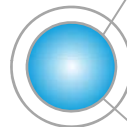


## FACTBOOK

(2427)  
OUTSOURCING, Inc.

For the Fiscal Year Ended December 31, 2010



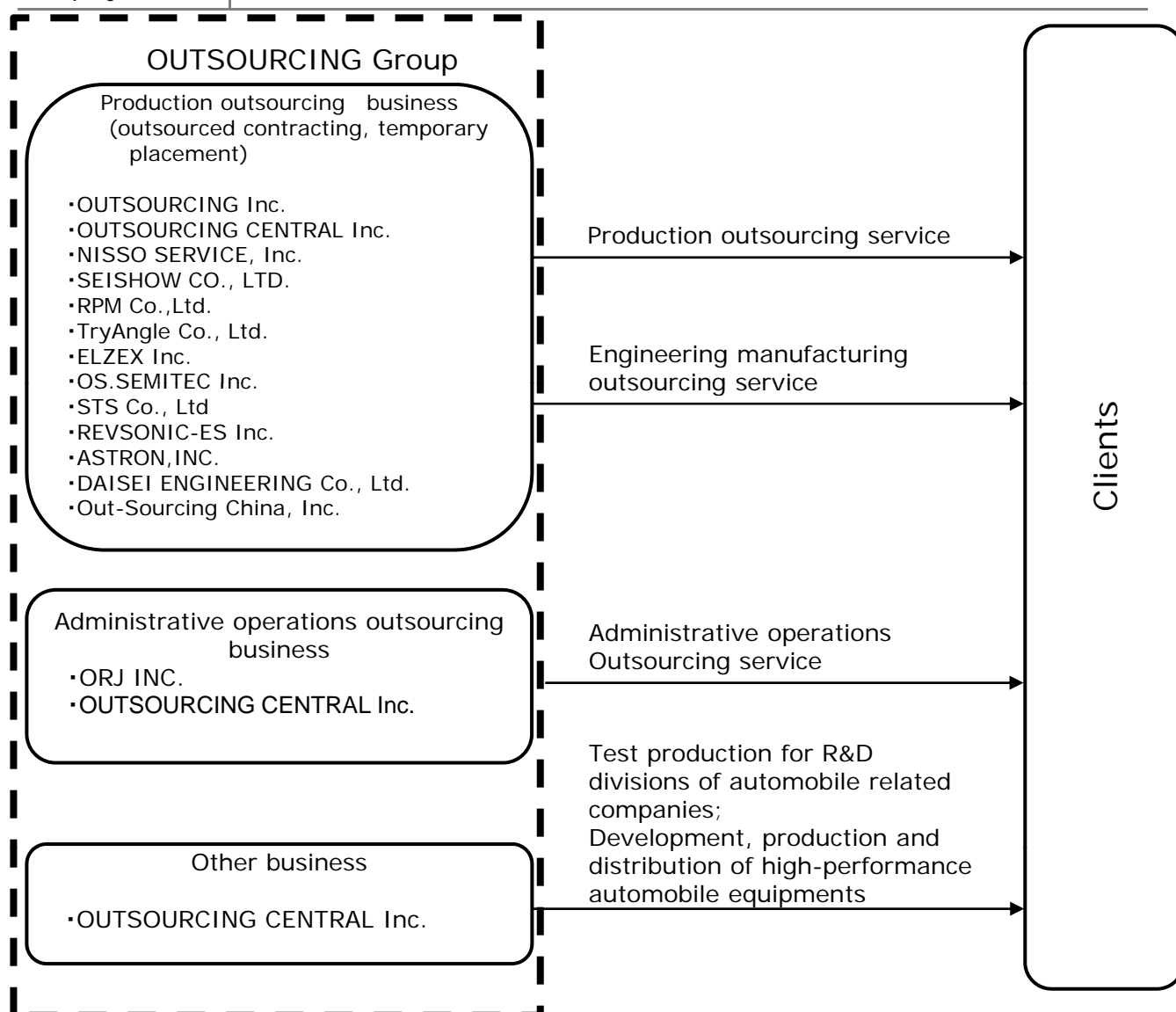
**Out-Sourcing!**  
inc.

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## Company Information

Company Name	OUTSOURCING, Inc.
URL	<a href="http://www.outsourcing.co.jp">http://www.outsourcing.co.jp</a>
Headquarters	Aoi-tower 19F, 17-1, Koya-machi, Aoi-ku, Shizuoka-shi, Shizuoka, 420-0852 Japan
Capital	¥483. 916 million (as of December 31, 2010)
Date of Establishment	January 6, 1997
Representative	Haruhiko Doi, Chairman & CEO
Main Business	Production outsourcing business Administrative operations outsourcing business
Number of Branches	53 sales offices, including 14 recruitment centers (as of December 31, 2010)
Total Employees	8,027 (as of December 31, 2010)



# Consolidated Balance Sheets

OUTSOURCING, Inc. and subsidiaries  
for the fiscal year ended December 31, 2010

(¥Thousand)	12/2006	12/2007	12/2008	12/2009	12/2010
<b>Assets</b>					
<b>Total assets</b>	<b>5,267,893</b>	<b>5,660,705</b>	<b>6,051,298</b>	<b>9,365,465</b>	<b>10,707,735</b>
<b>Current assets</b>	<b>3,622,483</b>	<b>4,089,142</b>	<b>3,836,209</b>	<b>5,697,261</b>	<b>6,948,358</b>
Cash and deposits	670,396	832,871	784,108	2,050,402	1,731,399
Notes and accounts receivable-trade	2,607,843	2,827,262	2,602,908	3,018,675	4,182,469
Inventories	78,230	77,319	-	-	-
Work in process	-	-	-	59,883	27,012
Raw materials and supplies	-	-	77,936	76,614	51,542
Prepaid expenses	210,203	261,674	245,357	238,945	315,468
Deferred tax assets	10,934	21,626	9,720	21,685	96,976
Other	46,961	70,272	118,438	235,349	551,467
Allowance for doubtful accounts	△ 2,086	△ 1,883	△ 2,260	△ 4,295	△ 7,978
<b>Noncurrent assets</b>	<b>1,644,130</b>	<b>1,571,562</b>	<b>2,210,970</b>	<b>3,664,696</b>	<b>3,756,479</b>
<b>Property, plant and equipment</b>	<b>793,952</b>	<b>904,543</b>	<b>1,437,275</b>	<b>2,195,604</b>	<b>2,075,622</b>
Buildings and structures	633,863	638,883	871,156	1,565,916	1,542,159
Accumulated depreciation	△ 63,974	△ 107,250	△ 148,185	△ 289,364	△ 349,417
Buildings and structures, net	569,888	531,633	722,970	1,276,551	1,192,741
Machinery, equipment and vehicles	85,310	117,695	154,815	227,972	603,019
Accumulated depreciation	△ 38,425	△ 49,412	△ 82,810	△ 116,240	△ 228,793
Machinery, equipment and vehicles, net	46,885	68,282	72,004	111,732	374,225
Tools, furniture and fixtures	329,336	340,585	371,722	482,957	488,730
Accumulated depreciation	△ 224,299	△ 278,888	△ 317,357	△ 421,864	△ 425,929
Accumulated impairment loss	-	-	-	-	△ 44
Tools, furniture and fixtures, net	105,037	61,697	54,365	61,092	62,757
Land	72,140	141,859	246,119	441,199	441,199
Construction in progress	-	101,071	341,814	305,027	4,698
<b>Intangible assets</b>	<b>424,839</b>	<b>343,609</b>	<b>436,925</b>	<b>676,707</b>	<b>699,743</b>
Goodwill	-	158,484	273,869	519,152	599,404
Consolidation goodwill	204,777	-	-	-	-
Other	220,061	185,125	163,055	157,554	100,339
<b>Investments and other assets</b>	<b>425,338</b>	<b>323,408</b>	<b>336,770</b>	<b>792,385</b>	<b>981,112</b>
Investment securities	230,671	115,476	103,719	266,965	240,849
Lease and guarantee deposits	149,434	164,833	175,155	438,779	489,604
Deferred tax assets	8,679	13,384	18,791	12,877	109,766
Other	36,771	29,714	39,103	73,762	140,891
Allowance for doubtful accounts	△ 217	-	-	-	-
<b>Deferred assets</b>	<b>1,279</b>	<b>-</b>	<b>4,118</b>	<b>3,508</b>	<b>2,898</b>

# Consolidated Balance Sheets

OUTSOURCING, Inc. and subsidiaries  
for the fiscal year ended December 31, 2010

(¥Thousand)	12/2006	12/2007	12/2008	12/2009	12/2010
<b>Liabilities</b>					
Total liabilities	3,555,976	3,472,531	3,393,403	6,432,244	7,232,193
Current liabilities	2,965,896	2,966,020	2,558,954	4,445,854	5,335,328
Notes and accounts payable-trade	22,784	19,022	12,619	20,402	16,987
Short-term loans payable	565,000	130,000	165,000	1,803,100	1,390,000
Current portion of long-term loans payable	156,789	71,011	119,088	320,288	299,874
Accounts payable-other	1,639,478	1,723,572	1,546,376	1,333,439	1,611,502
Accrued expenses	137,907	146,852	98,495	448,258	537,516
Income taxes payable	94,989	396,708	267,552	83,717	709,322
Accrued consumption taxes	225,306	314,409	168,161	84,847	280,647
Deferred tax liabilities	-	-	-	-	-
Other	123,641	164,444	181,660	351,801	489,477
Noncurrent liabilities	590,079	506,510	834,448	1,986,389	1,896,864
Bonds payable	70,000	55,000	270,750	247,250	163,750
Long-term loans payable	455,129	337,952	460,532	938,703	817,365
Provision for retirement benefits	15,686	21,035	25,746	48,835	365,763
Negative goodwill	-	-	-	655,106	465,939
Other	49,264	92,523	77,420	96,493	84,045
<b>Net assets</b>					
Total net assets	1,711,917	2,188,174	2,657,895	2,933,221	3,475,542
Shareholders' equity	1,711,916	2,109,435	2,542,736	2,857,700	3,323,496
Capital stock	469,465	474,595	479,995	483,435	483,916
Capital surplus	580,265	585,395	590,795	879,605	880,086
Retained earnings	871,198	1,418,536	2,001,545	1,713,363	2,350,588
Treasury stock	△ 209,012	△ 369,090	△ 529,599	△ 218,703	△ 391,094
Valuation and translation adjustments	64	△ 286	△ 9,173	△ 1,824	2,911
Valuation difference on available-for-sale securities	64	△ 286	△ 9,173	△ 1,824	4,526
Foreign currency translation adjustment	-	-	-	-	△ 1,615
Subscription rights to shares	733	8,178	22,027	49,433	53,693
Minority interests	△ 797	70,847	102,305	27,911	95,441
Total liabilities and net assets	5,267,893	5,660,705	6,051,298	9,365,465	10,707,735

# Non-Consolidated Balance Sheets

OUTSOURCING, Inc.

for the fiscal year ended December 31, 2010

(¥Thousand)	12/2006	12/2007	12/2008	12/2009	12/2010
<b>Assets</b>					
<b>Total assets</b>	<b>4,469,774</b>	<b>4,790,695</b>	<b>4,644,832</b>	<b>5,966,235</b>	<b>7,889,326</b>
<b>Current assets</b>	<b>2,985,612</b>	<b>3,486,061</b>	<b>2,753,554</b>	<b>2,699,310</b>	<b>4,181,483</b>
Cash and deposits	320,331	516,910	126,119	524,920	235,417
Notes receivable-trade	21,202	10,976	54,330	166,909	375,621
Accounts receivable-trade	2,314,019	2,509,311	2,243,339	1,728,855	2,263,284
Supplies	6,261	9,955	7,446	11,222	7,217
Prepaid expenses	185,568	237,349	221,748	108,652	149,173
Short-term loans receivable to subsidiaries and affiliates	-	146,693	-	-	629,500
Advances paid	82,215	435	-	-	-
Accounts receivable-other	-	-	-	-	422,223
Deferred tax assets	10,934	21,626	9,720	17,847	46,737
Other	45,552	32,883	91,320	141,311	52,757
Allowance for doubtful accounts	△ 472	△ 81	△ 471	△ 409	△ 447
<b>Noncurrent assets</b>	<b>1,484,161</b>	<b>1,304,633</b>	<b>1,891,277</b>	<b>3,266,924</b>	<b>3,707,843</b>
<b>Property, plant and equipment</b>	<b>357,355</b>	<b>325,454</b>	<b>437,248</b>	<b>1,030,606</b>	<b>1,057,379</b>
Buildings	266,573	270,233	279,778	739,038	789,672
Accumulated depreciation	△ 17,258	△ 28,635	△ 40,771	△ 107,832	△ 132,397
Buildings, net	249,314	241,598	239,007	631,205	657,275
Structures	13,336	13,336	13,336	62,793	63,137
Accumulated depreciation	△ 1,090	△ 2,425	△ 3,614	△ 18,449	△ 25,472
Structures, net	12,246	10,911	9,722	44,344	37,665
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	18,038	33,710	48,291	48,291	60,952
Accumulated depreciation	△ 13,407	△ 16,239	△ 27,462	△ 35,765	△ 41,092
Vehicles, net	4,631	17,471	20,829	12,525	19,859
Tools, furniture and fixtures	303,025	313,123	323,341	379,248	360,362
Accumulated depreciation	△ 212,012	△ 261,362	△ 284,843	△ 337,099	△ 317,273
Tools, furniture and fixtures, net	91,012	51,760	38,498	42,149	43,089
Land	150	150	104,410	299,490	299,490
Construction in progress	-	-	23,000	-	-
<b>Intangible assets</b>	<b>210,243</b>	<b>174,895</b>	<b>152,594</b>	<b>124,156</b>	<b>68,920</b>
Software	199,533	145,764	142,843	108,507	47,394
Other	10,709	29,130	9,750	15,649	21,525
<b>Investments and other assets</b>	<b>916,562</b>	<b>804,283</b>	<b>1,301,434</b>	<b>2,112,162</b>	<b>2,581,543</b>
Investment securities	219,751	103,847	96,091	105,161	114,121
Stocks of subsidiaries and affiliates	464,800	524,080	1,016,080	1,814,583	2,197,829
Investments in capital	2,050	347	347	5,400	6,450
Long-term loans receivable from subsidiaries and affiliates	69,270	-	-	-	-
Claims provable in bankruptcy, claims provable in rehabilitation and other	217	113	-	-	-
Long-term prepaid expenses	10,296	6,910	7,818	10,939	6,973
Deferred tax assets	9,775	14,481	19,888	13,908	12,748
Lease and guarantee deposits	132,518	146,403	153,108	153,419	233,870
Other	8,100	8,100	8,100	8,750	9,550
Allowance for doubtful accounts	△ 217	-	-	-	-

# Non-Consolidated Balance Sheets

OUTSOURCING, Inc.

for the fiscal year ended December 31, 2010

(¥Thousand)	12/2006	12/2007	12/2008	12/2009	12/2010
<b>Liabilities</b>					
Total liabilities	2,687,099	2,663,440	2,126,510	2,782,468	4,303,201
Current liabilities	2,408,920	2,429,916	1,938,279	2,264,992	3,635,207
Short-term loans payable	400,000	-	-	850,000	1,140,000
Current portion of long-term loans payable	50,004	50,004	50,004	74,204	155,674
Accounts payable-other	1,457,948	1,477,803	1,283,100	1,110,698	1,274,987
Accrued expenses	135,743	145,799	96,009	76,111	119,661
Income taxes payable	90,000	355,000	245,000	22,000	571,361
Accrued consumption taxes	181,868	264,972	125,729	-	228,663
Deposits received	93,356	136,336	138,435	126,015	140,939
Other	-	-	-	5,963	3,918
Noncurrent liabilities	278,179	233,524	188,231	517,475	667,994
Long-term loans payable	262,493	212,489	162,485	118,551	407,977
Provision for retirement benefits	15,686	21,035	25,746	27,615	33,630
Negative goodwill	-	-	-	363,461	218,539
Other	-	-	-	7,848	7,848
<b>Net assets</b>					
Total net assets	1,782,675	2,127,254	2,518,321	3,183,766	3,586,124
Shareholders' equity	1,782,567	2,120,761	2,502,355	3,135,195	3,527,615
Capital stock	469,465	474,595	479,995	483,435	483,916
Capital surplus	580,265	585,395	590,795	879,605	880,086
Legal capital surplus	580,265	585,395	590,795	594,235	594,716
Other capital surplus	-	-	-	285,370	285,370
Retained earnings	941,849	1,429,862	1,961,165	1,990,857	2,554,707
Reserve for special depreciation	1,599	343	-	-	-
General reserve	105,000	105,000	105,000	105,000	105,000
Retained earnings brought forward	835,249	1,324,519	1,856,165	1,885,857	2,449,707
Treasury stock	△ 209,012	△ 369,090	△ 529,599	△ 218,703	△ 391,094
Valuation and translation adjustments	△ 625	△ 1,685	△ 6,061	△ 862	4,815
Valuation difference on available-for-sale securities	△ 625	△ 1,685	△ 6,061	△ 862	4,815
Subscription rights to shares	733	8,178	22,027	49,433	53,693
Total liabilities and net assets	4,469,774	4,790,695	4,644,832	5,966,235	7,889,326

# Consolidated Statements of Income

OUTSOURCING, Inc. and subsidiaries  
for the fiscal year ended December 31, 2010

(¥Thousand)	12/2006	12/2007	12/2008	12/2009	12/2010
Net sales	21,197,302	24,321,558	24,148,064	17,964,396	28,386,708
Cost of sales	17,795,472	19,888,929	19,652,219	14,578,030	22,378,831
Gross profit	3,401,830	4,432,629	4,495,845	3,386,365	6,007,877
Selling, general and administrative expenses	3,282,654	3,418,806	3,382,521	3,536,588	4,834,497
Operating income	119,176	1,013,823	1,113,323	△ 150,222	1,173,380
Non-operating income	21,832	11,165	38,576	318,923	634,942
Interest income	7,402	5,321	5,469	7,850	4,469
Dividends income	7	9	14	178	401
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	303,254
Amortization of negative goodwill	-	-	-	104,856	155,958
Subsidy income	-	-	-	60,599	100,327
Equity method investment gain	-	-	-	12,103	-
Other	3,580	731	5,104	30,104	70,531
Non-operating expenses	22,150	20,604	17,027	146,559	407,003
Interest expenses	15,517	15,660	15,364	30,195	39,642
Amortization of bond issuance cost	2,219	1,279	152	-	-
Cost of real-estate rental	-	-	-	104,723	320,365
Equity in losses of affiliates	-	-	-	-	26,131
Other	4,413	3,665	1,510	11,640	20,863
Ordinary income	118,858	1,004,383	1,134,871	22,141	1,401,318
Extraordinary income	74,509	29,677	23,058	6,306	213,717
Gain on sales of noncurrent assets	2,070	186	63	542	1,822
Reversal of allowance for doubtful accounts	-	400	320	-	-
Surrender value of insurance	70,812	1,019	22,674	5,764	-
Gain on change in equity	-	28,070	-	-	-
Gain on sales of subsidiaries' stocks	-	-	-	-	211,895
Gain on sales of investment securities	1,625	-	-	-	-
Extraordinary loss	9,047	8,351	51	205,505	126,845
Loss on sales and retirement of noncurrent assets	9,047	6,648	51	1,175	5,414
Loss on valuation of investments in capital	-	1,702	-	-	-
Impairment loss	-	-	-	204,329	15,590
Office transfer expenses	-	-	-	-	105,840
Income before income taxes	184,320	1,025,709	1,157,878	△ 177,057	1,488,190
Income taxes-current	131,815	447,711	480,782	75,877	735,276
Income taxes-deferred	△ 10,591	△ 14,699	9,385	40,405	△ 23,515
Income taxes total	121,224	433,011	490,167	116,282	711,760
Minority interests in income	△ 34,600	8,994	26,457	△ 77,595	16,309
Net income	97,696	583,702	641,252	△ 215,744	760,120



# Non-Consolidated Statements of Income

OUTSOURCING, Inc.

for the fiscal year ended December 31, 2010

(¥Thousand)	12/2006	12/2007	12/2008	12/2009	12/2010
Net sales	19,161,664	21,270,073	20,528,817	13,823,975	16,989,957
Cost of sales	16,133,763	17,457,464	16,759,815	11,214,245	13,285,612
Gross profit	3,027,901	3,812,608	3,769,002	2,609,729	3,704,344
Selling, general and administrative expenses	2,832,681	2,892,577	2,739,022	2,550,226	2,809,314
Operating income	195,219	920,030	1,029,979	59,502	895,030
Non-operating income	10,574	9,269	4,392	114,305	130,157
Interest income	1,445	2,881	494	2,625	2,260
Interest on securities	6,927	3,888	3,492	3,495	3,633
Dividends income	7	9	14	120	6,934
Reversal of repair expenses	-	2,257	-	-	-
Amortization of negative goodwill	-	-	-	72,692	87,230
Subsidy income	-	-	-	18,610	-
Other	2,194	231	391	16,759	30,097
Non-operating expenses	11,232	10,880	6,696	8,378	15,155
Interest expenses	8,653	8,235	5,256	7,956	12,985
Commission for purchase of treasury stock	1,779	1,184	1,202	-	-
Depreciation of lease deposits	-	1,450	-	-	-
Other	799	10	236	422	2,170
Ordinary income	194,561	918,419	1,027,676	165,428	1,010,031
Extraordinary income	72,608	544	-	220	288,001
Gain on sales of noncurrent assets	1,696	143	-	220	1,822
Gain on sales of subsidiaries' stocks	-	-	-	-	286,179
Reversal of allowance for doubtful accounts	-	400	-	-	-
Gain on sales of investment securities	100	-	-	-	-
Surrender value of insurance	70,812	-	-	-	-
Extraordinary loss	7,773	8,017	6	7,526	119,407
Loss on sales and retirement of noncurrent assets	7,773	6,315	6	186	-
Loss on extinguishment of tie-in shares	-	-	-	7,339	39,391
Loss on valuation of investments in capital	-	1,702	-	-	-
Impairment loss	-	-	-	-	13,178
Office transfer expenses	-	-	-	-	66,836
Income before income taxes	259,397	910,946	1,027,670	158,123	1,178,625
Income taxes-current	116,262	401,267	428,739	12,162	550,359
Income taxes-deferred	△ 17,402	△ 14,699	9,385	43,830	△ 31,474
Total income taxes	-	-	438,124	55,993	518,885
Net income	160,536	524,378	589,545	102,129	659,740

# Consolidated Statements of Change in Shareholders' Equity

OUTSOURCING, Inc. and subsidiaries  
for the fiscal year ended December 31, 2010

(¥Thousand)	12/2009	12/2010	(¥Thousand)	12/2009	12/2010
<b>Shareholders' equity</b>			<b>Valuation and translation adjustments</b>		
<b>Capital stock</b>			<b>Valuation difference on available-for-sale securities</b>		
Balance at the end of previous year	479,995	483,435	Balance at the end of previous year	△ 9,173	△ 1,824
Changes of items during the period			Changes of items during the period		
Issuance of new shares	3,440	480	Net changes of items other than shareholders' equity	7,348	6,350
Total changes of items during the period	3,440	480	Total changes of items during the period	7,348	6,350
Balance at the end of current year	483,435	483,916	Balance at the end of current year	△ 1,824	4,526
<b>Capital surplus</b>			<b>Foreign currency translation adjustment</b>		
Balance at the end of previous year	590,795	879,605	Balance at the end of previous year	-	-
Changes of items during the period			Changes of items during the period		
Issuance of new shares	3,440	480	Net changes of items other than shareholders' equity	-	△ 1,615
Increase by merger	285,370	-	Total changes of items during the period	-	△ 1,615
Total changes of items during the period	288,810	480	Balance at the end of current year	-	△ 1,615
Balance at the end of current year	879,605	880,086	<b>Total valuation and translation adjustments</b>		
<b>Retained earnings</b>			Balance at the end of previous year	△ 9,173	△ 1,824
Balance at the end of previous year	2,001,545	1,713,363	Changes of items during the period		
Changes of items during the period			Net changes of items other than shareholders' equity	7,348	4,735
Dividends from surplus	△ 72,437	△ 95,890	Total changes of items during the period	7,348	4,735
Net income	△ 215,744	760,120	Balance at the end of current year	△ 1,824	2,911
Change of scope of consolidation	-	△ 27,005	<b>Subscription rights to shares</b>		
Total changes of items during the period	△ 288,181	637,224	Balance at the end of previous year	22,027	49,433
Balance at the end of current year	1,713,363	2,350,588	Changes of items during the period		
<b>Treasury stock</b>			Net changes of items other than shareholders' equity	27,406	4,259
Balance at the end of previous year	△ 529,599	△ 218,703	Total changes of items during the period	27,406	4,259
Changes of items during the period			Balance at the end of current year	49,433	53,693
Purchase of treasury stock	-	△ 172,391	<b>Minority interests</b>		
Stock issuance due to merger	310,895	-	Balance at the end of previous year	102,305	27,911
Total changes of items during the period	310,895	△ 172,391	Changes of items during the period		
Balance at the end of current year	△ 218,703	△ 391,094	Net changes of items other than shareholders' equity	△ 74,394	67,530
<b>Total shareholders' equity</b>			Total changes of items during the period	△ 74,394	67,530
Balance at the end of previous year	2,542,736	2,857,700	Balance at the end of current year	27,911	95,441
Changes of items during the period			<b>Total net assets</b>		
Issuance of new shares	6,880	961	Balance at the end of previous year	2,657,895	2,933,221
Dividends from surplus	△ 72,437	△ 95,890	Changes of items during the period		
Net income	△ 215,744	760,120	Issuance of new shares	6,880	961
Purchase of treasury stock	-	△ 172,391	Dividends from surplus	△ 72,437	△ 95,890
Stock issuance due to merger	310,895	-	Net income	△ 215,744	760,120
Change of scope of consolidation	-	△ 27,005	Purchase of treasury stock	-	△ 172,391
Increase due to merger	285,370	-	Stock issuance due to merger	310,895	-
Total changes of items during the period	314,964	465,795	Change of scope of consolidation	-	△ 27,005
Balance at the end of current year	2,857,700	3,323,496	Increase by merger	285,370	-
			Net changes of items other than shareholders' equity	△ 39,638	76,525
			Total changes of items during the period	275,326	542,320
			Balance at the end of current year	2,933,221	3,475,542

# Non-Consolidated Statements of Change in Shareholders' Equity

OUTSOURCING, Inc. and subsidiaries  
for the fiscal year ended December 31, 2010

(¥Thousand)	12/2009	12/2010	(¥Thousand)	12/2009	12/2010
<b>Shareholders' equity</b>			<b>Valuation and translation adjustments</b>		
<b>Capital stock</b>			<b>Valuation difference on available-for-sale securities</b>		
Balance at the end of previous year	479,995	483,735	Balance at the end of previous year	△ 6,061	△ 862
Changes of items during the period			Changes of items during the period		
Issuance of new shares	3,440	480	Net changes of items other than shareholders' equity	5,198	5,677
Total changes of items during the period	3,440	480	Total changes of items during the period	5,198	5,677
Balance at the end of current year	483,435	483,916	Balance at the end of current year	△ 862	4,815
<b>Capital surplus</b>			<b>Total valuation and translation adjustments</b>		
<b>Legal capital surplus</b>			Balance at the end of previous year	△ 6,061	△ 862
Balance at the end of previous year	590,795	594,235	Changes of items during the period		
Changes of items during the period			Net changes of items other than shareholders' equity	5,198	5,677
Issuance of new shares	3,440	480	Total changes of items during the period	5,198	5,677
Total changes of items during the period	3,440	480	Balance at the end of current year	△ 862	4,815
Balance at the end of current year	594,235	594,716	<b>Subscription rights to shares</b>		
<b>Other capital surplus</b>			Balance at the end of previous year	22,027	49,433
Balance at the end of previous year	-	285,370	Changes of items during the period		
Changes of items during the period			Net changes of items other than shareholders' equity	27,406	4,259
Increase by merger	285,370	-	Total changes of items during the period	27,406	4,259
Total changes of items during the period	285,370	-	Balance at the end of current year	49,433	53,693
Balance at the end of current year	285,370	285,370	<b>Total net assets</b>		
<b>Capital surplus</b>			Balance at the end of previous year	2,518,321	3,183,766
Balance at the end of previous year	590,795	879,605	Changes of items during the period		
Changes of items during the period			Issuance of new shares	6,880	961
Issuance of new shares	3,440	480	Increase by merger	285,370	-
Increase by merger	285,370	-	Dividends from surplus	△ 72,437	△ 95,890
Total changes of items during the period	288,810	480	Net income	102,129	659,740
Balance at the end of current year	879,605	880,086	Purchase of treasury stock	-	△ 172,391
<b>Retained earnings</b>			Stock issuance due to merger	310,895	-
<b>Other retained earnings</b>			Net changes of items other than shareholders' equity	32,605	9,937
<b>General reserve</b>			Total changes of items during the period	665,445	402,358
Balance at the end of previous year	105,000	105,000	Balance at the end of current year	3,183,766	3,586,124
Changes of items during the period					
Total changes of items during the period	-	-			
Balance at the end of current year	105,000	105,000			
<b>Retained earnings brought forward</b>					
Balance at the end of previous year	1,856,165	1,885,857			
Changes of items during the period					
Issuance of new shares	-	-			
Dividends from surplus	△ 72,437	△ 95,890			
Net income	102,129	659,740			
Total changes of items during the period	29,692	563,849			
Balance at the end of current year	1,885,857	2,449,707			
<b>Total retained earnings</b>					
Balance at the end of previous year	1,961,165	1,990,857			
Changes of items during the period					
Dividends from surplus	△ 72,437	△ 95,890			
Net income	102,129	659,740			
Total changes of items during the period	29,692	563,849			
Balance at the end of current year	1,990,857	2,554,707			
<b>Treasury stock</b>					
Balance at the end of previous year	△ 529,599	△ 218,703			
Changes of items during the period					
Purchase of treasury stock	-	△ 172,391			
Stock issuance due to merger	310,895	-			
Total changes of items during the period	310,895	△ 172,391			
Balance at the end of current year	△ 218,703	△ 391,094			
<b>Total shareholders' equity</b>					
Balance at the end of previous year	2,502,355	3,135,195			
Changes of items during the period					
Issuance of new shares	6,880	961			
Increase due to merger	285,370	-			
Dividends from surplus	△ 72,437	△ 95,890			
Net income	102,129	659,740			
Purchase of treasury stock	-	△ 172,391			
Stock issuance due to merger	310,895	-			
Total changes of items during the period	632,839	392,420			
Balance at the end of current year	3,135,195	3,527,615			

# Consolidated Statements of Cash Flows

OUTSOURCING, Inc. and subsidiaries  
for the fiscal year ended December 31, 2010

(¥Thousand)	12/2006	12/2007	12/2008	12/2009	12/2010
Cash flows provided by (used in) operating activities					
Net cash provided by (used in) operating activities	102,779	1,021,607	547,118	△ 465,872	765,612
Income before income taxes	184,320	1,025,709	1,157,878	△ 177,057	1,488,190
Depreciation and amortization	240,013	178,468	164,654	211,723	266,724
Impairment losses	-	-	-	204,329	15,590
Amortization of goodwill	-	46,293	57,841	67,377	129,894
Amortization of consolidation goodwill	26,688	-	-	-	-
Amortization of negative goodwill	-	-	-	△ 104,856	△ 155,958
Increase (decrease) in allowance for doubtful accounts	1,020	△ 420	87	△ 41	1,337
Increase (decrease) in provision for bonuses	-	-	△ 2,000	△ 106,493	△ 99,136
Increase (decrease) in provision for retirement benefits	2,853	5,349	4,711	1,801	18,899
Interest and dividends income	△ 7,410	△ 5,331	△ 5,484	△ 8,028	△ 4,870
Interest expenses	15,517	15,660	15,364	30,195	39,642
Equity in (earnings) losses of affiliates	-	-	-	△ 12,103	26,131
Loss (gain) on sales and retirement of noncurrent assets	9,047	6,648	51	633	3,592
Loss (gain) on cancellation of insurance contract	△ 70,812	△ 1,019	△ 22,674	△ 5,764	-
Loss (gain) on sales of subsidiaries' stocks	-	-	-	-	△ 211,895
Decrease (increase) in notes and accounts receivable-trade	△ 474,964	△ 219,314	272,898	595,405	△ 954,313
Decrease (increase) in inventories	△ 2,401	911	△ 616	△ 4,532	57,944
Increase (decrease) in notes and accounts payable-trade	167,283	80,804	△ 295,460	△ 757,044	202,836
Increase (decrease) in accrued consumption taxes	48,810	89,102	△ 146,385	△ 153,797	248,998
Other	12,339	△ 19,054	△ 32,560	77,411	△ 167,871
Subtotal	148,608	1,177,251	1,168,242	△ 140,841	905,738
Interest and dividends income received	8,066	6,736	5,399	7,991	11,691
Interest expenses paid	△ 16,441	△ 16,389	△ 16,585	△ 32,741	△ 37,351
Income taxes refund	-	-	-	8,403	8,887
Income taxes paid	△ 37,454	△ 145,992	△ 609,938	△ 308,683	△ 123,353

# Consolidated Statements of Cash Flows

OUTSOURCING, Inc. and subsidiaries  
for the fiscal year ended December 31, 2010

(¥Thousand)	12/2006	12/2007	12/2008	12/2009	12/2010
<b>Cash flows provided by (used in) investing activities</b>					
<b>Net cash provided by (used in) investing activities</b>	<b>△ 413,452</b>	<b>△ 42,567</b>	<b>△ 927,622</b>	<b>△ 8,794</b>	<b>436,192</b>
Payments into time deposits	△ 132,451	△ 75,798	△ 155,128	△ 172,230	△ 790,776
Proceeds from withdrawal of time deposits	64,000	116,300	200,511	205,348	1,198,818
Purchase of property, plant and equipment	△ 356,832	△ 160,008	△ 623,611	△ 473,430	△ 129,314
Proceeds from sales of property, plant and equipment	4,756	683	155	2,625	3,175
Purchase of intangible assets	△ 97,344	△ 27,559	△ 37,636	△ 25,278	△ 18,003
Purchase of investment securities	△ 386	△ 105,638	△ 10,740	△ 4,110	-
Proceeds from sales of investment securities	110,092	220,209	10,740	-	7,912
Purchase of investments in subsidiaries resulting in change in scope of consolidation	△ 133,489	-	△ 322,202	-	△ 4,902
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	23,606	-	-	476,811	416,169
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-	-	-	-	△ 232,168
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	-	-	-	43,071
Purchase of stocks of subsidiaries and affiliates	-	-	-	△ 136,400	-
Payments of loans receivable	-	-	△ 5,030	△ 611,086	△ 1,356
Collection of loans receivable	24,724	1,473	5,684	607,321	7,923
Payments for lease and guarantee deposits	△ 68,863	△ 47,190	△ 49,954	△ 55,354	△ 194,199
Proceeds from collection of lease and guarantee deposits	87,251	35,482	40,437	128,394	162,126
Purchase of insurance funds	△ 101	△ 2,097	△ 1,964	△ 5,757	△ 3,060
Proceeds from cancellation of insurance funds	80,471	2,398	23,403	26,188	23,151
Purchase of investments in subsidiaries	-	-	-	-	△ 57,818
Other	△ 18,885	△ 823	△ 2,287	28,162	5,443
<b>Cash flows provided by (used in) financing activities</b>					
<b>Net cash provided by (used in) financing activities</b>	<b>487,110</b>	<b>△ 776,063</b>	<b>179,981</b>	<b>668,479</b>	<b>△ 1,121,903</b>
Net increase (decrease) in short-term loans payable	556,563	△ 435,000	35,000	675,000	△ 628,100
Proceeds from long-term loans payable	350,000	-	250,000	330,000	580,056
Repayment of long-term loans payable	△ 153,834	△ 202,955	△ 117,693	△ 210,906	△ 709,335
Proceeds from issuance of bonds	-	-	245,729	-	-
Redemption of bonds	△ 15,000	△ 15,000	△ 15,000	△ 34,250	△ 83,500
Proceeds from issuance of common stock	17,100	10,260	10,800	6,880	961
Purchase of treasury stock	△ 210,791	△ 161,263	△ 160,508	-	△ 172,391
Proceeds from stock issuance to minority shareholders	-	90,720	5,000	-	-
Cash dividends paid	△ 37,830	△ 36,365	△ 58,242	△ 72,437	△ 95,890
Other	△ 19,097	△ 26,459	△ 15,102	△ 25,807	△ 13,705
<b>Effect of exchange rate change on cash and cash equivalent</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>△ 946</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>176,436</b>	<b>202,975</b>	<b>△ 200,523</b>	<b>193,812</b>	<b>78,945</b>
<b>Cash and cash equivalents, beginning of term</b>	<b>412,908</b>	<b>589,345</b>	<b>792,321</b>	<b>591,797</b>	<b>1,634,534</b>
<b>Increase in cash and cash equivalents resulting from merger</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>848,923</b>	<b>-</b>
<b>Cash and cash equivalents, end of term</b>	<b>589,345</b>	<b>792,321</b>	<b>591,797</b>	<b>1,634,534</b>	<b>1,713,488</b>

# Information by Segment

OUTSOURCING, Inc. and subsidiaries  
for the fiscal year ended December 31, 2010

(¥Thousand)	12/2006	12/2007	12/2008	12/2009	12/2010
Production Outsourcing Business	21,010,106	23,841,132	23,879,571	17,200,739	27,016,766
Composition Ratio	99.1%	98.0%	98.9%	95.8%	95.2%
Manufacturing Outsourced Contracting Business	12,453,280	-	-	-	-
Composition Ratio	58.8%	-	-	-	-
Electricals And Electronics	3,513,501	6,867,185	6,664,136	4,742,173	8,527,826
Composition Ratio	16.6%	28.2%	27.6%	26.4%	30.0%
Foods	3,955,260	6,616,511	5,652,322	3,437,037	2,032,444
Composition Ratio	18.6%	27.2%	23.4%	19.1%	7.2%
Transport Equipment	1,499,348	4,356,170	5,618,135	2,810,718	7,394,826
Composition Ratio	7.1%	17.9%	23.3%	15.7%	26.0%
Chemicals And Medicals	1,671,999	2,676,491	3,360,387	3,669,928	4,107,416
Composition Ratio	7.9%	11.0%	13.9%	20.4%	14.5%
Metals	462,139	929,856	749,157	332,116	270,157
Composition Ratio	2.2%	3.8%	3.1%	1.9%	1.0%
Other	1,351,031	2,394,915	1,835,431	2,208,764	4,684,095
Composition Ratio	6.4%	9.9%	7.6%	12.3%	16.5%
Temporary Placement Business	8,556,826	-	-	-	-
Composition Ratio	40.3%	-	-	-	-
Administrative Operations Outsourcing Business	-	-	-	184,024	735,788
Composition Ratio	-	-	-	1.0%	2.6%
Nursing Care Business	-	-	-	347,453	471,998
Composition Ratio	-	-	-	1.9%	1.6%
Other Business	187,195	480,426	268,493	232,177	162,155
Composition Ratio	0.9%	2.0%	1.1%	1.3%	0.6%
Total	21,197,302	24,321,558	24,148,064	17,964,396	28,386,708
Composition Ratio	100.0%	100.0%	100.0%	100.0%	100.0%

(¥Thousand)	12/2006	12/2007	12/2008	12/2009	12/2010
Net Sales by Region					
Hokkaido, Tohoku And Kanto	5,834,396	5,898,979	6,115,873	4,920,655	9,080,396
Composition Ratio	27.5%	24.2%	25.3%	27.4%	32.0%
Tokai	10,239,156	12,444,196	12,349,203	8,477,431	12,190,169
Composition Ratio	48.3%	51.2%	51.1%	47.2%	42.9%
Hokuriku And Kou-Shinetsu	2,085,340	1,791,784	1,509,693	637,448	583,058
Composition Ratio	9.9%	7.4%	6.3%	3.5%	2.1%
Kinki, Chugoku, And Kyushu	3,038,409	4,186,598	4,173,293	3,928,861	6,533,083
Composition Ratio	14.3%	17.2%	17.3%	21.9%	23.0%
Total	21,197,302	24,321,558	24,148,064	17,964,396	28,386,708
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, 2010

( ¥ Million)	12/2006	12/2007	12/2008	12/2009	12/2010
Net Sales	21,197	24,321	24,148	17,964	28,386
Gross Profit	3,401	4,432	4,495	3,386	6,007
SG&A Expenses	3,282	3,418	3,382	3,536	4,834
Operating Income	119	1,013	1,113	△ 150	1,173
Ordinary Income	118	1,004	1,134	22	1,401
Net Income	97	583	641	△ 215	760

(%)	12/2006	12/2007	12/2008	12/2009	12/2010
Gross Profit on Sales	16.0%	18.2%	18.6%	18.8%	21.2%
SG&A Expenses Ratio	15.5%	14.1%	14.0%	19.7%	17.0%
Operating Income Margin	0.6%	4.2%	4.6%	-0.8%	4.1%
Ordinary Income Margin	0.6%	4.1%	4.7%	0.1%	4.9%
Net Income Margin	0.5%	2.4%	2.7%	-1.2%	2.7%

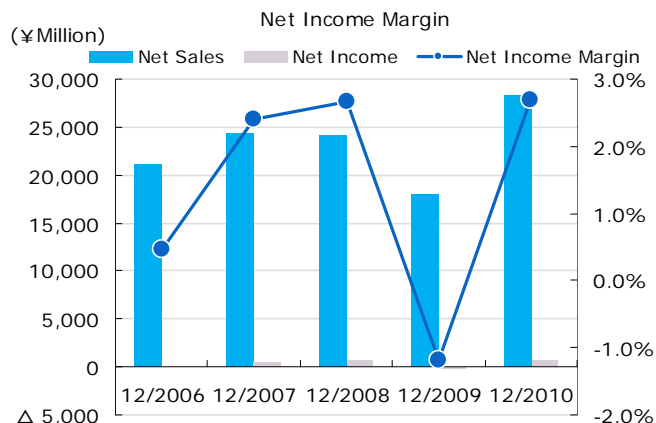
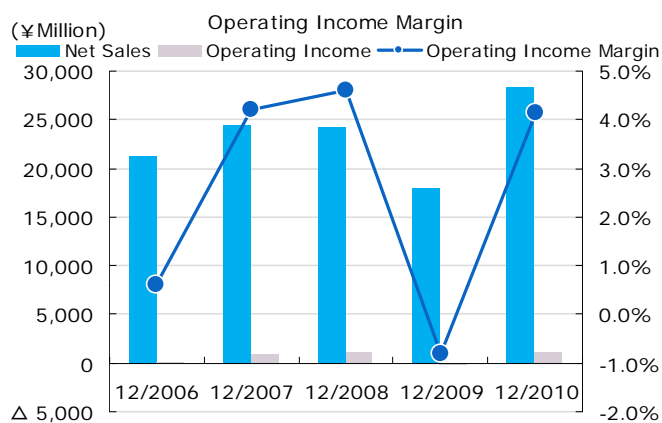
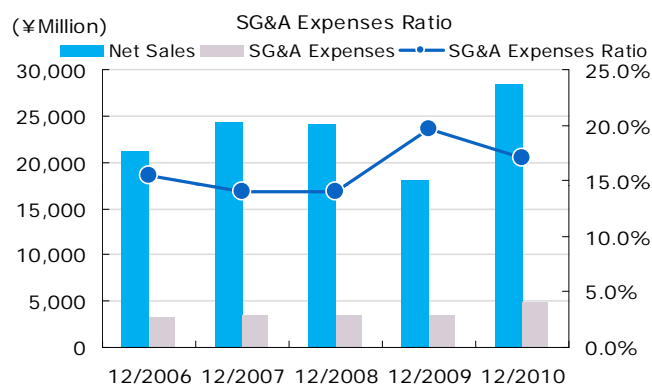
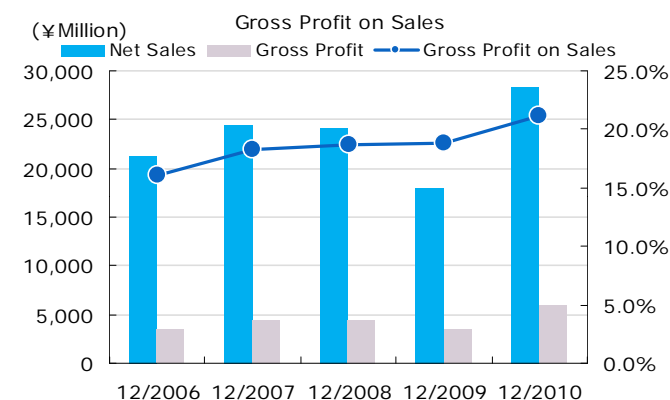
Gross Profit on Sales=Gross Profit/Net Sales

SG&A Expenses Ratio=SG&A Expenses/Net Sales

Operating Income Margin=Operating Income/Net Sales

Ordinary Income Margin=Ordinary Income/Net Sales

Net Income Margin=Net Income/Net Sales



# Consolidated Efficiency Indicators

OUTSOURCING, Inc. and subsidiaries  
for the fiscal year ended December 31, 2010

(Times)	12/2006	12/2007	12/2008	12/2009	12/2010
Total Assets Turnover	4.76	4.45	4.12	2.33	2.83
Noncurrent Assets Turnover	16.06	15.13	12.77	6.12	7.65
Current Assets Turnover	6.78	6.31	6.09	3.77	4.49

(Days)	12/2006	12/2007	12/2008	12/2009	12/2010
Inventories Turnover	0.81	1.16	1.16	2.15	1.37
Accounts Receivable Turnover	44.89	42.43	39.33	61.32	53.77
Accounts Payable Turnover	0.38	0.29	0.18	0.41	0.21

Total Assets Turnover=Net Sales/Average Total Assets

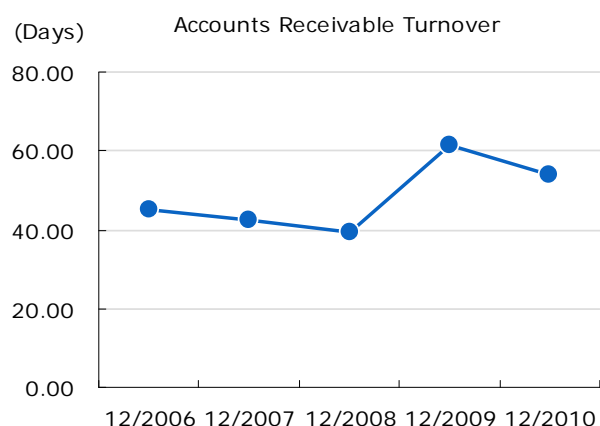
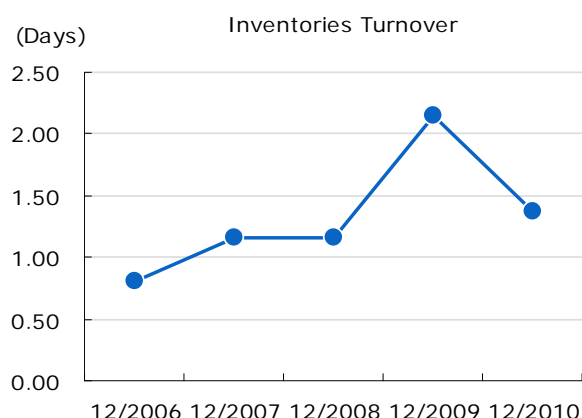
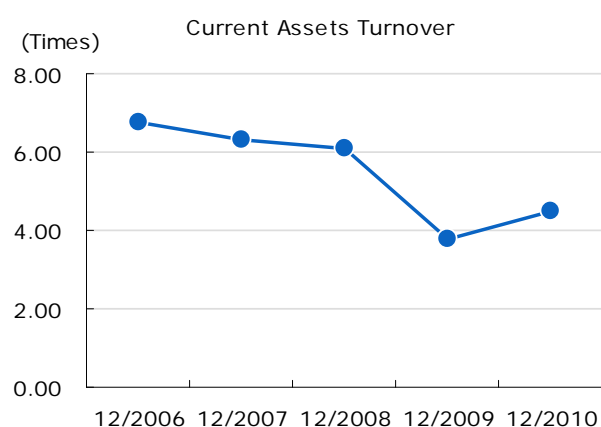
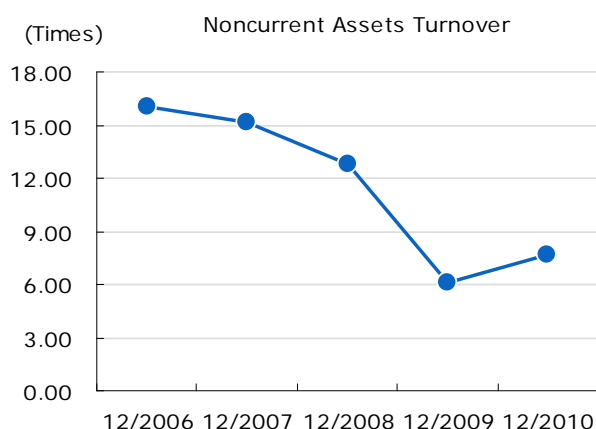
Noncurrent Assets Turnover=Net Sales/Average Noncurrent Assets

Current Assets Turnover=Net Sales/Average Current Assets

Inventories Turnover=Average Inventories/Net Sales\*365

Accounts Receivable Turnover=Average Accounts Receivable/Net Sales\*365

Accounts Payable Turnover=Average Accounts Payable/Net Sales\*365





# Consolidated Stability Indicators

OUTSOURCING, Inc. and subsidiaries  
for the fiscal year ended December 31, 2010

(¥ Million)	12/2006	12/2007	12/2008	12/2009	12/2010
Equity	1,711	2,109	2,533	2,855	3,326
Total Assets	5,267	5,660	6,051	9,365	10,707
Noncurrent Assets	1,644	1,571	2,210	3,664	3,756
Current Assets	3,622	4,089	3,836	5,697	6,948
Current Liabilities	2,965	2,966	2,558	4,445	5,335
Interest-Bearing Debt	1,246	593	1,014	3,308	2,801

(%)	12/2006	12/2007	12/2008	12/2009	12/2010
Equity Ratio	32.5%	37.3%	41.9%	30.5%	31.1%
D/E Ratio	72.8%	28.1%	40.0%	115.9%	84.2%
Fixed Ratio	96.1%	74.5%	87.2%	128.3%	112.9%
Current Ratio	122.2%	137.9%	150.0%	128.2%	130.2%
Return on Equity (ROE)	5.5%	30.6%	27.6%	-8.0%	24.6%
Return on Total Assets (ROA)	1.8%	10.3%	10.6%	-2.3%	7.1%

Equity Ratio=Equity/Total Assets

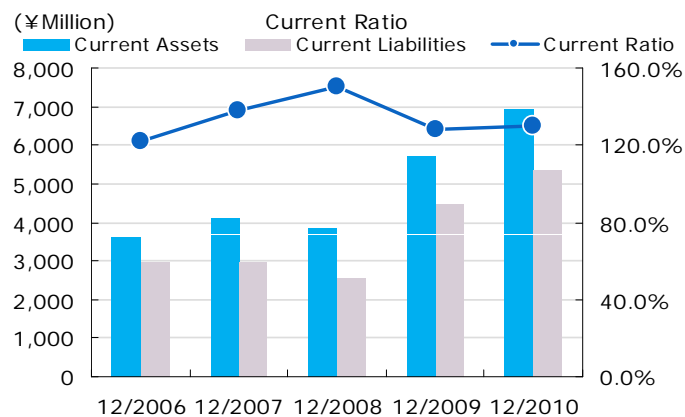
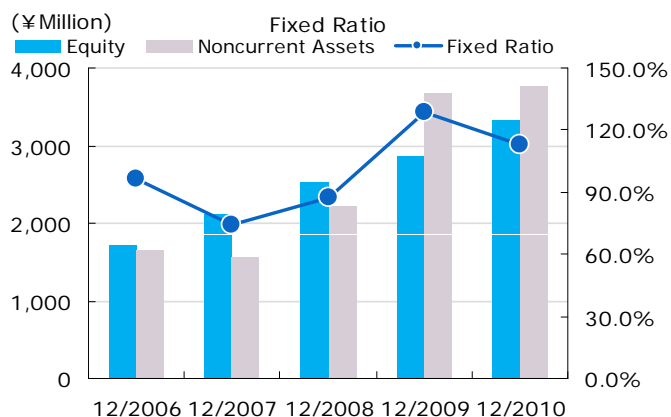
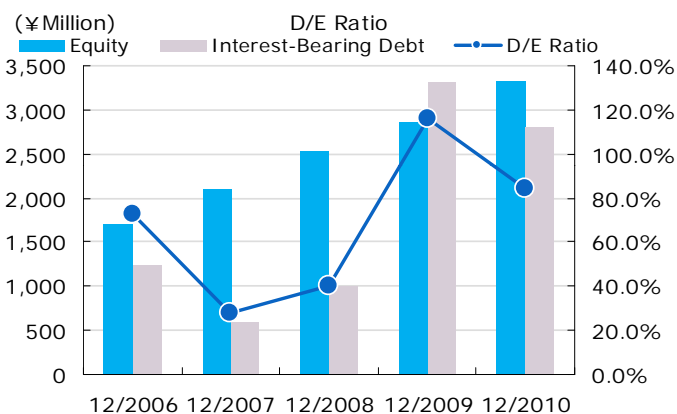
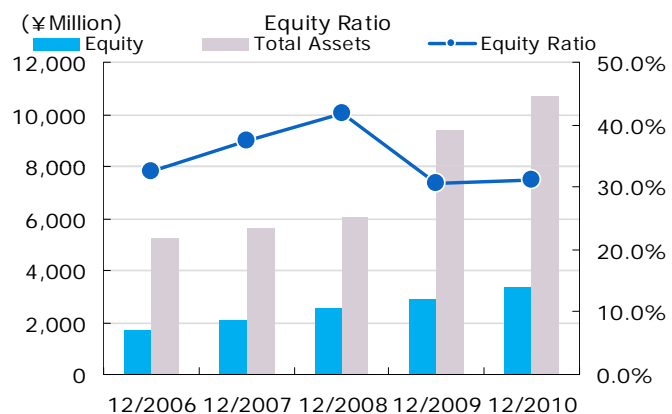
D/E Ratio=Interest-Bearing Debt/Equity

Fixed Ratio=Noncurrent Assets/Equity

Current Ratio=Current Assets/Current Liabilities

ROE=Net Income/Equity

ROA=Net Income/Total Assets



# Stock Information

OUTSOURCING, Inc. and subsidiaries  
for the fiscal year ended December 31, 2010

## Indicators per Share

(¥)	12/2006	12/2007	12/2008	12/2009	12/2010
Share price at term-end	27,900	34,100	17,950	40,600	330
Net income per share	783.25	4,917.29	5,412.28	△ 1,511.00	52.46
Net income per share (fully diluted)	773.21	4,887.11	5,397.02	-	52.30
Net assets per share	14,123.04	17,816.76	22,524.56	19,180.08	230.88
Dividend per share	300.00	492.00	644.00	644.00	7.21

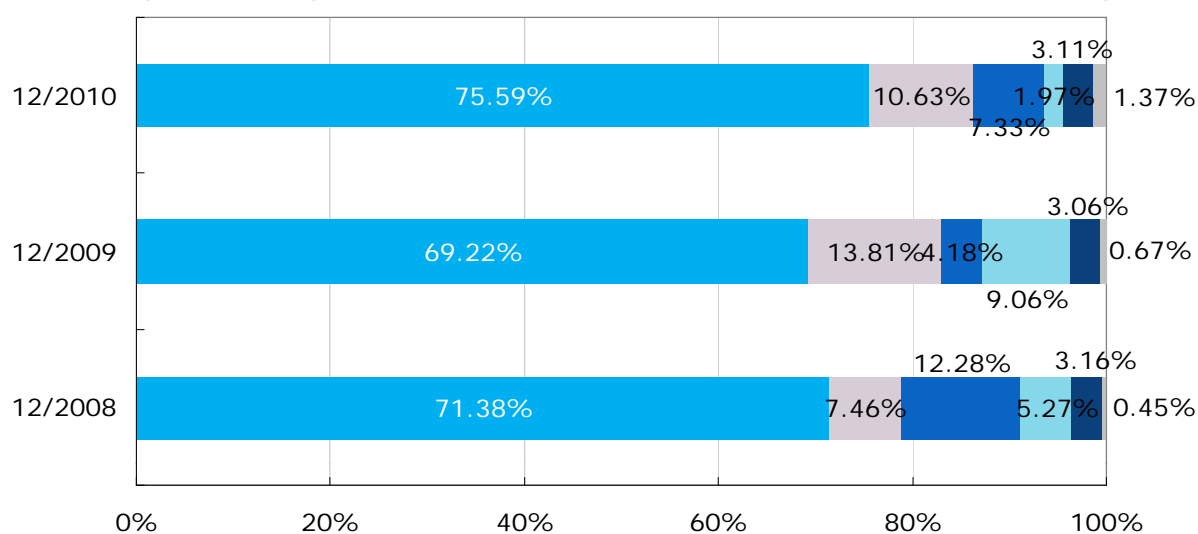
## Major Shareholders

As of December 31, 2010

Top 10 Shareholders	Number of Shares ('000)	Shareholding Ratio
Haruhiko Doi	3,747	24.1%
Masahiko Dourin	1,500	9.6%
Company's Shareholding	1,139	7.3%
Melon Bank ABN Amro Global Custody NV	604	3.9%
Miki Sano	500	3.2%
Chiharu Doi	310	2.0%
Naoki Dourin	300	1.9%
Yuuki Dourin	300	1.9%
AI Corporation	300	1.9%
The Chase Manhattan Bank NA London SL Omunibus Account	266	1.7%

## Shareholding by Category

- Individuais and other
- Financial institutions
- Other Japanese companies
- Foreign institutions and others
- Company's shareholding
- Financial instruments business operators



#### IR Contact

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