



FACTBOOK

(Securities Code: 2427 / TSE 1st Section)

OUTSOURCING Inc.

For the Fiscal Year Ended December 31, 2016



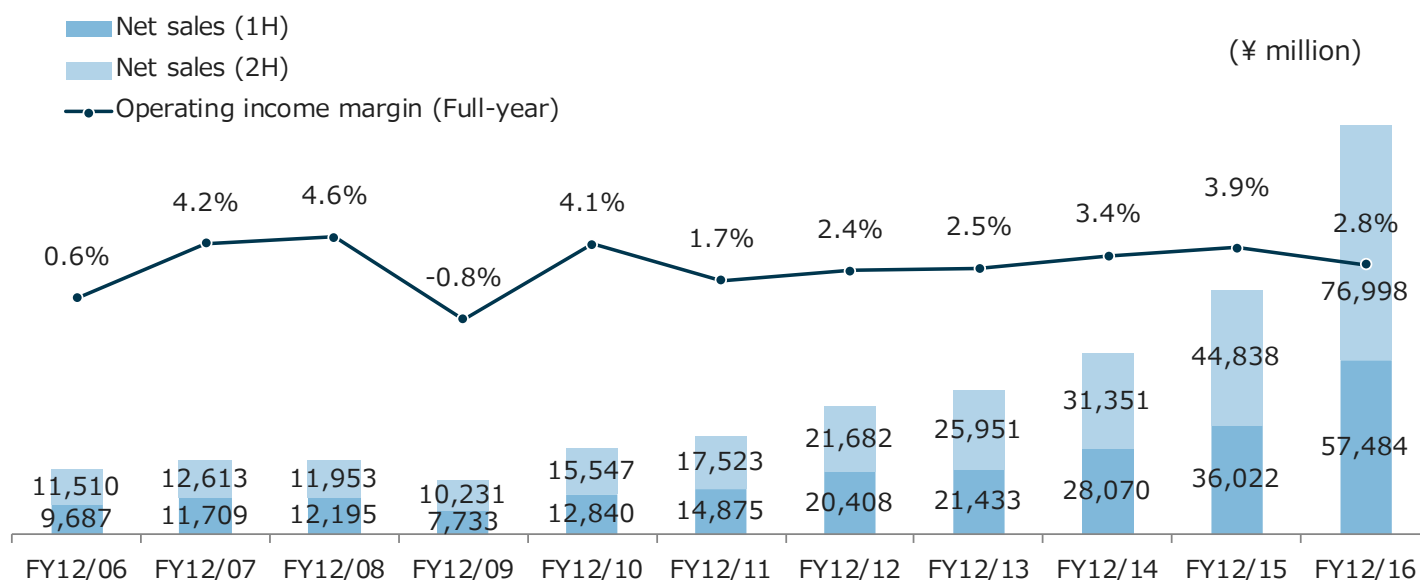
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Corporate Profile / Net Sales and Operating Income Margin

Corporate Profile (as of December 31, 2016)

Company Name	OUTSOURCING Inc.
URL	http://www.outsourcing.co.jp/en/
Head Office	19F Marunouchi Trust Tower Main Bldg., 1-8-3 Marunouchi, Chiyoda-ku, Tokyo, 100-0005 Japan
Capital Stock	¥1,759,283 thousand
Established	January 1997
Representative	Haruhiko Doi, Chairman & CEO
Main Businesses	Domestic Engineering Outsourcing Business, Domestic Manufacturing Outsourcing Business, Domestic Service Operations Outsourcing Business, Domestic Administrative Outsourcing Business, Domestic Recruiting and Placing Business, Overseas Engineering Outsourcing Business, Overseas Manufacturing and Service Operations Outsourcing Business
Number of Branches	40 Sales Offices and 10 Recruitment Centers
Total Employees (Group)	45,408

Net Sales and Operating Income Margin



Business Overview

Operating Segments

Domestic Engineering
Outsourcing Business
30.1% (Composition Ratio)



14 Group Companies

Service providing advanced technology/know-how to makers in the design/development, and verification testing/appraisal phases, building web/smart phone telecom applications and e-commerce sites, all type of solution services and construction for backbone IT Systems/infrastructure/networks, outsourcing service for R&D work specialized in medical/chemical-related, service providing specialized technical know-how for on-site construction supervision/design and design/installation/management of all types of plants, IT-related schools, etc.

【Major Group Companies】
enable Inc., RPM Co., Ltd., TryAngle Co., Ltd., OUTSOURCING TECHNOLOGY Inc., OS SEMITECH Inc., Computer System Laboratory Co., Ltd., Thinketh Bank Co., Ltd., Kyodo Engineering Corporation

Domestic Manufacturing
Outsourcing Business
25.8%



10 Group Companies

In response to maker outsourcing needs for the manufacturing processes, provides production technology and administrative know-how, and service achieving higher productivity

OUTSOURCING Inc., PEO Co., Ltd., OS Partners Co., Ltd., ORJ INC.

Domestic Service Operations
Outsourcing Business
2.6%



5 Group Companies

Provides services for public institutions, including facilities within US military bases, and services for convenience stores

OTS Inc., ISE INTERNATIONAL Co., Ltd., IOD Inc.

Domestic Administrative
Outsourcing Business
0.6%



1 Group Company

Provides total administrative contract work including labor management for fixed-term contract employees directly employed by makers as well as interns after hiring, housing management, as well as outplacement assistance for workers whose contracts have expired

ORJ INC.

Domestic Recruiting and
Placing Business
1.0%



2 Group Companies

Provides recruitment agency services for fixed-term contract employees directly employed by makers

OUTSOURCING Inc., ORJ INC.

Overseas Engineering
Outsourcing Business
15.6%



19 Group Companies

At overseas subsidiaries mainly in Europe and Australia, provides dispatching services for IT engineers and financial industry specialists

BLUEFIN RESOURCES PTY. LIMITED, NTRINSIC CONSULTING EUROPE LIMITED, NTRINSIC CONSULTING SPRL, J.B.W. GROUP LIMITED, CLICKS RECRUIT (AUSTRALIA) PTY LTD, INDEX CONSULTANTS PTY LTD

Overseas Manufacturing and
Service Operations
Outsourcing Business
23.9%



39 Group Companies

At overseas subsidiaries mainly in Asia and South America, provides manufacturing outsourcing HR services, as well as dispatching and recruiting and placing for white collar workers and agency payroll processing business

OS (THAILAND) CO., LTD., OS VIETNAM CO., LTD., SANSHIN (MALAYSIA) SDN. BHD., OUTSOURCING (CAMBODIA) Inc., PT. OS SELNAJAYA INDONESIA, EXPROCHILE S.A., ALP CONSULTING LIMITED, HOBAN RECRUITMENT PTY LTD, FARO RECRUITMENT (CHINA) CO., LTD., FARO RECRUITMENT (HONG KONG) CO., LIMITED, FARO RECRUITMENT (SINGAPORE) PTE. LTD., OS HRS SDN. BHD., OUTSOURCING UK LIMITED, LIBERATA UK LIMITED, OSI Holding Germany GmbH

Other Segments Total
0.4%



3 Group Companies

Provides product development/manufacturing/sales as well as payroll processing and secretarial work, etc.

enable Inc., Outsourcing Business Service Inc., WP Co., Ltd.

OUTSOURCING Group Expansion Corporate History





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.

Business Locations Overview

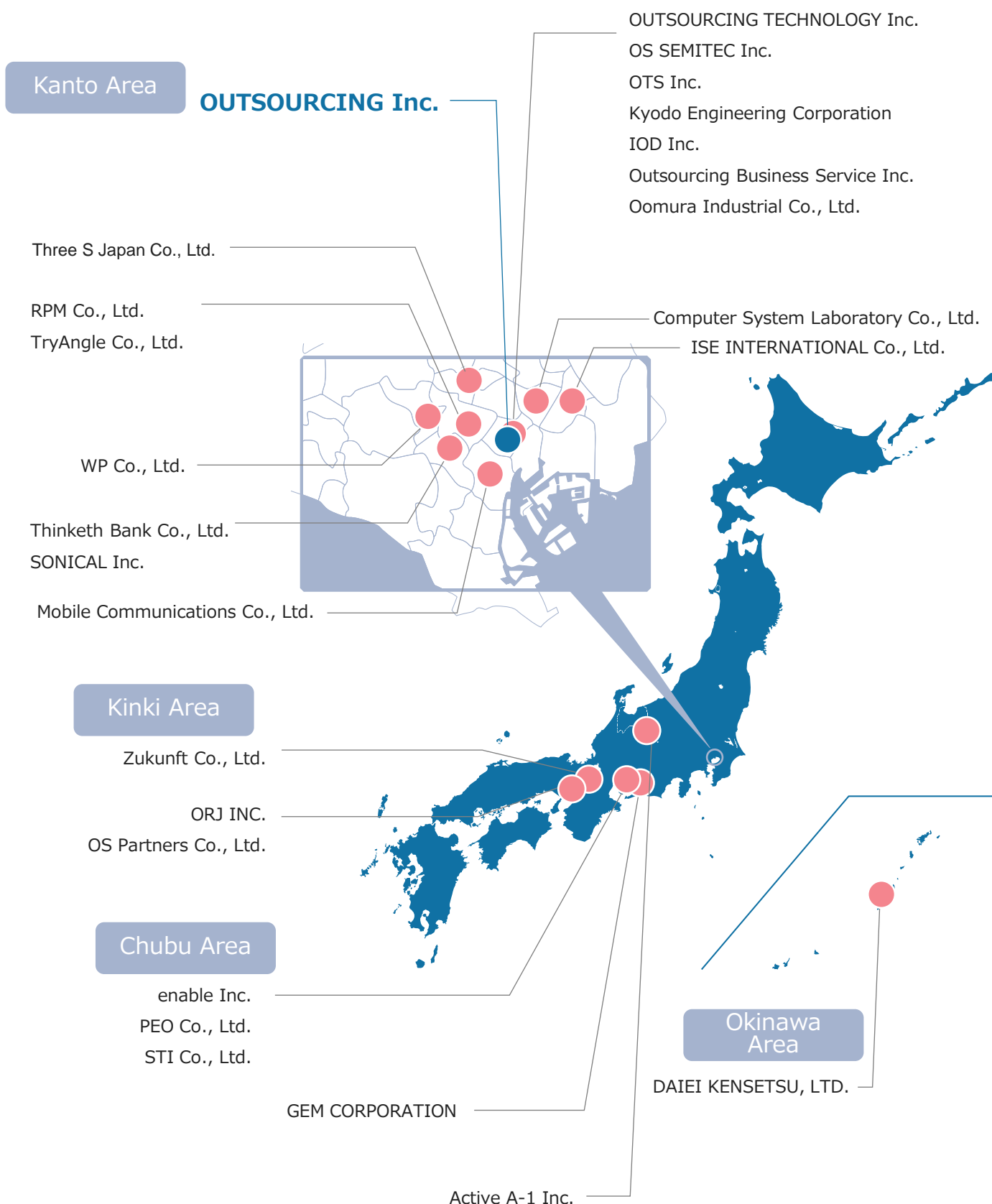
Domestic Business Locations

(as of December 31, 2016)

Domestic Companies Group : 31

● **OUTSOURCING Inc.** ● **Consolidated Subsidiaries**

Additionally, there are 40 sales offices and 10 recruitment centers nationwide.

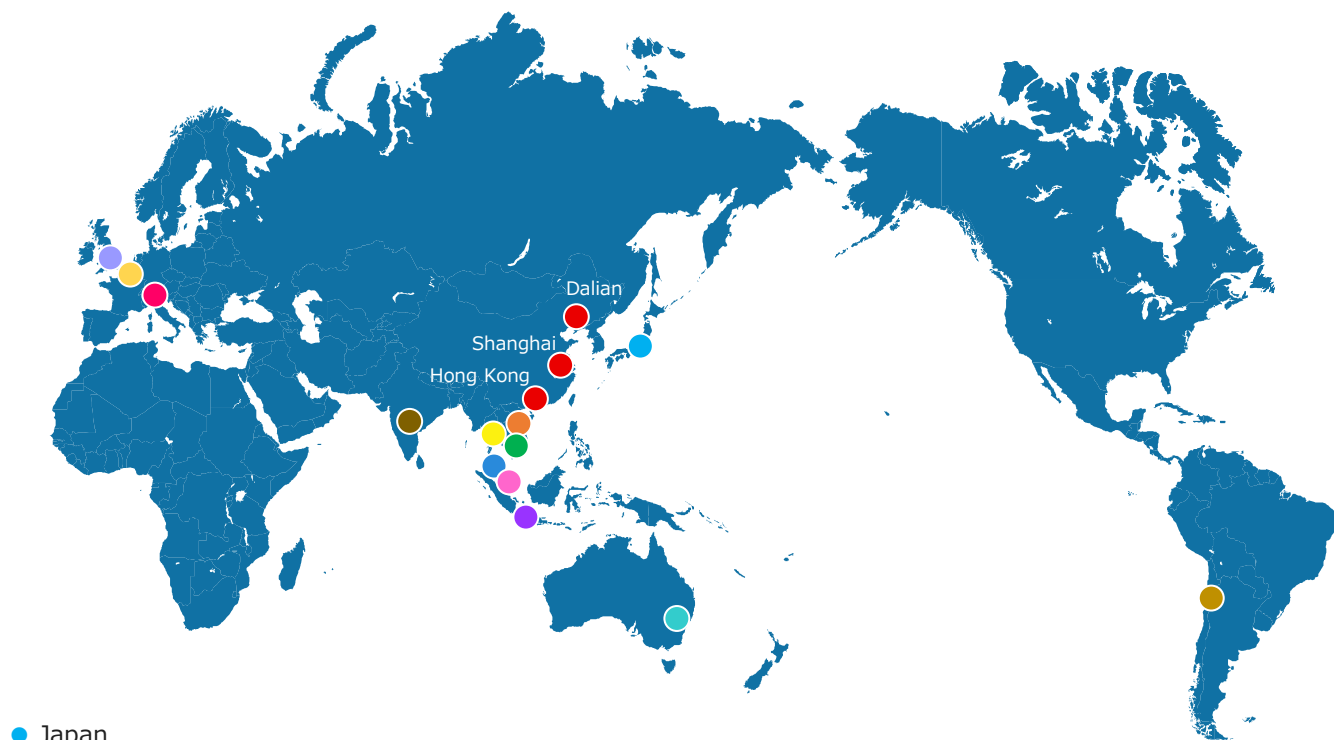


Business Locations Overview

Overseas Business Locations

(as of December 31, 2016)

Overseas Companies Group : 60 (including Unit Trusts)



- Japan
 - OS International Co., Ltd.
 - OS HRS JAPAN Inc.

Asia

- China
 - Out-Sourcing China, Inc.
 - Gray (Dalian) Information Technology Co., Ltd.
 - FARO RECRUITMENT (CHINA) 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.
 - Human Value Co., Ltd.
- Viet Nam
 - OS VIETNAM CO., LTD.
 - OS POWER VIETNAM CO., LTD.
 - Faith Root Recruitment Vietnam Joint Stock Company
 - FAITH ROOT LABOUR OUTSOURCING VIETNAM COMPANY LIMITED
- Cambodia
 - OUTSOURCING (CAMBODIA) Inc.
- Malaysia
 - SANSHIN (MALAYSIA) SDN. BHD.
 - OS HRS SDN. BHD.
- Singapore
 - FARO RECRUITMENT (SINGAPORE) PTE. LTD.
- Indonesia
 - PT. OS SELNAJAYA INDONESIA
- India
 - ALP CONSULTING LIMITED
 - DATACORE TECHNOLOGIES PRIVATE LIMITED
 - OS HRS INDIA PRIVATE LIMITED

Oceania

- Australia
 - STAFF SOLUTIONS AUSTRALIA PTY LTD
 - BLUEFIN RESOURCES GROUP PTY LIMITED
 - BLUEFIN RESOURCES PTY. LIMITED
 - THE BEDDISON GROUP PTY LTD
 - HOBAN RECRUITMENT PTY LTD
 - CLICKS RECRUIT (AUSTRALIA) PTY LTD
 - INDEX CONSULTANTS PTY LTD

Europe

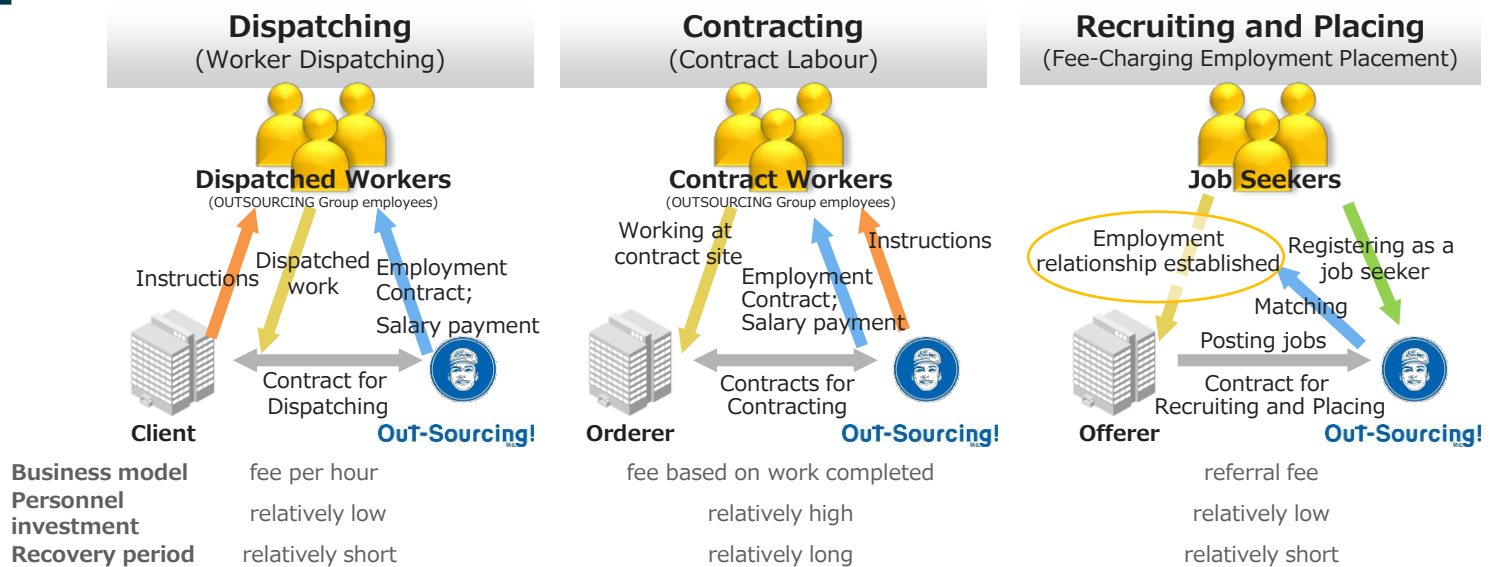
- United Kingdom
 - NTRINSIC HOLDINGS LIMITED
 - NTRINSIC CONSULTING RESOURCES LIMITED
 - NTRINSIC CONSULTING EUROPE LIMITED
 - J.B.W. GROUP LIMITED
 - HITO LIMITED
 - OS HRS EUROPE LIMITED
 - OUTSOURCING UK LIMITED
 - LIBERATA UK LIMITED
 - ALLEN LANE CONSULTANCY LIMITED
- Belgium
 - NTRINSIC CONSULTING SPRL
- Germany
 - OSI Holding Germany GmbH

South America

- Chile
 - EST EXPROSERVICIOS S.A.
 - EST EXPROTEMPO S.A.
 - EXPROCHILE S.A.
 - EXPROSERVICIOS S.A.
 - RIVAS Y ASOCIADOS LIMITADA

OUTSOURCING Group: Legal and Regulatory Framework Affecting Our Domestic Outsourcing Business (1)

Major Hiring Formats for Our Domestic Outsourcing Business

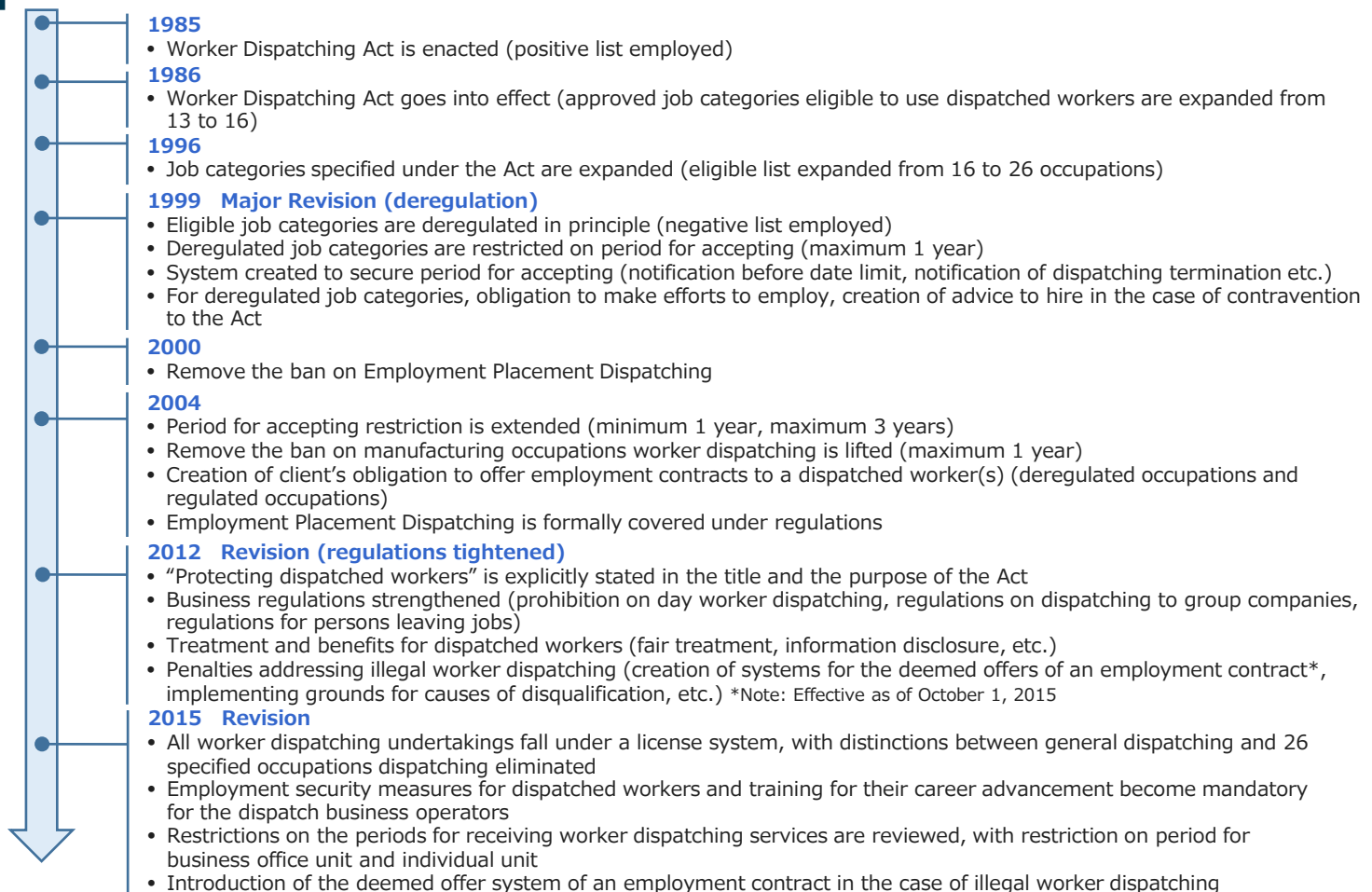


Note: From Q2 FY12/15, the Company adopts the following English terms to describe its recruiting formats. The contents of the recruiting formats remain the same. Dispatching (formerly Temporary Placement), Contracting (formerly Outsourced Contracting), and Recruiting and Placing (formerly Recruitment and Placement)

Administrative Operations



Revisions to the Worker Dispatching Act



OUTSOURCING Group: Legal and Regulatory Framework Affecting Our Domestic Outsourcing Business (2)

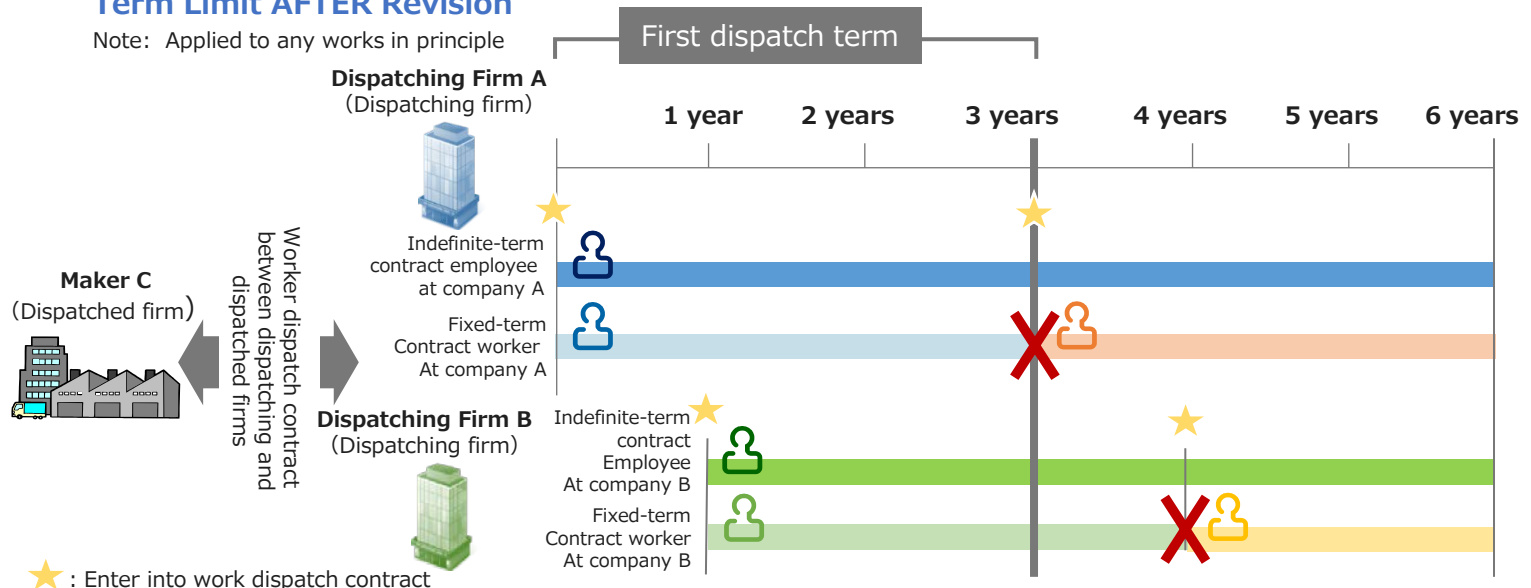
Revised Worker Dispatching Act

1. Revised Worker Dispatching Act Enforced in September 2015 (abstract)

- Requiring dispatch business operators to secure employment stabilization measures for dispatched workers at the expiration of dispatching period (Partly obligation to make efforts)
- **No restriction on period for indefinite-term contract worker dispatching (Before revised: Up to 3 years at the same manufacturing workplace)**
- **For dispatch business operators, planned education and training for dispatched workers and career consulting for those who desire it become mandatory**
- Specified worker dispatching undertaking (notification system) is abolished, and all worker dispatching undertakings come under a license system (Tightened the terms of license permissions)
- Abolishing specified works had no restriction on period and limiting up to 3 years for dispatching all fixed-term contract employees employed by dispatch business operators to the same workplace

Term Limit AFTER Revision

Note: Applied to any works in principle



Dispatch to the same work

- No term limit for indefinite-term contract dispatching
- 3 years limit for fixed-term contract worker dispatching

Note: When the worker is changed, continued dispatch to the same work is allowed without a cooling-off period.

2. Revised Labor Contracts Act Enforced in April 2013 (abstract)

- In the event of fixed term labor contracts renewed in repetition over 5 years, through petition by said fixed term contract employee, the contract is converted to one without fixed term (indefinite-term labor contract).



Key Points

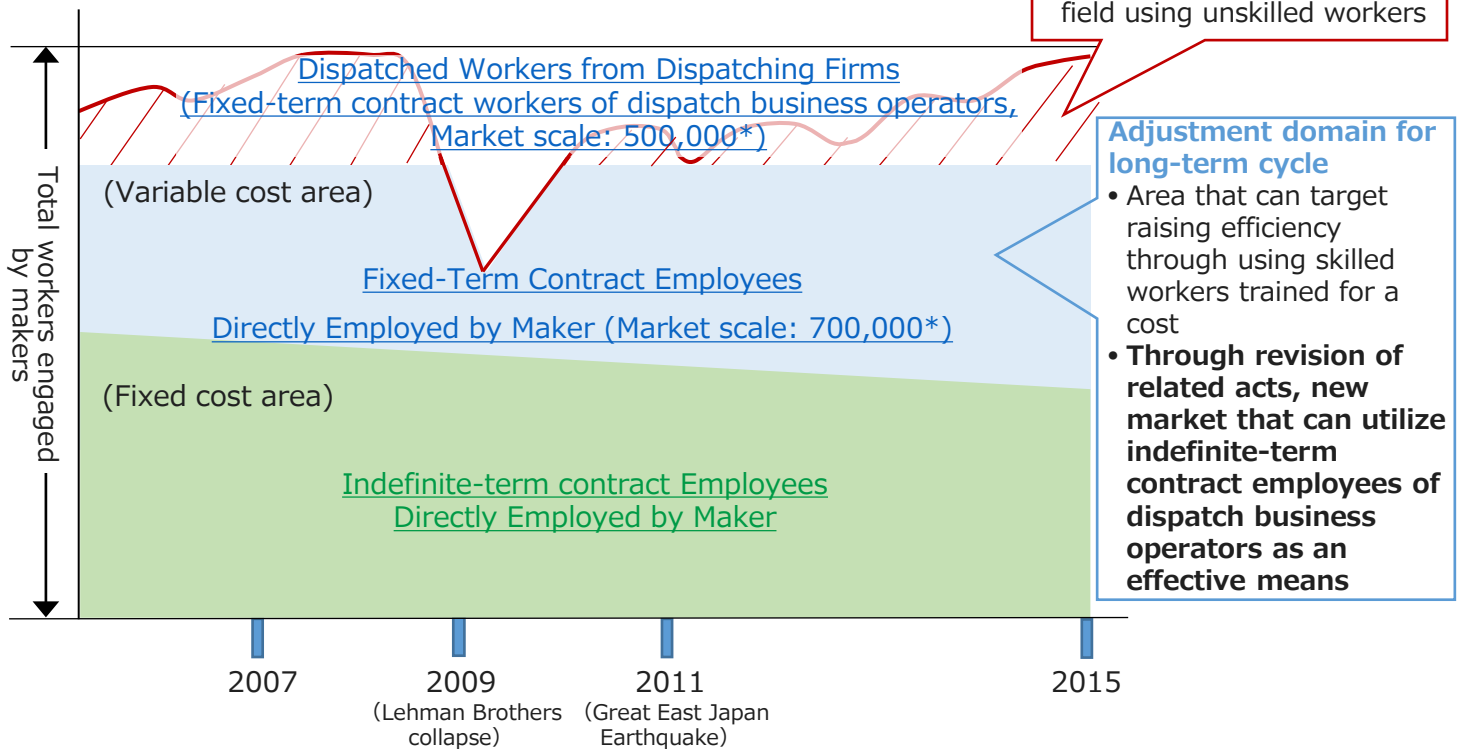
- The Revised Worker Dispatching Act aims for employment stabilization through foreclosing malicious businesses by imposing various requirements on dispatch business operators and relaxed term limit for indefinite-term contract worker dispatching
- The Revised Labor Contracts Act aims to reduce unstable employments at any companies

OUTSOURCING Group: Legal and Regulatory Framework Affecting Our Domestic Outsourcing Business (3)

New Business Opportunities Created by Revision of Related Acts

1. Replacement market created by revision of related acts

Composition of production workforce for major automobile makers (general image)



*Source: Company estimates based on the Ministry of Internal Affairs and Communications Labor Force Survey results and other data

2. PEO Scheme

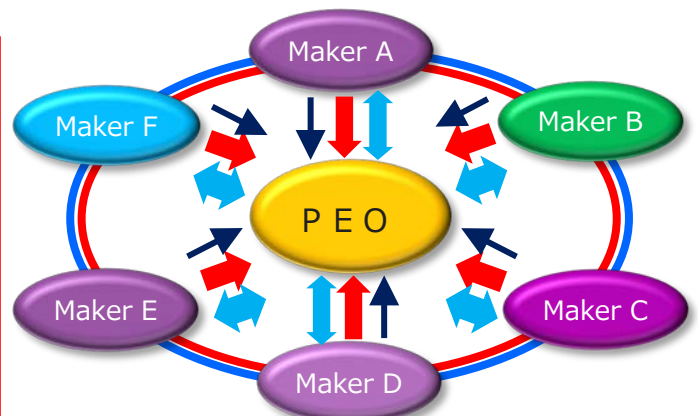
PEO stands for Professional Employer Organization

- ➡ Makers become members of the PEO Association managed by PEO Co., Ltd.
- ➡ PEO takes on fixed-term contract employees directly employed by the maker as its indefinite-term contract employees
- ↔ Dispatching of indefinite-term contract employees meeting the needs of makers for long-term use



Key Points

- Using the OS Group's proprietary PEO Scheme, **fixed-term contract employees employed directly by makers are hired by the Company as indefinite-term contract employees, thereby converting business to the adjustment field meeting long-term cycle production fluctuation**
- While satisfying needs of makers to make costs variable, this secures stable employment of workers**



VISION 2020 Tackling New Frontiers

Evolving into a game-changing enterprise

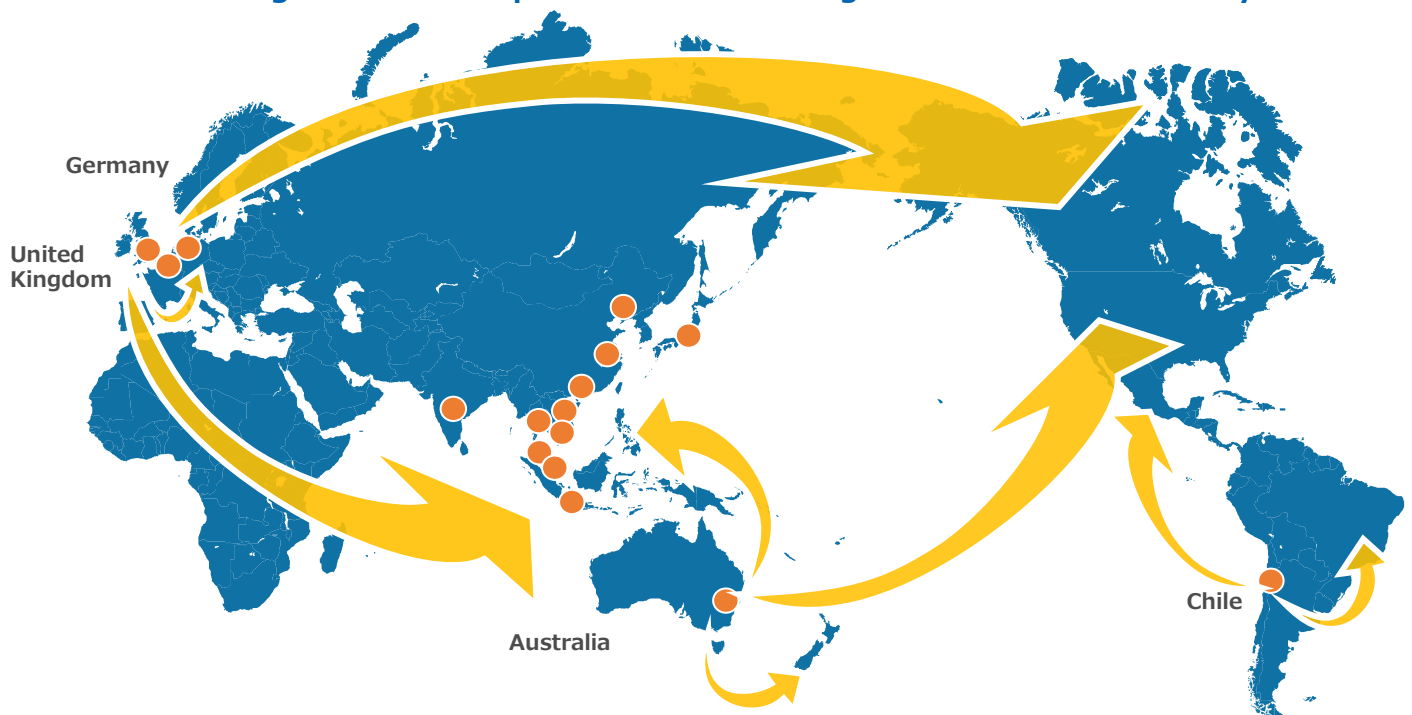
OUTSOURCING Group is taking the next leap as a global provider of comprehensive human resource solutions.

To respond to the changes in the Group's operating environment, it is transitioning away from its core business in manufacturing outsourcing to engineering and service operations outsourcing businesses while moving into foreign markets.

**Looking ahead toward the challenges and objectives
OUTSOURCING Group faces over next 20 years,
it has been engaged in the process of reinventing itself.
Among the initiatives the Group has adopted is
move actively into sectors that operate on business cycles
that are different from the manufacturing sector,
thereby enhancing its corporate strength and stamina against
every conceivable shift and upheaval in its operating environment.
The Group is concurrently making an extended foray into the
outsourced public services business and other service fields
that are less susceptible to external economic factors.**

Global Development of Overseas Business

Seeking to maximize synergies through global development of Engineering and Manufacturing and Service Operations Outsourcing Business in each country



Medium-Term Management Plan VISION 2020: Tackling New Frontiers

Medium-Term Management Plan VISION2020 (FY12/17-FY12/20)

(¥ billion)

Net Sales for FY12/20

441.0

EBITDA for FY12/20

33.4

(EBITDA margin **7.8%**)

*Based on IFRS

Net sales by operating segment	Domestic Engineering Outsourcing Business	97.0
	Domestic Manufacturing Outsourcing Business	88.0
	Domestic Service Operations Outsourcing Business	38.0
	Overseas Engineering Outsourcing Business	83.0
	Overseas Manufacturing and Service Operations Outsourcing Business	129.0
	Other Segments Total	6.0

Strategy: Creating a Group-wide System Enabling the Group to Evolve as a Game-changing Enterprise

Domestic Operation

Develop and expand services catering to new core industries and businesses less vulnerable to economic volatilities

Offer greater range of outsourced services to convenience store franchisors while expanding businesses directed toward US military base facilities, which, while resistant to entry by newcomers, provide stable buffer against economic swings.

Global Operation

Aggressively create Group-wide synergies by leveraging the Group's global network of companies

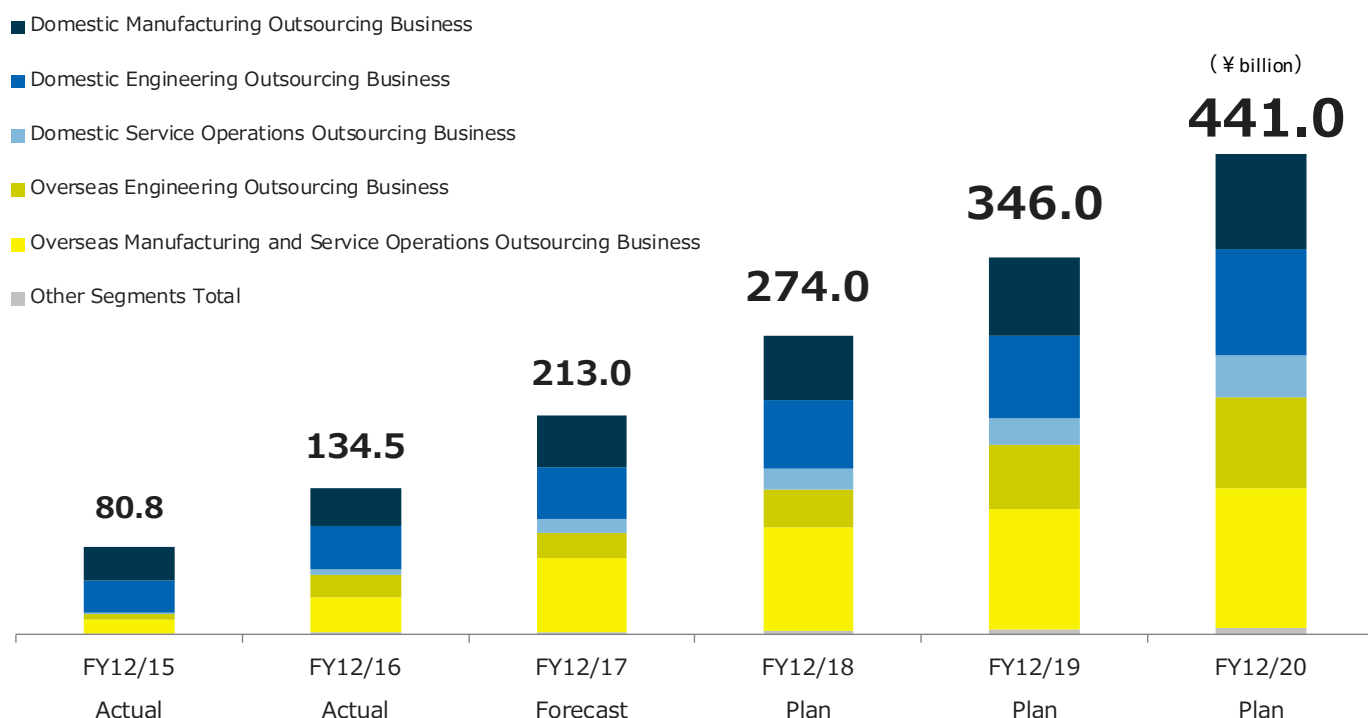
Goal is to proactively expand such outsourced engineering services as Information Technology Outsourcing (ITO) and Knowledge Process Outsourcing (KPO), and in doing so, drive solutions-based businesses via proprietary services that leverage our IT strengths.

Given the trend toward the state public services to the private sector, exploit this public services outsourcing needs and move into other new markets less susceptible to economic volatilities.

Medium-Term Management Plan VISION 2020: Tackling New Frontiers

Net Sales Plan by Operating Segment

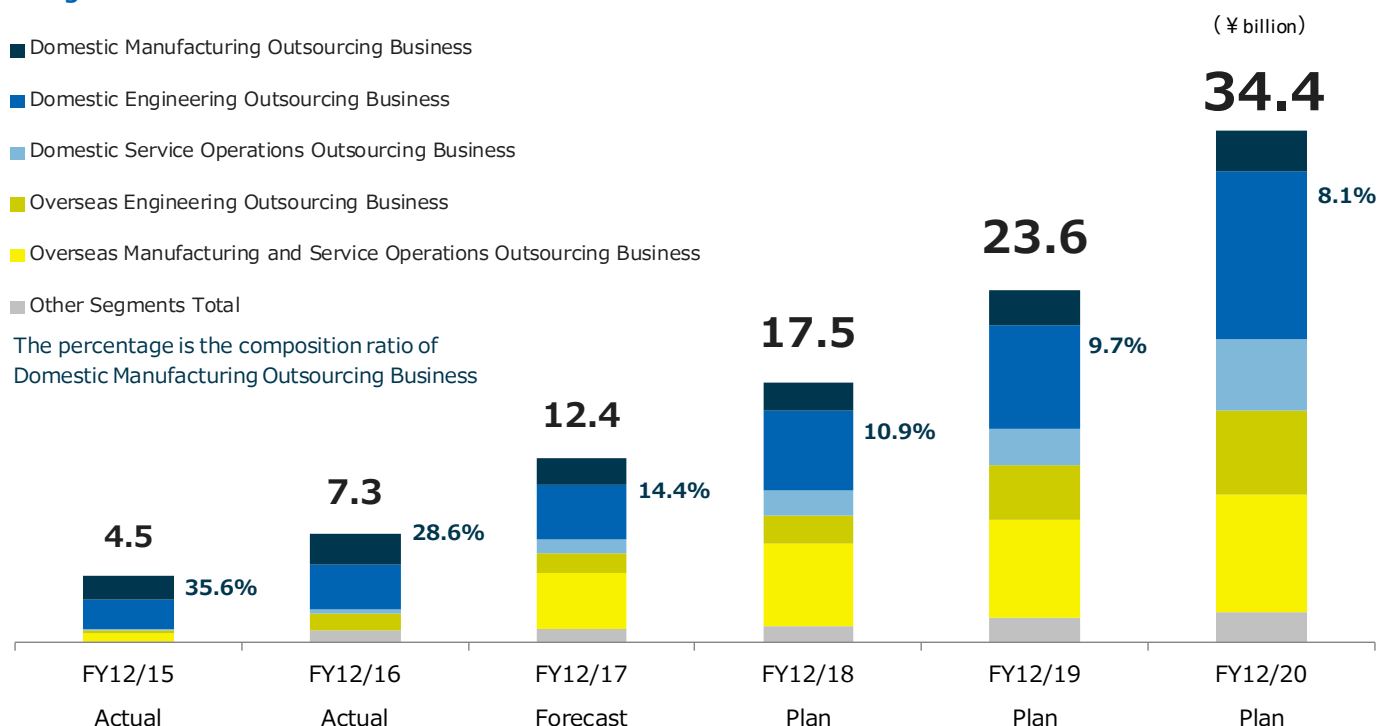
Achieve through implementation of various measures including M&A with high synergies for each operating segment



※Until FY12/16: based on J-GAAP; FY12/17 onward: based on IFRS

EBITDA Plan by Operating Segment

In FY12/20, achievement of reducing the EBITDA composition ratio for highly volatile Domestic Manufacturing Outsourcing Business within 10% of the total, reaching consolidated EBITDA over ¥30 billion



The percentage is the composition ratio of Domestic Manufacturing Outsourcing Business

※Until FY12/16: based on J-GAAP; FY12/17 onward: based on IFRS

Consolidated Balance Sheet

(¥ million)	FY12/12 End	FY12/13 End	FY12/14 End	FY12/15 End	FY12/16 End
Assets					
Total assets	13,866	20,343	24,133	37,043	82,034
Current assets	9,431	14,120	17,065	24,658	43,937
Cash and deposits	3,364	6,033	6,672	9,215	12,602
Notes and accounts receivable - trade	5,233	6,529	8,257	12,979	20,401
Work in process	64	281	437	525	686
Raw materials and supplies	68	297	386	326	470
Deposits paid	-	-	-	-	7,568
Prepaid expenses	405	442	554	648	1,063
Deferred tax assets	63	16	56	115	118
Other	258	553	746	935	1,114
Allowance for doubtful accounts	(25)	(32)	(43)	(86)	(84)
Non-current assets	4,433	6,223	7,068	12,385	38,097
Property, plant and equipment	2,009	1,953	2,416	2,734	2,989
Buildings and structures	1,694	2,679	2,929	3,645	3,904
Accumulated depreciation	(538)	(1,566)	(1,671)	(2,027)	(2,254)
Buildings and structures, net	1,156	1,113	1,258	1,618	1,649
Machinery, equipment and vehicles	545	3,846	4,200	3,576	3,072
Accumulated depreciation	(279)	(3,596)	(3,698)	(3,210)	(2,732)
Machinery, equipment and vehicles, net	265	250	502	366	341
Tools, furniture and fixtures	616	1,184	1,215	1,235	1,775
Accumulated depreciation	(545)	(1,095)	(1,111)	(1,106)	(1,539)
Tools, furniture and fixtures, net	71	89	105	129	236
Land	441	442	493	559	564
Leased assets	88	90	104	119	241
Accumulated depreciation	(14)	(33)	(51)	(76)	(103)
Leased assets, net	74	57	54	43	138
Construction in progress	1	2	4	20	61
Intangible assets	1,373	1,828	2,294	7,261	30,448
Goodwill	1,108	1,331	1,791	6,697	25,181
Other	265	497	503	564	5,267
Investments and other assets	1,052	2,443	2,358	2,389	4,660
Investment securities	166	679	528	472	175
Lease and guarantee deposits	684	743	899	1,044	1,271
Deferred tax assets	51	47	78	122	831
Other	152	975	853	752	2,383
Allowance for doubtful accounts	(1)	-	-	-	-
Deferred assets	2	-	-	-	-

* Fractions less than unit in the above amount figures are rounded off in this FACTBOOK, while being rounded down in the TANSIN financial statements.

Consolidated Balance Sheet

(¥ million)	FY12/12 End	FY12/13 End	FY12/14 End	FY12/15 End	FY12/16 End
Liabilities					
Total liabilities	9,355	14,428	16,563	24,670	68,836
Current liabilities	6,876	10,004	12,967	20,155	41,990
Notes and accounts payable - trade	209	610	752	731	1,091
Short-term loans payable	2,020	3,550	3,887	7,560	20,092
Current portion of long-term loans payable	555	830	779	1,144	4,353
Accounts payable - other	2,342	2,906	3,800	5,745	8,788
Accrued expenses	592	514	625	895	2,121
Income taxes payable	130	354	685	1,399	1,178
Accrued consumption taxes	439	341	1,482	1,698	2,354
Deferred tax liabilities	3	45	49	-	-
Provision for bonuses	15	60	84	56	239
Other	571	795	823	928	1,773
Non-current liabilities	2,479	4,424	3,596	4,515	26,846
Bonds payable	77	50	30	25	-
Long-term loans payable	1,582	2,579	1,763	2,018	20,915
Deferred tax liabilities	11	227	174	248	1,211
Provision for retirement benefits	357	803	-	-	-
Net defined benefit liability	-	-	814	843	3,162
Asset retirement obligations	-	191	349	374	604
Negative goodwill	186	48	0	-	-
Other	266	526	467	1,006	954
Net assets					
Total net assets	4,512	5,916	7,570	12,372	13,199
Shareholders' equity	4,009	4,945	6,220	11,574	11,698
Capital stock	485	515	613	1,725	1,759
Capital surplus	882	911	1,009	3,425	3,460
Retained earnings	3,033	3,911	4,988	6,424	6,479
Treasury shares	(391)	(391)	(391)	(0)	(0)
Accumulated other comprehensive income	79	383	664	90	(951)
Valuation difference on available-for-sale securities	3	52	27	(1)	19
Foreign currency translation adjustment	76	331	647	126	(981)
Remeasurements of defined benefit plans	-	-	(10)	(35)	11
Subscription rights to shares	104	101	43	96	125
Non-controlling interests	321	487	643	612	2,327
Total liabilities and net assets	13,866	20,343	24,133	37,043	82,034

* Fractions less than unit in the above amount figures are rounded off in this FACTBOOK, while being rounded down in the TANSIN financial statements.

Consolidated Statement of Income

(¥ million)	FY12/12	FY12/13	FY12/14	FY12/15	FY12/16
Net sales	42,090	47,384	59,421	80,861	134,482
Cost of sales	33,618	38,103	47,458	64,327	106,874
Gross profit	8,472	9,282	11,964	16,534	27,608
Selling, general and administrative expenses*	7,472	8,079	9,953	13,408	23,871
Operating income	1,001	1,203	2,010	3,125	3,737
Non-operating income	708	701	662	528	724
Interest income	7	12	72	79	48
Dividend income	5	13	16	10	9
Real estate rent	416	385	329	249	230
Amortization of negative goodwill	138	138	46	0	-
Subsidy income	11	9	29	18	39
Share of profit of entities accounted for using equity method	41	2	-	-	-
Foreign exchange gains	-	75	138	51	226
Other	91	67	32	120	172
Non-operating expenses	555	546	475	428	1,080
Interest expenses	37	50	63	99	325
Rent cost of real estate	456	381	327	248	229
Share of loss of entities accounted for using equity method	-	-	1	0	-
Commission fee	-	-	-	-	327
Termination charge for point program	-	79	-	-	-
Other	62	37	83	80	198
Ordinary income	1,154	1,357	2,197	3,225	3,380
Extraordinary income	17	233	114	89	117
Gain on sales of non-current assets	1	1	40	1	115
Gain on transfer of business	-	-	4	-	-
Gain on sales of investment securities	-	28	70	42	-
Gain on bargain purchase	15	204	-	46	-
Other	-	-	-	-	2
Extraordinary losses	175	-	192	1	475
Loss on sales and retirement of non-current assets	13	-	38	1	49
Loss on sales of shares of subsidiaries	-	-	4	-	3
Impairment loss	39	-	150	-	402
Loss on sales of investment securities	-	-	-	-	21
Amortization of goodwill	53	-	-	-	-
Office transfer expenses	70	-	-	-	-
Income before income taxes	995	1,590	2,119	3,313	3,023
Income taxes - current	242	390	810	1,529	2,113
Income taxes - deferred	70	(12)	(92)	(97)	(96)
Total income taxes	312	378	718	1,431	2,018
Profit	684	1,211	1,401	1,881	1,005
Profit attributable to non-controlling interests	42	89	84	71	341
Profit attributable to owners of parent	642	1,122	1,317	1,810	664

*Includes the following:

Amortization of goodwill	278	372	519	923	2,611
Depreciation	321	349	345	446	979

* Fractions less than unit in the above amount figures are rounded off in this FACTBOOK, while being rounded down in the TANSIN financial statements.

Consolidated Statement of Changes in Net Assets

FY12/15 (January 1, 2015 - December 31, 2015)

(¥ million)	Shareholders' equity					Accumulated other comprehensive income				Subscription rights to shares	Non-controlling 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	613	1,009	4,988	(391)	6,219	26	647	(10)	663	43	643	7,569
Cumulative effects of changes in accounting policies			21		21							21
Restated balance	613	1,009	5,009	(391)	6,241	26	647	(10)	663	43	643	7,591
Changes of items during the period												
Issuance of new shares	1,111	1,111			2,223							2,223
Dividends of surplus			(400)		(400)							(400)
Profit attributable to owners of parent			1,810		1,810							1,810
Purchase of treasury shares				(0)	(0)							(0)
Disposal of treasury shares		1,304		391	1,695							1,695
Change of scope of consolidation			4		4							4
Net changes of items other than shareholders' equity						(27)	(521)	(24)	(573)	52	(31)	(552)
Total changes of items during the period	1,111	2,415	1,414	390	5,332	(27)	(521)	(24)	(573)	52	(31)	4,780
Balance at end of current period	1,724	3,425	6,424	(0)	11,574	(0)	125	(35)	89	96	611	12,372

FY12/16 (January 1, 2016 - December 31, 2016)

(¥ million)	Shareholders' equity					Accumulated other comprehensive income				Subscription rights to shares	Non-controlling 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	1,725	3,425	6,424	(0)	11,574	(1)	126	(35)	90	96	612	12,372
Changes of items during the period												
Issuance of new shares	34	34			69							69
Dividends of surplus			(609)		(609)							(609)
Profit attributable to owners of parent			664		664							664
Purchase of treasury shares				(0)	(0)							(0)
Change of scope of consolidation		0	(0)		(0)							(0)
Net changes of items other than shareholders' equity						20	(1,106)	46	(1,040)	29	1,715	703
Total changes of items during the period	34	34	55	(0)	123	20	(1,106)	46	(1,040)	29	1,715	827
Balance at end of current period	1,759	3,460	6,479	(0)	11,698	19	(980)	11	(951)	125	2,327	13,199

* Fractions less than unit in the above amount figures are rounded off in this FACTBOOK, while being rounded down in the TANSIN financial statements.

Consolidated Statement of Cash Flows

(¥ million)	FY12/12	FY12/13	FY12/14	FY12/15	FY12/16
Cash flows from operating activities					
Net cash provided by (used in) operating activities	1,063	1,299	2,285	2,097	906
Income before income taxes and minority interests	995	1,590	2,119	3,313	3,023
Depreciation	321	349	345	446	979
Impairment loss	39	-	150	-	402
Gain on bargain purchase	(15)	(204)	-	(46)	-
Amortization of goodwill	330	372	519	923	2,611
Amortization of negative goodwill	(138)	(138)	(46)	(0)	-
Increase (decrease) in allowance for doubtful accounts	(2)	4	1	(49)	(31)
Increase (decrease) in provision for bonuses	(79)	(14)	(7)	(45)	(46)
Increase (decrease) in provision for retirement benefits	(66)	77	-	(0)	-
Increase (decrease) in net defined benefit liability	-	-	(40)	67	106
Interest and dividend income	(11)	(25)	(87)	(89)	(57)
Interest expenses	37	50	63	99	325
Share of (profit) loss of entities accounted for using equity method	(41)	(2)	1	0	-
Loss (gain) on sales and retirement of non-current assets	12	(1)	(2)	0	(67)
Loss (gain) on sales of investment securities	-	(28)	(70)	(42)	21
Loss (gain) on sales of shares of subsidiaries	-	-	4	-	3
Loss (gain) on transfer of business	-	-	(4)	-	-
Decrease (increase) in notes and accounts receivable - trade	152	(82)	(1,300)	(1,550)	(3,547)
Decrease (increase) in inventories	8	(56)	(206)	(36)	(24)
Increase (decrease) in notes and accounts payable - trade	(235)	(349)	516	656	993
Increase (decrease) in accrued consumption taxes	112	(115)	1,137	43	(195)
Other, net	27	142	(211)	(559)	(800)
Subtotal	1,446	1,569	2,883	3,131	3,697
Interest and dividend income received	11	25	87	89	53
Interest expenses paid	(37)	(50)	(62)	(99)	(297)
Income taxes paid	(377)	(319)	(663)	(1,062)	(2,596)
Income taxes refund	19	74	38	38	47

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Consolidated Statement of Cash Flows

(¥ million)	FY12/12	FY12/13	FY12/14	FY12/15	FY12/16
Cash flows from investing activities					
Net cash provided by (used in) investing activities	(756)	(1,983)	(1,352)	(5,040)	(28,613)
Payments into time deposits	(141)	(164)	(1,013)	(225)	(343)
Proceeds from withdrawal of time deposits	133	89	636	359	1,411
Payments into deposits	-	-	-	-	(7,568)
Purchase of property, plant and equipment	(145)	(185)	(288)	(218)	(492)
Purchase of intangible assets	(85)	(250)	(73)	(138)	(255)
Proceeds from sales of property, plant and equipment	3	2	72	26	220
Purchase of investment securities	(0)	(1)	(1)	(1)	(1)
Proceeds from sales of investment securities	5	424	142	141	304
Payments for asset retirement obligations	(26)	-	(12)	-	(10)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(482)	(1,729)	(505)	(4,812)	(21,697)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	175	38	7	-	-
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	-	49	-	-
Purchase of shares of subsidiaries	(0)	(113)	-	(134)	-
Payments for transfer of business	(129)	(68)	(340)	(204)	(220)
Payments of loans receivable	(5)	(174)	(37)	(18)	(10)
Collection of loans receivable	36	4	14	88	29
Payments for lease and guarantee deposits	(261)	(42)	(149)	(158)	(390)
Proceeds from collection of lease and guarantee deposits	169	50	57	95	168
Purchase of insurance funds	(3)	(9)	(2)	(15)	(0)
Proceeds from cancellation of insurance funds	3	113	80	176	246
Other, net	(1)	32	10	(2)	(5)
Cash flows from financing activities					
Net cash provided by (used in) financing activities	698	1,800	(930)	5,793	32,028
Net increase (decrease) in short-term loans payable	710	1,193	112	2,834	11,778
Proceeds from long-term loans payable	1,000	1,800	-	1,500	23,500
Repayments of long-term loans payable	(789)	(825)	(869)	(1,844)	(2,519)
Redemption of bonds	(89)	(168)	(80)	(141)	(50)
Proceeds from issuance of common shares	-	40	197	3,900	69
Cash dividends paid	(116)	(188)	(233)	(401)	(610)
Purchase of treasury shares	-	-	-	(0)	(0)
Proceeds from share issuance to non-controlling shareholders	4	-	-	-	-
Dividends paid to non-controlling interests	(2)	(5)	(1)	(4)	(11)
Other, net	(21)	(48)	(56)	(51)	(129)
Effect of exchange rate change on cash and cash equivalents	78	156	149	(126)	29
Net increase (decrease) in cash and cash equivalents	1,082	1,272	152	2,725	4,349
Cash and cash equivalents at beginning of period	2,166	3,248	4,520	4,672	7,397
Cash and cash equivalents at end of period	3,248	4,520	4,672	7,397	11,746

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Consolidated Information by Operating Segment and Region

(¥ million)	FY12/15	FY12/16
Net sales by operating segment		
Domestic Engineering Outsourcing Business	31,553	40,426
Composition ratio	39.0%	30.1%
Electrical & Electronics	5,335	7,015
Composition ratio	6.6%	5.2%
Transport Equipment	8,474	10,351
Composition ratio	10.5%	7.7%
Pharm. & Chemicals	1,383	1,729
Composition ratio	1.7%	1.3%
IT-related	9,982	13,624
Composition ratio	12.3%	10.2%
Construction & Plant-related	4,319	5,134
Composition ratio	5.3%	3.8%
Others	2,060	2,573
Composition ratio	2.6%	1.9%
Domestic Manufacturing Outsourcing Business	29,468	34,669
Composition ratio	36.5%	25.8%
Electrical & Electronics	8,858	11,891
Composition ratio	11.0%	8.9%
Transport Equipment	11,533	12,377
Composition ratio	14.3%	9.2%
Pharm. & Chemicals	3,586	3,681
Composition ratio	4.4%	2.7%
Metals & Construction Materials	2,010	2,765
Composition ratio	2.5%	2.1%
Foods	1,647	1,529
Composition ratio	2.0%	1.1%
Others	1,836	2,425
Composition ratio	2.3%	1.8%
Domestic Service Operations Outsourcing Business	1,083	3,470
Composition ratio	1.3%	2.6%
Retail	837	1,668
Composition ratio	1.0%	1.2%
Civil Service	133	779
Composition ratio	0.2%	0.6%
Others	113	1,024
Composition ratio	0.1%	0.8%
Domestic Administrative Outsourcing Business	537	874
Composition ratio	0.7%	0.6%
Domestic Recruiting and Placing Business	872	1,378
Composition ratio	1.1%	1.0%
Overseas Engineering Outsourcing Business	3,832	20,977
Composition ratio	4.7%	15.6%
Overseas Manufacturing and Service Operations Outsourcing Business	13,349	32,089
Composition ratio	16.5%	23.9%
Other Business	166	600
Composition ratio	0.2%	0.4%
Total	80,861	134,482
Composition ratio	100.0%	100.0%

(¥ million)	FY12/15	FY12/16
Net sales by region		
Japan	63,679	81,417
Composition ratio	78.8%	60.5%
Asia (excl. Japan)	13,222	13,174
Composition ratio	16.3%	9.8%
Oceania	2,246	27,033
Composition ratio	2.8%	20.1%
Europe	1,365	8,957
Composition ratio	1.7%	6.7%
South America	348	3,901
Composition ratio	0.4%	2.9%
Total	80,861	134,482
Composition ratio	100.0%	100.0%

* Fractions less than unit in the above amount figures are rounded off in this FACTBOOK, while being rounded down in the TANSIN financial statements.

Reference: Consolidated Information by Operating Segment and Region (Old Segment)

(¥ million)	FY12/12	FY12/13	FY12/14	FY12/15
Net sales by operating segment				
Engineering Outsourcing Business	12,261	17,080	22,037	31,553
Composition ratio	29.1%	36.1%	37.1%	39.0%
Electrical & Electronics	2,302	2,300	3,042	5,335
Composition ratio	5.5%	4.9%	5.1%	6.6%
Transport Equipment	4,109	5,126	6,947	8,474
Composition ratio	9.8%	10.8%	11.7%	10.5%
Pharm. & Chemicals	729	831	955	1,383
Composition ratio	1.7%	1.8%	1.6%	1.7%
Metals & Construction Materials	23	13	100	104
Composition ratio	0.0%	0.0%	0.2%	0.1%
IT-related	2,769	5,675	8,336	9,982
Composition ratio	6.6%	12.0%	14.0%	12.3%
Construction & Plant-related	-	442	577	4,319
Composition ratio	-	0.9%	1.0%	5.3%
After-sales Maintenance	-	249	234	127
Composition ratio	-	0.5%	0.4%	0.2%
Others	2,329	2,444	1,847	1,829
Composition ratio	5.5%	5.2%	3.1%	2.3%
Manufacturing Outsourcing Business	24,178	21,813	25,478	30,592
Composition ratio	57.4%	46.0%	42.9%	37.9%
Foods	1,740	1,616	1,722	1,700
Composition ratio	4.1%	3.4%	2.9%	2.1%
Electrical & Electronics	5,320	4,159	6,774	8,858
Composition ratio	12.6%	8.8%	11.4%	11.0%
Transport Equipment	7,623	6,558	8,681	11,533
Composition ratio	18.1%	13.8%	14.6%	14.3%
Pharm. & Chemicals	3,662	3,702	3,872	3,586
Composition ratio	8.7%	7.8%	6.5%	4.4%
Metals & Construction Materials	3,706	2,567	2,104	2,010
Composition ratio	8.8%	5.4%	3.6%	2.5%
Others	2,128	3,211	2,325	2,906
Composition ratio	5.1%	6.8%	3.9%	3.6%
Administrative Outsourcing Business	615	604	602	497
Composition ratio	1.5%	1.3%	1.0%	0.6%
Recruiting and Placing Business*	428	477	780	872
Composition ratio	1.0%	1.0%	1.3%	1.1%
Overseas Buisness	4,456	7,221	10,347	17,182
Composition ratio	10.6%	15.2%	17.4%	21.2%
Other Business	152	190	178	166
Composition ratio	0.4%	0.4%	0.3%	0.2%
Total	42,090	47,384	59,421	80,861
Composition ratio	100.0%	100.0%	100.0%	100.0%

* From Q2 FY12/15, the Company has modified the English term of the operating segment formerly titled "Recruitment and Placement Business" to "Recruiting and Placing Business". The contents and Japanese title of the operating segment remain the same.

(¥ million)	FY12/12	FY12/13	FY12/14	FY12/15
Net sales by region				
Japan	37,634	40,164	49,075	63,679
Composition ratio	89.4%	84.8%	82.6%	78.8%
Asia/Oceania (excl. Japan)	4,456	7,221	10,347	15,468
Composition ratio	10.6%	15.2%	17.4%	19.1%
Other	-	-	-	1,713
Composition ratio	-	-	-	2.1%
Total	42,090	47,384	59,421	80,861
Composition ratio	100.0%	100.0%	100.0%	100.0%

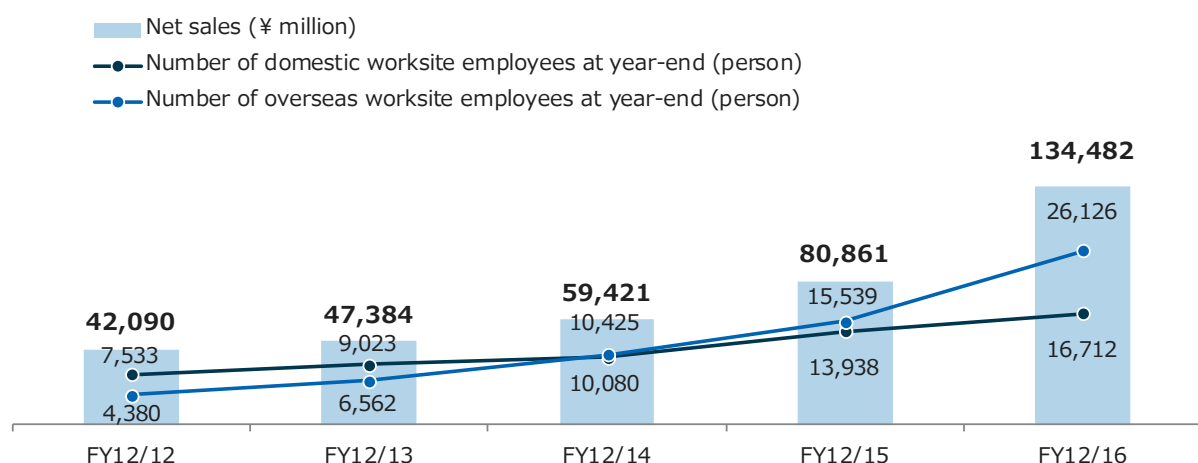
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Consolidated Other Information (Number of Workers / Recruitment Unit Price)

(person)	FY12/12	FY12/13	FY12/14	FY12/15	FY12/16
Number of worksite employees at year-end					
Consolidated	11,913	15,585	20,505	29,477	42,838
Domestic	7,533	9,023	10,080	13,938	16,712
Domestic Engineering Outsourcing Business	1,902	2,600	3,271	4,742	6,066
IT-related	382	686	927	1,166	1,472
Construction & Plant-related	56	91	85	612	841
Domestic Manufacturing Outsourcing Business	5,550	6,351	6,732	7,463	9,033
Domestic Service Operations Outsourcing Business*	-	-	-	1,671	1,609
Retail	-	-	-	1,364	1,284
Civil Service	-	-	-	239	278
Others	-	-	-	68	47
Domestic Administrative Outsourcing Business	81	72	77	62	0
Other Business	-	-	-	-	4
Overseas	4,380	6,562	10,425	15,539	26,126
Overseas Engineering Outsourcing Business*	-	-	-	895	1,836
Overseas Manufacturing and Service Operations Outsourcing Business*	-	-	-	14,644	24,290
Production Outsourcing Business	2,648	4,829	7,554	10,810	13,732
Other Business	1,732	1,733	2,871	3,834	10,558
Number of outsourcing administrative workers at year-end					
Domestic Administrative Outsourcing Business	2,156	2,344	2,092	1,538	1,478
Number of placed workers					
Domestic Recruiting and Placing Business	2,139	2,216	2,882	2,689	3,689

Note: the number of worksite employees includes dispatched employees.

* Operating segments newly introduced in FY12/16



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	FY12/12	FY12/13	FY12/14	FY12/15	FY12/16
Recruitment efficiency					
Domestic Engineering Outsourcing Business					
Number of workers recruited (persons)	578	954	1,283	1,879	2,360
Recruitment unit price (¥/worker)	227,021	296,003	210,472	235,897	245,186
Utilization rate	96.7%	96.5%	97.3%	98.4%	98.2%
Domestic Manufacturing Outsourcing Business					
Number of workers recruited (persons)	6,789	6,754	6,249	9,340	7,543
Recruitment unit price (¥/worker)	49,439	47,130	68,511	52,276	57,112
Domestic Service Operations Outsourcing Business*					
Number of workers recruited (persons)	-	-	-	-	2,659
Recruitment unit price (¥/worker)	-	-	-	-	13,323
Domestic Recruiting and Placing Business					
Number of workers recruited (persons)	2,139	2,156	2,839	2,689	3,689
Recruitment unit price (¥/worker)	109,807	98,432	116,546	112,388	130,710

* Operating segment newly introduced in FY12/16

Consolidated Profitability Indicators

(¥ million)	FY12/12	FY12/13	FY12/14	FY12/15	FY12/16
Net sales	42,090	47,384	59,421	80,861	134,482
Gross profit	8,472	9,282	11,964	16,534	27,608
SG&A expenses	7,472	8,079	9,953	13,408	23,871
Operating income	1,001	1,203	2,010	3,125	3,737
Ordinary income	1,154	1,357	2,197	3,225	3,380
Profit attributable to owners of parent	642	1,122	1,317	1,810	664

(%)	FY12/12	FY12/13	FY12/14	FY12/15	FY12/16
Gross profit margin	20.1	19.6	20.1	20.4	20.5
SG&A expenses ratio	17.8	17.0	16.8	16.6	17.8
Operating income margin	2.4	2.5	3.4	3.9	2.8
Ordinary income margin	2.7	2.9	3.7	4.0	2.5
Net income margin	1.5	2.4	2.2	2.2	0.5

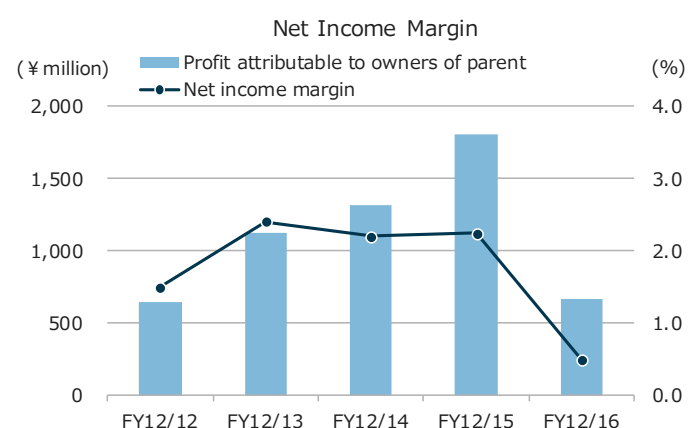
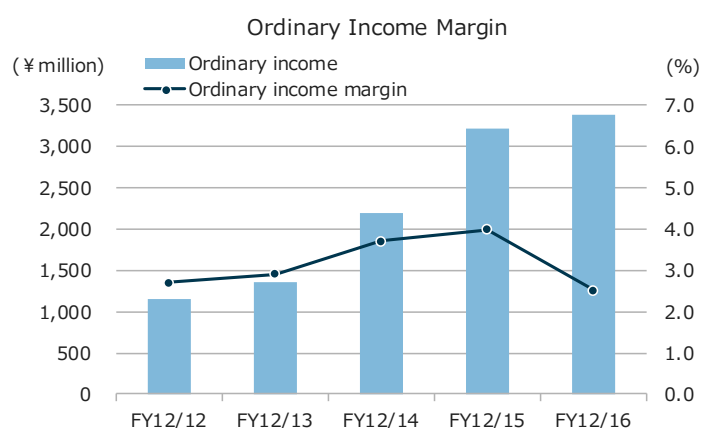
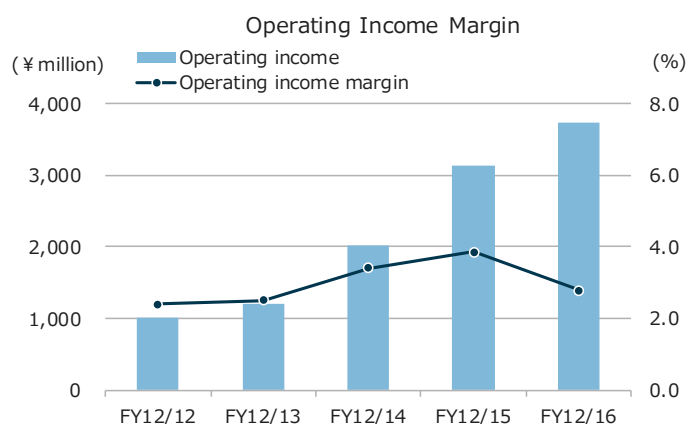
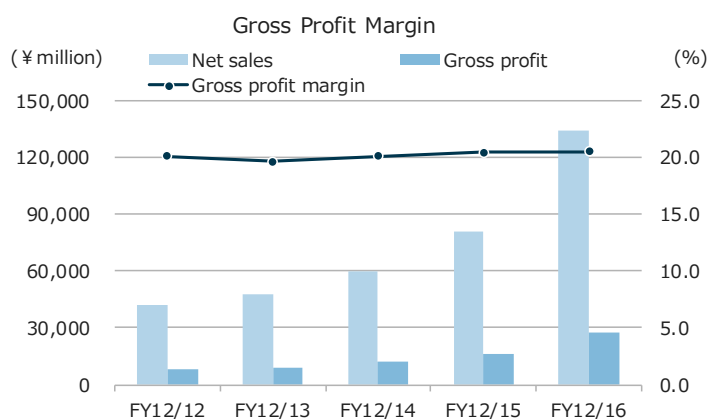
Gross profit margin=Gross profit/Net sales

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=Profit attributable to owners of parent/Net sales



Consolidated Efficiency Indicators

(times)	FY12/12	FY12/13	FY12/14	FY12/15	FY12/16
Total assets turnover	3.3	2.8	2.7	2.6	2.3
Current assets turnover	4.8	4.0	3.8	3.9	3.9
Non-current assets turnover	10.0	8.9	8.9	8.3	5.3

Total assets turnover=Net sales/Average total assets

Current assets turnover=Net sales/Average current assets

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

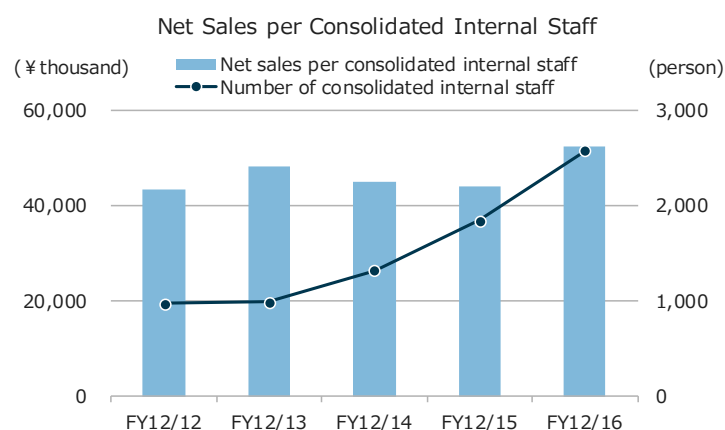
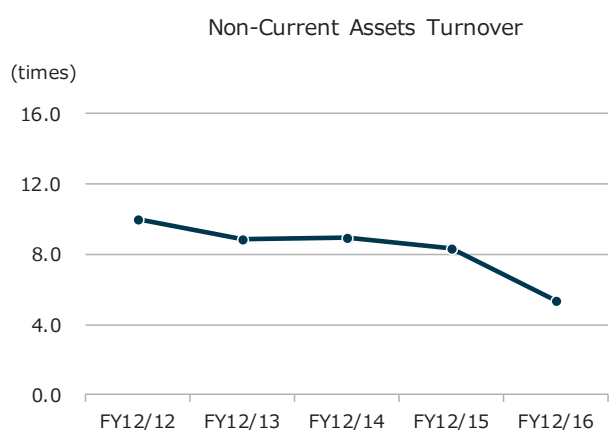
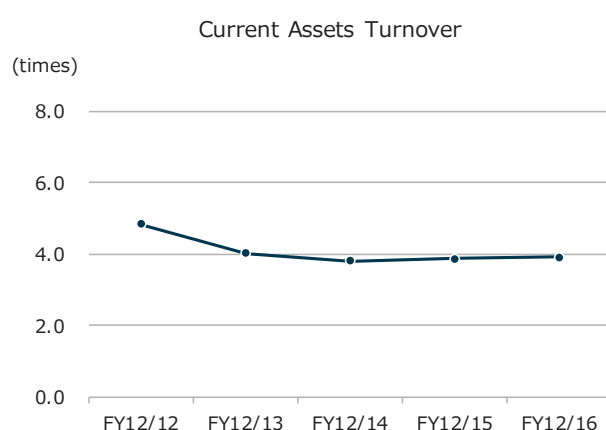
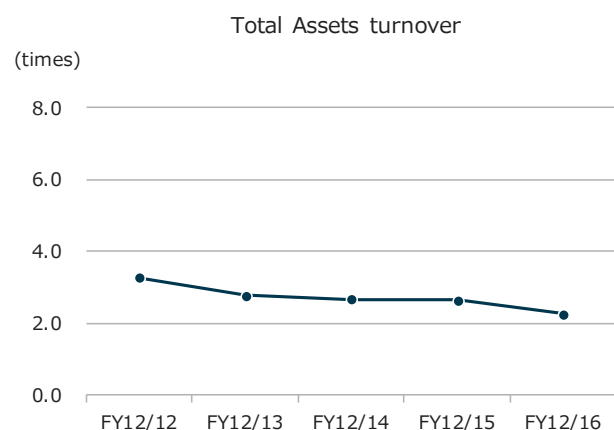
(¥ thousand)	FY12/12	FY12/13	FY12/14	FY12/15	FY12/16
Net sales per consolidated internal staff	43,258	48,008	44,982	43,875	52,328
Operating income per consolidated internal staff	1,028	1,219	1,522	1,696	1,454
Ordinary income per consolidated internal staff	1,186	1,375	1,663	1,750	1,315
Net income per consolidated internal staff	659	1,137	997	982	259

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=Profit attributable to owners of parent/Number of consolidated internal staff



Consolidated Stability and Financial Indicators

(¥ million)	FY12/12	FY12/13	FY12/14	FY12/15	FY12/16
Equity	4,087	5,328	6,883	11,664	10,746
Total assets	13,866	20,343	24,133	37,043	82,034
Current assets	9,431	14,120	17,065	24,658	43,937
Non-current assets	4,433	6,223	7,068	12,385	38,097
Current liabilities	6,876	10,004	12,967	20,155	41,990
Interest-bearing debt	4,502	7,233	6,642	10,902	45,642

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

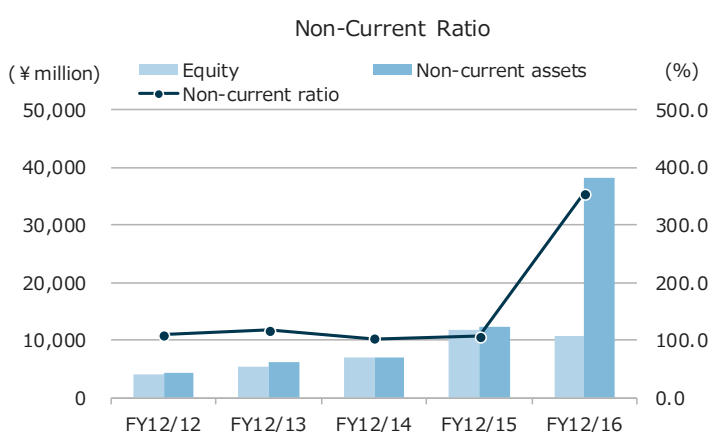
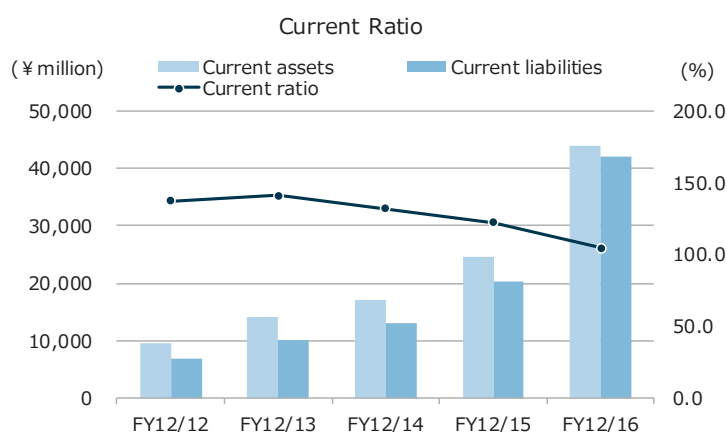
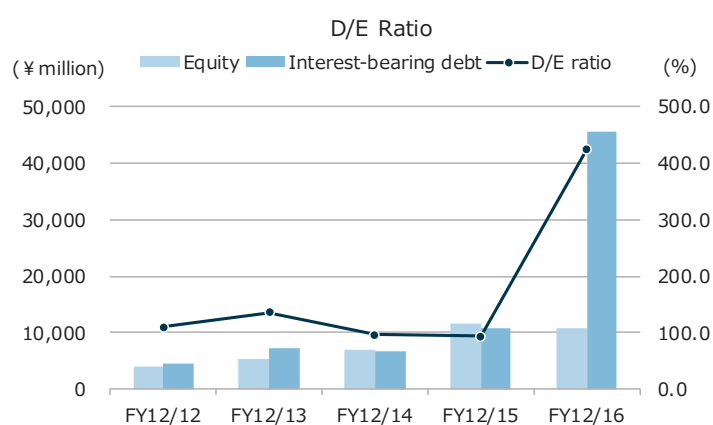
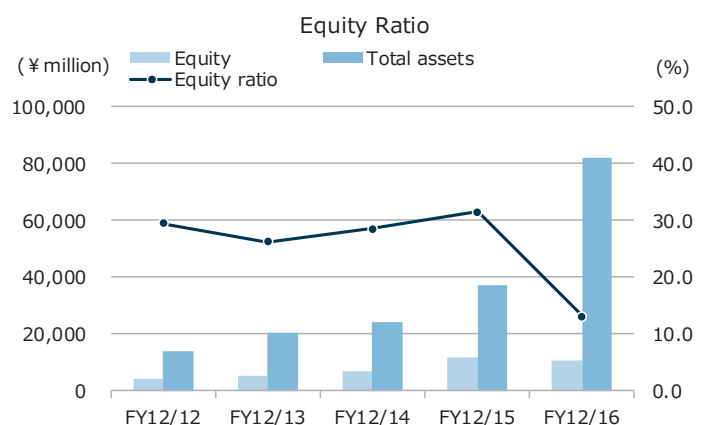
(%)	FY12/12	FY12/13	FY12/14	FY12/15	FY12/16
Equity ratio	29.5	26.2	28.5	31.5	13.1
D/E ratio	110.2	135.8	96.5	93.5	424.7
Current ratio	137.2	141.1	131.6	122.3	104.6
Non-current ratio	108.5	116.8	102.7	106.2	354.5

Equity ratio=Equity/Total assets

D/E ratio=Interest-bearing debt/Equity

Current ratio=Current assets/Current liabilities

Non-current ratio=Non-current assets/Equity



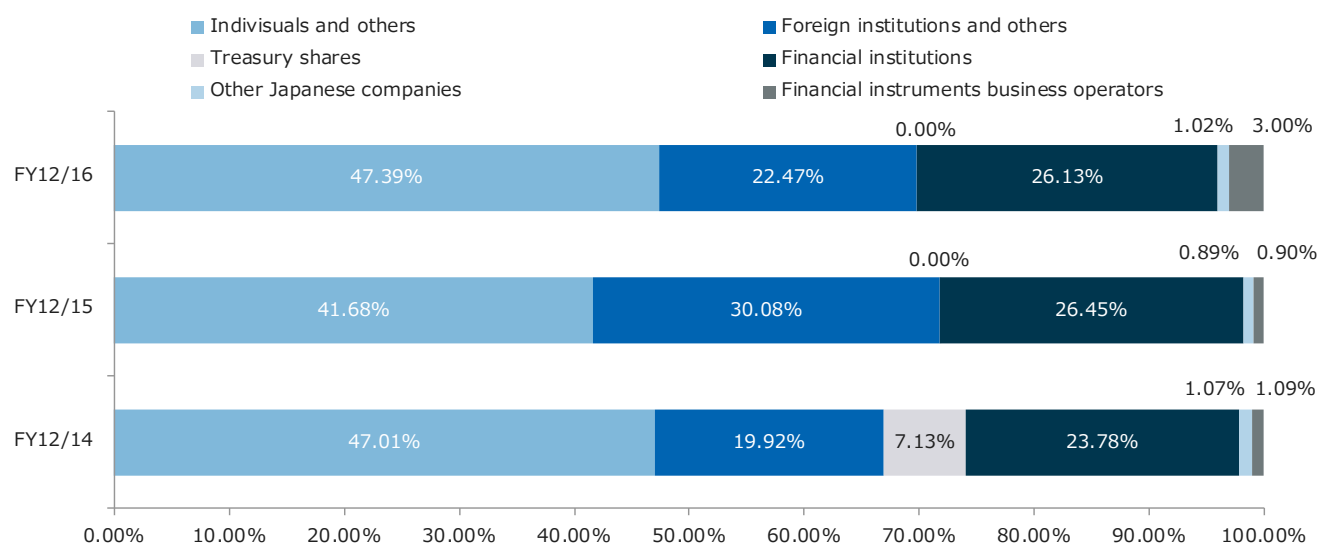
Stock Information

Major Shareholders

As of December 31, 2016

Top 10 Shareholders	Number of Shares	Shareholding Ratio
Haruhiko Doi	3,747,700	21.47%
JAPAN TRUSTEE SERVICES BANK, LTD. (Trust account)	2,088,600	11.96%
THE MASTER TRUST BANK OF JAPAN, LTD. (Trust account)	1,403,400	8.04%
Masahiko Dorin	699,000	4.00%
STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A/C UK LONDON BRANCH CLIENTS- UNITED KINGDOM	600,000	3.44%
NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	438,900	2.51%
THE BANK OF NEW YORK 133612	337,200	1.93%
Chiharu Doi	310,000	1.78%
Yoshiki Sano	300,000	1.72%
STATE STREET BANK AND TRUST COMPANY 505213	279,800	1.60%

Breakdown by Type of Shareholders



Per Share Indicators

(¥)	FY12/12	FY12/13	FY12/14	FY12/15	FY12/16
Share price at year-end	357	1,158	1,794	3,190	3,645
Net income per share	44.46	77.54	89.81	110.15	38.11
Net income per share (fully diluted)	44.39	76.02	88.32	109.32	37.69
Net assets per share	283.24	366.71	463.65	670.06	615.56
Dividend per share	8.00	13.00	35.00	35.00	42.00

Stock Price Indicators / Stock Price Information

Stock Price / Other Indicators

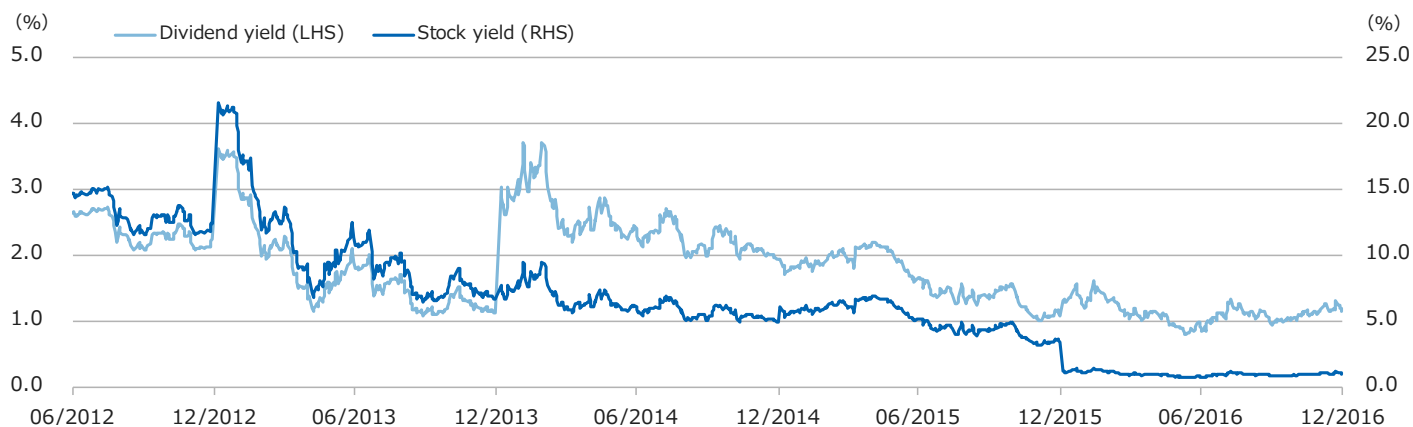
(times)	FY12/12	FY12/13	FY12/14	FY12/15	FY12/16
PER	8.0	14.9	20.0	29.0	95.6
PBR	1.3	3.2	3.9	4.8	5.9

(%)	FY12/12	FY12/13	FY12/14	FY12/15	FY12/16
ROE	17.0	23.8	21.6	19.5	5.9
ROA	5.0	6.6	5.9	5.9	1.1
Dividend on net asset	2.8	4.0	8.4	6.2	6.5

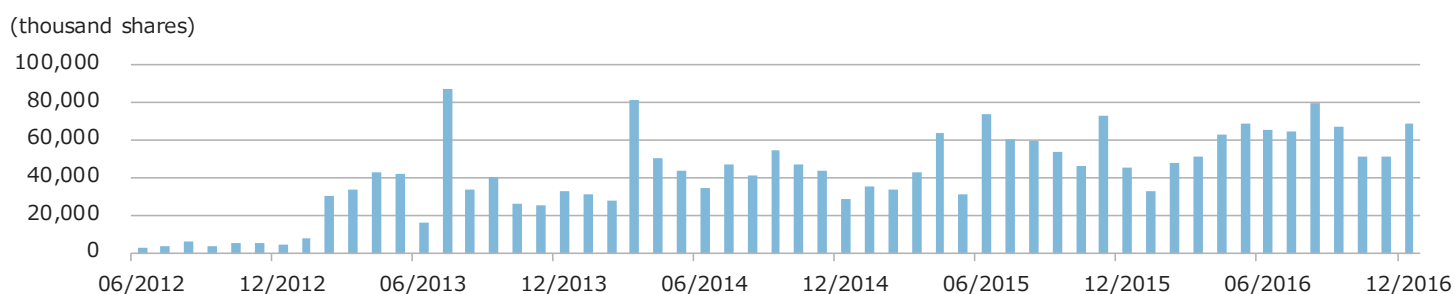
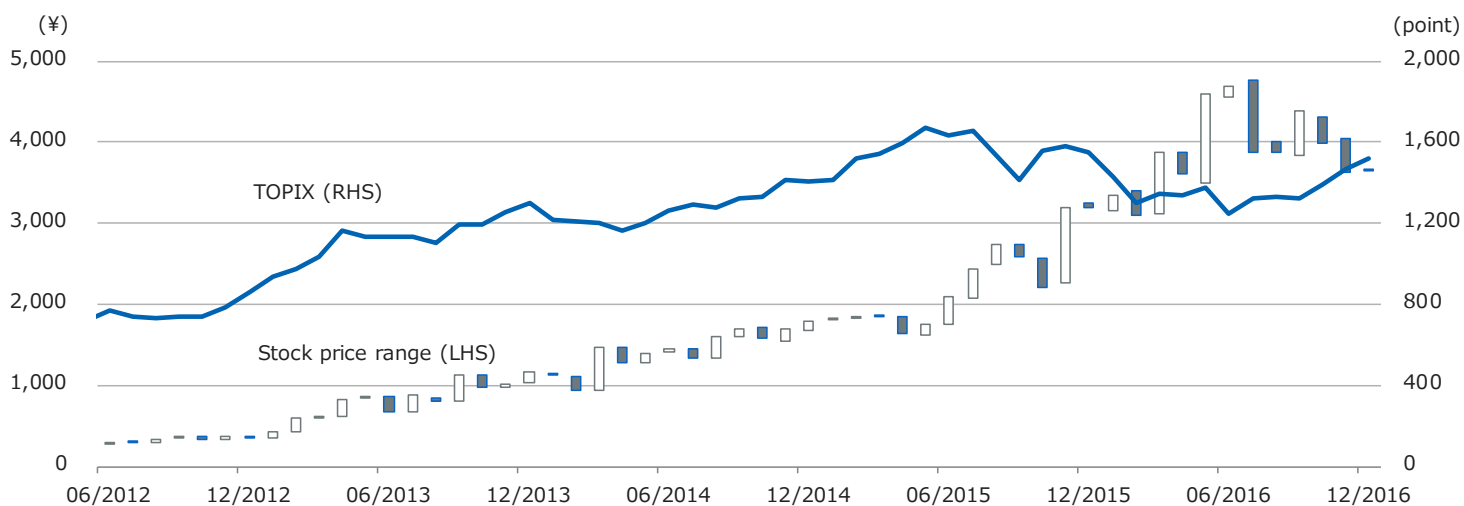
ROE=Profit attributable to owners of parent/Average equity

ROA=Profit attributable to owners of parent/Average total assets

Stock Yield / Dividend Yield



Stock Price Range / Trading Volume





Contact

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