



FACTBOOK

(Securities Code: 2427 / TSE 1st Section)

OUTSOURCING Inc.

For the fiscal year ended December 31, 2014



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Corporate Profile / Group Overview

Corporate Profile (as of December 31, 2014)

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	¥613,151 thousand
Established	January 1997
Representative	Haruhiko Doi, Chairman & CEO
Main Business	Manufacturing Outsourcing Business, Engineering Outsourcing Business, Administrative Outsourcing Business, Recruitment and Placement Business, Overseas Business
Number of Branches	44 sales offices, including 12 recruitment centers
Total Employees (Group)	21,826

Group Overview (as of December 31, 2014)

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.

OUTSOURCING GROUP

Domestic Companies Group : 18

Recruitment and Placement Business	Administrative Outsourcing Business	Manufacturing Outsourcing Business	Engineering Outsourcing Business				Other Business
			After-sales Maintenance	Construction & Plant-related	IT-related	Engineering & Others	
OUTSOURCING				DAISEI ENGINEERING	OUTSOURCING TECHNOLOGY		
ORJ					Computer System Laboratory	enable	
		BROTHERS			INS・Solution	RPM	
		Sanshin Electric			Thinketh Bank	TryAngle	
		Nihon Shomu			LINETEC	OS SEMITEC	
		PEO				ELZEX	
		Asia Institute of Manufacturing*					
			*Equity method affiliate				

Overseas Companies Group : 25

Locally incorporated entities in China, Hong Kong, Singapore, Indonesia, Thailand, Vietnam, Australia, Malaysia, India, U.S.A., UAE

Business Overview

Operating Segments

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

FY12/14 Consolidated Net Sales
¥59,421 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

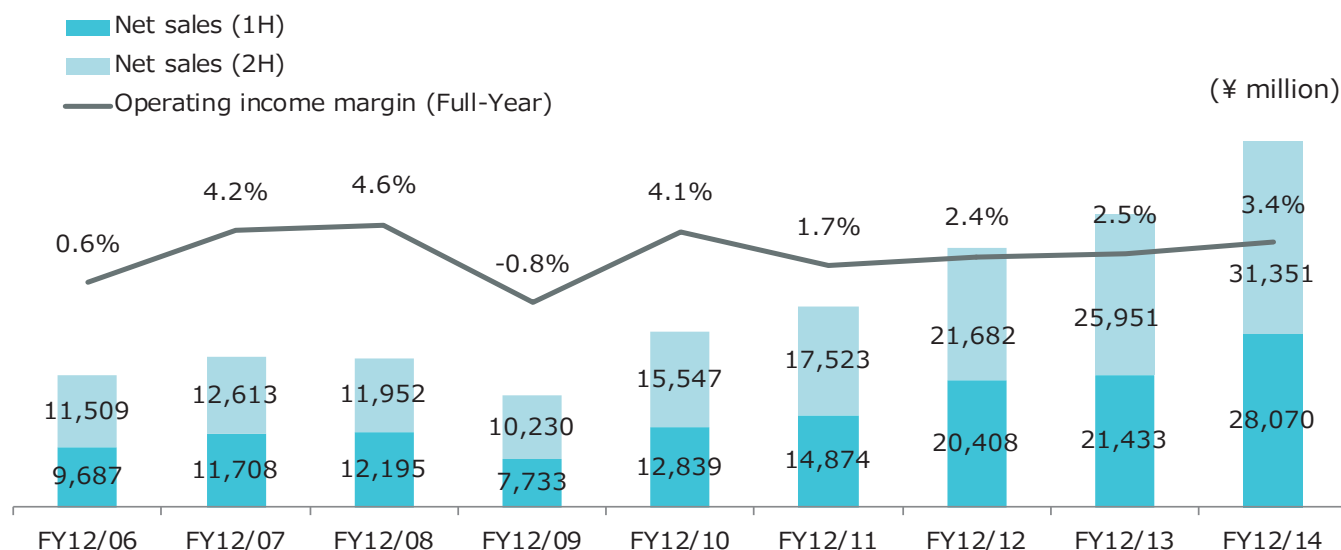
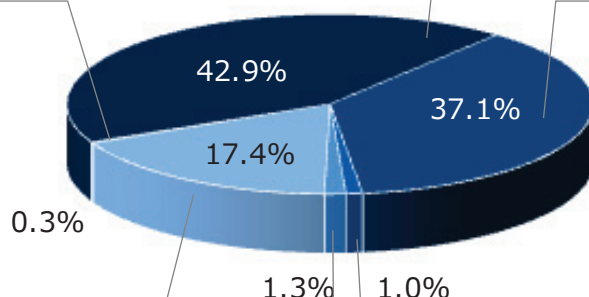
Through dealing with makers in wide-ranging fields including home electronics, medical equipment, semiconductors, software etc, this business provides outsourced contracting and temporary placement service for the design/development, testing and evaluation phases with high level technology and know-how.

Administrative Outsourcing Business

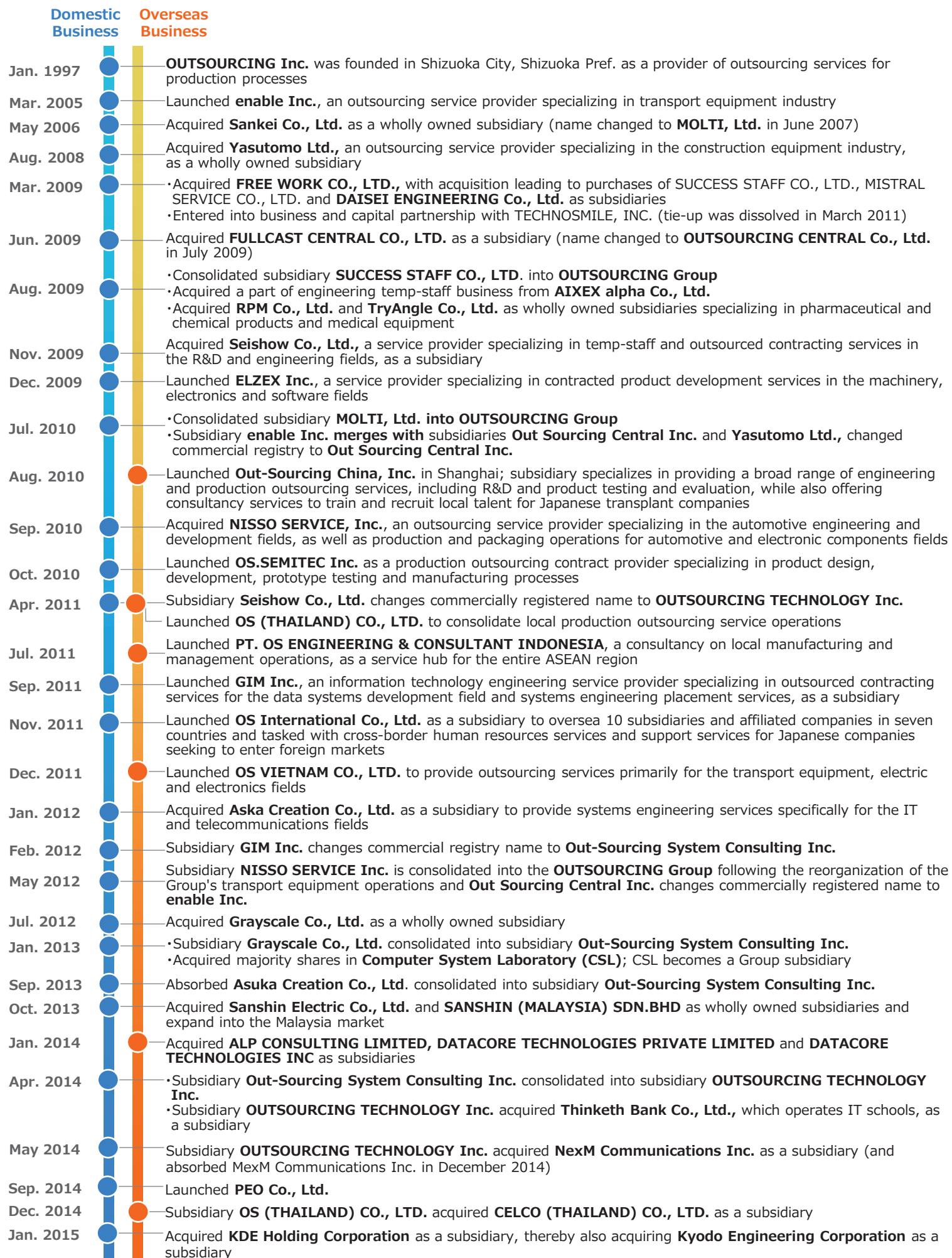
Through Group subsidiary ORJ INC., this business handles administrative operations for seasonal workers on behalf of makers to post-hiring labor management and company housing management as a package service.

Recruitment 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 recruitment plans to recruiting and interviews, a service making referrals and securing staff.



OUTSOURCING Group Expansion Corporate History



Business Locations Overview

Domestic Business Locations

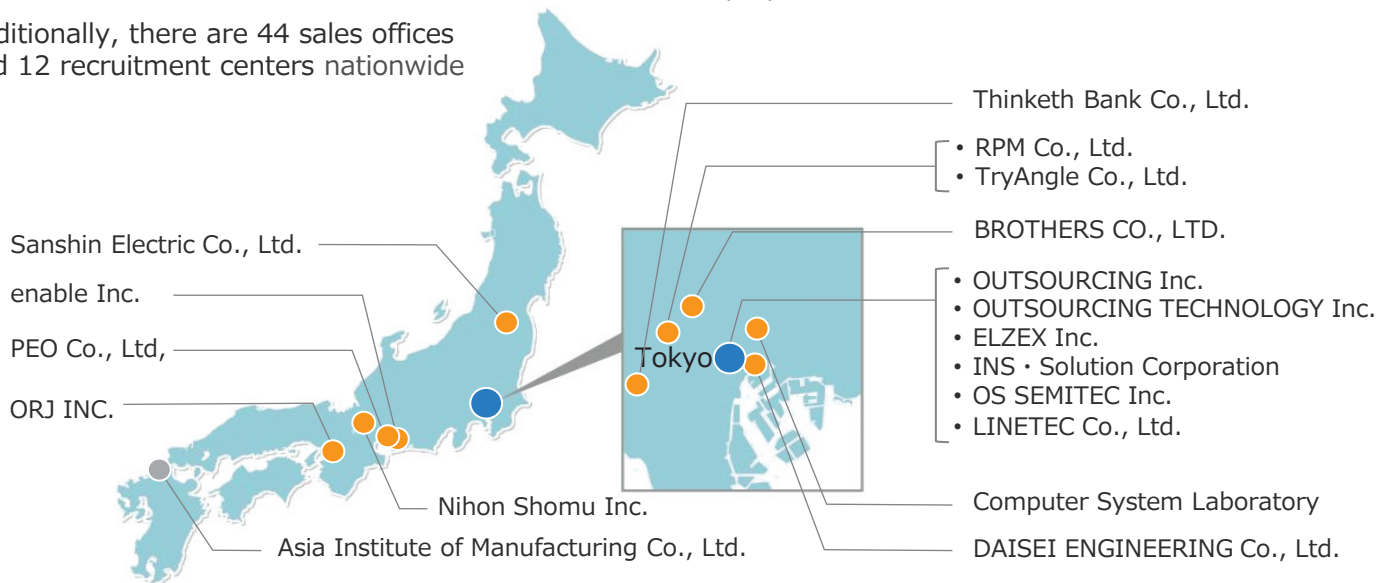
(as of December 31,2014)

Domestic Companies Group : 18

Domestic Companies Group

● OUTSOURCING Inc. ● Consolidated Subsidiaries ● Equity Method Affiliate

Additionally, there are 44 sales offices and 12 recruitment centers nationwide



Overseas Business Locations

Overseas Companies Group : 25

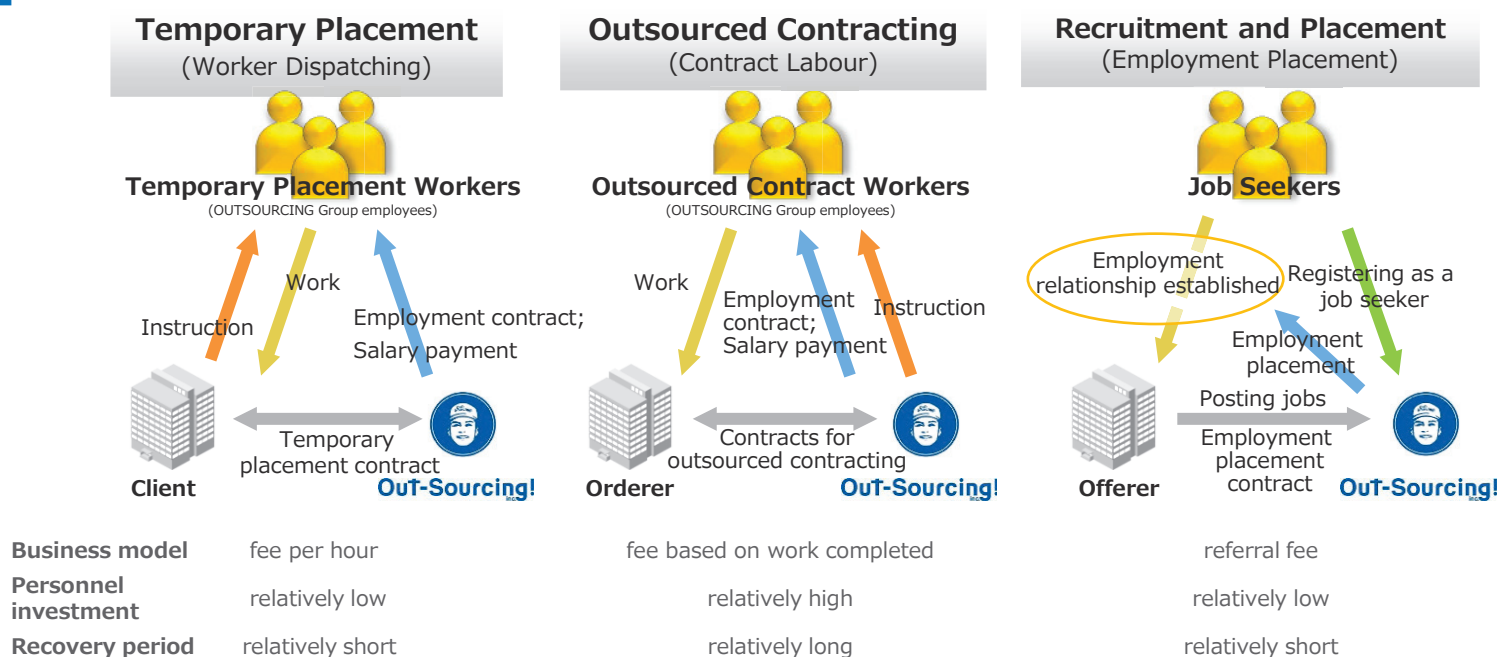


- Japan
 - OS International Co., Ltd.
- China
 - Out-Sourcing China, Inc.
 - Gray (Dalian) Information Technology Co., Ltd.
 - FARO RECRUITMENT (CHINA) CO., LTD.
 - Faro Business Consulting (Dalian) Co., Ltd.
 - FARO RECRUITMENT (HONG KONG) CO., LIMITED
- Thailand
 - OS (THAILAND) CO., LTD.
 - OS Recruitment (Thailand) Co., Ltd.
 - J.A.R. Service Co., Ltd.
 - P-ONE SUBCONTRACT CO., LTD.
 - CELCO (THAILAND) 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
 - FAITH ROOT LABOUR OUTSOURCING VIETNAM COMPANY LIMITED
- Singapore
 - FARO RECRUITMENT (SINGAPORE) PTE. LTD.
- Australia
 - STAFF SOLUTIONS AUSTRALIA PTY LTD
- Malaysia
 - SANSIN (MALAYSIA) SDN. BHD.
- U.S.A.
 - DATACORE TECHNOLOGIES INC

- India
 - ALP CONSULTING LIMITED
 - DATACORE TECHNOLOGIES PRIVATE LIMITED
- UAE
 - DATACORE TECHNOLOGIES (FZE)

[Reference] Legal and Regulatory Framework Affecting Our Domestic Outsourcing Business

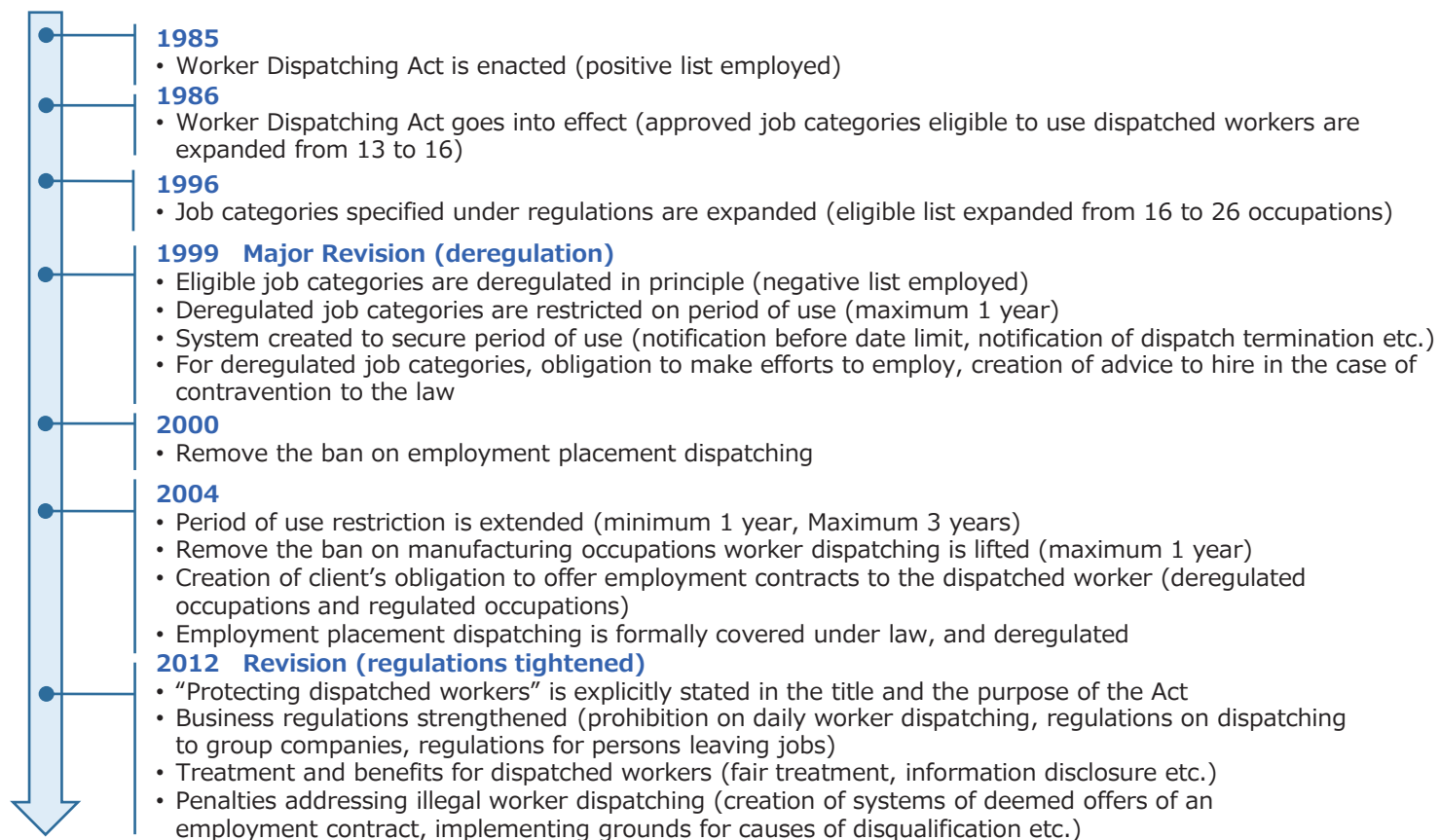
Major Hiring Formats for Our Domestic Outsourcing Business



Administrative Operations



Revisions to the Worker Dispatching Act





A cautionary note on forward-looking statements:

This material contains forward-looking statements about the Company's future plans and forecasts, which are based on the Company's assumptions and beliefs judged from the information currently available and are subject to a number of risks and uncertainties. This may cause actual results to differ materially from those projected.

V i s i o n 2 0 1 7

Vector to the New Paradigm

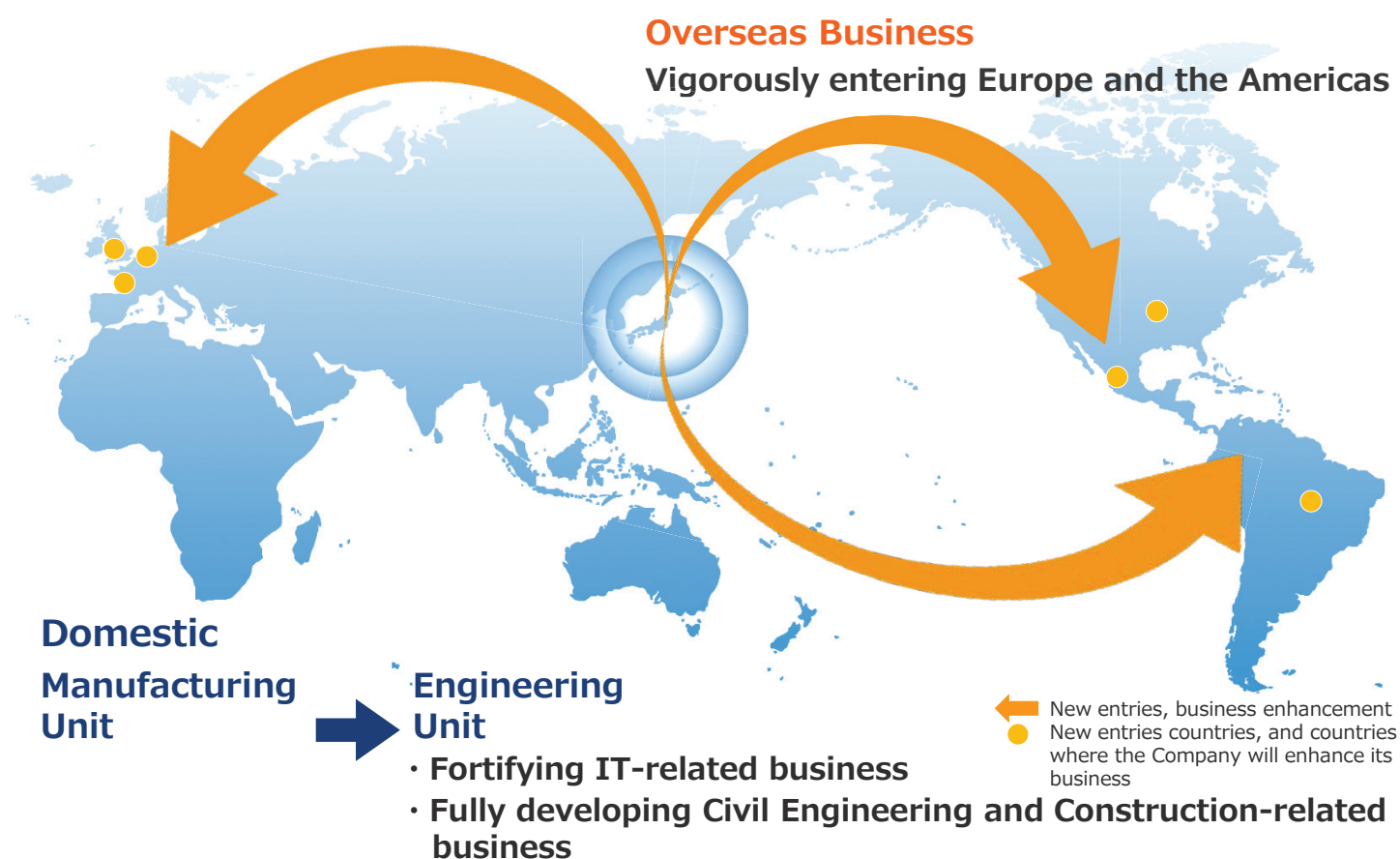
Erosion in brand strength of “Made in Japan” is leading to significant changes in the operating environment surrounding Japan’s manufacturing in the 21st century.

To maintain a competitive advantage in the global market, Japanese makers have been shifting their production offshore, while in Japan, paradigm shifts in Japan’s Leading industries have occurred from mining and manufacturing industries to IT as well as civil engineering and construction industries .

Additionally affected by Japan’s declining population, the manufacturing outsourcing market in which the Company has operated since its founding, is projected to contract in the medium-to-long-term.

The OUTSOURCING Group plans to strategically transform its business structure in response to such dynamic environmental changes, and will focus on expanding its domestic Engineering Outsourcing Businesses (IT-related, and Civil Engineering and Construction-related), and Overseas Business.

[Paradigm Change in Our Group Strategies]



Medium-Term Management Plan

Vision2017: Vector to the New Paradigm

[Strategies: Matching Business Structures with Changing Environments]

Engineering Unit (IT-Related Business): Focusing on Japan's new leading industries

In order to secure engineers on growing needs in IT-related businesses, train engineers at the Group's IT schools and boost new graduates and mid-career recruitment schemes.

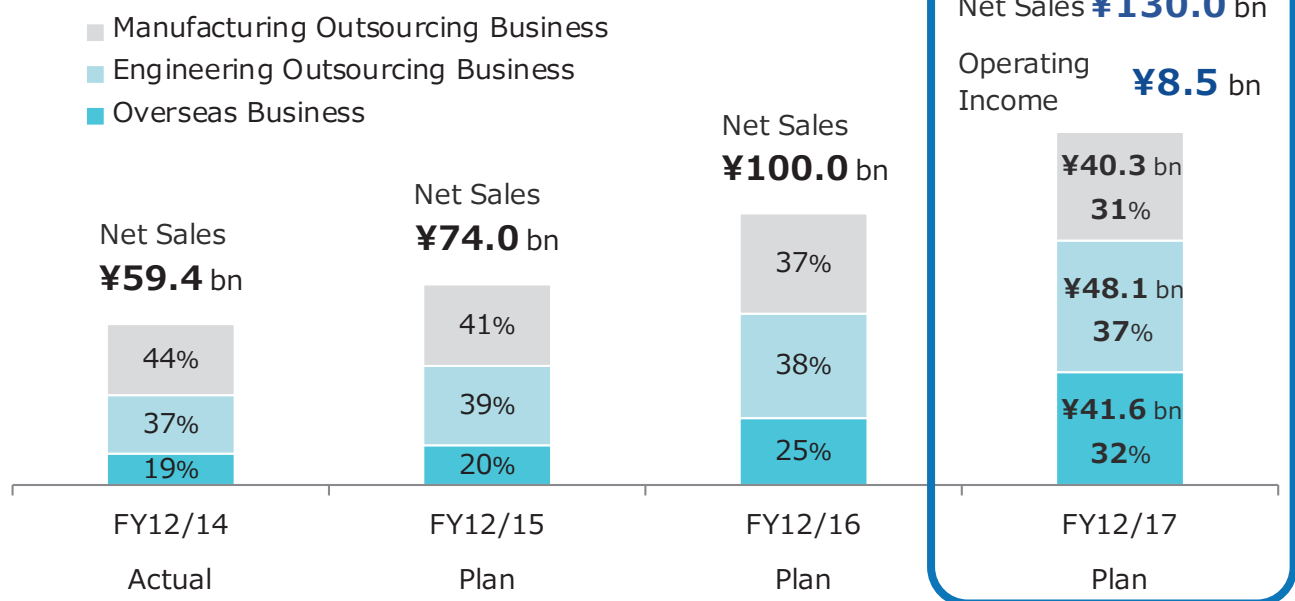
Engineering Unit (Civil Engineering and Construction-Related Business): Centering on fields with sustained demand growth

Become the #1 outsourcing provider in the civil engineering and construction field through restructuring our Group's M&A-acquired companies. Also, secure engineers through recruitment of new graduates, use of technical intern trainees, intra-group transfers of capable staff and M&As.

Overseas Business: Vigorously entering regions with population growth or production transplants of Japanese makers

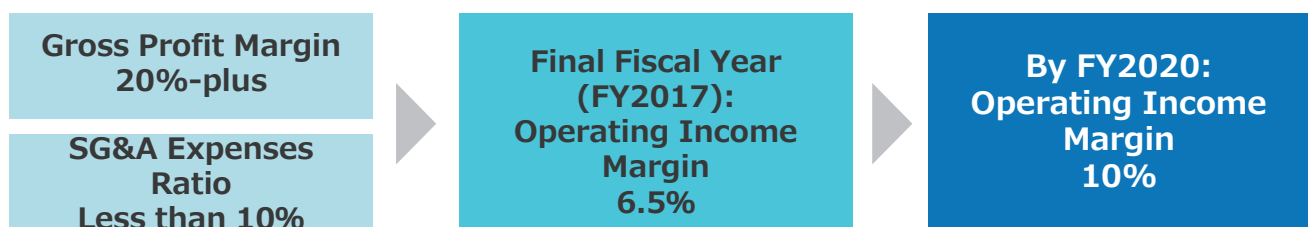
Expand our reach in Asian emerging countries where we have existing operation bases. Also enter the vast market of developed countries and initiate our reach in Latin American emerging countries where Japanese makers expands their businesses.

[Medium-Term Numerical Targets]



Creating More Corporate Value

The OUTSOURCING Group has maintained an average gross profit margin of 20%-plus, a relatively high level in the industry. Accompanying the increase in net sales going forward, the Group aims to reduce SG&A expenses to less than 10% by eliminating post merger duplicate costs, and to achieve operating income margin of 10%-plus by FY2020.



Consolidated Balance Sheet

(¥ thousand)	FY12/10 End	FY12/11 End	FY12/12 End	FY12/13 End	FY12/14 End
Assets					
Total assets	10,707,735	11,921,809	13,866,410	20,343,008	24,132,961
Current assets	6,948,358	7,933,807	9,431,277	14,119,704	17,065,086
Cash and deposits	1,731,399	2,264,170	3,363,905	6,032,990	6,671,801
Notes and accounts receivable - trade	4,182,469	4,900,556	5,232,946	6,529,303	8,257,339
Work in process	27,012	85,800	64,131	281,341	437,209
Raw materials and supplies	51,542	54,045	68,269	297,055	386,114
Prepaid expenses	315,468	370,788	405,398	442,043	554,193
Deferred tax assets	96,976	52,798	63,489	15,911	55,653
Other	551,467	233,009	257,966	553,249	745,546
Allowance for doubtful accounts	(7,978)	(27,360)	(24,829)	(32,191)	(42,772)
Non-current assets	3,756,479	3,985,714	4,433,455	6,223,303	7,067,875
Property, plant and equipment	2,075,622	2,046,196	2,008,979	1,953,026	2,415,563
Buildings and structures	1,542,159	1,622,189	1,694,027	2,678,713	2,928,874
Accumulated depreciation	(349,417)	(469,479)	(537,830)	(1,565,523)	(1,670,980)
Buildings and structures, net	1,192,741	1,152,710	1,156,196	1,113,190	1,257,893
Machinery, equipment and vehicles	603,019	567,652	544,855	3,846,304	4,199,730
Accumulated depreciation	(228,793)	(252,767)	(279,392)	(3,596,075)	(3,698,045)
Machinery, equipment and vehicles, net	374,225	314,884	265,462	250,229	501,684
Tools, furniture and fixtures	488,730	618,875	616,312	1,183,769	1,215,283
Accumulated depreciation	(425,929)	(494,664)	(545,342)	(1,095,113)	(1,110,654)
Accumulated impairment loss	(44)	(44)	-	-	-
Tools, furniture and fixtures, net	62,757	124,166	70,970	88,656	104,628
Land	441,199	441,199	441,199	441,622	493,335
Leased assets	-	11,496	88,150	89,900	104,336
Accumulated depreciation	-	(1,149)	(14,209)	(32,505)	(50,743)
Leased assets, net	-	10,347	73,940	57,395	53,592
Construction in progress	4,698	2,887	1,208	1,932	4,428
Intangible assets	699,743	861,387	1,372,927	1,827,622	2,294,067
Goodwill	599,404	768,413	1,108,194	1,330,585	1,791,415
Other	100,339	92,974	264,733	497,037	502,651
Investments and other assets	981,112	1,078,130	1,051,548	2,442,654	2,358,244
Investment securities	240,849	204,245	166,399	678,654	528,016
Lease and guarantee deposits	489,604	563,101	683,595	742,735	899,385
Deferred tax assets	109,766	128,856	51,057	46,581	77,597
Other	140,891	181,926	151,587	974,683	853,245
Allowance for doubtful accounts	-	-	(1,091)	-	-
Deferred assets	2,898	2,287	1,677	-	-

Consolidated Balance Sheet

(¥ thousand)	FY12/10 End	FY12/11 End	FY12/12 End	FY12/13 End	FY12/14 End
Liabilities					
Total liabilities	7,232,193	8,251,145	9,354,541	14,427,501	16,563,412
Current liabilities	5,335,328	5,943,164	6,875,722	10,003,803	12,967,188
Notes and accounts payable - trade	16,987	49,544	208,694	609,635	752,039
Short-term loans payable	1,390,000	1,280,025	2,020,000	3,550,000	3,886,946
Current portion of long-term loans payable	299,874	479,669	554,917	830,077	779,058
Accounts payable - other	1,611,502	2,338,538	2,341,638	2,905,759	3,800,107
Accrued expenses	537,516	719,764	592,478	513,541	625,315
Income taxes payable	709,322	163,594	130,496	354,009	685,353
Accrued consumption taxes	280,647	324,503	439,373	340,967	1,482,347
Deferred tax liabilities	-	-	2,792	44,880	48,675
Provision for bonuses	-	81,843	14,829	60,387	83,889
Other	489,477	505,680	570,503	794,545	823,455
Non-current liabilities	1,896,864	2,307,980	2,478,818	4,423,698	3,596,223
Bonds payable	163,750	115,250	76,750	50,000	30,000
Long-term loans payable	817,365	1,351,861	1,582,044	2,578,830	1,763,011
Deferred tax liabilities	-	11,794	11,367	226,780	173,879
Provision for retirement benefits	365,763	417,553	356,661	803,192	-
Net defined benefit liability	-	-	-	-	813,515
Asset retirement obligations	-	-	-	190,976	348,599
Negative goodwill	465,939	317,826	186,378	48,040	205
Other	84,045	93,694	265,617	525,877	467,013
Net assets					
Total net assets	3,475,542	3,670,664	4,511,869	5,915,506	7,569,549
Shareholders' equity	3,323,496	3,445,116	4,008,563	4,945,279	6,219,656
Capital stock	483,916	485,443	485,443	514,780	613,151
Capital surplus	880,086	881,614	881,614	910,950	1,009,322
Retained earnings	2,350,588	2,469,153	3,032,600	3,910,642	4,988,277
Treasury shares	(391,094)	(391,094)	(391,094)	(391,094)	(391,094)
Accumulated other comprehensive income	2,911	(4,832)	78,674	382,741	663,525
Valuation difference on available-for-sale securities	4,526	(1,372)	2,894	52,120	26,500
Foreign currency translation adjustment	(1,615)	(3,459)	75,780	330,621	647,090
Remeasurements of defined benefit plans	-	-	-	-	(10,066)
Subscription rights to shares	53,693	91,996	103,566	100,506	43,263
Minority interests	95,441	138,382	321,064	486,980	643,103
Total liabilities and net assets	10,707,735	11,921,809	13,866,410	20,343,008	24,132,961

Consolidated Statement of Income

(¥ thousand)	FY12/10	FY12/11	FY12/12	FY12/13	FY12/14
Net sales	28,386,708	32,397,745	42,090,453	47,384,304	59,421,352
Cost of sales	22,378,831	25,658,946	33,618,302	38,102,746	47,457,823
Gross profit	6,007,877	6,738,798	8,472,151	9,281,557	11,963,528
Selling, general and administrative expenses	4,834,497	6,175,588	7,471,638	8,078,645	9,953,091
Operating income	1,173,380	563,210	1,000,512	1,202,912	2,010,436
Non-operating income	634,942	541,309	708,172	700,570	661,930
Interest income	4,469	3,881	6,529	11,838	71,608
Dividend income	401	358	4,844	12,710	15,594
Real estate rent	303,254	333,049	415,534	384,530	328,728
Amortization of negative goodwill	155,958	138,320	138,337	138,337	46,267
Subsidy income	100,327	23,443	10,985	9,208	29,309
Share of profit of entities accounted for using equity method	-	793	41,040	2,409	-
Foreign exchange gains	-	-	-	75,027	138,442
Other	70,531	41,462	90,899	66,508	31,979
Non-operating expenses	407,003	401,744	554,778	546,176	474,970
Interest expenses	39,642	26,333	37,014	49,713	62,900
Rent cost of real estate	320,365	365,668	456,198	380,938	327,341
Share of loss of entities accounted for using equity method	26,131	-	-	-	1,476
Termination charge for point program	-	-	-	78,757	-
Other	20,863	9,743	61,565	36,768	83,251
Ordinary income	1,401,318	702,774	1,153,906	1,357,305	2,197,395
Extraordinary income	213,717	18,128	16,524	232,538	113,985
Gain on sales of non-current assets	1,822	12,170	1,179	996	39,934
Gain on sales of shares of subsidiaries	211,895	-	-	-	-
Gain on transfer of business	-	-	-	-	4,200
Gain on sales of investment securities	-	5,958	-	27,797	69,850
Gain on bargain purchase	-	-	15,344	203,744	-
Extraordinary losses	126,845	157,056	175,118	-	192,238
Loss on sales and retirement of non-current assets	5,414	19,318	13,195	-	37,981
Loss on sales of shares of subsidiaries and associates	-	10,023	-	-	-
Loss on sales of shares of subsidiaries	-	-	-	-	3,931
Impairment loss	15,590	12,390	39,221	-	150,325
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 before income taxes and minority interests	1,488,190	563,846	995,311	1,589,844	2,119,142
Income taxes - current	735,276	305,831	241,892	390,058	809,990
Income taxes - deferred	(23,515)	47,163	69,816	(11,642)	(91,952)
Total income taxes	711,760	352,995	311,708	378,416	718,038
Income before minority interests	-	210,851	683,602	1,211,427	1,401,104
Minority interests in income	16,309	16,276	41,932	89,061	84,434
Net income	760,120	194,575	641,670	1,122,365	1,316,669

Consolidated Statement of Changes in Net Assets

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 shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at 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 of 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 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

FY12/14 (January 1, 2014 - December 31, 2014)

(¥ thousand)	Shareholders' equity					Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning 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
Changes of items during the period												
Issuance of new shares	98,371	98,371			196,742							196,742
Dividends of surplus			(232,943)		(232,943)							(232,943)
Net income			1,316,669		1,316,669							1,316,669
Change of scope of consolidation			(6,091)		(6,091)							(6,091)
Net changes of items other than shareholders' equity						(25,619)	316,469	(10,066)	280,783	(57,242)	156,123	379,665
Total changes of items during the period	98,371	98,371	1,077,634	–	1,274,377	(25,619)	316,469	(10,066)	280,783	(57,242)	156,123	1,654,042
Balance at end of current period	613,151	1,009,322	4,988,277	(391,094)	6,219,656	26,500	647,090	(10,066)	663,525	43,263	643,103	7,569,549

Consolidated Statement of Cash Flows

(¥ thousand)	FY12/10	FY12/11	FY12/12	FY12/13	FY12/14
Cash flows from operating activities					
Net cash provided by (used in) operating activities	765,612	412,875	1,062,512	1,298,702	2,284,510
Income before income taxes and minority interests	1,488,190	563,846	995,311	1,589,844	2,119,142
Depreciation	266,724	271,352	320,936	348,622	344,582
Impairment loss	15,590	12,390	39,221	-	150,325
Loss on disaster	-	46,888	-	-	-
Settlement package	-	11,200	-	-	-
Gain on bargain purchase	-	-	(15,344)	(203,744)	-
Amortization of goodwill	129,894	168,359	330,309	371,635	518,908
Amortization of negative goodwill	(155,958)	(138,320)	(138,337)	(138,337)	(46,267)
Increase (decrease) in allowance for doubtful accounts	1,337	325	(2,330)	4,387	1,410
Increase (decrease) in provision for bonuses	(99,136)	(16,121)	(78,685)	(13,616)	(6,780)
Increase (decrease) in provision for retirement benefits	18,899	49,167	(66,320)	77,152	-
Increase (decrease) in net defined benefit liability	-	-	-	-	(39,849)
Interest and dividend income	(4,870)	(4,239)	(11,374)	(24,548)	(87,202)
Interest expenses	39,642	26,333	37,014	49,713	62,900
Share of (profit) loss of entities accounted for using equity method	26,131	(793)	(41,040)	(2,409)	1,476
Loss (gain) on sales and retirement of non-current assets	3,592	7,148	12,015	(996)	(1,953)
Loss (gain) on sales of investment securities	-	(5,958)	-	(27,797)	(69,850)
Loss (gain) on sales of shares of subsidiaries	(211,895)	-	-	-	3,931
Loss (gain) on transfer of business	-	-	-	-	(4,200)
Loss (gain) on sales of shares of subsidiaries and associates	-	10,023	-	-	-
Decrease (increase) in notes and accounts receivable - trade	(954,313)	(222,013)	151,538	(82,370)	(1,299,924)
Decrease (increase) in inventories	57,944	(61,291)	8,284	(56,338)	(205,541)
Increase (decrease) in notes and accounts payable - trade	202,836	491,398	(234,992)	(349,487)	516,359
Increase (decrease) in accrued consumption taxes	248,998	14,538	112,481	(114,953)	1,136,707
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	5,832	-	-	-
Other, net	(167,871)	71,983	27,384	142,278	(210,693)
Subtotal	905,738	1,302,049	1,446,072	1,569,033	2,883,482
Interest and dividend income received	11,691	5,231	11,383	24,546	87,196
Interest expenses paid	(37,351)	(25,077)	(37,079)	(50,094)	(61,670)
Payments for loss on disaster	-	(46,888)	-	-	-
Settlement package paid	-	(11,200)	-	-	-
Income taxes paid	(123,353)	(864,437)	(377,099)	(318,876)	(662,693)
Income taxes refund	8,887	53,198	19,235	74,093	38,195

Consolidated Statement of Cash Flows

(¥ thousand)	FY12/10	FY12/11	FY12/12	FY12/13	FY12/14
Cash flows from investing activities					
Net cash provided by (used in) investing activities	436,192	(274,004)	(755,921)	(1,982,739)	(1,351,635)
Payments into time deposits	(790,776)	(136,408)	(141,382)	(163,849)	(1,012,701)
Proceeds from withdrawal of time deposits	1,198,818	119,100	132,533	89,499	636,208
Purchase of property, plant and equipment	(129,314)	(154,533)	(145,449)	(184,827)	(287,619)
Purchase of intangible assets	(18,003)	(21,097)	(85,454)	(250,444)	(73,048)
Payments for retirement of property, plant and equipment	-	(9,874)	-	-	-
Proceeds from sales of property, plant and equipment	3,175	14,387	2,833	1,576	72,080
Purchase of investment securities	-	(399)	(352)	(519)	(1,389)
Proceeds from sales of investment securities	7,912	112,260	5,382	423,517	142,459
Payments for asset retirement obligations	-	-	(26,098)	-	(11,612)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,902)	(485,532)	(481,825)	(1,729,477)	(504,788)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	416,169	-	175,281	38,428	6,883
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(232,168)	-	-	-	-
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	43,071	380,000	-	-	49,000
Proceeds from sales of shares of subsidiaries and associates	-	6,000	-	-	-
Purchase of shares of subsidiaries	(57,818)	-	(0)	(113,449)	-
Payments for transfer of business	-	(10,000)	(129,499)	(68,047)	(340,147)
Payments of loans receivable	(1,356)	(60,523)	(5,222)	(173,988)	(37,096)
Collection of loans receivable	7,923	24,181	35,531	3,877	14,110
Payments for lease and guarantee deposits	(194,199)	(150,914)	(260,637)	(42,164)	(148,930)
Proceeds from collection of lease and guarantee deposits	162,126	87,037	169,288	50,460	56,785
Purchase of insurance funds	(3,060)	(3,225)	(3,115)	(8,524)	(1,840)
Proceeds from cancellation of insurance funds	23,151	15,530	3,300	112,939	80,440
Other, net	5,443	6	(1,035)	32,255	9,568
Cash flows from financing activities					
Net cash provided by (used in) financing activities	(1,121,903)	319,619	697,963	1,800,184	(930,429)
Net increase (decrease) in short-term loans payable	(628,100)	(111,436)	710,000	1,193,212	111,873
Proceeds from long-term loans payable	580,056	1,300,000	1,000,000	1,800,000	-
Repayments of long-term loans payable	(709,335)	(686,699)	(788,667)	(824,507)	(869,082)
Redemption of bonds	(83,500)	(83,500)	(88,500)	(167,850)	(80,000)
Proceeds from issuance of common shares	961	3,055	-	40,233	196,742
Cash dividends paid	(95,890)	(103,758)	(115,574)	(187,738)	(232,980)
Purchase of treasury shares	(172,391)	-	-	-	-
Proceeds from share issuance to minority shareholders	-	6,766	4,068	-	-
Cash dividends paid to minority shareholders	-	(1,534)	(2,111)	(5,335)	(1,226)
Other, net	(13,705)	(3,273)	(21,251)	(47,829)	(55,756)
Effect of exchange rate change on cash and cash equivalents	(946)	(5,918)	77,715	155,706	149,151
Net increase (decrease) in cash and cash equivalents	78,954	452,571	1,082,269	1,271,855	151,597
Cash and cash equivalents at beginning of period	1,634,534	1,713,488	2,166,060	3,248,330	4,520,185
Cash and cash equivalents at end of period	1,713,488	2,166,060	3,248,330	4,520,185	4,671,783

Information by Operating Segment and Region

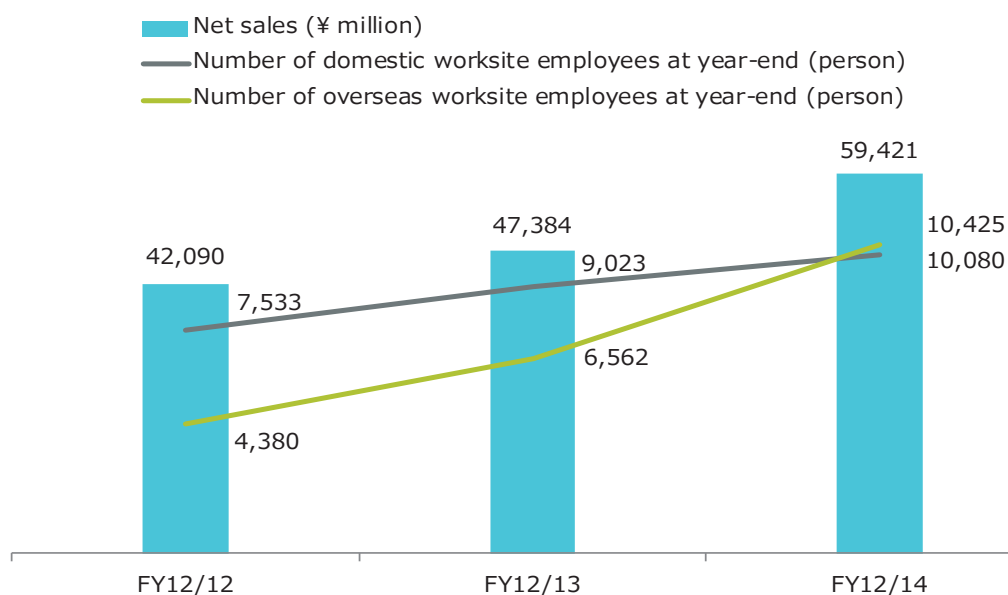
(¥ thousand)	FY12/12	FY12/13	FY12/14
Net sales by operating segment			
Manufacturing Outsourcing Business	24,178,386	21,812,545	25,478,193
Composition ratio	57.4%	46.0%	42.9%
Foods	1,739,549	1,615,753	1,721,852
Composition ratio	4.1%	3.4%	2.9%
Electrical & Electronics	5,320,017	4,158,989	6,774,434
Composition ratio	12.6%	8.8%	11.4%
Transport Equipment	7,623,074	6,558,248	8,680,802
Composition ratio	18.1%	13.8%	14.6%
Pharm. & Chemicals	3,662,024	3,701,632	3,872,083
Composition ratio	8.7%	7.8%	6.5%
Metals & Construction Materials	3,706,106	2,566,601	2,104,060
Composition ratio	8.8%	5.4%	3.6%
Others	2,127,614	3,211,321	2,324,960
Composition ratio	5.1%	6.8%	3.9%
Engineering Outsourcing Business	12,260,734	17,079,977	22,036,724
Composition ratio	29.1%	36.1%	37.1%
Electrical & Electronics	2,301,662	2,299,700	3,042,195
Composition ratio	5.5%	4.9%	5.1%
Transport Equipment	4,108,726	5,126,290	6,946,985
Composition ratio	9.8%	10.8%	11.7%
Pharm. & Chemicals	728,607	830,849	954,683
Composition ratio	1.7%	1.8%	1.6%
Metals & Construction Materials	23,164	13,102	100,030
Composition ratio	0.0%	0.0%	0.2%
IT-related	2,769,303	5,674,955	8,335,741
Composition ratio	6.6%	12.0%	14.0%
Construction & Plant-related	-	441,697	576,900
Composition ratio	-	0.9%	1.0%
After-sales Maintenance	-	249,155	233,680
Composition ratio	-	0.5%	0.4%
Others	2,329,269	2,444,227	1,846,508
Composition ratio	5.5%	5.2%	3.1%
Administrative Outsourcing Business	614,886	603,865	601,748
Composition ratio	1.5%	1.3%	1.0%
Recruitment and Placement Business	427,660	477,125	779,552
Composition ratio	1.0%	1.0%	1.3%
Overseas Business	4,456,401	7,220,785	10,346,747
Composition ratio	10.6%	15.2%	17.4%
Other Business	152,383	190,004	178,386
Composition ratio	0.4%	0.4%	0.3%
Total	42,090,453	47,384,304	59,421,352
Composition ratio	100.0%	100.0%	100.0%

(¥ thousand)	FY12/12	FY12/13	FY12/14
Net sales by region			
Japan	37,634,052	40,163,518	49,074,605
Composition ratio	89.4%	84.8%	82.6%
Asia/Oceania (excl. Japan)	4,456,401	7,220,785	10,346,747
Composition ratio	10.6%	15.2%	17.4%
Total	42,090,453	47,384,304	59,421,352
Composition ratio	100.0%	100.0%	100.0%

Other Information (Number of Workers / Recruitment Unit Price)

(persons)	FY12/12	FY12/13	FY12/14
Number of worksite employees at year-end			
Consolidated	11,913	15,585	20,505
Domestic	7,533	9,023	10,080
Manufacturing Outsourcing Business	5,550	6,351	6,732
Engineering Outsourcing Business	1,902	2,600	3,271
IT-related	382	686	927
Construction & Plant-related	56	91	85
Administrative Outsourcing Business	81	72	77
Overseas Business	4,380	6,562	10,425
Production Outsourcing Business	2,648	4,829	7,554
Other Business	1,732	1,733	2,871
Number of outsourcing administrative workers at year-end			
Administrative Outsourcing Business	2,156	2,344	2,092
Number of placed workers			
Recruitment and Placement Business	2,139	2,216	2,882

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



	FY12/12	FY12/13	FY12/14
Recruitment efficiency			
Manufacturing Outsourcing Business			
Number of workers recruited (persons)	6,789	6,754	6,249
Recruitment unit price (¥/worker)	49,439	47,130	68,511
Engineering Outsourcing Business			
Number of workers recruited (persons)	578	954	1,283
Recruitment unit price (¥/worker)	227,021	296,003	210,472
Utilization rate	96.7%	96.5%	97.3%
Recruitment and Placement Business			
Number of workers recruited (persons)	2,139	2,156	2,839
Recruitment unit price (¥/worker)	109,807	98,432	116,546

Consolidated Profitability Indicators

(¥ million)	FY12/10	FY12/11	FY12/12	FY12/13	FY12/14
Net sales	28,386	32,397	42,090	47,384	59,421
Gross profit	6,007	6,738	8,472	9,281	11,963
SG&A expenses	4,834	6,175	7,471	8,078	9,953
Operating income	1,173	563	1,000	1,202	2,010
Ordinary income	1,401	702	1,153	1,357	2,197
Net income	760	194	641	1,122	1,316

(%)	FY12/10	FY12/11	FY12/12	FY12/13	FY12/14
Gross profit margin	21.2	20.8	20.1	19.6	20.1
SG&A expenses ratio	17.0	19.1	17.8	17.0	16.8
Operating income margin	4.1	1.7	2.4	2.5	3.4
Ordinary income margin	4.9	2.2	2.7	2.9	3.7
Net income margin	2.7	0.6	1.5	2.4	2.2

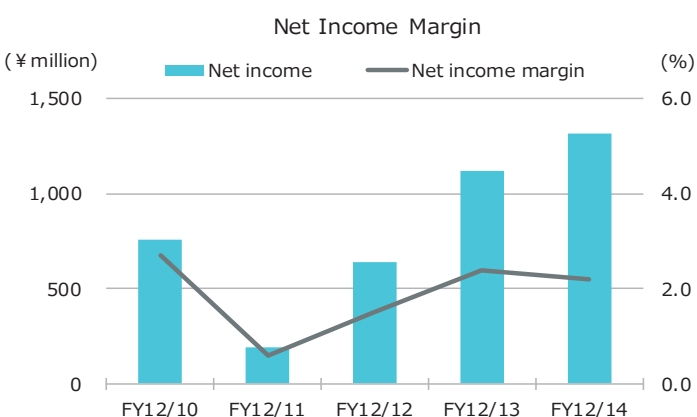
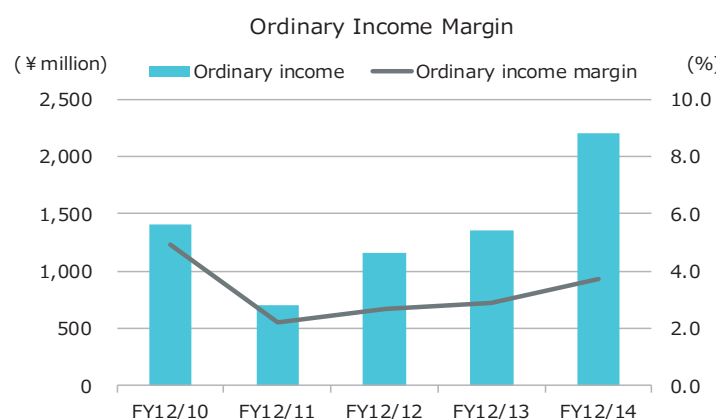
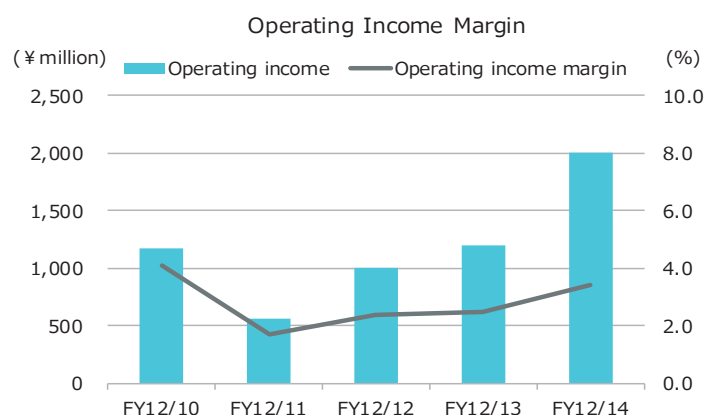
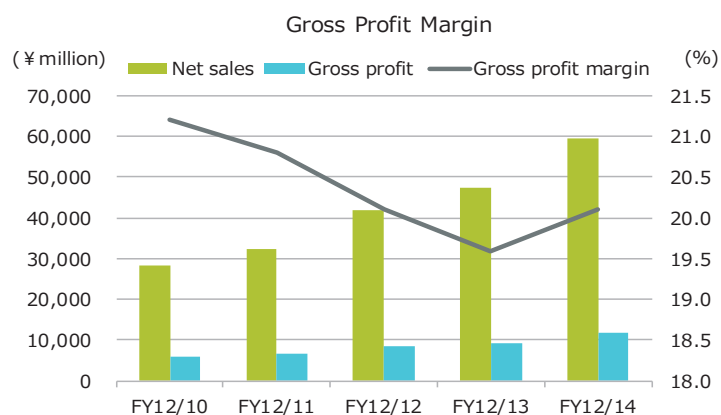
Gross profit margin=Gross profit/Net sales

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)	FY12/10	FY12/11	FY12/12	FY12/13	FY12/14
Total assets turnover	2.8	2.9	3.3	2.8	2.7
Non-current assets turnover	7.7	8.4	10.0	8.9	8.9
Current assets turnover	4.5	4.4	4.8	4.0	3.8

Total assets turnover=Net sales/Average total assets

Non-current assets turnover=Net sales/Average non-current assets

Current assets turnover=Net sales/Average current assets

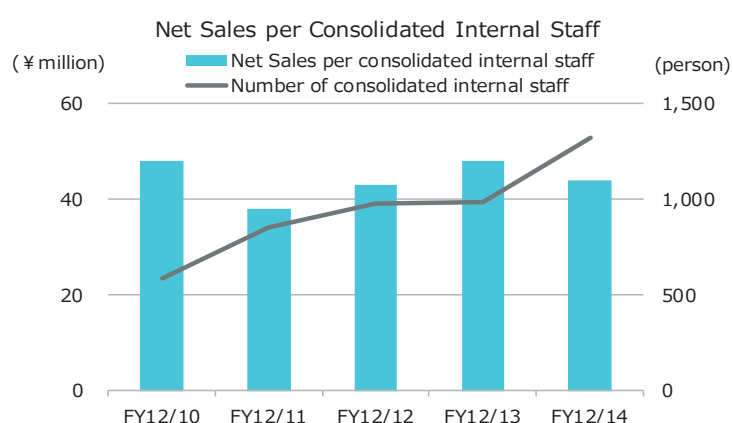
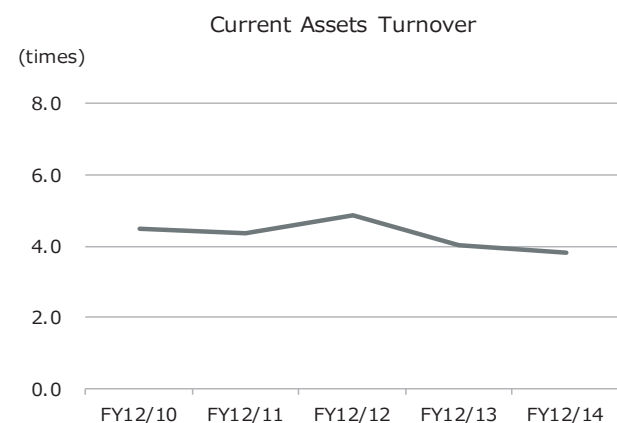
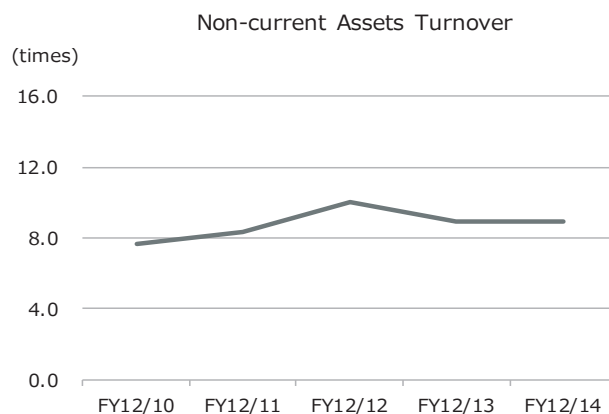
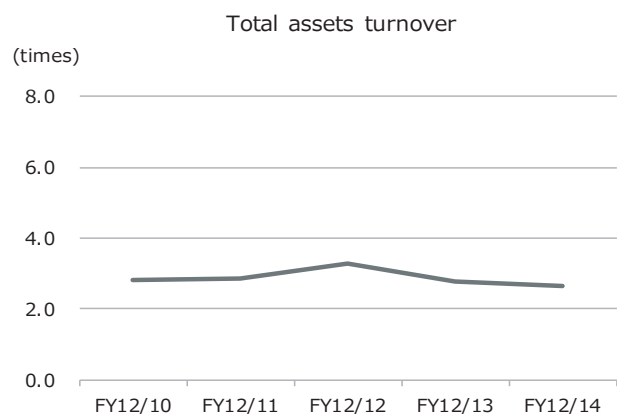
(¥ million)	FY12/10	FY12/11	FY12/12	FY12/13	FY12/14
Net Sales per consolidated internal staff	48	38	43	48	44
Operating income per consolidated internal staff	1	+0	1	1	1
Ordinary income per consolidated internal staff	2	+0	1	1	1
Net income per consolidated internal staff	1	+0	+0	1	+0

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

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

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

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



Consolidated Stability and Financial Indicators

(¥ million)	FY12/10	FY12/11	FY12/12	FY12/13	FY12/14
Equity	3,326	3,440	4,087	5,328	6,883
Total assets	10,707	11,921	13,866	20,343	24,132
Non-current assets	3,756	3,985	4,433	6,223	7,067
Current assets	6,948	7,933	9,431	14,119	17,065
Current liabilities	5,335	5,943	6,875	10,003	12,967
Interest-bearing debt	2,818	3,342	4,502	7,233	6,641

Interest-bearing debt=Short-term loans payable+Long-term loans payable+Bonds payable+Lease obligations
+Accounts payable - land+A part of accounts payable

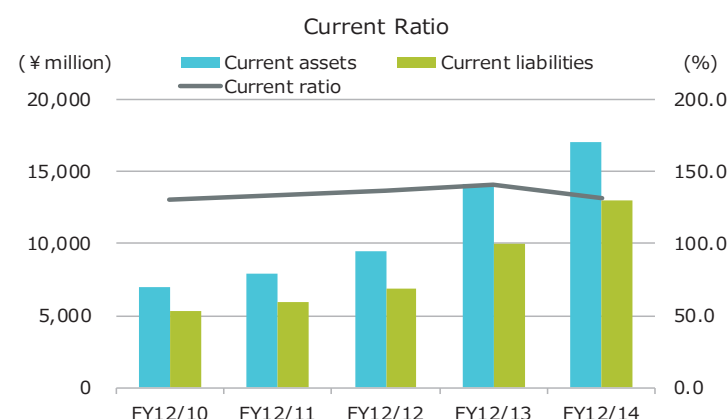
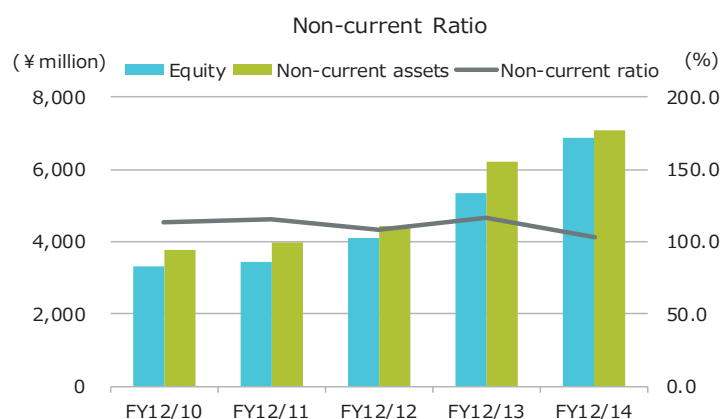
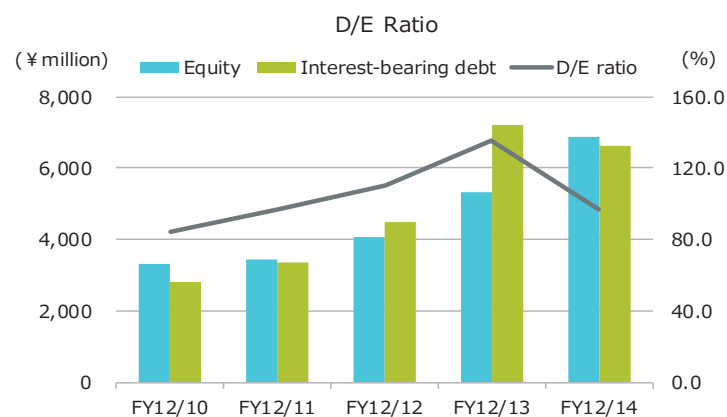
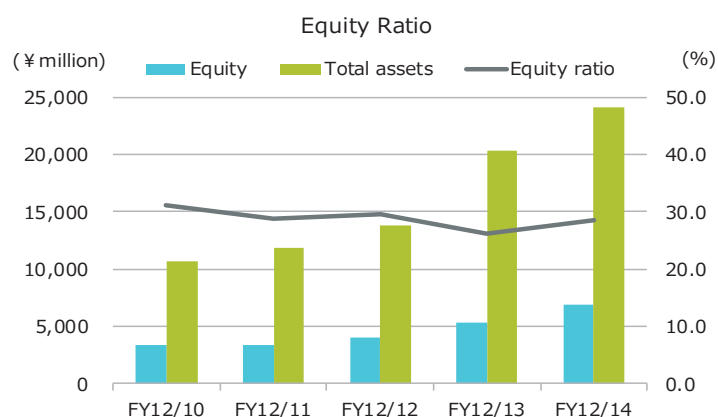
(%)	FY12/10	FY12/11	FY12/12	FY12/13	FY12/14
Equity ratio	31.1	28.9	29.5	26.2	28.5
D/E ratio	84.7	97.1	110.2	135.8	96.5
Non-current ratio	112.9	115.9	108.5	116.8	102.7
Current ratio	130.2	133.5	137.2	141.1	131.6

Equity ratio=Equity/Total assets

D/E ratio=Interest-bearing debt/Equity

Non-current ratio=Non-current assets/Equity

Current ratio=Current assets/Current liabilities



Stock Information

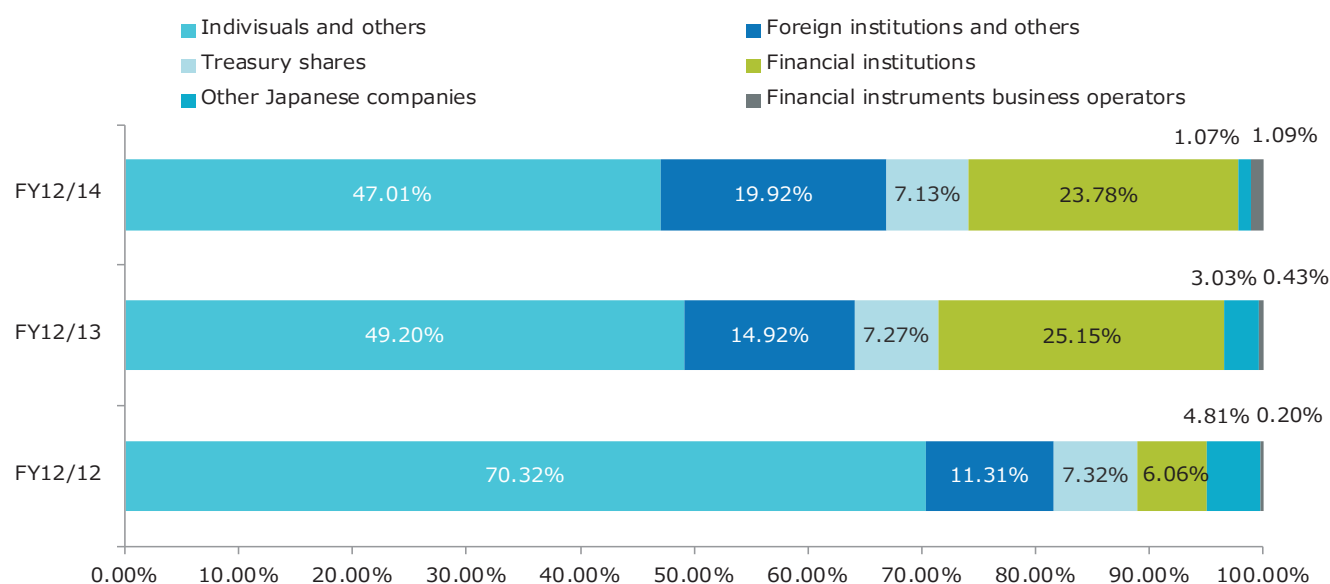
Major Shareholders

As of December 31, 2014

Top 10 Shareholders	Number of Shares	Shareholding Ratio
Haruhiko Doi	3,747,700	23.45%
JAPAN TRUSTEE SERVICES BANK, LTD. (Trust account)	1,900,700	11.89%
Masahiko Dorin	999,000	6.25%
THE MASTER TRUST BANK OF JAPAN, LTD. (Trust account)	981,000	6.14%
THE BANK OF NEW YORK MELLON 140030	389,000	2.43%
THE CHASE MANHATTAN BANK, N.A. LONDON SECS LENDING OMNIBUS ACCOUNT	386,100	2.42%
Chiharu Doi	310,000	1.94%
Yoshiki Sano	300,000	1.88%
STATE STREET BANK AND TRUST COMPANY 505025	258,600	1.62%
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED CLIENTS A/C 513 SINGAPORE CLIENTS	222,900	1.39%

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

Breakdown by Type of Shareholders



Per Share Indicators

(¥)	FY12/10	FY12/11	FY12/12	FY12/13	FY12/14
Share price at year-end	330	274	357	1,158	1,794
Net income per share	52.46	13.48	44.46	77.54	89.81
Net income per share (fully diluted)	52.30	13.45	44.39	76.02	88.32
Net assets per share	230.88	238.40	283.24	366.71	463.65
Dividend per share	7.21	8.00	8.00	13.00	35.00

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

Stock Price Indicators / Stock Price Information

Stock Price / Other Indicators

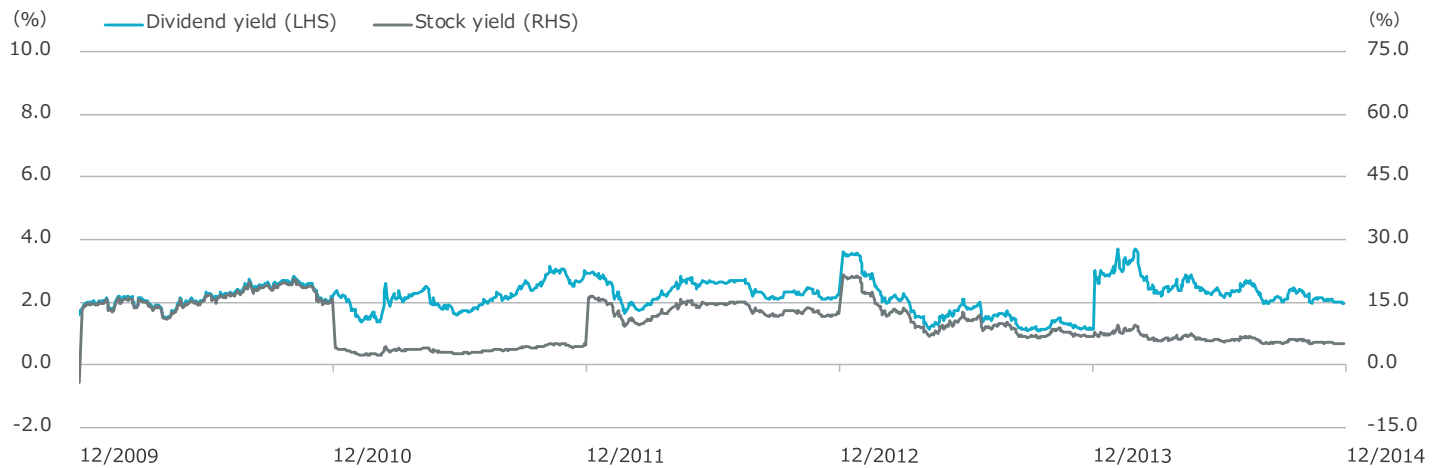
(times)	FY12/10	FY12/11	FY12/12	FY12/13	FY12/14
PER	6.3	20.3	8.0	14.9	20.0
PBR	1.4	1.1	1.3	3.2	3.9

(%)	FY12/10	FY12/11	FY12/12	FY12/13	FY12/14
ROE	24.6	5.8	17.0	23.8	21.6
ROA	7.6	1.7	5.0	6.6	5.9
Dividend on net asset	3.4	3.4	2.8	4.0	8.4

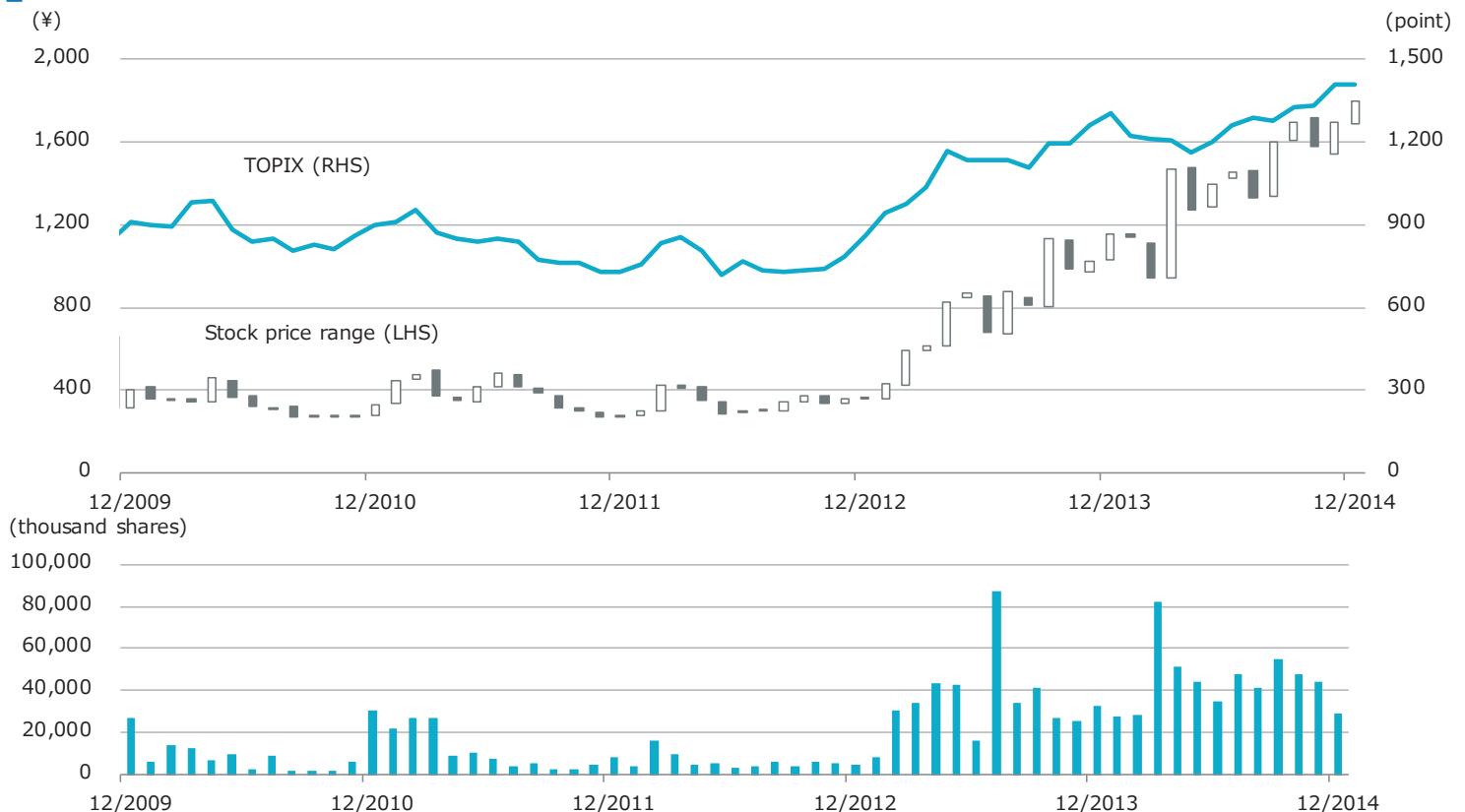
ROE=Net income/Average equity

ROA=Net income/Average total assets

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
Email: os-ir@outsourcing.co.jp
<http://www.outsourcing.co.jp/en/>