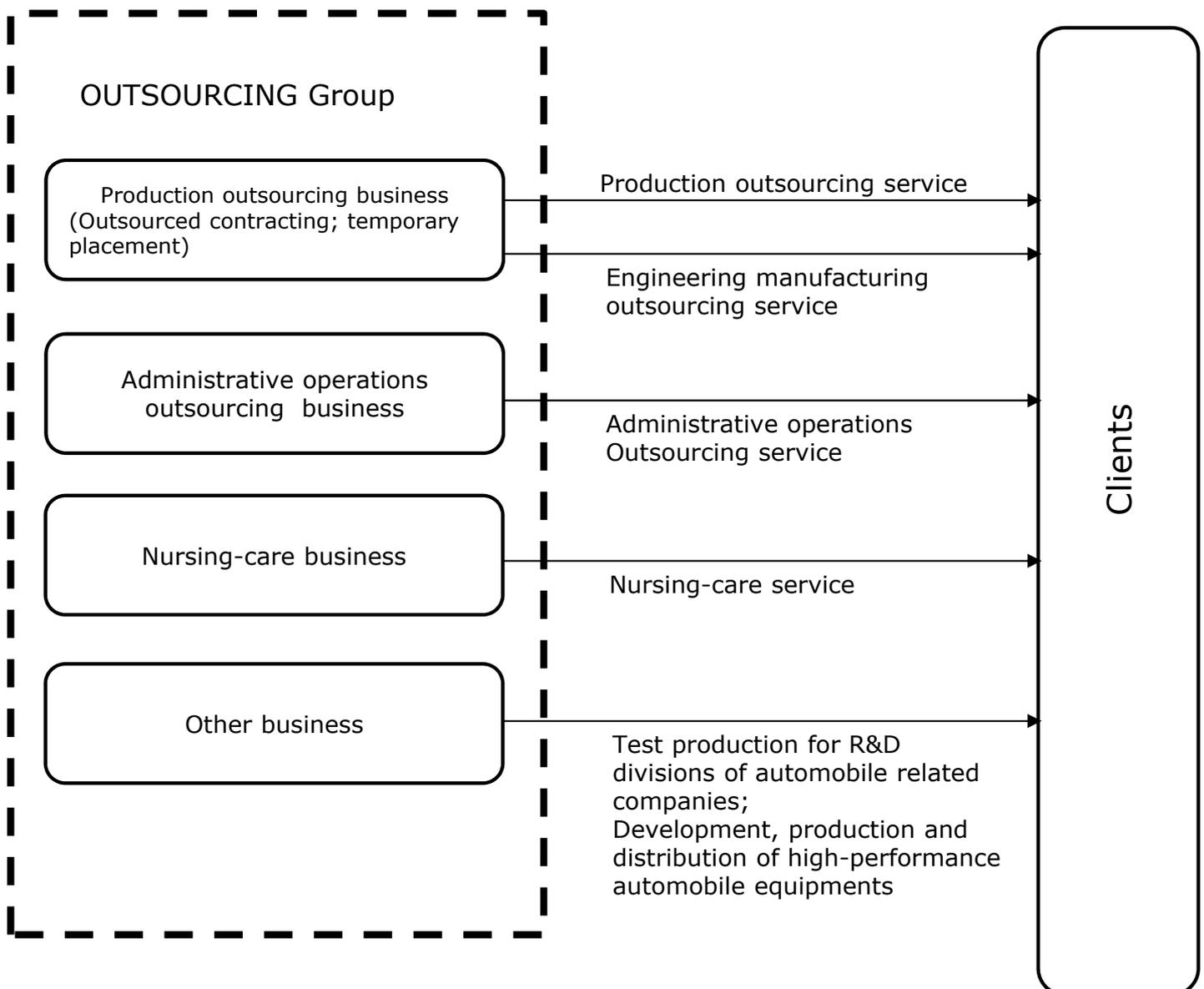
Out-Sourcing!
inc.

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Company Information

Company Name	OUTSOURCING, Inc.
URL	http://www.outsourcing.co.jp
Headquarters	19-19 Chaya-machi, Kita-ku, Osaka-shi, Osaka 530-0013 Japan
Capital	¥483.435 million (as of December 31, 2009)
Date of Establishment	January 6, 1997
Representative	Haruhiko Doi, Chairman & CEO Yohta Maruoka, President & COO
Main Business	Production outsourcing services
Number of Branches	34 sales offices, including 5 recruitment centers (as of December 31, 2009)
Total Employees	4,524 (as of December 31, 2009)



Consolidated Balance Sheets

OUTSOURCING, Inc. and subsidiaries
for the fiscal year ended December 31, 2009

(¥Thousand)	12/05	12/06	12/07	12/08	12/09
Assets					
Total assets	3,630,425	5,267,893	5,660,705	6,051,298	9,365,465
Current assets	2,634,162	3,622,483	4,089,142	3,836,209	5,697,261
Cash and deposits	422,908	670,396	832,871	784,108	2,050,402
Notes and accounts receivable-trade	1,959,505	2,607,843	2,827,262	2,602,908	3,018,675
Inventories	16,295	78,230	77,319	-	-
Work in process	-	-	-	-	59,883
Raw materials and supplies	-	-	-	77,936	76,614
Prepaid expenses	191,682	210,203	261,674	245,357	238,945
Deferred tax assets	6,239	10,934	21,626	9,720	21,685
Other	37,936	46,961	70,272	118,438	235,349
Allowance for doubtful accounts	△ 404	△ 2,086	△ 1,883	△ 2,260	△ 4,295
Noncurrent assets	996,262	1,644,130	1,571,562	2,210,970	3,664,696
Property, plant and equipment	224,743	793,952	904,543	1,437,275	2,195,604
Buildings and structures	35,938	633,863	638,883	871,156	1,565,916
Accumulated depreciation	△ 12,860	△ 63,974	△ 107,250	△ 148,185	△ 289,364
Buildings and structures, net	23,078	569,888	531,633	722,970	1,276,551
Machinery, equipment and vehicles	26,635	85,310	117,695	154,815	227,972
Accumulated depreciation	△ 18,561	△ 38,425	△ 49,412	△ 82,810	△ 116,240
Machinery, equipment and vehicles, net	8,073	46,885	68,282	72,004	111,732
Tools, furniture and fixtures	276,992	329,336	340,585	371,722	482,957
Accumulated depreciation	△ 94,992	△ 224,299	△ 278,888	△ 317,357	△ 421,864
Tools, furniture and fixtures, net	181,999	105,037	61,697	54,365	61,092
Land	150	72,140	141,859	246,119	441,199
Construction in progress	11,442	-	101,071	341,814	305,027
Intangible assets	179,450	424,839	343,609	436,925	676,707
Goodwill	-	-	158,484	273,869	519,152
Consolidation goodwill	-	204,777	-	-	-
Other	179,450	220,061	185,125	163,055	157,554
Investments and other assets	592,068	425,338	323,408	336,770	792,385
Investment securities	320,802	230,671	115,476	103,719	266,965
Long-term loans receivable	83,610	-	-	-	-
Lease and guarantee deposits	162,637	149,434	164,833	175,155	438,779
Deferred tax assets	6,465	8,679	13,384	18,791	12,877
Other	18,777	36,771	29,714	39,103	73,762
Allowance for doubtful accounts	△ 224	△ 217	-	-	-
Deferred assets	-	1,279	-	4,118	3,508

Consolidated Balance Sheets

OUTSOURCING, Inc. and subsidiaries
for the fiscal year ended December 31, 2009

(¥Thousand)	12/05	12/06	12/07	12/08	12/09
Liabilities					
Total liabilities	1,753,921	3,555,976	3,472,531	3,393,403	6,432,244
Current liabilities	1,741,088	2,965,896	2,966,020	2,558,954	4,445,854
Notes and accounts payable-trade	-	22,784	19,022	12,619	20,402
Short-term loans payable	-	565,000	130,000	165,000	1,803,100
Current portion of long-term loans payable	-	156,789	71,011	119,088	320,288
Accounts payable-other	1,340,715	1,639,478	1,723,572	1,546,376	1,333,439
Accrued expenses	131,566	137,907	146,852	98,495	448,258
Income taxes payable	435	94,989	396,708	267,552	83,717
Accrued consumption taxes	162,788	225,306	314,409	168,161	84,847
Provision for bonuses	-	-	-	-	-
Deferred tax liabilities	4,865	-	-	-	-
Other	100,718	123,641	164,444	181,660	351,801
Noncurrent liabilities	12,833	590,079	506,510	834,448	1,986,389
Bonds payable	-	70,000	55,000	270,750	247,250
Long-term loans payable	-	455,129	337,952	460,532	938,703
Provision for retirement benefits	12,833	15,686	21,035	25,746	48,385
Negative goodwill	-	-	-	-	655,106
Other	-	49,264	92,523	77,420	96,493
Minority interests	32,240	-	-	-	-
Shareholders' equity					
Total shareholders' equity	1,844,263	-	-	-	-
Capital stock	460,915	-	-	-	-
Capital surplus	571,715	-	-	-	-
Retained earnings	811,332	-	-	-	-
Valuation difference on available-for-sale securities	301	-	-	-	-
Total liabilities, minority interests and shareholders' equity	3,630,425	-	-	-	-
Net assets					
Total net assets	-	1,711,917	2,188,174	2,657,895	2,933,221
Shareholders' equity	-	1,711,916	2,109,435	2,542,736	2,857,700
Capital stock	-	469,465	474,595	479,995	483,435
Capital surplus	-	580,265	585,395	590,795	879,605
Retained earnings	-	871,198	1,418,536	2,001,545	1,713,363
Treasury stock	-	△ 209,012	△ 369,090	△ 529,599	△ 218,703
Valuation and translation adjustments	-	64	△ 286	△ 9,173	△ 1,824
Valuation difference on available-for-sale securities	-	64	△ 286	△ 9,173	△ 1,824
Subscription rights to shares	-	733	8,178	22,027	49,433
Minority interests	-	△ 797	70,847	102,305	27,911
Total liabilities and net assets	-	5,267,893	5,660,705	6,051,298	9,365,465

Non-Consolidated Balance Sheets

OUTSOURCING, Inc.

for the fiscal year ended December 31, 2009

(¥Thousand)	12/05	12/06	12/07	12/08	12/09
Assets					
Total assets	3,608,749	4,469,774	4,790,695	4,644,832	5,966,235
Current assets	2,528,014	2,985,612	3,486,061	2,753,554	2,699,310
Cash and deposits	332,257	320,331	516,910	126,119	524,920
Notes receivable-trade	7,062	21,202	10,976	54,330	166,909
Accounts receivable-trade	1,947,357	2,314,019	2,509,311	2,243,339	1,728,855
Supplies	15,818	6,261	9,955	7,446	11,222
Prepaid expenses	187,955	185,568	237,349	221,748	108,652
Short-term loans receivable to subsidiaries and affiliates	-	-	146,693	-	-
Advances paid	-	82,215	435	-	-
Deferred tax assets	-	10,934	21,626	9,720	17,847
Other	37,967	45,552	33,318	91,320	141,311
Allowance for doubtful accounts	△ 404	△ 472	△ 81	△ 471	△ 409
Noncurrent assets	1,080,735	1,484,161	1,304,633	1,891,277	3,266,924
Property, plant and equipment	223,641	357,355	325,454	437,248	1,030,606
Buildings	35,138	266,573	270,233	279,778	739,038
Accumulated depreciation	△ 12,774	△ 17,258	△ 28,635	△ 40,771	△ 107,832
Buildings, net	22,363	249,314	241,598	239,007	631,205
Structures	-	13,336	13,336	13,336	62,793
Accumulated depreciation	-	△ 1,090	△ 2,425	△ 3,614	△ 18,449
Structures, net	-	12,246	10,911	9,722	44,344
Machinery and equipment	-	-	4,750	4,750	4,750
Accumulated depreciation	-	-	△ 1,187	△ 2,968	△ 3,859
Machinery and equipment, net	-	-	3,562	1,781	890
Vehicles	26,635	18,038	33,710	48,291	48,291
Accumulated depreciation	△ 18,561	△ 13,407	△ 16,239	△ 27,462	△ 35,765
Vehicles, net	8,073	4,631	17,471	20,829	12,525
Tools, furniture and fixtures	276,433	303,025	313,123	323,341	379,248
Accumulated depreciation	△ 94,820	△ 212,012	△ 261,362	△ 284,843	△ 337,099
Tools, furniture and fixtures, net	181,612	91,012	51,760	38,498	42,149
Land	150	150	150	104,410	299,490
Construction in progress	11,442	-	-	23,000	-
Intangible assets	179,225	210,243	174,895	152,594	124,156
Software	63,163	199,533	145,764	142,843	108,507
Software in progress	106,782	-	-	-	-
Other	9,279	10,709	29,130	9,750	15,649
Investments and other assets	677,867	916,562	804,283	1,301,434	2,112,162
Investment securities	320,802	219,751	103,847	96,091	105,161
Stocks of subsidiaries and affiliates	85,000	464,800	524,080	1,016,080	1,814,583
Investments in capital	2,050	2,050	347	347	5,400
Long-term loans receivable from subsidiaries and affiliates	83,610	69,270	-	-	-
Claims provable in bankruptcy, claims provable in rehabilitation and other	224	217	113	-	-
Long-term prepaid expenses	526	10,296	6,910	7,818	10,939
Deferred tax assets	7,562	9,775	14,481	19,888	13,908
Lease and guarantee deposits	162,340	132,518	146,403	153,108	153,419
Other	15,975	8,100	8,100	8,100	8,750
Allowance for doubtful accounts	△ 224	△ 217	-	-	-

Non-Consolidated Balance Sheets

OUTSOURCING, Inc.

for the fiscal year ended December 31, 2009

(¥Thousand)	12/05	12/06	12/07	12/08	12/09
Liabilities					
Total liabilities	1,756,674	2,687,099	2,663,440	2,126,510	2,782,468
Current liabilities	1,743,841	2,408,920	2,429,916	1,938,279	2,264,992
Short-term loans payable	-	400,000	-	-	850,000
Current portion of long-term loans payable	-	50,004	50,004	50,004	74,204
Accounts payable-other	1,334,950	1,457,948	1,477,803	1,283,100	1,110,698
Accrued expenses	131,566	135,743	145,799	96,009	76,111
Income taxes payable	-	90,000	355,000	245,000	22,000
Accrued consumption taxes	161,923	181,868	264,972	125,729	-
Deposits received	100,252	93,356	136,336	138,435	126,015
Deferred tax liabilities	4,865	-	-	-	-
Other	10,283	-	-	-	5,963
Noncurrent liabilities	12,833	278,179	233,524	188,231	517,475
Long-term loans payable	-	262,493	212,489	162,485	118,551
Provision for retirement benefits	12,833	15,686	21,035	25,746	27,615
Negative goodwill	-	-	-	-	363,461
Other	-	-	-	-	7,848
Shareholders' equity					
Total shareholders' equity	1,852,074	-	-	-	-
Capital stock	460,915	-	-	-	-
Capital surplus	571,715	-	-	-	-
Retained earnings	819,143	-	-	-	-
Voluntary retained earnings	109,112	-	-	-	-
Unappropriated retained earnings at end of year	710,030	-	-	-	-
Valuation difference on available-for-sale securities	301	-	-	-	-
Total liabilities and shareholders' equity	3,608,749	-	-	-	-
Net assets					
Total net assets	-	1,782,675	2,127,254	2,518,321	3,183,766
Shareholders' equity	-	1,782,567	2,120,761	2,502,355	3,135,195
Capital stock	-	469,465	474,595	479,995	483,435
Capital surplus	-	580,265	585,395	590,795	879,605
Legal capital surplus	-	580,265	585,395	590,795	594,235
Other capital surplus	-	-	-	-	285,370
Retained earnings	-	941,849	1,429,862	1,961,165	1,990,857
Reserve for special depreciation	-	-	343	-	-
General reserve	-	-	105,000	105,000	105,000
Voluntary retained earnings	-	106,599	-	-	-
Retained earnings brought forward	-	835,249	1,324,519	1,856,165	1,885,857
Treasury stock	-	△ 209,012	△ 369,090	△ 529,599	△ 218,703
Valuation and translation adjustments	-	△ 625	△ 1,685	△ 6,061	△ 862
Valuation difference on available-for-sale securities	-	△ 625	△ 1,685	△ 6,061	△ 862
Subscription rights to shares	-	733	8,178	22,027	49,433
Total liabilities and net assets	-	4,469,774	4,790,695	4,644,832	5,966,235

Consolidated Statements of Income

OUTSOURCING, Inc. and subsidiaries
for the fiscal year ended December 31, 2009

(¥Thousand)	12/05	12/06	12/07	12/08	12/09
Net sales	17,881,614	21,197,302	24,321,558	24,148,064	17,964,396
Cost of sales	15,091,303	17,795,472	19,888,929	19,652,219	14,578,030
Gross profit	2,790,311	3,401,830	4,432,629	4,495,845	3,386,365
Selling, general and administrative expenses	2,694,776	3,282,654	3,418,806	3,382,521	3,536,588
Operating income	95,534	119,176	1,013,823	1,113,323	△ 150,222
Non-operating income	8,209	21,832	11,165	38,576	318,923
Interest income	7,357	7,402	5,321	5,469	7,850
Dividends income	1	7	9	14	178
Reversal of consumption taxes	-	8,472	-	21,963	-
Reversal of repair expenses	-	-	2,257	-	-
Insurance income	-	-	1,502	5,146	-
Nursery fee income	-	-	1,343	877	-
Interest on refund	-	2,369	-	-	-
Rent on real estate	-	-	-	-	103,230
Amortization of negative goodwill	-	-	-	-	104,856
Subsidy income	-	-	-	-	60,599
Equity method investment gain	-	-	-	-	12,103
Other	850	3,580	731	5,104	30,104
Non-operating expenses	195	22,150	20,604	17,027	146,559
Interest expenses	195	15,517	15,660	15,364	30,195
Amortization of bond issuance cost	-	2,219	1,279	152	-
Cost of real-estate rental	-	-	-	-	104,723
Other	-	4,413	3,665	1,510	11,640
Ordinary income	103,548	118,858	1,004,383	1,134,871	22,141
Extraordinary income	18,676	74,509	29,677	23,058	6,306
Gain on sales of noncurrent assets	1,461	2,070	186	63	542
Reversal of allowance for doubtful accounts	537	-	400	320	-
Surrender value of insurance	13,917	70,812	1,019	22,674	5,764
Gain on change in equity	2,759	-	28,070	-	-
Gain on sales of investment securities	-	1,625	-	-	-
Extraordinary loss	18,557	9,047	8,351	51	205,505
Loss on sales and retirement of noncurrent assets	4,440	9,047	6,648	51	1,175
Loss on valuation of investments in capital	7,249	-	1,702	-	-
Loss on prior period adjustment	6,866	-	-	-	-
	-	-	-	-	204,329
Income before income taxes	103,667	184,320	1,025,709	1,157,878	△ 177,057
Income taxes-current	68,872	131,815	447,711	480,782	75,877
Income taxes-deferred	304	△ 10,591	△ 14,699	9,385	40,405
Minority interests in income	-	△ 34,600	8,994	26,457	△ 77,595
Net income	34,490	97,696	583,702	641,252	△ 215,744

Non-Consolidated Statements of Income

OUTSOURCING, Inc.

for the fiscal year ended December 31, 2009

(¥Thousand)	12/05	12/06	12/07	12/08	12/09
Net sales	17,847,008	19,161,664	21,270,073	20,528,817	13,823,975
Cost of sales	15,061,089	16,133,763	17,457,464	16,759,815	11,214,245
Gross profit	2,785,919	3,027,901	3,812,608	3,769,002	2,609,729
Selling, general and administrative expenses	2,675,016	2,832,681	2,892,577	2,739,022	2,550,226
Operating income	110,903	195,219	920,030	1,029,979	59,502
Non-operating income	8,111	10,574	9,269	4,392	114,305
Interest income	174	1,445	2,881	494	2,625
Interest on securities	7,178	6,927	3,888	3,492	3,495
Dividends income	1	7	9	14	120
Reversal of repair expenses	-	-	2,257	-	-
Amortization of negative goodwill	-	-	-	-	72,692
Subsidy income	-	-	-	-	18,610
Other	757	2,194	231	391	16,759
Non-operating expenses	195	11,232	10,880	6,696	8,378
Interest expenses	195	8,653	8,235	5,256	7,956
Commission for purchase of treasury stock	-	1,779	1,184	1,202	-
Depreciation of lease deposits	-	-	1,450	-	-
Other	-	799	10	236	422
Ordinary income	118,818	194,561	918,419	1,027,676	165,428
Extraordinary income	15,916	72,608	544	-	220
Gain on sales of noncurrent assets	1,461	1,696	143	-	220
Reversal of allowance for doubtful accounts	537	-	400	-	-
Gain on sales of investment securities	-	100	-	-	-
Surrender value of insurance	13,917	70,812	-	-	-
Extraordinary loss	18,557	7,773	8,017	6	7,526
Loss on sales and retirement of noncurrent assets	4,440	7,773	6,315	6	186
Loss on valuation of investments in capital	7,249	-	1,702	-	-
Loss on prior period adjustment	6,866	-	-	-	-
Loss on extinguishment of tie-in shares	-	-	-	-	7,339
Income before income taxes	116,178	259,397	910,946	1,027,670	158,123
Income taxes-current	68,429	116,262	401,267	428,739	12,162
Income taxes-deferred	5,447	△ 17,402	△ 14,699	9,385	43,830
Total income taxes	-	-	-	438,124	55,993
Net income	42,301	160,536	524,378	589,545	102,129

Consolidated Statements of Change in Shareholders' Equity

OUTSOURCING, Inc. and subsidiaries
for the fiscal year ended December 31, 2009

(¥Thousand)	12/08	12/09	(¥Thousand)	12/08	12/09
Shareholders' equity			Valuation and translation adjustments		
Capital stock			Valuation difference on available-for-sale securities		
Balance at the end of previous year	474,595	479,995	Balance at the end of previous year	△ 286	△ 9,173
Changes of items during the period			Changes of items during the period		
Issuance of new shares	5,400	3,440	Issuance of new shares	-	-
Dividends from surplus	-	-	Dividends from surplus	-	-
Net income	-	-	Net income	-	-
Purchase of treasury stock	-	-	Purchase of treasury stock	-	-
Net changes of items other than shareholders' equity	-	-	Net changes of items other than shareholders' equity	△ 8,886	7,348
Total changes of items during the period	5,400	3,440	Total changes of items during the period	△ 8,886	7,348
Balance at the end of current year	479,995	483,435	Balance at the end of current year	△ 9,173	△ 1,824
Capital surplus			Total valuation and translation adjustments		
Balance at the end of previous year	585,395	590,795	Balance at the end of previous year	△ 286	△ 9,173
Changes of items during the period			Changes of items during the period		
Issuance of new shares	5,400	3,440	Issuance of new shares	-	-
Dividends from surplus	-	-	Dividends from surplus	-	-
Net income	-	-	Net income	-	-
Purchase of treasury stock	-	-	Purchase of treasury stock	-	-
Net changes of items other than shareholders' equity	-	-	Net changes of items other than shareholders' equity	△ 8,886	7,348
Total changes of items during the period	5,400	288,810	Total changes of items during the period	△ 8,886	7,348
Balance at the end of current year	590,795	879,605	Balance at the end of current year	△ 9,173	△ 1,824
Retained earnings			Subscription rights to shares		
Balance at the end of previous year	1,418,536	2,001,545	Balance at the end of previous year	8,178	22,027
Changes of items during the period			Changes of items during the period		
Issuance of new shares	-	-	Issuance of new shares	-	-
Dividends from surplus	△ 58,242	△ 72,437	Dividends from surplus	-	-
Net income	641,252	△ 215,744	Net income	-	-
Purchase of treasury stock	-	-	Purchase of treasury stock	-	-
Net changes of items other than shareholders' equity	-	-	Net changes of items other than shareholders' equity	13,849	27,406
Total changes of items during the period	583,009	△ 288,181	Total changes of items during the period	13,849	27,406
Balance at the end of current year	2,001,545	1,713,363	Balance at the end of current year	22,027	49,433
Treasury stock			Minority interests		
Balance at the end of previous year	△ 369,090	△ 529,599	Balance at the end of previous year	70,847	102,305
Changes of items during the period			Changes of items during the period		
Issuance of new shares	-	-	Issuance of new shares	-	-
Dividends from surplus	-	-	Dividends from surplus	-	-
Net income	-	-	Net income	-	-
Purchase of treasury stock	△ 160,508	-	Purchase of treasury stock	-	-
Net changes of items other than shareholders' equity	-	-	Net changes of items other than shareholders' equity	31,457	△ 74,394
Total changes of items during the period	△ 160,508	310,895	Total changes of items during the period	31,457	△ 74,394
Balance at the end of current year	△ 529,599	△ 218,703	Balance at the end of current year	102,305	27,911
Total shareholders' equity			Total net assets		
Balance at the end of previous year	2,109,435	2,542,736	Balance at the end of previous year	2,188,174	2,657,895
Changes of items during the period			Changes of items during the period		
Issuance of new shares	10,800	6,880	Issuance of new shares	10,800	6,880
Dividends from surplus	△ 58,242	△ 72,437	Dividends from surplus	△ 58,242	△ 72,437
Net income	641,252	△ 215,744	Net income	641,252	△ 215,744
Purchase of treasury stock	△ 160,508	-	Purchase of treasury stock	△ 160,508	-
Net changes of items other than shareholders' equity	-	-	Stock issuance due to merger	-	310,895
Stock issuance due to merger	-	310,895	Increase by merger	-	285,370
Increase due to merger	-	285,370	Net changes of items other than shareholders' equity	36,420	△ 39,638
Total changes of items during the period	433,300	314,964	Total changes of items during the period	469,721	275,326
Balance at the end of current year	2,542,736	2,857,700	Balance at the end of current year	2,657,895	2,933,221

Non-Consolidated Statements of Change in Shareholders' Equity

OUTSOURCING, Inc. and subsidiaries
for the fiscal year ended December 31, 2009

(¥Thousand)	12/08	12/09	(¥Thousand)	12/08	12/09
Shareholders' equity			Valuation and translation adjustments		
Capital stock			Valuation difference on available-for-sale securities		
Balance at the end of previous year	474,595	479,995	Balance at the end of previous year	△ 1,685	△ 6,061
Changes of items during the period			Changes of items during the period		
Issuance of new shares	5,400	3,440	Net changes of items other than shareholders' equity	△ 4,375	5,198
Total changes of items during the period	5,400	3,440	Total changes of items during the period	△ 4,375	5,198
Balance at the end of current year	479,995	483,435	Balance at the end of current year	△ 6,061	△ 862
Capital surplus			Total valuation and translation adjustments		
Legal capital surplus			Balance at the end of previous year	△ 1,685	△ 6,061
Balance at the end of previous year	585,395	590,795	Changes of items during the period		
Changes of items during the period			Net changes of items other than shareholders' equity	△ 4,375	5,198
Issuance of new shares	5,400	3,440	Total changes of items during the period	△ 4,375	5,198
Total changes of items during the period	5,400	3,440	Balance at the end of current year	△ 6,061	△ 862
Balance at the end of current year	590,795	594,235	Subscription rights to shares		
Other capital surplus			Balance at the end of previous year	8,178	22,027
Balance at the end of previous year	-	-	Changes of items during the period		
Changes of items during the period			Net changes of items other than shareholders' equity	13,849	27,406
Increase by merger	-	285,370	Total changes of items during the period	13,849	27,406
Total changes of items during the period	-	285,370	Balance at the end of current year	22,027	49,433
Balance at the end of current year	-	285,370	Total net assets		
Capital surplus			Balance at the end of previous year	2,127,254	2,518,321
Balance at the end of previous year	585,395	590,795	Changes of items during the period		
Changes of items during the period			Issuance of new shares	10,800	6,880
Issuance of new shares	5,400	3,440	Increase by merger	-	285,370
Increase by merger	-	285,370	Dividends from surplus	△ 58,242	△ 72,437
Total changes of items during the period	5,400	288,810	Net income	589,545	102,129
Balance at the end of current year	590,795	879,605	Purchase of treasury stock	△ 160,508	-
Retained earnings			Stock issuance due to merger	-	310,895
Other retained earnings			Net changes of items other than shareholders' equity	9,473	32,605
Reserve for special depreciation			Total changes of items during the period	391,067	665,445
Balance at the end of previous year	343	-	Balance at the end of current year	2,518,321	3,183,766
Changes of items during the period					
Reversal of reserve for special depreciation	△ 343	-			
Total changes of items during the period	△ 343	-			
Balance at the end of current year	-	-			
General reserve					
Balance at the end of previous year	105,000	105,000			
Changes of items during the period					
Total changes of items during the period	-	-			
Balance at the end of current year	105,000	105,000			
Retained earnings brought forward					
Balance at the end of previous year	1,324,519	1,856,165			
Changes of items during the period					
Dividends from surplus	△ 58,242	△ 72,437			
Net income	589,545	102,129			
Reversal of reserve for special depreciation	343	-			
Total changes of items during the period	531,645	29,692			
Balance at the end of current year	1,856,165	1,885,857			
Total retained earnings					
Balance at the end of previous year	1,429,862	1,961,165			
Changes of items during the period					
Dividends from surplus	△ 58,242	△ 72,437			
Net income	589,545	102,129			
Reversal of reserve for special depreciation	-	-			
Total changes of items during the period	531,302	29,692			
Balance at the end of current year	1,961,165	1,990,857			
Treasury stock					
Balance at the end of previous year	△ 369,090	△ 529,599			
Changes of items during the period					
Purchase of treasury stock	△ 160,508	-			
Stock issuance due to merger	-	310,895			
Total changes of items during the period	△ 160,508	310,895			
Balance at the end of current year	△ 529,599	△ 218,703			
Total shareholders' equity					
Balance at the end of previous year	2,120,761	2,502,355			
Changes of items during the period					
Issuance of new shares	10,800	6,880			
Increase due to merger	-	285,370			
Dividends from surplus	△ 58,242	△ 72,437			
Net income	589,545	102,129			
Purchase of treasury stock	△ 160,508	-			
Stock issuance due to merger	-	310,895			
Total changes of items during the period	381,593	632,839			
Balance at the end of current year	2,502,355	3,135,195			

Consolidated Statements of Cash Flows

OUTSOURCING, Inc. and subsidiaries
for the fiscal year ended December 31, 2009

(¥Thousand)	12/05	12/06	12/07	12/08	12/09
Cash flows provided by (used in) operating activities					
Net cash provided by (used in) operating activities	△ 229,130	102,779	1,021,607	547,118	△ 465,872
Income before income taxes	103,667	184,320	1,025,709	1,157,878	△ 177,057
Depreciation and amortization	68,474	240,013	178,468	164,654	211,723
Impairment losses	-	-	-	-	204,329
Amortization of goodwill	-	-	46,293	57,841	67,377
Amortization of consolidation goodwill	-	26,688	-	-	-
Amortization of negative goodwill	-	-	-	-	△ 104,856
Increase (decrease) in allowance for doubtful accounts	△ 916	1,020	△ 420	87	△ 41
Increase (decrease) in provision for bonuses	-	-	-	△ 2,000	△ 106,493
Increase (decrease) in provision for retirement benefits	3,191	2,853	5,349	4,711	1,801
Interest and dividends income	△ 7,358	△ 7,410	△ 5,331	△ 5,484	△ 8,028
Interest expenses	195	15,517	15,660	15,364	30,195
(Gain) on sales and valuation of investment securities	-	△ 1,625	-	-	-
Loss (gain) on sales and retirement of noncurrent assets	4,440	9,047	6,648	51	633
Loss (gain) on sales of noncurrent assets	△ 1,461	△ 2,070	△ 186	△ 63	-
Loss (gain) on cancellation of insurance contract	△ 13,917	△ 70,812	△ 1,019	△ 22,674	△ 5,764
Loss on valuation of investments in capital	7,249	-	1,702	-	-
Loss (gain) on change in equity	-	-	△ 28,070	-	-
Equity in (earnings) losses of affiliates	-	-	-	-	△ 12,103
Decrease (increase) in notes and accounts receivable-trade	△ 103,928	△ 474,964	△ 219,314	272,898	595,405
Decrease (increase) in inventories	△ 7,797	△ 2,401	911	△ 616	△ 4,532
Increase (decrease) in notes and accounts payable-trade	193,447	167,283	80,804	△ 295,460	△ 757,044
Increase (decrease) in accrued consumption taxes	△ 123,223	48,810	89,102	△ 146,385	△ 153,797
Other	△ 97,388	12,339	△ 19,054	△ 32,560	77,411
Subtotal	24,674	148,608	1,177,251	1,168,242	△ 140,841
Interest and dividends income received	4,856	8,066	6,736	5,399	7,991
Interest expenses paid	△ 47	△ 16,441	△ 16,389	△ 16,585	△ 32,741
Income taxes refund	-	-	-	-	8,403
Income taxes paid	△ 258,614	△ 37,454	△ 145,992	△ 609,938	△ 308,683
Cash flows provided by (used in) investing activities					
Net cash provided by (used in) investing activities	△ 724,767	△ 413,452	△ 42,567	△ 927,622	△ 8,794
Payments into time deposits	△ 68,900	△ 132,451	△ 75,798	△ 155,128	△ 172,230
Proceeds from withdrawal of time deposits	64,900	64,000	116,300	200,511	205,348
Purchase of property, plant and equipment	△ 210,096	△ 356,832	△ 160,008	△ 623,611	△ 473,430
Proceeds from sales of property, plant and equipment	3,904	4,756	683	155	2,625
Purchase of intangible assets	△ 150,652	△ 97,344	△ 27,559	△ 37,636	△ 25,278
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	△ 133,489	-	△ 322,202	-
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	23,606	-	-	476,811
Purchase of investment securities	△ 799,913	△ 386	△ 105,638	△ 10,740	△ 4,110
Proceeds from sales of investment securities	500,000	110,092	220,209	10,740	-
Purchase of stocks of subsidiaries and affiliates	-	-	-	-	△ 136,400
Payments of loans receivable	△ 86,000	-	-	△ 5,030	△ 611,086
Collection of loans receivable	-	24,724	1,473	5,684	607,321
Payments for lease and guarantee deposits	△ 41,967	△ 68,863	△ 47,190	△ 49,954	△ 55,354
Proceeds from collection of lease and guarantee deposits	31,807	87,251	35,482	40,437	128,394
Purchase of insurance funds	△ 1,189	△ 101	△ 2,097	△ 1,964	△ 5,757
Proceeds from cancellation of insurance funds	33,838	80,471	2,398	23,403	26,188
Other	△ 500	△ 18,885	△ 823	△ 2,287	28,162
Cash flows provided by (used in) financing activities					
Net cash provided by (used in) financing activities	2,483	487,110	△ 776,063	179,981	668,479
Net increase (decrease) in short-term loans payable	-	556,563	△ 435,000	35,000	675,000
Proceeds from long-term loans payable	-	350,000	-	250,000	330,000
Repayment of long-term loans payable	△ 2,000	△ 153,834	△ 202,955	△ 117,693	△ 210,906
Proceeds from issuance of bonds	-	-	-	245,729	-
Redemption of bonds	-	△ 15,000	△ 15,000	△ 15,000	△ 34,250
Proceeds from issuance of common stock	-	17,100	10,260	10,800	6,880
Purchase of treasury stock	-	△ 210,791	△ 161,263	△ 160,508	-
Proceeds from stock issuance to minority shareholders	35,000	-	90,720	5,000	-
Cash dividends paid	△ 30,516	△ 37,830	△ 36,365	△ 58,242	△ 72,437
Other	-	△ 19,097	△ 26,459	△ 15,102	△ 25,807
Net increase (decrease) in cash and cash equivalents	△ 951,414	176,436	202,975	△ 200,523	193,812
Cash and cash equivalents, beginning of term	1,364,323	412,908	589,345	792,321	591,797
Increase in cash and cash equivalents resulting from merger	-	-	-	-	848,923
Cash and cash equivalents, end of term	412,908	589,345	792,321	591,797	1,634,534

Information by Segment

OUTSOURCING, Inc. and subsidiaries
for the fiscal year ended December 31, 2009

(¥Thousand)	12/05	12/06	12/07	12/08	12/09
Production Outsourcing Business	17,881,614	21,010,106	23,841,132	23,879,571	17,200,739
Composition Ratio	100.0%	99.1%	98.0%	98.9%	95.8%
Manufacturing Outsourced Contracting Business	15,084,754	12,453,280	-	-	-
Composition Ratio	84.4%	58.8%	-	-	-
Electricals And Electronics	3,193,225	3,513,501	6,867,185	6,664,136	4,742,173
Composition Ratio	17.9%	16.6%	28.2%	27.6%	26.4%
Foods	5,803,204	3,955,260	6,616,511	5,652,322	3,437,037
Composition Ratio	32.5%	18.6%	27.2%	23.4%	19.1%
Transport Equipment	2,094,804	1,499,348	4,356,170	5,618,135	2,810,718
Composition Ratio	11.7%	7.1%	17.9%	23.3%	15.7%
Chemicals And Medicals	1,718,400	1,671,999	2,676,491	3,360,387	3,669,928
Composition Ratio	9.6%	7.9%	11.0%	13.9%	20.4%
Metals	881,865	462,139	929,856	749,157	332,116
Composition Ratio	4.9%	2.2%	3.8%	3.1%	1.9%
Other	1,393,252	1,351,031	2,394,915	1,835,431	2,208,764
Composition Ratio	7.8%	6.4%	9.9%	7.6%	12.3%
Temporary Placement Business	2,796,860	8,556,826	-	-	-
Composition Ratio	15.6%	40.3%	-	-	-
Administrative Operations Outsourcing Business	-	-	-	-	184,024
Composition Ratio	-	-	-	-	1.0%
Nursing Care Business	-	-	-	-	347,453
Composition Ratio	-	-	-	-	1.9%
Other Business	-	187,195	480,426	268,493	232,177
Composition Ratio	-	0.9%	2.0%	1.1%	1.3%
Total	17,881,614	21,197,302	24,321,558	24,148,064	17,964,396
Composition Ratio	100.0%	100.0%	100.0%	100.0%	100.0%

(¥Thousand)	12/05	12/06	12/07	12/08	12/09
Net Sales by Region					
Hokkaido, Tohoku And Kanto	5,417,446	5,834,396	5,898,979	6,115,873	4,920,655
Composition Ratio	30.3%	27.5%	24.2%	25.3%	27.4%
Tokai	8,639,264	10,239,156	12,444,196	12,349,203	8,477,431
Composition Ratio	48.3%	48.4%	51.2%	51.1%	47.2%
Hokuriku And Kou-Shinetsu	2,545,145	2,085,340	1,791,784	1,509,693	637,448
Composition Ratio	14.2%	9.8%	7.4%	6.3%	3.5%
Kinki, Chugoku, And Kyushu	1,279,758	3,038,409	4,186,598	4,173,293	3,928,861
Composition Ratio	7.2%	14.3%	17.2%	17.3%	21.9%
Total	17,881,614	21,197,302	24,321,558	24,148,064	17,964,396
Composition Ratio	100.0%	100.0%	100.0%	100.0%	100.0%

Consolidated Profitability Indicators

OUTSOURCING, Inc. and subsidiaries
for the fiscal year ended December 31, 2009

(%)	12/05	12/06	12/07	12/08	12/09
ROA	1.0%	1.9%	10.3%	10.6%	-2.3%
ROE	1.9%	5.5%	30.6%	27.6%	-8.0%

ROA=Net income/Total asset

ROE=Net income/Equity

(¥Million)	12/05	12/06	12/07	12/08	12/09
Net sales	17,881	21,197	24,321	24,148	17,964
Cost of sales	15,091	17,795	19,888	19,652	14,578
Selling, general and administrative expenses	2,694	3,282	3,418	3,382	3,536
Operating income	95	119	1,013	1,113	△ 150
Net income	34	97	583	641	△ 215

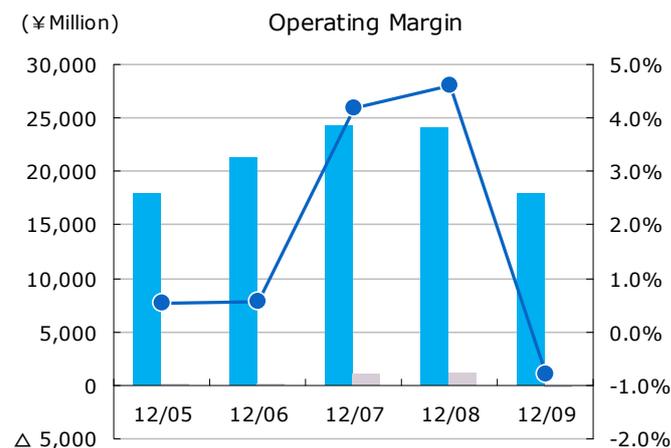
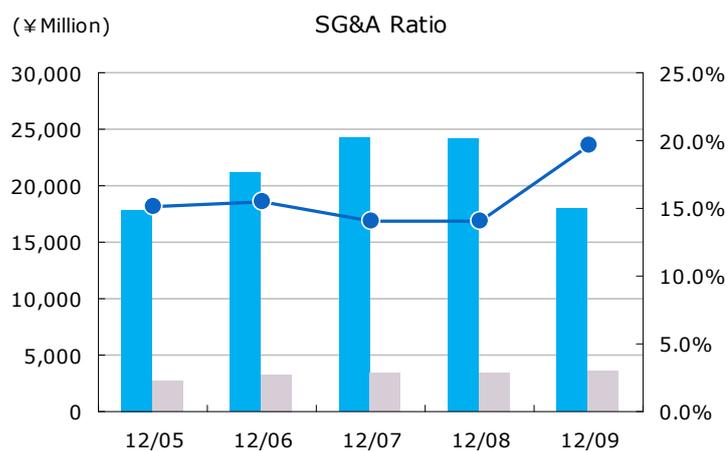
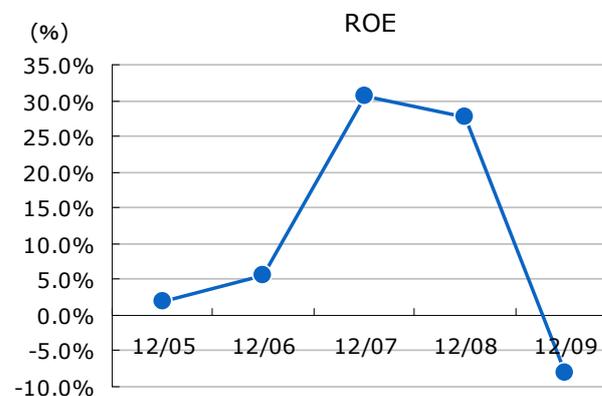
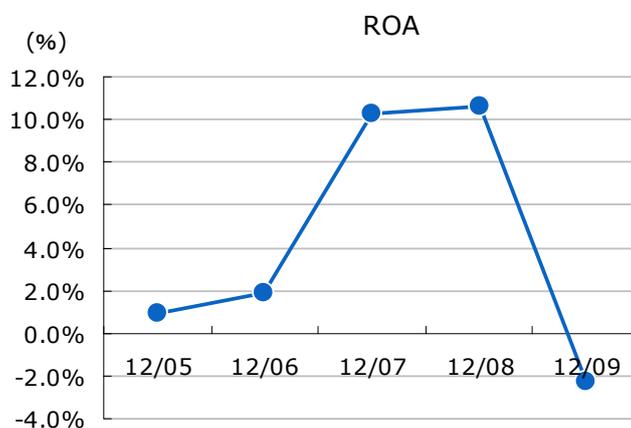
(%)	12/05	12/06	12/07	12/08	12/09
Sales Cost Ratio	84.4%	84.0%	81.8%	81.4%	81.1%
SG&A Ratio	15.1%	15.5%	14.1%	14.0%	19.7%
Operating Margin	0.5%	0.6%	4.2%	4.6%	-0.8%
Net Margin	0.2%	0.5%	2.4%	2.7%	-1.2%

Sales Cost Ratio=Cost of sales/Net sales

SG&A Ratio=SG&A/Net sales

Operating Margin=Operating income/Net sales

Net Margin=Net/Net sales



Consolidated Efficiency Indicators

OUTSOURCING, Inc. and subsidiaries
for the fiscal year ended December 31, 2009

(Times)	12/05	12/06	12/07	12/08	12/09
Total asset turnover	4.89	4.76	4.45	4.12	2.33
Fixed asset turnover	26.80	16.06	15.13	12.77	6.11

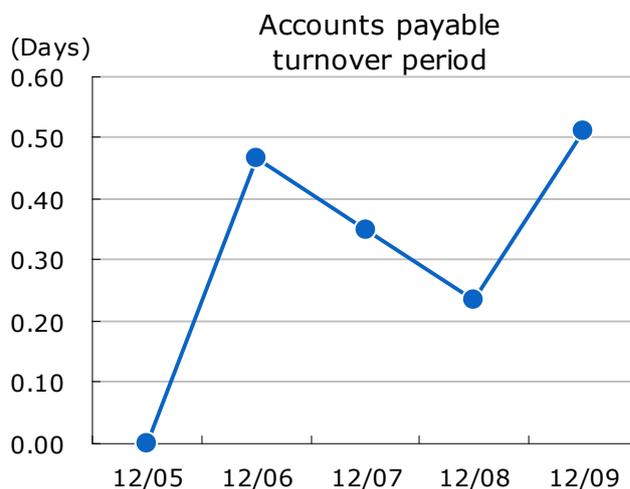
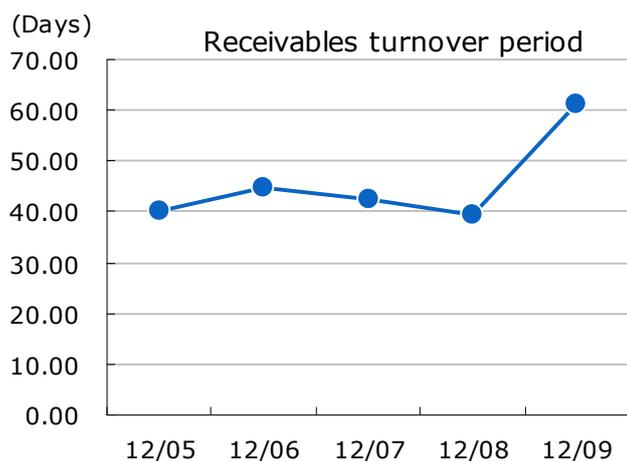
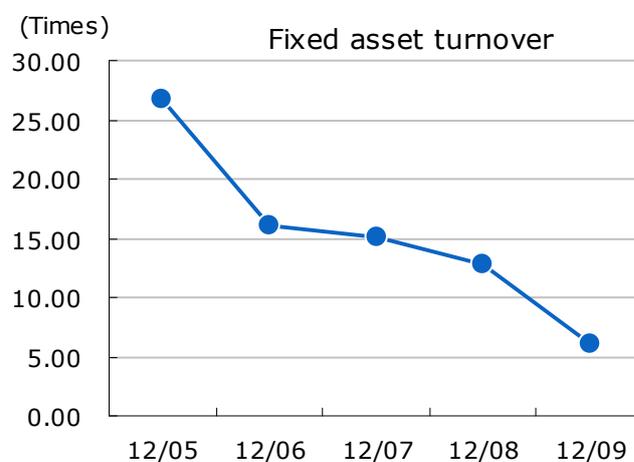
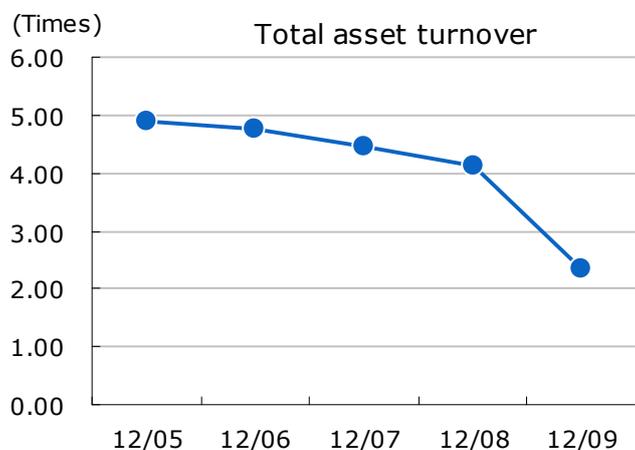
(Days)	12/05	12/06	12/07	12/08	12/09
Receivables turnover period	40.00	44.90	42.43	39.34	61.33
Accounts payable turnover period	-	0.47	0.35	0.23	0.51

Total asset turnover=Net sales/Average total assets

Fixed asset turnover=Net sales/Average noncurrent assets

Receivables turnover period=Average tradenotes and account/Net sales×365

Accounts payable turnover period=Notes and accounts payable/Cost of sales×365



Consolidated Stability Indicators

OUTSOURCING, Inc. and subsidiaries
for the fiscal year ended December 31, 2009

(¥Million)	12/05	12/06	12/07	12/08	12/09
Equity	1,844	1,711	2,109	2,533	2,855
Interest-bearing debt	0	1,246	593	1,015	3,309
Noncurrent assets	996	1,644	1,571	2,210	3,664
Current assets	2,634	3,622	4,089	3,836	5,697
Current liabilities	1,741	2,965	2,966	2,558	4,445

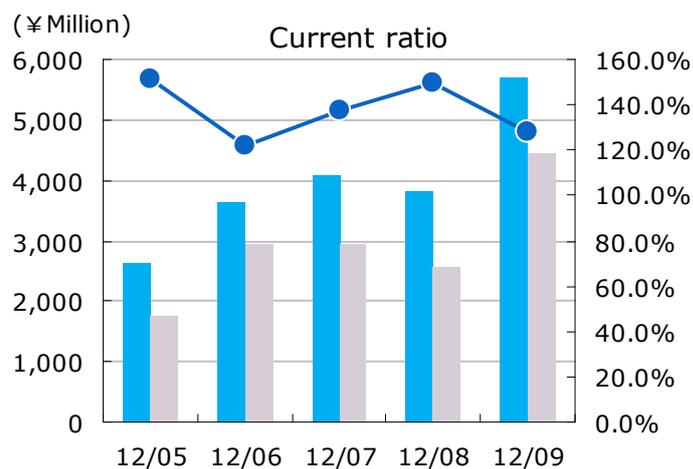
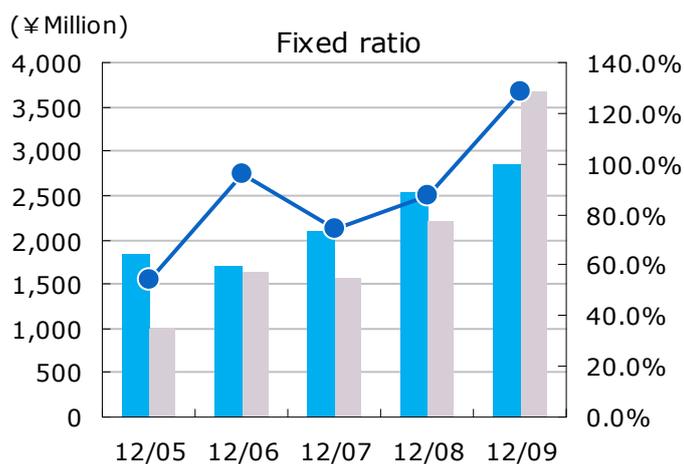
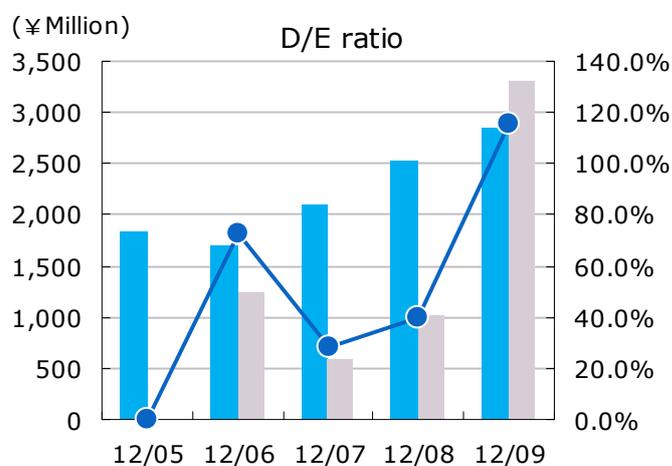
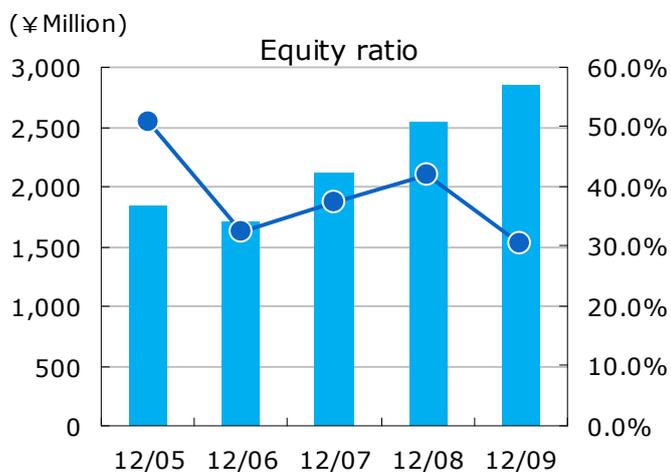
(%)	12/05	12/06	12/07	12/08	12/09
Equity ratio	50.8%	32.5%	37.3%	41.9%	30.5%
D/E ratio	0.0%	72.8%	28.2%	40.1%	115.9%
Fixed ratio	54.0%	96.0%	74.5%	87.3%	128.3%
Current ratio	151.3%	122.1%	137.9%	149.9%	128.1%

Equity ratio=Equity/Total assets

D/E ratio=Interest-bearing debt/Equity

Fixed ratio=Fixed assets/Equity

Current ratio=Current assets/Current liabilities



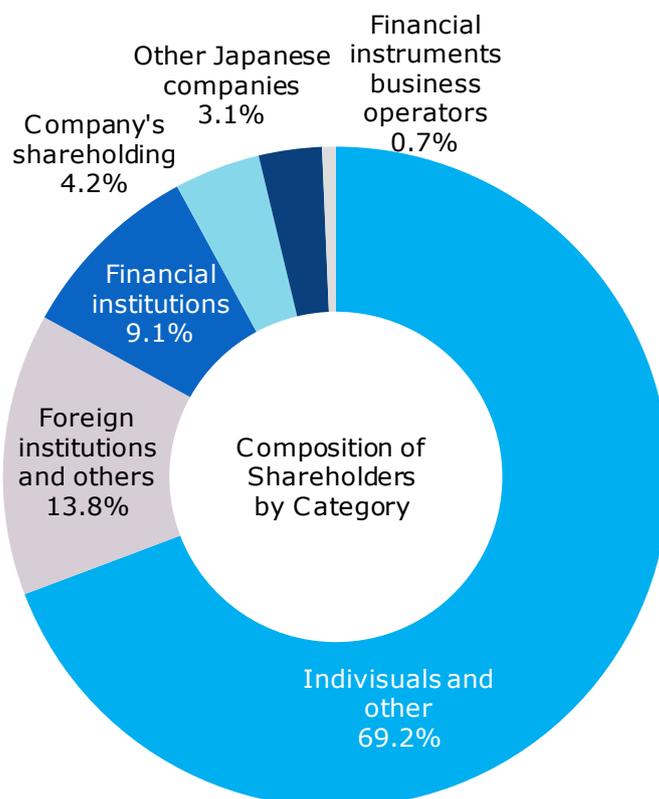
Stock Information

OUTSOURCING, Inc. and subsidiaries
for the fiscal year ended December 31, 2009

(¥)	12/05	12/06	12/07	12/08	12/09
Share price at term-end	75,200	27,900	34,100	17,950	40,600
Net income per share	273.51	783.25	4,917.29	5,412.28	△ 1,511.00
Net income per share (fully diluted)	267.79	773.21	4,887.11	5,397.02	-
Net assets per share	14,625.40	14,123.04	17,816.76	22,524.56	19,180.08
Dividend per share	300.00	300.00	492.00	644.00	644.00

As of December 31, 2009

Major Shareholders (Top 10)	Number of Shares (Share)	Shareholding Ratio(%)
Haruhiko Doi	37,477	24.1%
Masahiko Dourin	15,000	9.7%
Company's Shareholding	6,500	4.2%
The Chase Manhattan Bank NA London SL Omnibus Account	5,960	3.8%
Miki Sano	5,000	3.2%
The Master Trust Bank of Japan	4,476	2.9%
Chiharu Doi	3,100	2.0%
Naoki Dourin	3,000	1.9%
Yuuki Dourin	3,000	1.9%
AI Corporation	3,000	1.9%



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