

FACTBOOK

(Securities Code: 2427 / TSE 1st Section)

OUTSOURCING Inc.

For the fiscal year ended December, 2013

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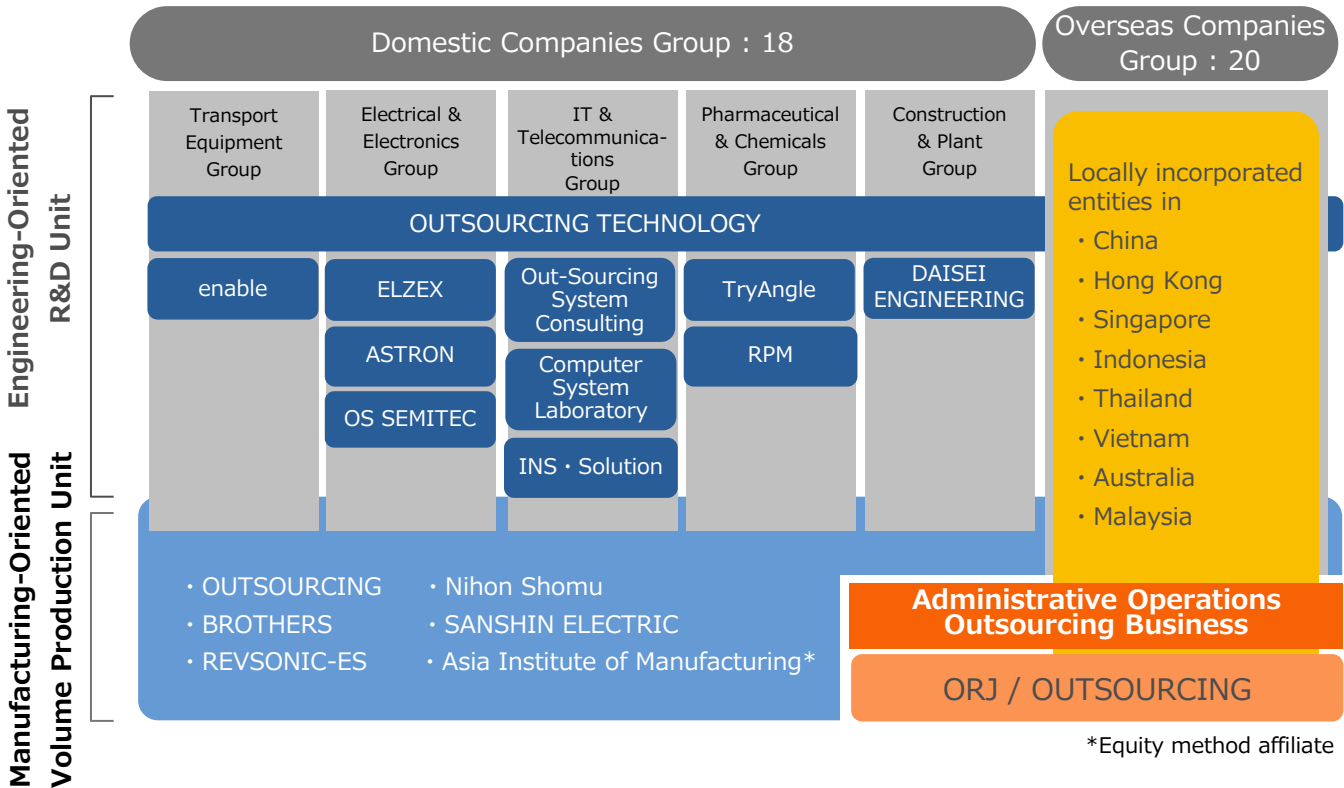
Corporate Profile (as of December 31, 2013)

Company Name	OUTSOURCING Inc.
URL	http://www.outsourcing.co.jp/en/
Head Office	5F Marunouchi Trust Tower Main Bldg., 1-8-3 Marunouchi, Chiyoda-ku, Tokyo, 100-0005 Japan
Capital	¥514,780 thousand
Established	January 1997
Representative	Haruhiko Doi, Chairman & CEO
Main Business	Production Outsourcing Business, Administrative Operations Outsourcing Business, Recruiting and Placement Business and others
Number of Branches	53 sales offices, including 13 recruitment centers
Total Employees (Group)	16,572

Group Overview

By directing our expertise, creativity and innovative solutions to meet rapid changes in the business environment and facilitate productivity enhancements in shop-floor manufacturing (monozukuri), OUTSOURCING aims to contribute to the building of a brighter prosperous society.

Production Outsourcing Business



Reporting Segments

As a partner to nationwide manufacturing industries, we provide technical skills to leading manufacturers through optimal and high value-added staff.

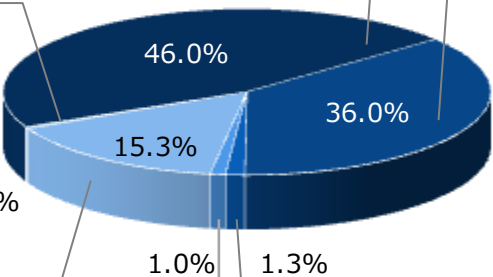
FY12/13 Consolidated Net Sales
¥47,384 million

Other Business

Through Group subsidiary enable Inc., this business focuses on development, manufacture and sales of high performance auto parts for racing.

Overseas Business

Through Group subsidiary OS International Co., Ltd., this business reinforces our staffing network by working together with our Group subsidiaries in Asian countries, establishing the Company as the sole Japanese provider of package contracting service from volume production to R&D engineering. We continue to drive and strengthen our response to the needs of Japanese makers continuing to shift production offshore to high growth emerging economies.



Manufacturing Outsourcing Business

Through outsourced contracting and temporary placement, this business provides service meeting the outsourcing needs of makers in the manufacturing process.

Engineering Outsourcing Business

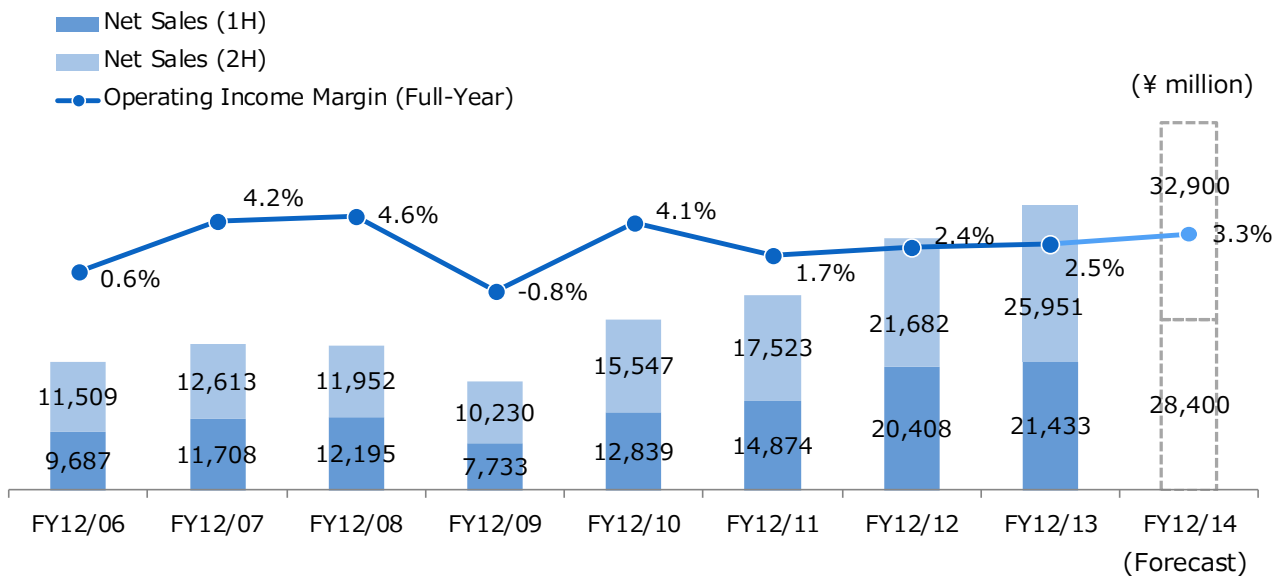
Through dealing with makers in wide-ranging fields including home electronics, medical equipment, semiconductors, software etc, this business provides outsourced contracting and temporary placement service for the design/development, testing and evaluation phases with high level technology and know-how.

Administrative Outsourcing Business

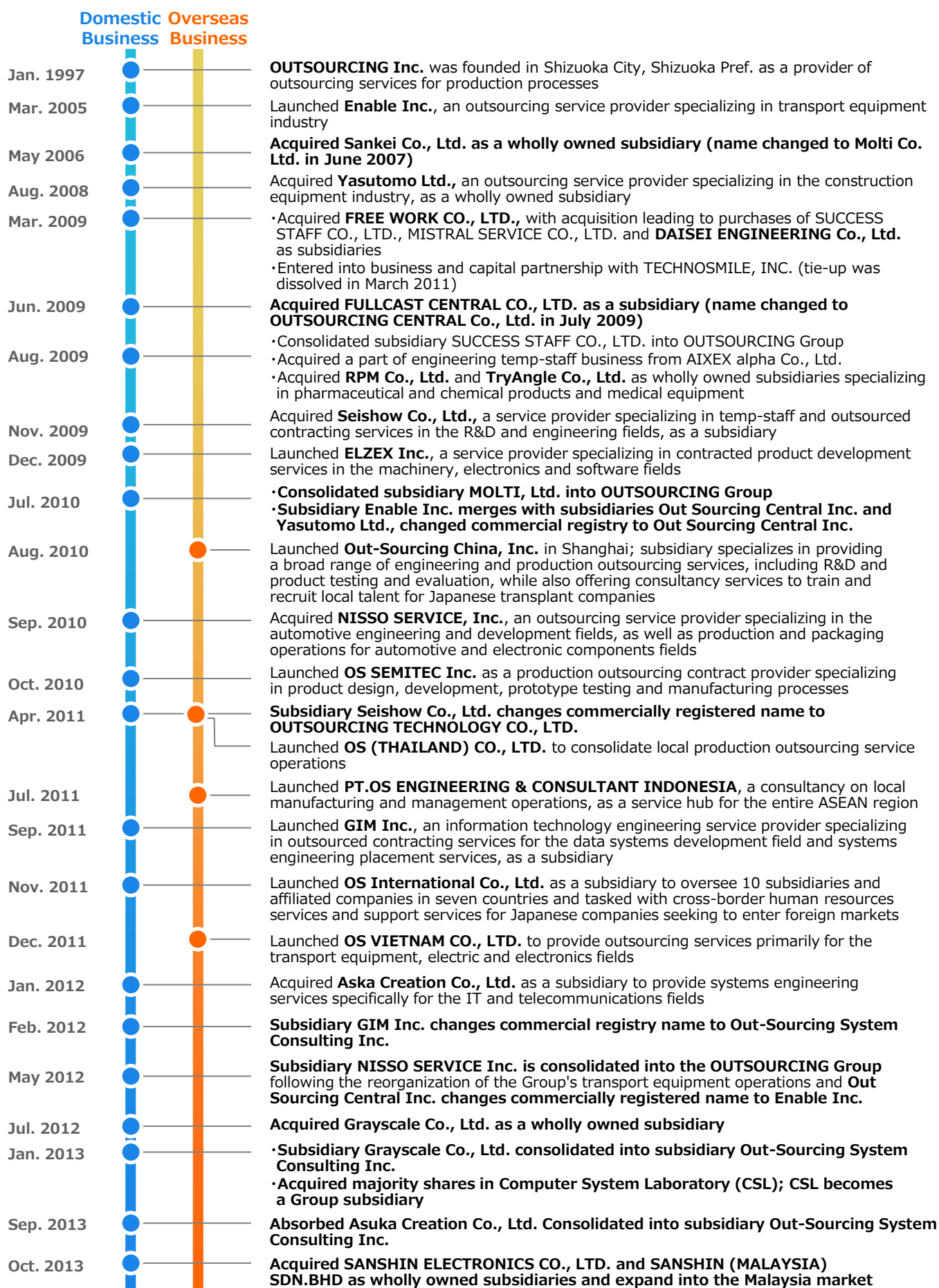
Through Group subsidiary ORJ Inc., this business handles administrative operations from hiring of seasonal workers on behalf of makers to post-hiring labor management and company housing management as a package service.

Recruiting and Placement Business

Through Group subsidiary ORJ Inc., this business leverages many years of accumulated know-how and our nationwide hiring network, single handedly undertaking issues from hiring plans to recruiting and interviews, a service making referrals and securing staff.



OUTSOURCING Group Expansion Corporate History



Domestic Business Locations

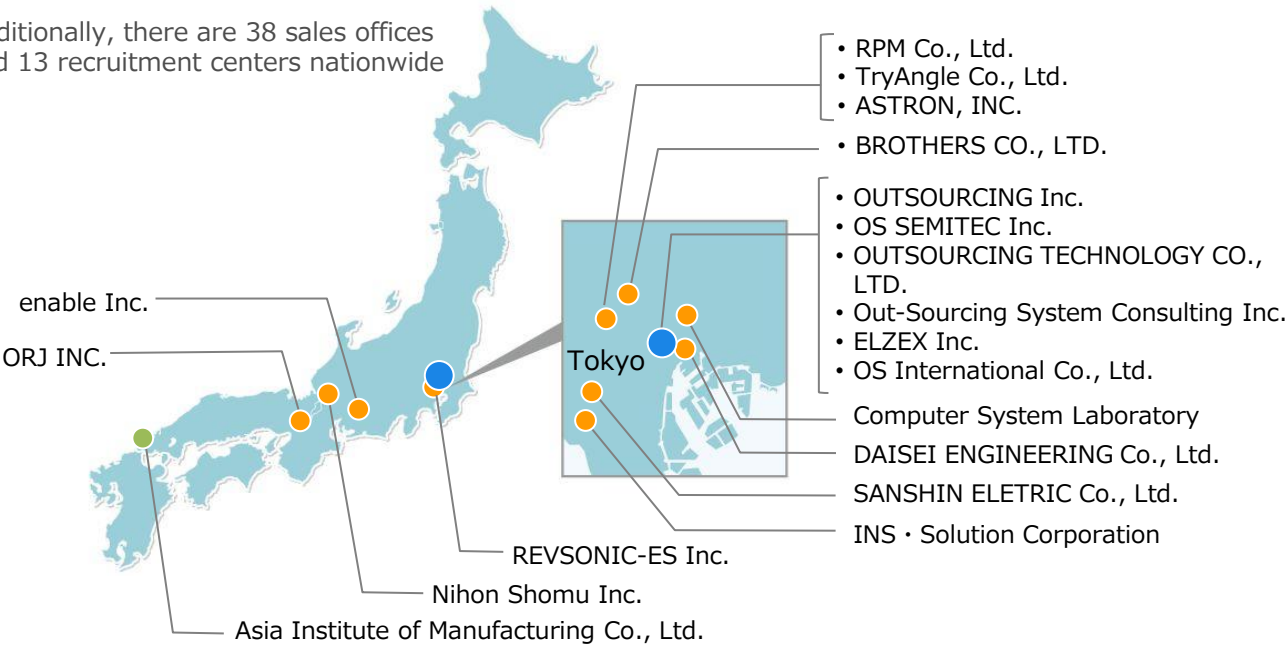
(as of December 31,2013)

Domestic Companies Group : 19

Domestic Companies Group

●OUTSOURCING Inc. ● Consolidated Subsidiaries ● Equity Method Affiliate

Additionally, there are 38 sales offices and 13 recruitment centers nationwide



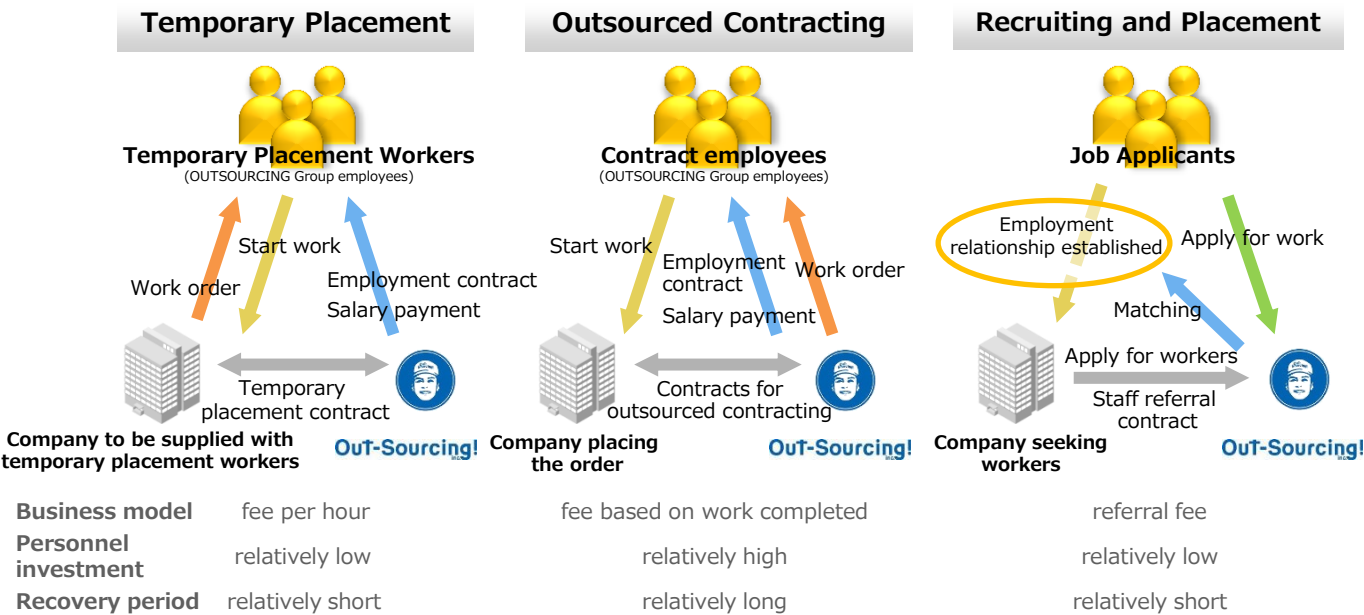
Overseas Business Locations

Overseas Companies Group : 18



- China
 - Out-Sourcing China, Inc.
 - Gray (Dalian) Information Technology Co., Ltd.
 - FARO RECRUITMENT (CHINA) CO.,LTD.
 - Faro Business Consulting (Dalian) Co., Ltd.
 - FARO RECRUITMENT (HONG KONG) CO., LIMITED
- Thailand
 - OS (THAILAND) CO., LTD.
 - OS Recruitment (Thailand) Co., Ltd.
 - J.A.R. Services Co., Ltd.
 - P-ONE SUBCONTRACT CO., LTD.
- Indonesia
 - PT. OS ENGINEERING & CONSULTANT INDONESIA
 - PT. OS SERVICE INDONESIA
 - PT. SELNAJAYA PRIMA
- Vietnam
 - OS VIETNAM CO., LTD.
 - OS POWER VIETNAM CO., LTD.
 - Faith Root Recruitment Vietnam Joint Stock Company
- Singapore
 - FARO RECRUITMENT (SINGAPORE) PTE. LTD.
- Australia
 - STAFF SOLUTIONS AUSTRALIA PTY LTD
- Malaysia
 - SANSHIN (MALAYSIA)SDN.BHD.

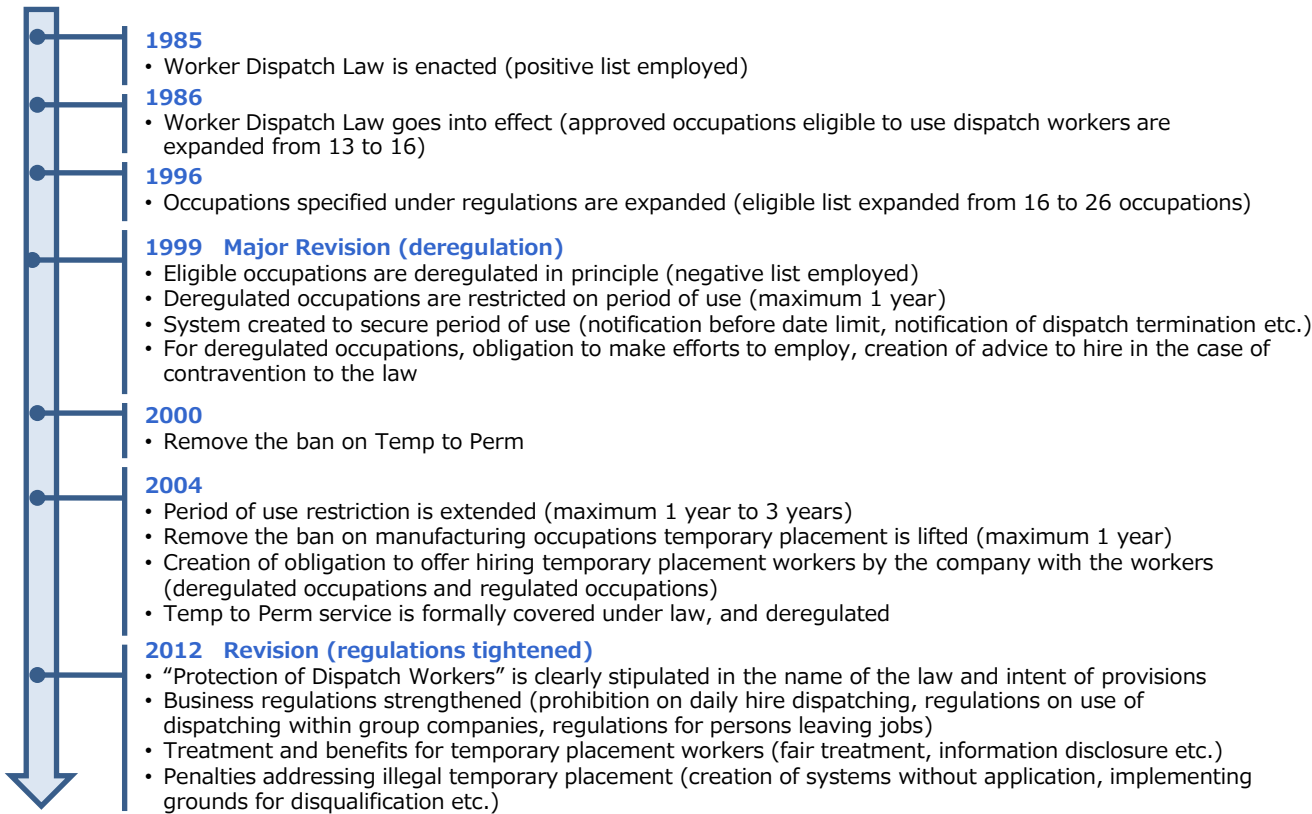
Major Hiring Formats for Domestic Outsourcing Business



Administrative Operations



Trend of Revisions to the Worker Dispatch Law



[Management Philosophy]

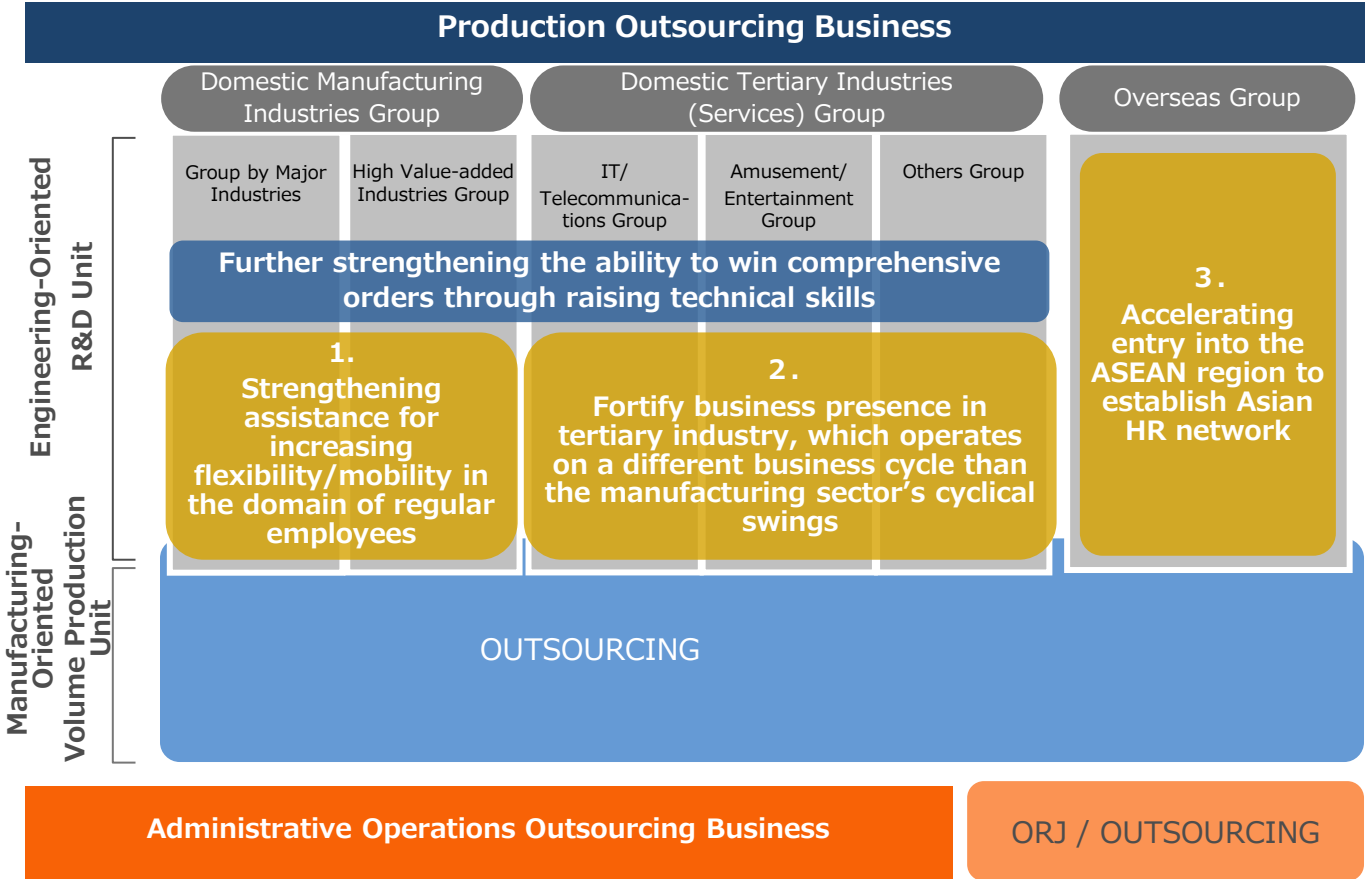
Through collection of our wisdom and original ideas with respect to the rapidly changing economic environment, by contributing to raising the efficiency of production, we will contribute to the development of manufacturing Japan, and realization of a bright and prosperous society.

Vision 2014: Vector to the Top
Vector to Ascendancy

- Earn the highest customer satisfaction ratings in the industry
- Then become the first choice among job applicants
- And emerge as the undisputed leader in production outsourcing services



Toward raising manufacturing Japan’s production efficiency
— Vision 2014 Growth Strategy



Group Strategy Toward Becoming No.1 in the Industry

1. Strengthening assistance for increasing flexibility/mobility in the domain of regular employees (developing new business domains)

Temporary Placement Business of On-Site Building Work Supervisory Engineers

With growing demand for redevelopment including disaster restoration and earthquake reinforcement work, the shortage of construction-related personnel is becoming more pronounced. In order to effectively utilize maker early retirement workers, together with design and maintenance personnel, the Company is leveraging its nationwide hiring network to secure as many as possible registered workers with qualifications, supplying staffing.

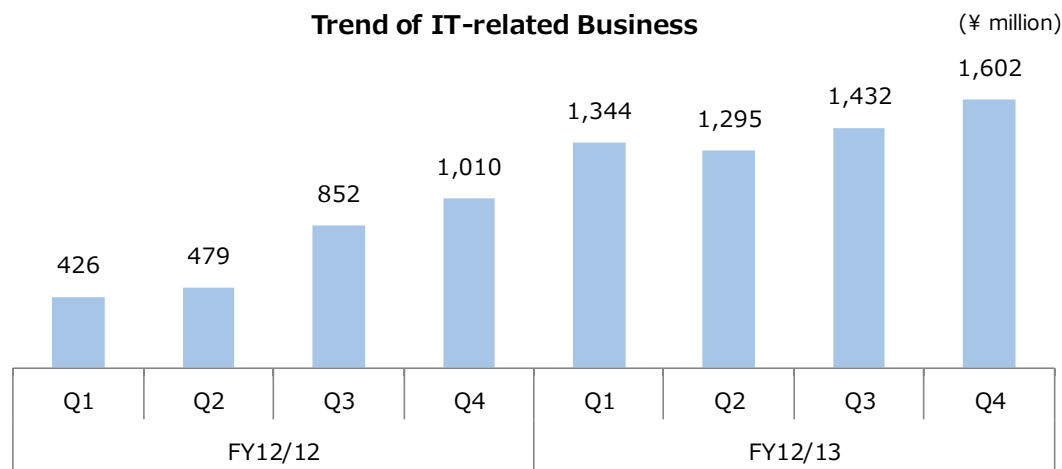
Electrical Appliance After-sales Maintenance Service Business

A variety of electrical appliances, including foreign-made appliances, is widely spread throughout society, and demand for maintenance and repair work is ever present and growing. There are high expectations for leveraging early retirees of electrical and electronics makers which can be put to work immediately.

2. Fortify business presence in tertiary industry (service sectors)

IT/Telecommunications-related Infrastructure and Network Construction and Installation Outsourcing Business

With office relocations becoming quite active and the volume of data handled growing, a shortage of engineers in this field is becoming pronounced. Since there are a large number of personnel possessing the necessary skill set in this field amongst maker early retirees, there is expectation for leveraging this group which can transfer into this field and be put to work immediately.



3. Strengthening globalization strategy

Primarily in the ASEAN region, we are accelerating promotion of the following businesses:

- Fully localized placement & referral services
- Mechanical design, software development and other contracting services
- Placement & referral services for Japanese senior citizens
- Referral services for foreign nationals for employment in Japan

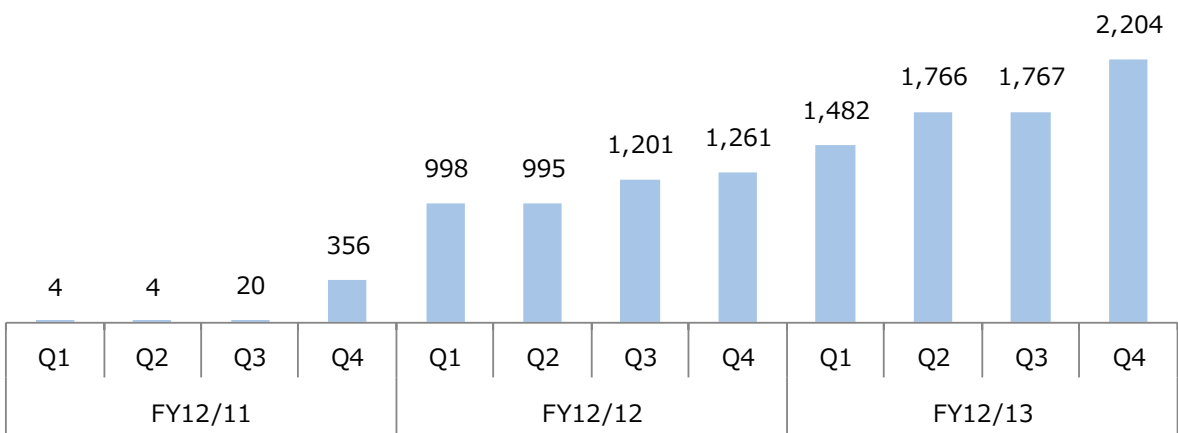
Global Expansion of the OUTSOURCING Group

We provide one-stop solutions to meet clients’ diverse staffing needs through building our Asia staffing network



Trend of Overseas Business

(¥ million)



Consolidated Balance Sheets

As of December 31, 2013

(¥ thousand)	FY12/09	FY12/10	FY12/11	FY12/12	FY12/13
Assets					
Total assets	9,365,465	10,707,735	11,921,809	13,866,410	20,343,008
Current assets	5,697,261	6,948,358	7,933,807	9,431,277	14,119,704
Cash and deposits	2,050,402	1,731,399	2,264,170	3,363,905	6,032,990
Notes and accounts receivable-trade	3,018,675	4,182,469	4,900,556	5,232,946	6,529,303
Work in process	59,883	27,012	85,800	64,131	281,341
Raw materials and supplies	76,614	51,542	54,045	68,269	297,055
Prepaid expenses	238,945	315,468	370,788	405,398	442,043
Deferred tax assets	21,685	96,976	52,798	63,489	15,911
Other	235,349	551,467	233,009	257,966	553,249
Allowance for doubtful accounts	(4,295)	(7,978)	(27,360)	(24,829)	(32,191)
Noncurrent assets	3,664,696	3,756,479	3,985,714	4,433,455	6,223,303
Property, plant and equipment	2,195,604	2,075,622	2,046,196	2,008,979	1,953,026
Buildings and structures	1,565,916	1,542,159	1,622,189	1,694,027	2,678,713
Accumulated depreciation	(289,364)	(349,417)	(469,479)	(537,830)	(1,565,523)
Buildings and structures, net	1,276,551	1,192,741	1,152,710	1,156,196	1,113,190
Machinery, equipment and vehicles	227,972	603,019	567,652	544,855	3,846,304
Accumulated depreciation	(116,240)	(228,793)	(252,767)	(279,392)	(3,596,075)
Machinery, equipment and vehicles, net	111,732	374,225	314,884	265,462	250,229
Tools, furniture and fixtures	482,957	488,730	618,875	616,312	1,183,769
Accumulated depreciation	(421,864)	(425,929)	(494,664)	(545,342)	(1,095,113)
Accumulated impairment loss	-	(44)	(44)	-	-
Tools, furniture and fixtures, net	61,092	62,757	124,166	70,970	88,656
Land	441,199	441,199	441,199	441,199	441,622
Lease assets	-	-	11,496	88,150	89,900
Accumulated depreciation	-	-	(1,149)	(14,209)	(32,505)
Lease assets, net	-	-	10,347	73,940	57,395
Construction in progress	305,027	4,698	2,887	1,208	1,932
Intangible assets	676,707	699,743	861,387	1,372,927	1,827,622
Goodwill	519,152	599,404	768,413	1,108,194	1,330,585
Other	157,554	100,339	92,974	264,733	497,037
Investments and other assets	792,385	981,112	1,078,130	1,051,548	2,442,654
Investment securities	266,965	240,849	204,245	166,399	678,654
Lease and guarantee deposits	438,779	489,604	563,101	683,595	742,735
Deferred tax assets	12,877	109,766	128,856	51,057	46,581
Other	73,762	140,891	181,926	151,587	974,683
Allowance for doubtful accounts	-	-	-	(1,091)	-
Deferred assets	3,508	2,898	2,287	1,677	-

Consolidated Balance Sheets

As of December 31, 2013

(¥ thousand)	FY12/09	FY12/10	FY12/11	FY12/12	FY12/13
Liabilities					
Total liabilities	6,432,244	7,232,193	8,251,145	9,354,541	14,427,501
Current liabilities	4,445,854	5,335,328	5,943,164	6,875,722	10,003,803
Notes and accounts payable-trade	20,402	16,987	49,544	208,694	609,635
Short-term loans payable	1,803,100	1,390,000	1,280,025	2,020,000	3,550,000
Current portion of long-term loans payable	320,288	299,874	479,669	554,917	830,077
Accounts payable-other	1,333,439	1,611,502	2,338,538	2,341,638	2,905,759
Accrued expenses	448,258	537,516	719,764	592,478	513,541
Income taxes payable	83,717	709,322	163,594	130,496	354,009
Accrued consumption taxes	84,847	280,647	324,503	439,373	340,967
Deferred tax liabilities	-	-	-	2,792	44,880
Provision for bonuses	-	-	81,843	14,829	60,387
Other	351,801	489,477	505,680	570,503	794,545
Noncurrent liabilities	1,986,389	1,896,864	2,307,980	2,478,818	4,423,698
Bonds payable	247,250	163,750	115,250	76,750	50,000
Long-term loans payable	938,703	817,365	1,351,861	1,582,044	2,578,830
Deferred tax liabilities	-	-	11,794	11,367	226,780
Provision for retirement benefits	48,835	365,763	417,553	356,661	803,192
Negative goodwill	655,106	465,939	317,826	186,378	48,040
Other	96,493	84,045	93,694	265,617	716,853
Net assets					
Total net assets	2,933,221	3,475,542	3,670,664	4,511,869	5,915,506
Shareholders' equity	2,857,700	3,323,496	3,445,116	4,008,563	4,945,279
Capital stock	483,435	483,916	485,443	485,443	514,780
Capital surplus	879,605	880,086	881,614	881,614	910,950
Retained earnings	1,713,363	2,350,588	2,469,153	3,032,600	3,910,642
Treasury stock	(218,703)	(391,094)	(391,094)	(391,094)	(391,094)
Valuation and translation adjustments	(1,824)	-	-	-	-
Accumulated other comprehensive income	-	2,911	(4,832)	78,674	382,741
Valuation difference on available-for-sale securities	(1,824)	4,526	(1,372)	2,894	52,120
Foreign currency translation adjustment	-	(1,615)	(3,459)	75,780	330,621
Subscription rights to shares	49,433	53,693	91,996	103,566	100,506
Minority interests	27,911	95,441	138,382	321,064	486,980
Total liabilities and net assets	9,365,465	10,707,735	11,921,809	13,866,410	20,343,008

Consolidated Statements of Income

For the fiscal year ended December 31, 2013

(¥ thousand)	FY12/09	FY12/10	FY12/11	FY12/12	FY12/13
Net sales	17,964,396	28,386,708	32,397,745	42,090,453	47,384,304
Cost of sales	14,578,030	22,378,831	25,658,946	33,618,302	38,102,746
Gross profit	3,386,365	6,007,877	6,738,798	8,472,151	9,281,557
Selling, general and administrative expenses	3,536,588	4,834,497	6,175,588	7,471,638	8,078,645
Operating income (loss)	(150,222)	1,173,380	563,210	1,000,512	1,202,912
Non-operating income	318,923	634,942	541,309	708,172	700,570
Interest income	7,850	4,469	3,881	6,529	11,838
Dividends income	178	401	358	4,844	12,710
Real estate rent	103,230	303,254	333,049	415,534	384,530
Amortization of negative goodwill	104,856	155,958	138,320	138,337	138,337
Subsidy income	60,599	100,327	23,443	10,985	9,208
Equity in earnings of affiliates	12,103	-	793	41,040	2,409
Foreign exchange gains	-	-	-	-	75,027
Other	30,104	70,531	41,462	90,899	66,508
Non-operating expenses	146,559	407,003	401,744	554,778	546,176
Interest expenses	30,195	39,642	26,333	37,014	49,713
Rent cost of real estate	104,723	320,365	365,668	456,198	380,938
Equity in losses of affiliates	-	26,131	-	-	-
Termination charge for point program	-	-	-	-	78,757
Other	11,640	20,863	9,743	61,565	36,768
Ordinary income	22,141	1,401,318	702,774	1,153,906	1,357,305
Extraordinary income	6,306	213,717	18,128	16,524	232,538
Gain on sales of noncurrent assets	542	1,822	12,170	1,179	996
Gain on sales of subsidiaries' stocks	-	211,895	-	-	-
Gain on sales of investment securities	-	-	5,958	-	27,797
Gain on bargain purchase	-	-	-	15,344	203,744
Surrender value of insurance	5,764	-	-	-	-
Extraordinary loss	205,505	126,845	157,056	175,118	-
Loss on sales and retirement of noncurrent assets	1,175	5,414	19,318	13,195	-
Loss on sales of stocks of subsidiaries and affiliates	-	-	10,023	-	-
Impairment loss	204,329	15,590	12,390	39,221	-
Amortization of goodwill	-	-	-	52,741	-
Loss on disaster	-	-	46,888	-	-
Office transfer expenses	-	105,840	-	69,960	-
Settlement package	-	-	11,200	-	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	-	5,832	-	-
Retirement benefit expenses for prior periods	-	-	51,403	-	-
Income (loss) before income taxes and minority interests	(177,057)	1,488,190	563,846	995,311	1,589,844
Income taxes-current	75,877	735,276	305,831	241,892	390,058
Income taxes-deferred	40,405	(23,515)	47,163	69,816	(11,642)
Total income taxes	116,282	711,760	352,995	311,708	378,416
Income before minority interests	-	-	210,851	683,602	1,211,427
Minority interests in income (loss)	(77,595)	16,309	16,276	41,932	89,061
Net income (loss)	(215,744)	760,120	194,575	641,670	1,122,365

Consolidated Statements of Changes in Net Assets

As of December 31, 2013

FY12/12 (January 1, 2012 - December 31, 2012)

(¥ thousand)	Shareholders' equity					Accumulated other comprehensive income			Subscription rights to shares	Minority interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of current period	485,443	881,614	2,469,153	(391,094)	3,445,116	(1,372)	(3,459)	(4,832)	91,996	138,382	3,670,664
Changes of items during the period											
Issuance of new shares	–	–			–						–
Dividends from surplus			(115,442)		(115,442)						(115,442)
Net income			641,670		641,670						641,670
Change of scope of consolidation			37,218		37,218						37,218
Net changes of items other than shareholders' equity						4,267	79,239	83,507	11,569	182,681	277,758
Total changes of items during the period	–	–	563,446	–	563,446	4,267	79,239	83,507	11,569	182,681	841,204
Balance at the end of current period	485,443	881,614	3,032,600	(391,094)	4,008,563	2,894	75,780	78,674	103,566	321,064	4,511,869

FY12/13 (January 1, 2013 - December 31, 2013)

(¥ thousand)	Shareholders' equity					Accumulated other comprehensive income			Subscription rights to shares	Minority interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of current period	485,443	881,614	3,032,600	(391,094)	4,008,563	2,894	75,780	78,674	103,566	321,064	4,511,869
Changes of items during the period											
Issuance of new shares	29,336	29,336			58,672						58,672
Dividends from surplus			(187,776)		(187,776)						(187,776)
Net income			1,122,365		1,122,365						1,122,365
Change of scope of consolidation			(56,546)		(56,546)						(56,546)
Net changes of items other than shareholders' equity						49,226	254,840	304,066	(3,060)	165,915	466,922
Total changes of items during the period	29,336	29,336	878,042	–	936,715	49,226	254,840	304,066	(3,060)	165,915	1,403,637
Balance at the end of current period	514,780	910,950	3,910,642	(391,094)	4,945,279	52,120	330,621	382,741	100,506	486,980	5,915,506

Consolidated Statements of Cash Flows

For the fiscal year ended December 31, 2013

(¥ thousand)	FY12/09	FY12/10	FY12/11	FY12/12	FY12/13
Net cash provided by (used in) operating activities					
Net cash provided by (used in) operating activities	(465,872)	765,612	412,875	1,062,512	1,298,702
Income (loss) before income taxes and minority interests	(177,057)	1,488,190	563,846	995,311	1,589,844
Depreciation and amortization	211,723	266,724	271,352	320,936	348,622
Impairment loss	204,329	15,590	12,390	39,221	-
Loss on disaster	-	-	46,888	-	-
Settlement package	-	-	11,200	-	-
Gain on bargain purchase	-	-	-	(15,344)	(203,744)
Amortization of goodwill	67,377	129,894	168,359	330,309	371,635
Amortization of negative goodwill	(104,856)	(155,958)	(138,320)	(138,337)	(138,337)
Increase (decrease) in allowance for doubtful accounts	(41)	1,337	325	(2,330)	4,387
Increase (decrease) in provision for bonuses	(106,493)	(99,136)	(16,121)	(78,685)	(13,616)
Increase (decrease) in provision for retirement benefits	1,801	18,899	49,167	(66,320)	77,152
Interest and dividends income	(8,028)	(4,870)	(4,239)	(11,374)	(24,548)
Interest expenses	30,195	39,642	26,333	37,014	49,713
Equity in (earnings) losses of affiliates	(12,103)	26,131	(793)	(41,040)	(2,409)
Loss (gain) on sales and retirement of noncurrent assets	633	3,592	7,148	12,015	(996)
Loss (gain) on sales of investment securities	-	-	(5,958)	-	(27,797)
Loss (gain) on sales of subsidiaries' stocks	-	(211,895)	-	-	-
Loss (gain) on sales of stocks of subsidiaries and affiliates	-	-	10,023	-	-
Surrender value of insurance	(5,764)	-	-	-	-
Decrease (increase) in notes and accounts receivable-trade	595,405	(954,313)	(222,013)	151,538	(82,370)
Decrease (increase) in inventories	(4,532)	57,944	(61,291)	8,284	(56,338)
Increase (decrease) in notes and accounts payable-trade	(757,044)	202,836	491,398	(234,992)	(349,487)
Increase (decrease) in accrued consumption taxes	(153,797)	248,998	14,538	112,481	(114,953)
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	-	5,832	-	-
Other, net	77,411	(167,871)	71,983	27,384	142,278
Subtotal	(140,841)	905,738	1,302,049	1,446,072	1,569,033
Interest and dividends income received	7,991	11,691	5,231	11,383	24,546
Interest expenses paid	(32,741)	(37,351)	(25,077)	(37,079)	(50,094)
Payments for loss on disaster	-	-	(46,888)	-	-
Settlement package paid	-	-	(11,200)	-	-
Income taxes paid	(308,683)	(123,353)	(864,437)	(377,099)	(318,876)
Income taxes refund	8,403	8,887	53,198	19,235	74,093

Consolidated Statements of Cash Flows

For the fiscal year ended December 31, 2013

(¥ thousand)	FY12/09	FY12/10	FY12/11	FY12/12	FY12/13
Net cash provided by (used in) investing activities					
Net cash provided by (used in) investing activities	(8,794)	436,192	(274,004)	(755,921)	(1,982,739)
Payments into time deposits	(172,230)	(790,776)	(136,408)	(141,382)	(163,849)
Proceeds from withdrawal of time deposits	205,348	1,198,818	119,100	132,533	89,499
Purchase of property, plant and equipment	(473,430)	(129,314)	(154,533)	(145,449)	(184,827)
Purchase of intangible assets	(25,278)	(18,003)	(21,097)	(85,454)	(250,444)
Payments for retirement of property, plant and equipment	-	-	(9,874)	-	-
Proceeds from sales of property, plant and equipment	2,625	3,175	14,387	2,833	1,576
Purchase of investment securities	(4,110)	-	(399)	(352)	(519)
Proceeds from sales of investment securities	-	7,912	112,260	5,382	423,517
Payments for asset retirement obligations	-	-	-	(26,098)	-
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(4,902)	(485,532)	(481,825)	(1,729,477)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	476,811	416,169	-	175,281	38,428
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	380,000	-	-
Purchase of stocks of subsidiaries and affiliates	(136,400)	-	-	-	-
Proceeds from sales of stocks of subsidiaries and affiliates	-	-	6,000	-	-
Purchase of investments in subsidiaries	-	(57,818)	-	(0)	(113,449)
Payments for transfer of business	-	-	(10,000)	(129,499)	(68,047)
Payments of loans receivable	(611,086)	(1,356)	(60,523)	(5,222)	(173,988)
Collection of loans receivable	607,321	7,923	24,181	35,531	3,877
Payments for lease and guarantee deposits	(55,354)	(194,199)	(150,914)	(260,637)	(42,164)
Proceeds from collection of lease and guarantee deposits	128,394	162,126	87,037	169,288	50,460
Purchase of insurance funds	(5,757)	(3,060)	(3,225)	(3,115)	(8,524)
Proceeds from cancellation of insurance funds	26,188	23,151	15,530	3,300	112,939
Other, net	28,162	5,443	6	(1,035)	32,255
Net cash provided by (used in) financing activities					
Net cash provided by (used in) financing activities	668,479	(1,121,903)	319,619	697,963	1,800,184
Net increase (decrease) in short-term loans payable	675,000	(628,100)	(111,436)	710,000	1,193,212
Proceeds from long-term loans payable	330,000	580,056	1,300,000	1,000,000	1,800,000
Repayment of long-term loans payable	(210,906)	(709,335)	(686,699)	(788,667)	(824,507)
Redemption of bonds	(34,250)	(83,500)	(83,500)	(88,500)	(167,850)
Proceeds from issuance of common stock	6,880	961	3,055	-	40,233
Cash dividends paid	(72,437)	(95,890)	(103,758)	(115,574)	(187,738)
Purchase of treasury stock	-	(172,391)	-	-	-
Proceeds from stock issuance to minority shareholders	-	-	6,766	4,068	-
Cash dividends paid to minority shareholders	-	-	(1,534)	(2,111)	(5,335)
Other, net	(25,807)	(13,705)	(3,273)	(21,251)	(47,829)
Effect of exchange rate change on cash and cash equivalents	-	(946)	(5,918)	77,715	155,706
Net increase (decrease) in cash and cash equivalents	193,812	78,954	452,571	1,082,269	1,271,855
Cash and cash equivalents at beginning of period	591,797	1,634,534	1,713,488	2,166,060	3,248,330
Increase in cash and cash equivalents resulting from merger	848,923	-	-	-	-
Cash and cash equivalents at end of period	1,634,534	1,713,488	2,166,060	3,248,330	4,520,185

[Reference] Information by Old Reporting Segment and Region

For the fiscal year ended December 31, 2012

(¥ thousand)	FY12/08	FY12/09	FY12/10	FY12/11	FY12/12
Net Sales by Old Reporting Segment					
Production Outsourcing Business	23,879,571	17,200,739	27,016,766	31,146,352	40,895,522
Composition ratio	98.9%	95.8%	95.2%	96.2%	97.1%
Foods	5,652,322	3,437,037	2,032,444	2,006,245	1,854,874
Composition ratio	23.4%	19.1%	7.2%	6.2%	4.4%
Electrical Equipment	6,664,136	4,742,173	8,527,826	8,668,019	7,782,843
Composition ratio	27.6%	26.4%	30.0%	26.8%	18.5%
Transport Equipment	5,618,135	2,810,718	7,394,826	10,604,822	11,954,067
Composition ratio	23.3%	15.7%	26.0%	32.7%	28.4%
Chemicals and Medicals	3,360,387	3,669,928	4,107,416	4,174,806	4,396,110
Composition ratio	13.9%	20.4%	14.5%	12.9%	10.4%
Metals	749,157	332,116	270,157	836,721	3,740,204
Composition ratio	3.1%	1.9%	1.0%	2.6%	8.9%
IT	-	-	-	-	2,956,005
Composition ratio	-	-	-	-	7.0%
Other	1,835,431	2,208,764	4,684,095	4,855,736	8,211,415
Composition ratio	7.6%	12.3%	16.5%	15.0%	19.5%
Administrative Operations Outsourcing Business	-	184,024	735,788	1,113,407	1,042,547
Composition ratio	-	1.0%	2.6%	3.4%	2.5%
Nursing-care Business	-	347,453	471,998	-	-
Composition ratio	-	1.9%	1.6%	-	-
Other Business	268,493	232,177	162,155	137,986	152,383
Composition ratio	1.1%	1.3%	0.6%	0.4%	0.4%
Total	24,148,064	17,964,396	28,386,708	32,397,745	42,090,453
Composition ratio	100.0%	100.0%	100.0%	100.0%	100.0%

(¥ Thousand)	FY12/08	FY12/09	FY12/10	FY12/11	FY12/12
Net Sales by Region					
Hokkaido, Tohoku and Kanto	6,115,873	4,920,655	9,080,396	10,223,237	13,404,375
Composition ratio	25.3%	27.4%	32.0%	31.6%	31.9%
Tokai	12,349,203	8,477,431	12,190,169	13,454,671	15,992,748
Composition ratio	51.1%	47.2%	42.9%	41.5%	38.0%
Hokuriku and Kou-shinetsu	1,509,693	637,448	583,058	1,207,289	937,519
Composition ratio	6.3%	3.5%	2.1%	3.7%	2.2%
Kinki, Chugoku, and Kyushu	4,173,293	3,928,861	6,533,083	7,126,562	7,299,408
Composition ratio	17.3%	21.9%	23.0%	22.0%	17.3%
Overseas	-	-	-	385,984	4,456,401
Composition ratio	-	-	-	1.2%	10.6%
Total	24,148,064	17,964,396	28,386,708	32,397,745	42,090,453
Composition ratio	100.0%	100.0%	100.0%	100.0%	100.0%

Information by New Reporting Segment and Region

For the fiscal year ended December 31, 2013

Reporting Segment

Before the change

Production Outsourcing Business	Domestic Outsourcing Business
	Overseas Outsourcing Business
Administrative Outsourcing Business	Administrative Operations Outsourcing Business
	Recruitment Agency Service Outsourcing
Other Business	

After the change

Manufacturing Outsourcing Business
Engineering Outsourcing Business
Overseas Business
Administrative Outsourcing Business ※previously Administrative Operations Outsourcing Business
Recruiting and Placement Business ※previously Recruitment Agency Service Outsourcing
Other Business

Region

Before the change

Hokkaido, Tohoku, Kanto
Tokai
Hokuriku, Koushinetsu
Kinki, Chugoku, Kyushu
Overseas

After the change

Japan
Asia/Oceania (excl. Japan)

(¥ thousand)	FY12/12	FY12/13
Net sales by new reporting segment		
Manufacturing Outsourcing Business	24,178,386	21,812,545
Composition ratio	57.4%	46.0%
Foods	1,739,549	1,615,753
Composition ratio	4.1%	3.4%
Electrical & Electronics	5,320,017	4,158,989
Composition ratio	12.6%	8.8%
Transport Equipment	7,623,074	6,558,248
Composition ratio	18.1%	13.8%
Pharm. & Chemicals	3,662,024	3,701,632
Composition ratio	8.7%	7.8%
Metals & Construction Materials	3,706,106	2,566,601
Composition ratio	8.8%	5.4%
Others	2,127,614	3,211,321
Composition ratio	5.1%	6.8%
Engineering Outsourcing Business	12,260,734	17,079,977
Composition ratio	29.1%	36.0%
Electrical & Electronics	2,301,662	2,299,700
Composition ratio	5.5%	4.8%
Transport Equipment	4,108,726	5,126,290
Composition ratio	9.8%	10.8%
Pharm. & Chemicals	728,607	830,849
Composition ratio	1.7%	1.8%
Metals & Construction Materials	23,164	13,102
Composition ratio	0.0%	0.1%
IT-related	2,769,303	5,674,955
Composition ratio	6.6%	12.0%
Construction & Plant-related	-	441,697
Composition ratio	-	0.9%
After-sales Maintenance	-	249,155
Composition ratio	-	0.5%
Others	2,329,269	2,444,227
Composition ratio	5.5%	5.1%
Overseas Business	614,886	603,865
Composition ratio	1.5%	1.3%
Administrative Outsourcing Business	427,660	477,125
Composition ratio	1.0%	1.0%
Recruiting and Placement Business	4,456,401	7,220,785
Composition ratio	10.6%	15.3%
Other Business	152,383	190,004
Composition ratio	0.4%	0.4%
Total	42,090,453	47,384,304
Composition ratio	100.0%	100.0%

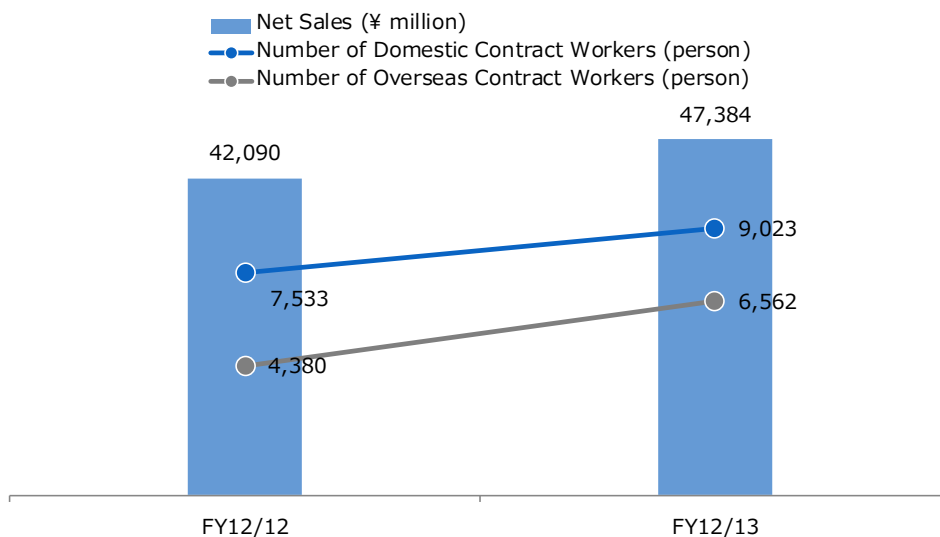
(¥ thousand)	FY12/12	FY12/13
Net sales by region		
Japan	37,634,052	40,163,518
Composition ratio	89.4%	84.8%
Asia/Oceania (excl. Japan)	4,456,401	7,220,785
Composition ratio	10.6%	15.2%
Total	42,090,453	47,384,304
Composition ratio	100.0%	100.0%

Other Information (Number of Workers / Average Hiring Cost)

(person)	FY12/12	FY12/13
Number of Contract Workers		
Consolidated	11,913	15,585
Domestic	7,533	9,023
Manufacturing Outsourcing Business	5,550	6,351
Engineering Outsourcing Business	1,902	2,600
Administrative Outsourcing Business	81	72
Overseas	4,380	6,562
Number of Outsourcing Administrative Workers		
Administrative Outsourcing Business	2,156	2,344
Number of Placed Workers		
Recruiting and Placement Business	1,206	2,216

Note: the number of contract workers includes temporary placement employees.

FY12/12 includes the results of equity method affiliate PT. SELNAJAYA PRIMA.



	FY12/12	FY12/13
Hiring Efficiency		
Manufacturing Outsourcing Business		
No. of contract workers (person)	5,550	6,351
Average hiring cost (¥/person)	49,439	47,130
Engineering Outsourcing Business		
Number of workers registered (person)	1,902	2,600
Average hiring cost (¥/person)	227,021	296,003
Utilization rate	96.1%	96.1%
Recruiting and Placement Business		
Number of placed workers	2,139	2,156
Average hiring cost (¥/person)	109,807	98,432

Consolidated Profitability Indicators

(¥ million)	FY12/09	FY12/10	FY12/11	FY12/12	FY12/13
Net sales	17,964	28,386	32,397	42,090	47,384
Gross profit	3,386	6,007	6,738	8,472	9,281
SG&A expenses	3,536	4,834	6,175	7,471	8,078
Operating income	(150)	1,173	563	1,000	1,202
Ordinary income	22	1,401	702	1,153	1,357
Net income	(215)	760	194	641	1,122

(%)	FY12/09	FY12/10	FY12/11	FY12/12	FY12/13
Gross profit on sales ratio	18.9	21.2	20.8	20.1	19.6
SG&A expenses ratio	19.7	17.0	19.1	17.8	17.0
Operating income margin	-0.8	4.1	1.7	2.4	2.5
Ordinary income margin	0.1	4.9	2.2	2.7	2.9
Net income margin	-1.2	2.7	0.6	1.5	2.4

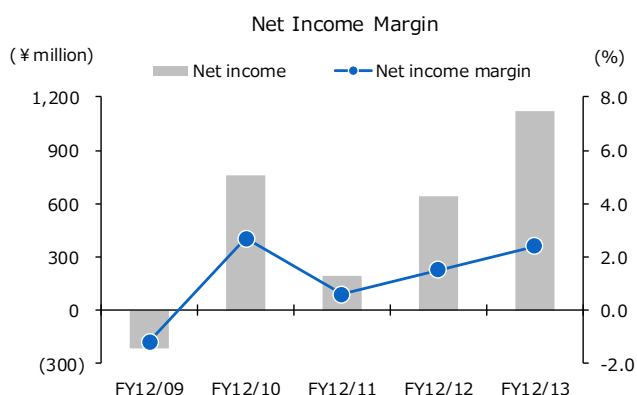
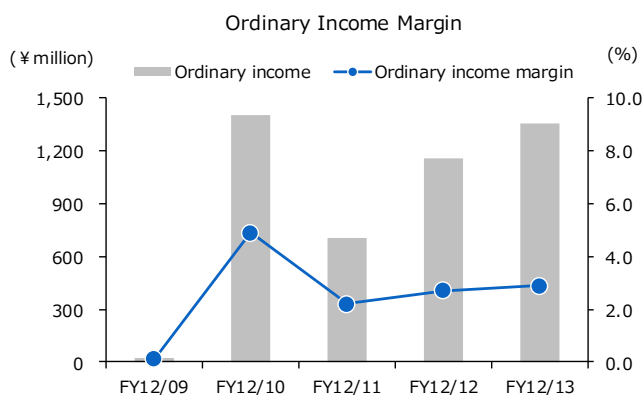
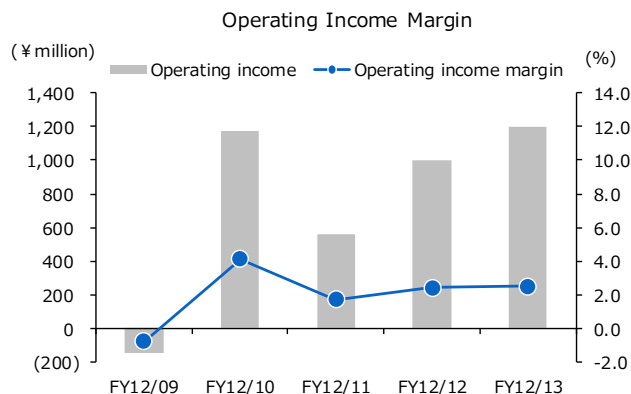
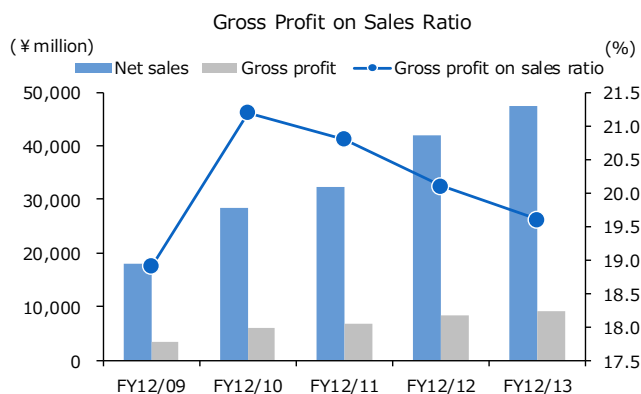
Gross profit on sales ratio=Gross profit/net sales

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

(times)	FY12/09	FY12/10	FY12/11	FY12/12	FY12/13
Total assets turnover	2.3	2.8	2.9	3.3	2.8
Noncurrent assets turnover	6.1	7.7	8.4	10.0	8.9
Current assets turnover	3.8	4.5	4.4	4.8	4.0

Total assets turnover=Net sales/Average total assets

Noncurrent assets turnover=Net sales/Average noncurrent assets

Current assets turnover=Net sales/Average current assets

(¥ million)	FY12/09	FY12/10	FY12/11	FY12/12	FY12/13
Net sales per consolidated internal staff	31	48	38	43	48
Operating income per consolidated internal staff	(0)	1	+0	1	1
Ordinary income per consolidated internal staff	+0	2	+0	1	1
Net income per consolidated internal staff	(0)	1	+0	+0	1

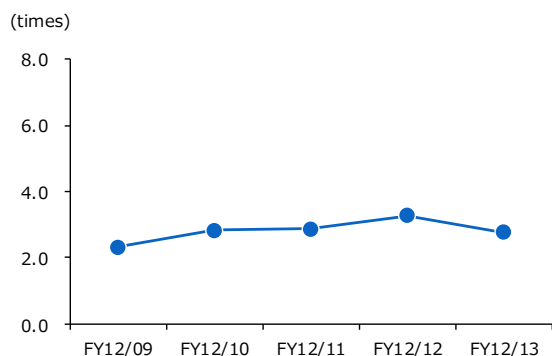
Net sales per employee=Net sales/Number of consolidated internal staff

Operating income per employee=Operating income/Number of consolidated internal staff

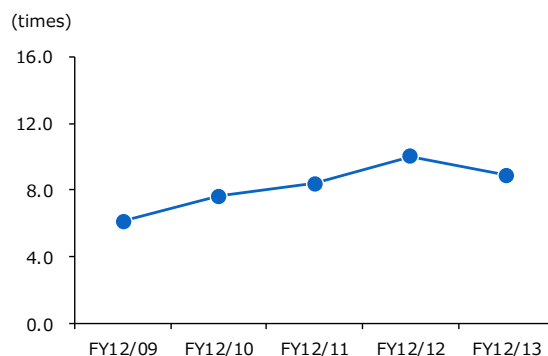
Ordinary income per employee=Ordinary income/Number of consolidated internal staff

Net income per employee=Net income/Number of consolidated internal staff

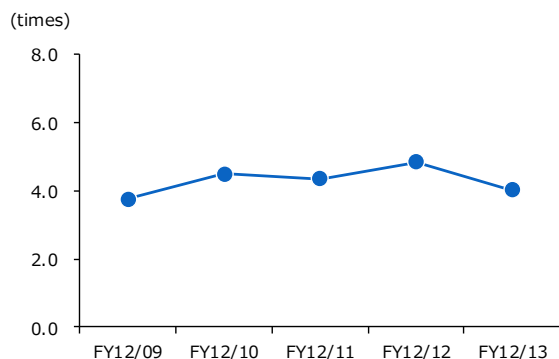
Total Assets Turnover



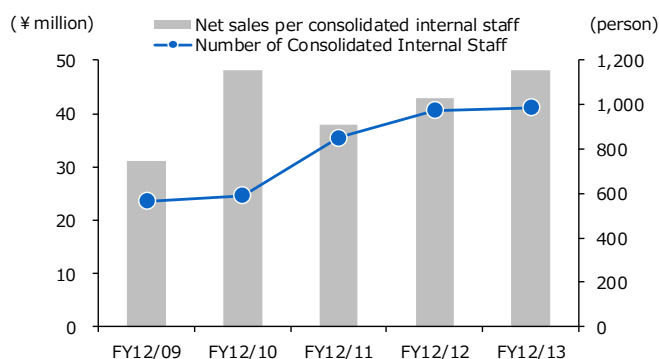
Noncurrent Assets Turnover



Current Assets Turnover



Net Sales per Internal Staff



Consolidated Stability and Financial Indicators

(¥ million)	FY12/09	FY12/10	FY12/11	FY12/12	FY12/13
Equity	2,855	3,326	3,440	4,087	5,328
Total assets	9,365	10,707	11,921	13,866	20,343
Noncurrent assets	3,664	3,756	3,985	4,433	6,223
Current assets	5,697	6,948	7,933	9,431	14,119
Current liabilities	4,445	5,335	5,943	6,875	10,003
Interest-bearing debt	3,472	2,818	3,342	4,502	7,233

Interest-bearing debt=Short-term loans payable+Long-term loans payable+Bonds payable+Lease obligations
+Accounts Payable-Land+a Part of Accounts Payable

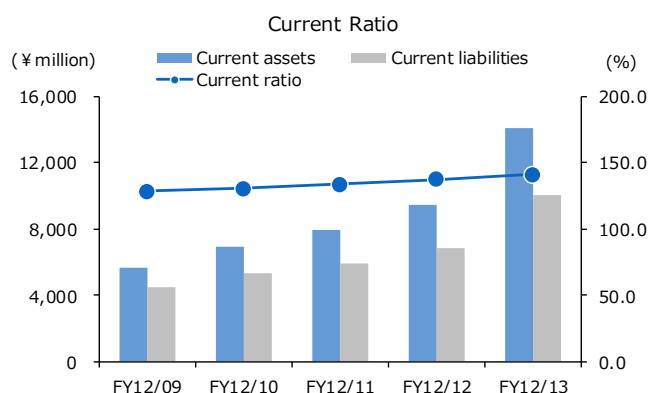
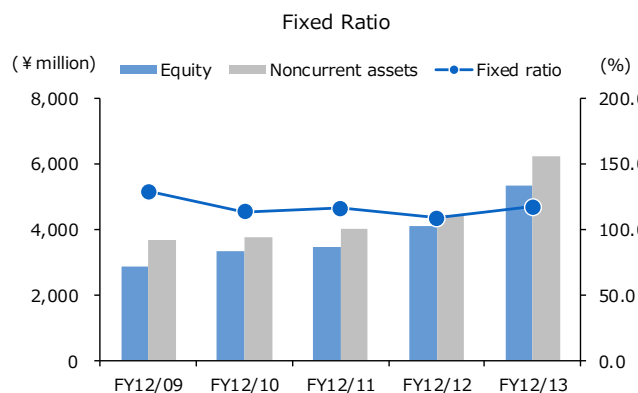
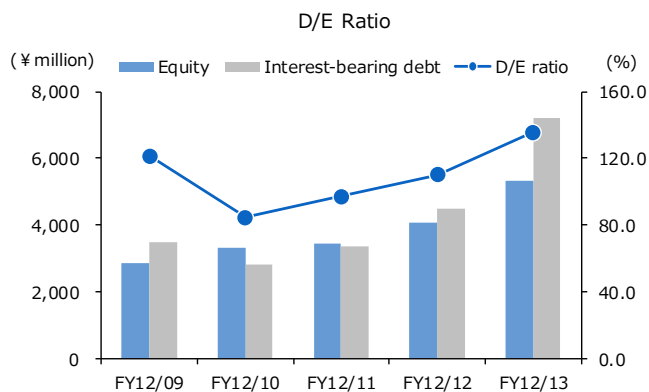
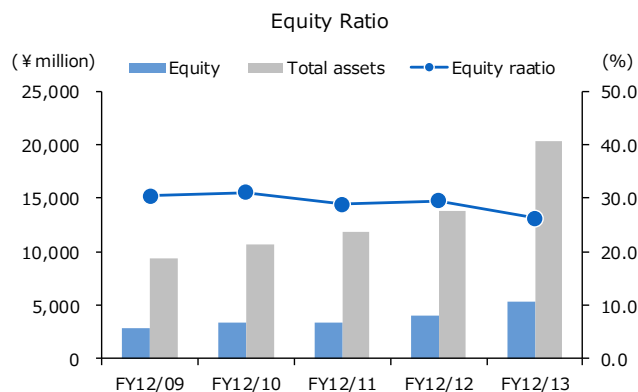
(%)	FY12/09	FY12/10	FY12/11	FY12/12	FY12/13
Equity ratio	30.5	31.1	28.9	29.5	26.2
D/E ratio	121.6	84.7	97.1	110.2	135.8
Fixed ratio	128.3	112.9	115.9	108.5	116.8
Current ratio	128.1	130.2	133.5	137.2	141.1

Equity ratio=Equity/Total assets

D/E ratio=Interest-bearing debt/Equity

Fixed ratio=Noncurrent assets/Equity

Current ratio=Current assets/Current liabilities



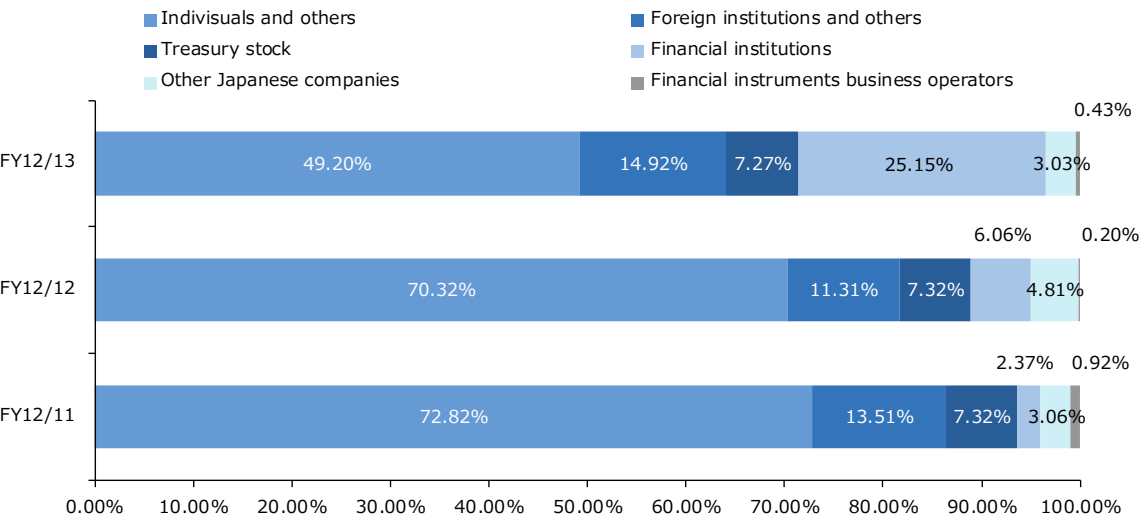
Major Shareholders

As of December 31, 2013

Top 10 Shareholders	Number of Shares	Shareholding Ratio
Haruhiko Doi	3,747,700	23.92%
Japan Trustee Services Bank, Ltd. (Trust account)	2,150,500	13.72%
Masahiko Dorin	999,000	6.38%
The Master Trust Bank of Japan, Ltd. (Trust account)	916,000	5.85%
The Bank of New York Mellon as Agent BNYM AS EA Dutch Pension Omnibus 140016	604,800	3.86%
Deutsche Bank AG London PB Non Treaty Clients 613	517,000	3.30%
Chiharu Doi	310,000	1.98%
Yoshiki Sano	300,000	1.91%
AI Corporation	300,000	1.91%
Bank of New York GCM Client Account JPRDISG-FEAC	193,328	1.23%

Note : In addition to the shareholders listed above, OUTSOURCING holds 1,139,500 shares in treasury stock.

Breakdown by Type of Shareholders



Per Share Indicators

(¥)	FY12/09	FY12/10	FY12/11	FY12/12	FY12/13
Share price at term-end	40,600	330	274	357	1,158
Net income per share	(1,511.00)	52.46	13.48	44.46	77.54
Net income per share (fully diluted)	-	52.30	13.45	44.39	76.02
Net assets per share	19,180.08	230.88	238.40	283.24	366.71
Dividend per share	644.00	7.21	8.00	8.00	13.00

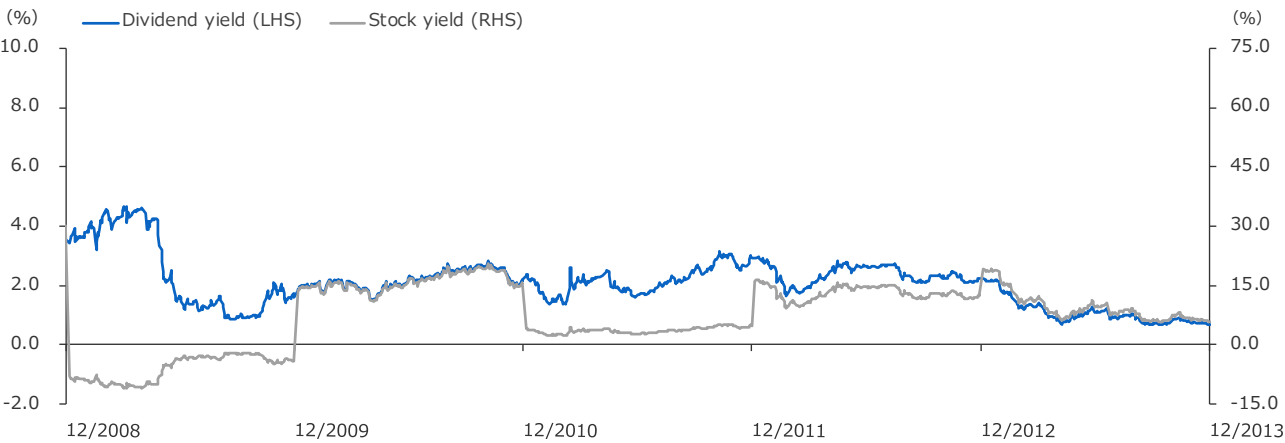
Note: Share splits (1 to 100) in November 2010

Stock Price / Other Indicators

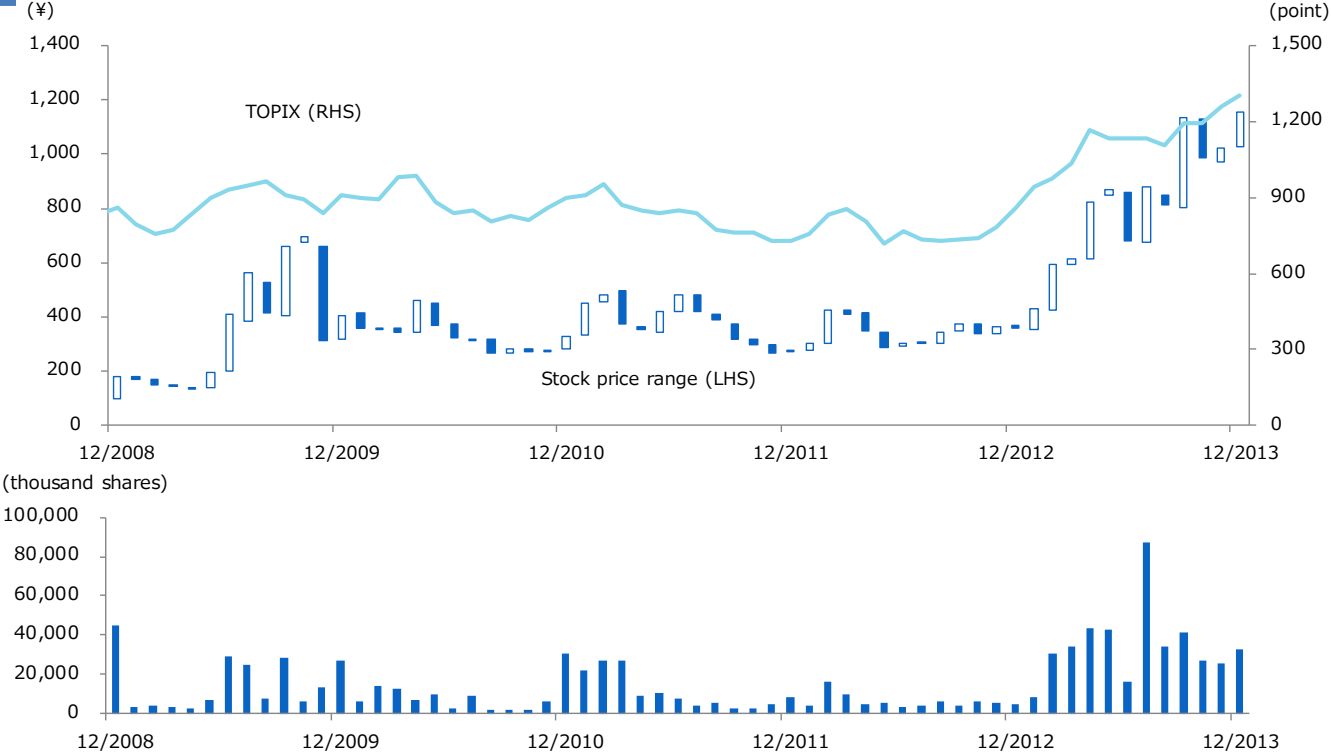
(times)	FY12/09	FY12/10	FY12/11	FY12/12	FY12/13
PER	-	6.3	20.3	8.0	14.9
PBR	2.1	1.4	1.1	1.3	3.2

(%)	FY12/09	FY12/10	FY12/11	FY12/12	FY12/13
ROE	-8.0	24.6	5.8	17.0	23.8
ROA	-2.8	7.6	1.7	5.0	6.6
Dividend on net asset	2.9	3.4	3.4	2.8	4.0

Stock Yield / Dividend Yield



Stock Price Range / Trading Volume





Contact

5F Marunouchi Trust Tower Main Bldg.,
1-8-3 Marunouchi, Chiyoda-ku, Tokyo, 100-0005 Japan

Phone: +81-3-3286-4887

email: os-ir@outsourcing.co.jp

<http://www.outsourcing.co.jp>

