



FACTBOOK

(Securities Code: 2427 /
TSE 1st Section)
OUTSOURCING Inc.

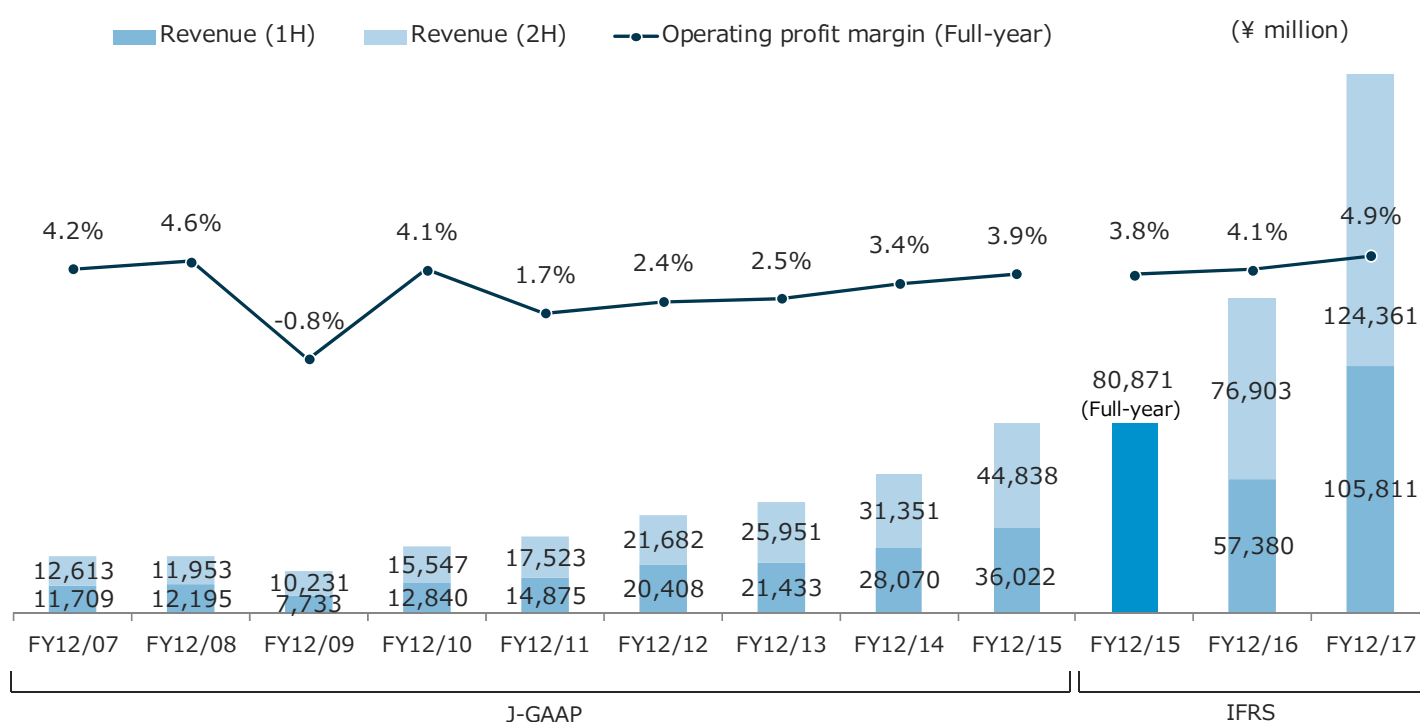
For the Fiscal Year Ended December 31, 2017 [IFRS]

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Corporate Profile (as of December 31, 2017)

Company Name	OUTSOURCING Inc.
URL	https://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	¥7,131 million
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
Total Employees (Group)	63,642

Revenue and Ratio of Operating Profit




Note: IFRS (International Financial Reporting Standards) has been applied from FY12/15.

Business Overview

Operating Segments


Domestic Engineering Outsourcing Business
22.3% (Composition Ratio)

 **13** 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. SEMITEC Inc., Thinketh Bank Co., Ltd., Kyodo Engineering Corporation


Domestic Manufacturing Outsourcing Business
20.1%

 **9** 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.


Domestic Service Operations Outsourcing Business
5.7%

 **6** Group Companies

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

OTS Inc., ISE INTERNATIONAL Co., Ltd.,
AMERICAN ENGINEERING CORPORATION (OKINAWA)


Domestic Administrative Outsourcing Business
0.5%

 **3** Group Company

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

ORJ INC.


Domestic Recruiting and Placing Business
0.7%

 **3** Group Companies

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

ORJ INC.


Overseas Engineering Outsourcing Business
12.6%

 **18** 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
37.9%

 **47** Group Companies

At overseas subsidiaries in Asia, South America, and Europe etc. provides manufacturing outsourcing HR services, as well as dispatching and recruiting and placing for clerk/service personnel and agency payroll processing business, also provides BPO services for public authorities in Europe

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, VERACITY OSI UK LIMITED, LIBERATA UK LIMITED, Orizon GmbH

Other Segments Total
0.2%

 **4** Group Companies

Provides product development/manufacturing/sales as well as agency secretarial work

enable Inc., Outsourcing Business Service Inc.

OUTSOURCING Group Expansion Corporate History

Domestic Business Overseas Business

- Jan. 1997** ● OUTSOURCING Inc. was founded in Shizuoka City, Shizuoka Pref. as a provider of contract services for production processes
- Mar. 2005** ● Launched enable Inc., an outsourcing service provider specializing in transport equipment industry
- Mar. 2009** ● Acquired FREE WORK CO., LTD. and relocated its head office to Chayamachi, Kita-ku, Osaka City; DAISEI ENGINEERING Co., Ltd. became a subsidiary
- Jun. 2009** ● Acquired FULLCAST CENTRAL CO., LTD. as a subsidiary (commercially registered name changed to Out Sourcing Central Inc. in July 2009)
- Aug. 2009** ● Acquired RPM Co., Ltd. and TryAngle Co., Ltd. as subsidiaries specializing in medical products and equipment, and chemical products
- Nov. 2009** ● Acquired Seishow Co., Ltd., a service provider specializing in development contract services in the R&D and engineering fields, as a subsidiary
- Jul. 2010** ● Subsidiary enable Inc. merges with subsidiaries Out Sourcing Central Inc. and Yasutomo Ltd., changed commercially registered name to Out Sourcing Central Inc.
- Aug. 2010** ● Launched Out-Sourcing China, Inc. in Shanghai; subsidiary specializes in providing a broad range of engineering and production outsourcing services, including R&D and product testing and evaluation, while also offering consultancy services to train and recruit local talent for Japanese transplant companies
- Oct. 2010** ● Launched OS.SEMITEC Inc. as a contract service provider specializing in product design & development, prototype testing and volume production processes
- Apr. 2011** ● Subsidiary Seishow Co., Ltd. changes commercially registered name to OUTSOURCING TECHNOLOGY Inc.
● Launched OS (THAILAND) CO., LTD. to consolidate local production outsourcing businesses
- Nov. 2011** ● Acquired OS International Co., Ltd. as a subsidiary with overseas 10 subsidiaries and affiliated companies in seven countries and tasked with cross-border human resource services and support services for Japanese companies seeking to enter foreign markets
- Dec. 2011** ● Launched OS VIETNAM CO., LTD. in Viet Nam to provide outsourcing services primarily for the transport equipment, electric and electronics fields
- May 2012** ● Subsidiary Out Sourcing Central Inc. changes commercially registered name to enable Inc.
- Jan. 2013** ● Subsidiary Grayscale Co., Ltd. was consolidated into subsidiary Out-Sourcing System Consulting Inc.
● Acquired Computer System Laboratory Co., Ltd. as a subsidiary (Computer System Laboratory Co., Ltd. was consolidated into OUTSOURCING TECHNOLOGY Inc. in August 2017)
- Oct. 2013** ● Acquired Sanshin Electric Co., Ltd. and SANSHIN (MALAYSIA) SDN. BHD. as subsidiaries and expanded into the Malaysia market (Sanshin Electric Co., Ltd. was consolidated into OUTSOURCING TECHNOLOGY Inc. in December 2016.)
- Jan. 2014** ● Acquired ALP CONSULTING LIMITED, DATACORE TECHNOLOGIES PRIVATE LIMITED and DATACORE TECHNOLOGIES INC as subsidiaries and expanded into the Indian market (DATACORE TECHNOLOGIES INC was transferred in December, 2017)
- Apr. 2014** ● Subsidiary OUTSOURCING TECHNOLOGY Inc. acquired Thinketh Bank Co., Ltd., which operates IT schools, as a subsidiary
- Sep. 2014** ● OUTSOURCING Inc. launched PEO Co., Ltd.
- Dec. 2014** ● Subsidiary OS (THAILAND) CO., LTD. acquired CELCO (THAILAND) CO., LTD. as a subsidiary
- Jan. 2015** ● OUTSOURCING Inc. acquired KDE Holding Corporation as a subsidiary, thereby also acquiring Kyodo Engineering Corporation as a subsidiary
- Apr. 2015** ● Launched OUTSOURCING (CAMBODIA) Inc. and expanded into the Cambodian market
- Aug. 2015** ● Launched HR services for US military facilities by subsidiary IOD Inc.
● OUTSOURCING Inc. acquired BLUEFIN Group companies as subsidiaries, strengthening business in Australia
● OUTSOURCING Inc. acquired NTRINSIC Group companies as subsidiaries and expanded into the UK and Belgium markets
- Sep. 2015** ● OUTSOURCING Inc. acquired CRS Co., Ltd. as a subsidiary
● Launched Outsourcing Business Service Inc. as a special subsidiary company for hiring handicapped employees
- Oct. 2015** ● OUTSOURCING Inc. acquired ISE INTERNATIONAL Co., Ltd. as a subsidiary, and launched outsourcing business for convenience stores with CRS Co., Ltd.
- Dec. 2015** ● OUTSOURCING Inc. acquired Grupo Expro Group companies as subsidiaries and expanded into the Chile market
- Apr. 2016** ● OUTSOURCING Inc. acquired BEDDISON Group companies in Australia as subsidiaries
● OUTSOURCING Inc. acquired J.B.W. Group companies in the U.K. as subsidiaries
● OUTSOURCING Inc. acquired SYMPHONY HRS SDN. BHD. in Malaysia as a subsidiary (commercially registered name changed to OS HRS SDN. BHD. in June 2016)
- May 2016** ● Subsidiary BROTHERS CO., LTD. merged subsidiaries CRS Co., Ltd. and ATS Inc. and changed commercially registered name to OTS Inc.
- Aug. 2016** ● Acquired Recruit Factory Partners Co., Ltd. and changes commercially registered name to OS Partners CO., LTD.
● Subsidiary OUTSOURCING UK LIMITED acquired LIBERATA UK LIMITED as a subsidiary
- Jan. 2017** ● Local subsidiary OSI Holding Germany GmbH announced acquisition of Orizon Group as a subsidiary and expanded into the German market
- Apr. 2017** ● OUTSOURCING Inc. acquired AMERICAN ENGINEERING CORPORATION (OKINAWA) as subsidiaries

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.



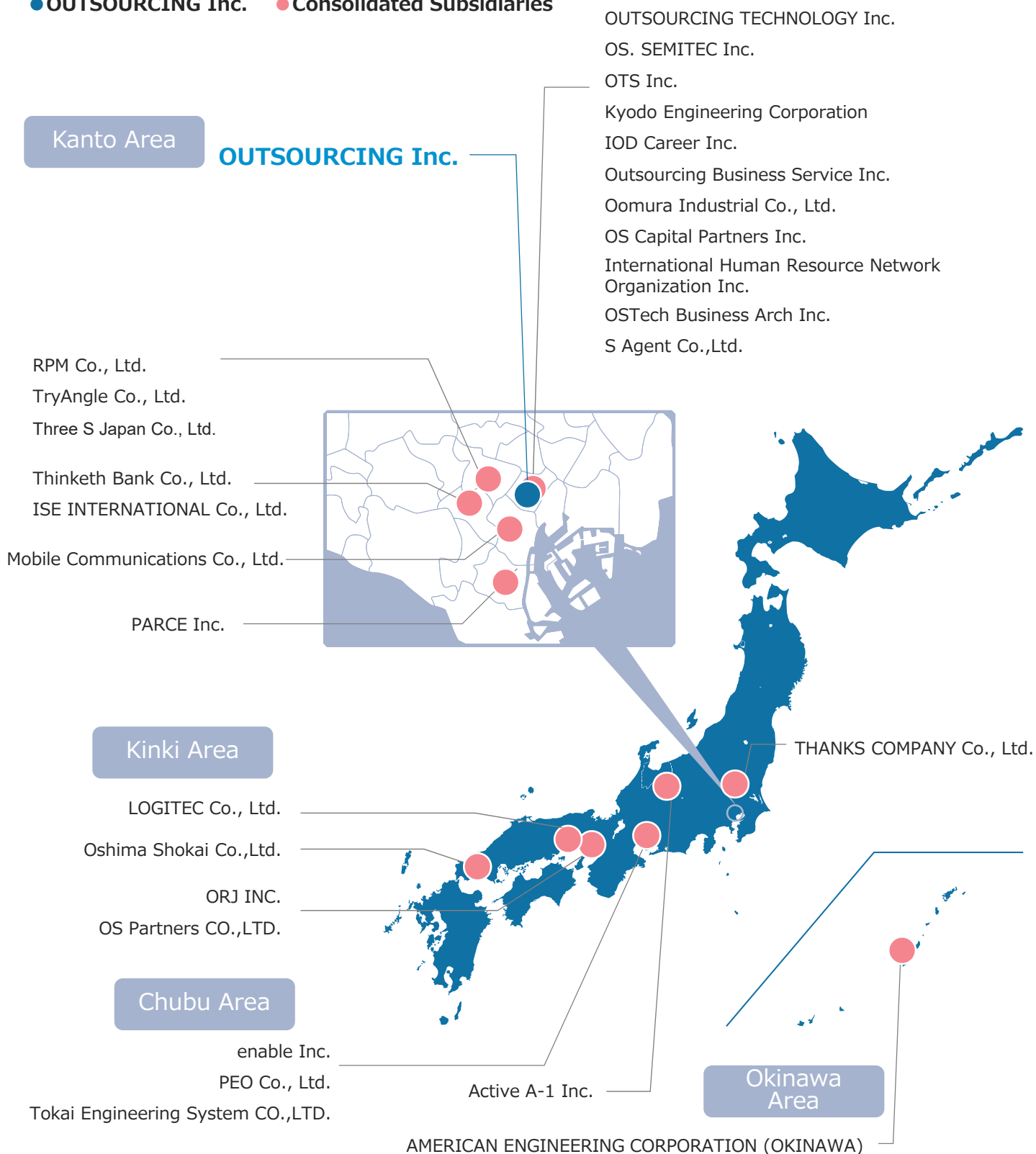
Business Locations Overview

Domestic Business Locations

(as of December 31, 2017)

Domestic Consolidated Subsidiaries : 34

● OUTSOURCING Inc. ● Consolidated Subsidiaries

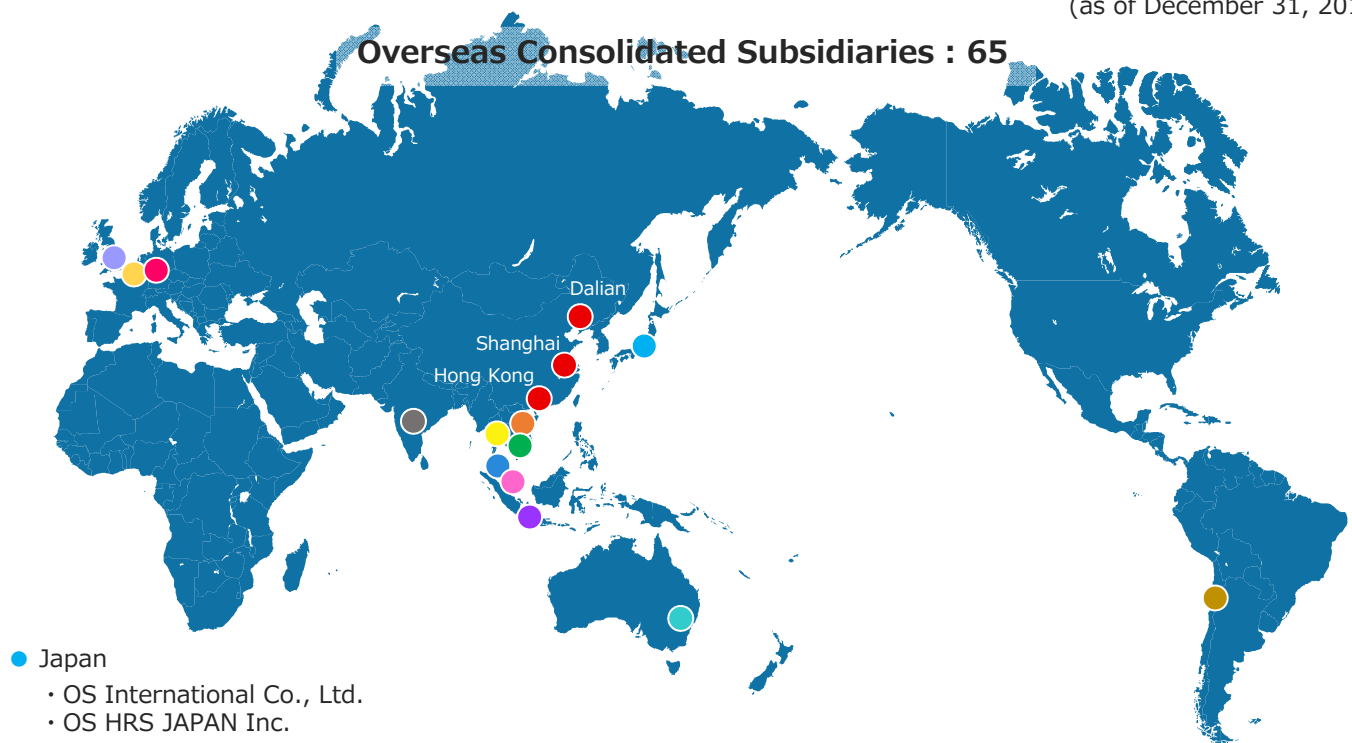


Business Locations Overview

Overseas Business Locations

(as of December 31, 2017)

Overseas Consolidated Subsidiaries : 65



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.
 - OS LABOUR ASIA 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.
 - OSI-ASIA HOLDINGS 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
 - VERACITY OSI UK LIMITED
- Belgium
 - NTRINSIC CONSULTING SPRL
- Germany
 - OSI Holding Germany GmbH
 - Orizon Holding GmbH
 - Orizon GmbH
 - Orizon Projekt GmbH
 - Plumer Konstruktionen GmbH
 - jobs in time medical GmbH
 - Orizon Hamburg GmbH

South America

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

VISION 2020 **Tackling New Frontiers** Evolving into a game-changing enterprise

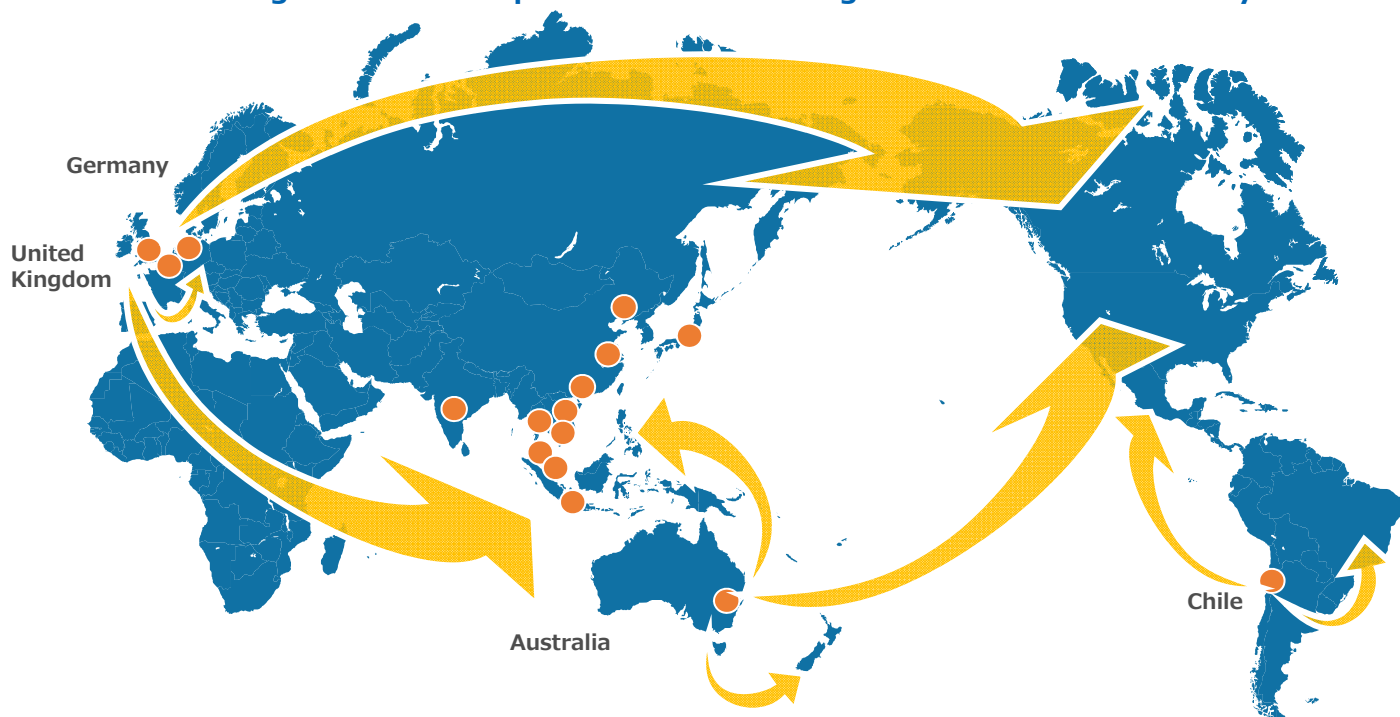
OUTSOURCING Group is taking the next leap as a global provider of comprehensive human resource solutions.

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)

IFRS

(¥ billion)

Revenue for FY12/20

441.0

EBITDA for FY12/20

34.4

(EBITDA margin **7.8%**)

Revenue 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 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

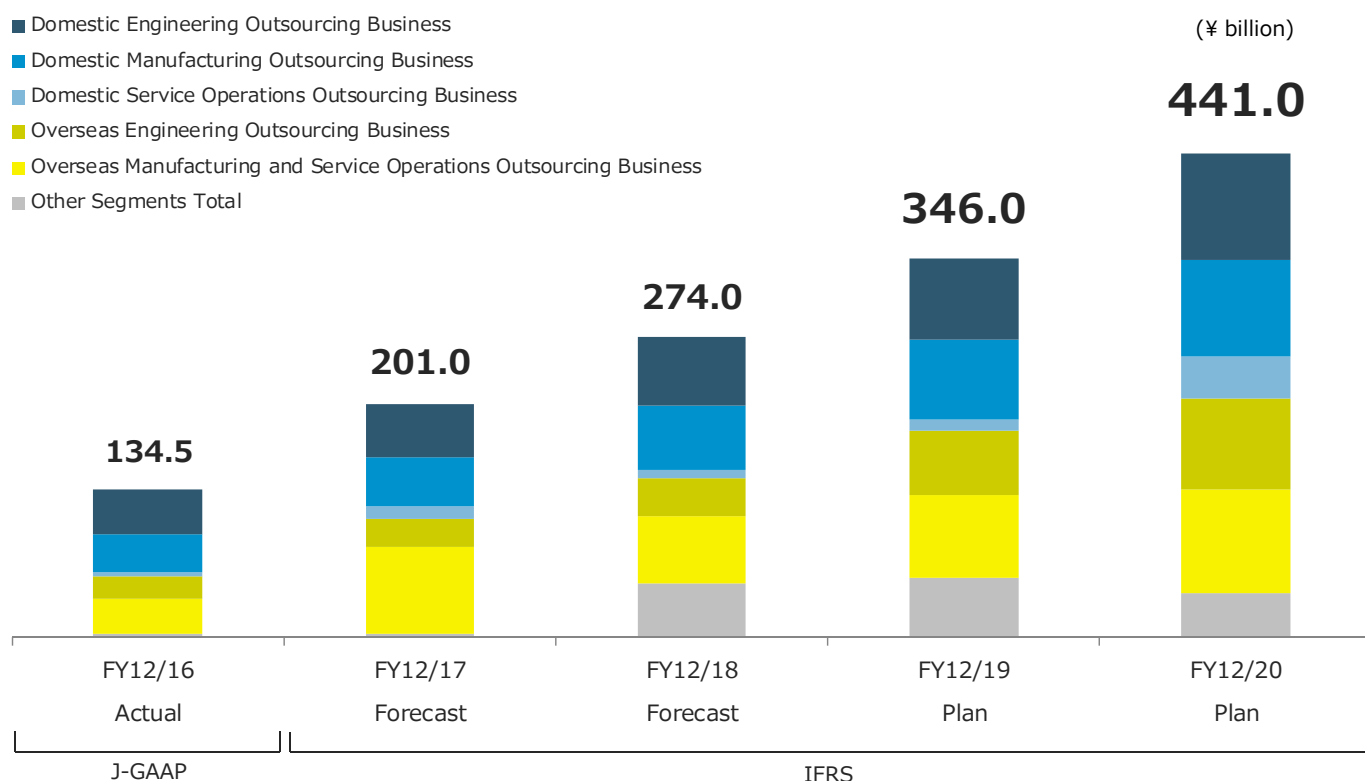
Goal is to proactively expand such outsourced engineering services as Information Technology Outsourcing (ITO) and Knowledge Process Outsourcing (KPO), and in doing so, drive solutions-based businesses via proprietary services that leverage our IT strengths.

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

Medium-Term Management Plan VISION 2020: Tackling New Frontiers

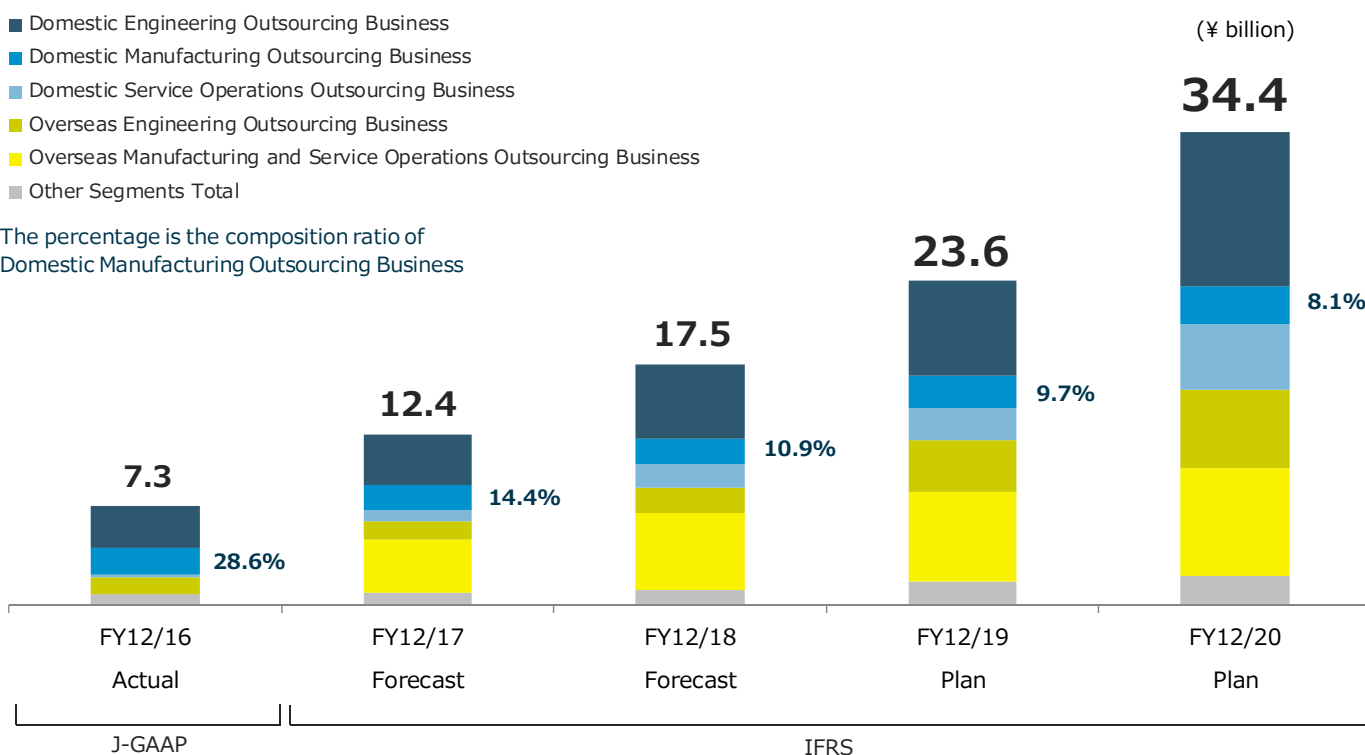
Revenue Plan by Operating Segment

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



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



Consolidated Statement of Financial Position [IFRS]

(¥ million)	FY12/15 End	FY12/16 End	FY12/17 End
Assets			
Total assets	42,648	90,355	124,645
Total current assets	24,529	36,251	59,312
Cash and cash equivalents	7,501	11,746	19,108
Trade and other receivables	13,373	21,006	34,390
Inventories	501	808	1,373
Other current financial assets	1,934	974	1,714
Other current assets	1,220	1,717	2,727
Total non-current assets	18,119	54,104	65,333
Property, plant and equipment	5,031	4,994	6,922
Goodwill	6,678	26,315	39,239
Intangible assets	2,631	8,640	10,936
Other non-current financial assets	2,098	9,671	3,137
Other non-current assets	23	1,862	2,096
Deferred tax assets	1,658	2,622	3,003

Note1: IFRS (International Financial Reporting Standards) has been applied from FY12/15.

Note2: Fractions less than unit in the above amount figures are rounded off.

Consolidated Statement of Financial Position [IFRS]

(¥ million)	FY12/15 End	FY12/16 End	FY12/17 End
Liabilities and equity			
Total liabilities	31,608	80,354	97,888
Total current liabilities	23,033	45,521	51,594
Trade and other payables	9,428	13,763	23,758
Bonds and borrowings	8,754	24,375	14,354
Other current financial liabilities	735	1,460	1,869
Income tax payables	1,193	948	4,659
Other current liabilities	2,923	4,975	6,954
Total non-current liabilities	8,575	34,833	46,294
Bonds and borrowings	2,158	21,114	33,727
Other non-current financial liabilities	4,223	7,581	5,740
Net defined benefit liabilities	798	3,184	3,289
Non-current provisions	374	640	705
Other non-current liabilities	102	195	98
Deferred tax liabilities	920	2,119	2,735
Total equity	11,040	10,001	26,757
Share capital	1,725	1,759	7,131
Share premium	3,468	3,502	8,843
Treasury shares	(0)	(0)	(0)
Other share premium	(691)	(4,717)	(5,814)
Other components of equity	(185)	(1,236)	741
Retained earnings	5,998	8,391	14,057
Equity attributable to owners of the Company	10,315	7,699	24,958
Non-controlling interests	725	2,302	1,799
Total liabilities and equity	42,648	90,355	124,645

Note1: IFRS (International Financial Reporting Standards) has been applied from FY12/15.

Note2: Fractions less than unit in the above amount figures are rounded off.

Consolidated Statement of Income [IFRS]

(¥ million)	FY12/15	FY12/16	FY12/17
Revenue	80,871	134,283	230,172
Cost of sales	(64,581)	(106,519)	(184,356)
Gross profit	16,290	27,764	45,816
SG&A expenses	(13,240)	(21,649)	(34,786)
Other operating income	415	556	660
Other operating expense	(354)	(1,108)	(330)
Operating profit	3,111	5,563	11,360
Finance income	129	116	362
Finance costs	(350)	(740)	(1,327)
Profit before tax	2,890	4,939	10,395
Income tax expenses	(1,082)	(1,491)	(3,466)
Profit for the year	1,808	3,448	6,929
Attributable to :			
Owners of the Company	1,752	3,037	6,180
Non-controlling interests	56	411	749
Profit for the year	1,808	3,448	6,929

Note1: IFRS (International Financial Reporting Standards) has been applied from FY12/15.

Note2: Fractions less than unit in the above amount figures are rounded off.

Consolidated Statement of Changes in Equity [IFRS]

(¥ million)	Equity attributable to owners of the Company										Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Other share premium	Other components of equity				Retained earnings	Total		
					Exchange differences on translation of foreign operations	Net changes on revaluation of available-for-sale financial assets	Remeasurements of defined benefit plans	Total				
As of January 1, 2016	1,725	3,468	(0)	(691)	(223)	38	-	(185)	5,998	10,315	725	11,040
Profit for the year	-	-	-	-	-	-	-	-	3,037	3,037	411	3,448
Other comprehensive income	-	-	-	-	(1,180)	129	(33)	(1,084)	-	(1,084)	(34)	(1,118)
Comprehensive income for the year	-	-	-	-	(1,180)	129	(33)	(1,084)	3,037	1,953	377	2,330
Issuances of new shares	34	34	-	(13)	-	-	-	-	-	55	-	55
Purchase of treasury shares	-	-	(0)	-	-	-	-	-	-	(0)	-	(0)
Disposals of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	(609)	(609)	(11)	(620)
Share-based payments	-	-	-	42	-	-	-	-	-	42	-	42
Transfer from other components of equity to retained earnings	-	-	-	-	-	-	33	33	(33)	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by owners and distributions to owners	34	34	(0)	29	-	-	33	33	(642)	(512)	(11)	(523)
Changes from business combinations	-	-	-	(4,055)	-	-	-	-	(2)	(4,057)	1,211	(2,846)
Total changes in ownership interests in subsidiaries	-	-	-	(4,055)	-	-	-	-	(2)	(4,057)	1,211	(2,846)
Total transactions with owners	34	34	(0)	(4,026)	-	-	33	33	(644)	(4,569)	1,200	(3,369)
As of December 31, 2016	1,759	3,502	(0)	(4,717)	(1,403)	167	-	(1,236)	8,391	7,699	2,302	10,001

(¥ million)	Equity attributable to owners of the Company										Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Other share premium	Other components of equity				Retained earnings	Total		
					Exchange differences on translation of foreign operations	Net changes on revaluation of available-for-sale financial assets	Remeasurements of defined benefit plans	Total				
As of January 1, 2017	1,759	3,502	(0)	(4,717)	(1,403)	167	-	(1,236)	8,391	7,699	2,302	10,001
Profit for the year	-	-	-	-	-	-	-	-	6,180	6,180	749	6,929
Other comprehensive income	-	-	-	-	1,864	116	206	2,186	-	2,186	73	2,259
Comprehensive income for the year	-	-	-	-	1,864	116	206	2,186	6,180	8,366	822	9,188
Issuances of new shares	5,372	5,372	-	(145)	-	-	-	-	-	10,599	-	10,599
Share issuance cost	-	(31)	-	-	-	-	-	-	-	(31)	-	(31)
Issuance of subscription rights to shares	-	-	-	85	-	-	-	-	-	85	-	85
Dividends	-	-	-	-	-	-	-	-	(733)	(733)	(455)	(1,188)
Share-based payment transaction	-	-	-	9	-	-	-	-	-	9	-	9
Transfer from other components of equity to retained earnings	-	-	-	-	-	-	(206)	(206)	206	-	-	-
Other changes	-	-	-	-	-	-	-	-	1	1	-	1
Total contributions by owners and distributions to owners	5,372	5,341	-	(51)	-	-	(206)	(206)	(526)	9,930	(455)	9,475
Changes from business combinations	-	-	-	(1,046)	(3)	-	-	(3)	12	(1,037)	(870)	(1,907)
Total changes in ownership interests in subsidiaries	-	-	-	(1,046)	(3)	-	-	(3)	12	(1,037)	(870)	(1,907)
Total transactions with owners	5,372	5,341	-	(1,097)	(3)	-	(206)	(209)	(514)	8,893	(1,325)	7,568
As of December 31, 2017	7,131	8,843	(0)	(5,814)	458	283	-	741	14,057	24,958	1,799	26,757

Note1: IFRS (International Financial Reporting Standards) has been applied from FY12/15.

Note2: Fractions less than unit in the above amount figures are rounded off.

Consolidated Statement of Cash Flows [IFRS]

(¥ million)	FY12/15	FY12/16	FY12/17
Cash flows from operating activities			
Net cash flows from operations	1,887	1,246	10,132
Profit before tax	2,890	4,939	10,395
Depreciation and amortization	892	1,624	2,481
Impairment loss	23	564	37
Increase/ (decrease) in provision and net defined benefit liabilities	71	130	(53)
Finance income	(129)	(116)	(362)
Finance costs	350	740	1,327
(Increase) /decrease in inventories	72	19	(97)
Decrease/(increase) in trade and other receivables	(1,479)	(3,759)	(4,094)
Increase /(decrease) in trade and other payables	1,131	649	2,640
Increase /(decrease) in accrued consumption taxes	43	(195)	693
Others	(678)	(338)	437
Subtotal	3,186	4,257	13,404
Interest and dividend income received	89	54	53
Interests paid	(364)	(517)	(860)
Income taxes paid	(1,062)	(2,595)	(2,542)
Income taxes refunded	38	47	77

Note1: IFRS (International Financial Reporting Standards) has been applied from FY12/15.

Note2: Fractions less than unit in the above amount figures are rounded off.

Consolidated Statement of Cash Flows [IFRS]

(¥ million)	FY12/15	FY12/16	FY12/17
Cash flows from investing activities			
Net cash flows from investing activities	(4,326)	(28,717)	(8,498)
Payments for time deposits	(225)	(343)	(370)
Withdrawals of time deposits	359	1,411	831
Payments into deposits paid	-	(7,568)	(228)
Payments for acquisition of property, plant and equipment	(218)	(492)	(1,287)
Payments for acquisition of intangible assets	(138)	(255)	(596)
Proceeds from sales of property, plant and equipment	26	220	84
Payments for acquisition of investment	(1)	(1)	(53)
Proceeds from sales of investment	204	200	8
Payments for purchase of business	(4,509)	(21,917)	(7,817)
Proceeds from purchase of business	-	-	1,059
Payments of loans receivable	(18)	(10)	(13)
Proceeds from collection of loans receivable	88	29	114
Payments for lease and guarantee deposits	(158)	(390)	(662)
Proceeds from collection of lease and guarantee deposits	95	168	160
payments for purchase of insurance funds	(15)	(0)	(16)
Proceeds from cancellation of insurance funds	176	246	261
Others	8	(15)	27
Cash flows form financing activities			
Net cash flow from financing activities	5,362	31,688	5,389
Net increase/ (decrease) in short-term borrowings payable	2,834	11,778	(16,383)
Proceeds from long-term borrowings payable	1,500	23,500	25,277
Repayment of long-term borrowings payable	(1,844)	(2,519)	(9,628)
Payments for redemption of bonds	(141)	(50)	(25)
Proceeds from issuing shares	3,900	69	10,574
Purchase of treasury shares	(0)	(0)	-
Dividends paid	(401)	(610)	(733)
Transactions with non-controlling interest shareholders	(134)	-	(2,685)
Cash dividends paid to non-controlling interests	(4)	(11)	(455)
Others	(348)	(469)	(553)
Effect of exchange rate change on cash and cash equivalents	(126)	28	339
Net increase /(decrease) in cash and cash equivalents	2,797	4,245	7,362
Cash and cash equivalents at the beginning of period	4,704	7,501	11,746
Cash and cash equivalents at the end of period	7,501	11,746	19,108

Note1: IFRS (International Financial Reporting Standards) has been applied from FY12/15.

Note2: Fractions less than unit in the above amount figures are rounded off.

Consolidated Information by Operating Segment and Region [IFRS]

(¥ million)	FY12/15	FY12/16	FY12/17
Revenue by operating segment			
Domestic Engineering Outsourcing Business	31,659	40,182	51,264
Composition ratio	39.1%	29.9%	22.3%
Electrical & Electronics	5,349	6,992	10,553
Composition ratio	6.6%	5.2%	4.6%
Transport Equipment	8,483	10,148	12,391
Composition ratio	10.5%	7.6%	5.4%
Pharm. & Chemicals	1,386	1,771	2,297
Composition ratio	1.7%	1.3%	1.0%
IT-related	10,062	13,564	15,835
Composition ratio	12.4%	10.1%	6.9%
Construction & Plant-related	4,319	5,134	6,568
Composition ratio	5.3%	3.8%	2.8%
Others	2,060	2,573	3,620
Composition ratio	2.5%	1.9%	1.6%
Domestic Manufacturing Outsourcing Business	29,372	34,608	46,231
Composition ratio	36.3%	25.8%	20.1%
Electrical & Electronics	8,760	11,831	18,123
Composition ratio	10.8%	8.9%	7.9%
Transport Equipment	11,533	12,377	14,498
Composition ratio	14.3%	9.2%	6.3%
Pharm. & Chemicals	3,586	3,681	4,471
Composition ratio	4.4%	2.7%	1.9%
Metals & Construction Materials	2,010	2,765	4,063
Composition ratio	2.5%	2.1%	1.8%
Foods	1,647	1,529	1,709
Composition ratio	2.0%	1.1%	0.7%
Others	1,836	2,425	3,367
Composition ratio	2.3%	1.8%	1.5%
Domestic Service Operations Outsourcing Business	1,084	3,470	13,086
Composition ratio	1.3%	2.6%	5.7%
Retail	837	1,668	1,729
Composition ratio	1.0%	1.2%	0.8%
Civil Service	133	778	9,628
Composition ratio	0.2%	0.6%	4.2%
Others	113	1,024	1,729
Composition ratio	0.1%	0.8%	0.7%
Domestic Administrative Outsourcing Business	536	873	1,181
Composition ratio	0.7%	0.7%	0.5%
Domestic Recruiting and Placing Business	872	1,378	1,763
Composition ratio	1.1%	1.0%	0.7%
Overseas Engineering Outsourcing Business	3,833	21,022	28,925
Composition ratio	4.7%	15.7%	12.6%
Overseas Manufacturing and Service Operations Outsourcing Business	13,349	32,150	87,262
Composition ratio	16.5%	23.9%	37.9%
Other Business	166	600	460
Composition ratio	0.2%	0.4%	0.2%
Total	80,871	134,283	230,172
Composition ratio	100.0%	100.0%	100.0%

(¥ million)	FY12/15	FY12/16	FY12/17
Revenue by region			
Japan	63,689	81,111	113,985
Composition ratio	78.8%	60.4%	49.5%
Asia (excl. Japan)	13,222	13,195	18,772
Composition ratio	16.3%	9.8%	8.2%
Oceania	2,246	27,079	38,451
Composition ratio	2.8%	20.2%	16.7%
Europe	1,366	8,997	54,127
Composition ratio	1.7%	6.7%	23.5%
South America	348	3,901	4,837
Composition ratio	0.4%	2.9%	2.1%
Total	80,871	134,283	230,172
Composition ratio	100.0%	100.0%	100.0%

Note1: IFRS (International Financial Reporting Standards) has been applied from FY12/15.

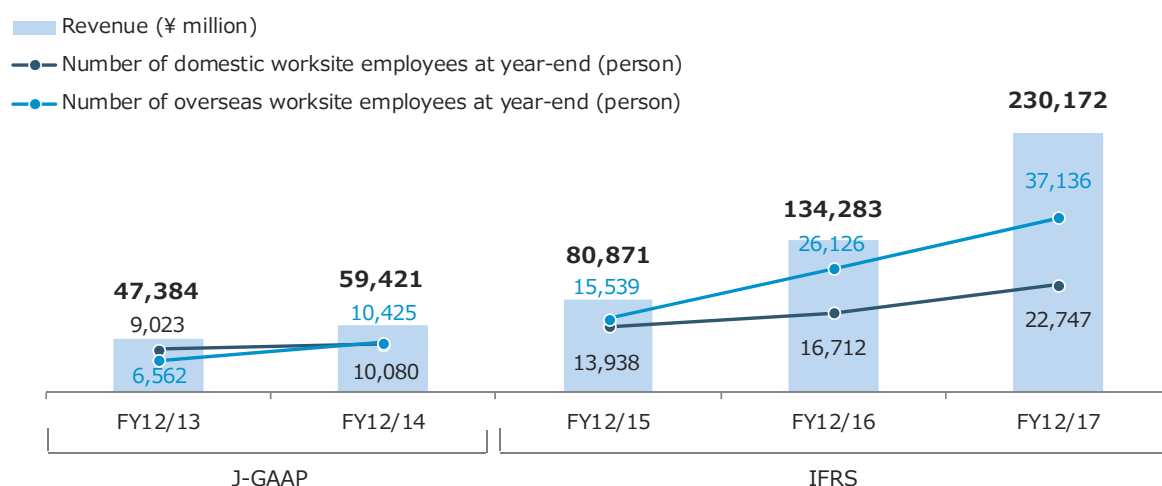
Note2: Fractions less than unit in the above amount figures are rounded off.

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

(person)	FY12/13	FY12/14	FY12/15	FY12/16	FY12/17
Number of worksite employees at year-end					
Consolidated	15,585	20,505	29,477	42,838	59,883
Domestic	9,023	10,080	13,938	16,712	22,747
Domestic Engineering Outsourcing Business	2,600	3,271	4,742	6,066	8,716
IT-related	686	927	1,166	1,472	2,278
Construction & Plant-related	91	85	612	841	1,330
Domestic Manufacturing Outsourcing Business	6,351	6,732	7,463	9,033	11,094
Domestic Service Operations Outsourcing Business *	-	-	1,671	1,609	2,932
Retail	-	-	1,364	1,284	642
Civil Service	-	-	239	278	960
Others	-	-	68	47	1,330
Domestic Administrative Outsourcing Business	72	77	62	0	2
Other Business	-	-	-	4	3
Overseas	6,562	10,425	15,539	26,126	37,136
Overseas Engineering Outsourcing Business *	-	-	895	1,836	1,956
Overseas Manufacturing and Service Operations Outsourcing Business *	-	-	14,644	24,290	35,180
Production Outsourcing Business	4,829	7,554	10,810	13,732	22,113
Other Business	1,733	2,871	3,834	10,558	12,817
Number of outsourcing administrative workers at year-end					
Domestic Administrative Outsourcing Business	2,344	2,092	1,538	1,478	5,628
Number of placed workers					
Domestic Recruiting and Placing Business	2,216	2,882	2,689	3,689	3,614

Note1: the number of worksite employees includes dispatched employees.

* Operating segments newly introduced in FY12/16



Note2: IFRS (International Financial Reporting Standards) has been applied from FY12/15.

Note3: Fractions less than unit in the above amount figures are rounded off.

	FY12/13	FY12/14	FY12/15	FY12/16	FY12/17
Recruitment efficiency					
Domestic Engineering Outsourcing Business					
Number of workers recruited (persons)	954	1,283	1,879	2,360	4,080
Recruitment unit price (¥/worker)	296,003	210,472	235,897	245,186	332,782
Utilization rate	96.5%	97.3%	98.4%	98.2%	97.5%
Domestic Manufacturing Outsourcing Business					
Number of workers recruited (persons)	6,754	6,249	9,340	7,543	7,847
Recruitment unit price (¥/worker)	47,130	68,511	52,276	57,112	66,024
Domestic Service Operations Outsourcing Business*					
Number of workers recruited (persons)	-	-	-	2,659	4,408
Recruitment unit price (¥/worker)	-	-	-	13,323	14,832
Domestic Recruiting and Placing Business					
Number of workers recruited (persons)	2,156	2,839	2,689	3,689	3,614
Recruitment unit price (¥/worker)	98,432	116,546	112,388	130,710	137,460

* Operating segment newly introduced in FY12/16

Consolidated Major Indicators (1) [IFRS]

(¥ million)	J-GAAP		IFRS		
	FY12/13	FY12/14	FY12/15	FY12/16	FY12/17
Revenue	47,384	59,421	80,871	134,283	230,172
Gross profit	9,282	11,964	16,290	27,764	45,816
SG&A expenses	8,079	9,953	13,240	21,649	34,786
Operating profit	1,203	2,010	3,111	5,563	11,360
Profit before tax	-	-	2,890	4,939	10,395
Profit attributable to owners of the Company	1,122	1,317	1,752	3,037	6,180

Note1: IFRS (International Financial Reporting Standards) has been applied from FY12/15.

Note2: Fractions less than unit in the above amount figures are rounded off.

(%)	FY12/13	FY12/14	FY12/15	FY12/16	FY12/17
Ratio of gross profit	19.6	20.1	20.1	20.7	19.9
Ratio of SG&A expenses	17.0	16.8	16.4	16.1	15.1
Ratio of operating profit	2.5	3.4	3.8	4.1	4.9
Ratio of profit before tax	-	-	3.6	3.7	4.5
Ratio of profit attributable to owners of the Company	2.4	2.2	2.2	2.3	2.7

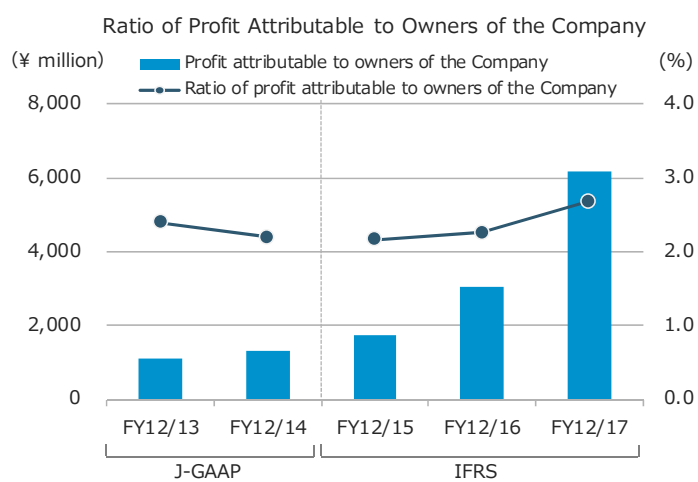
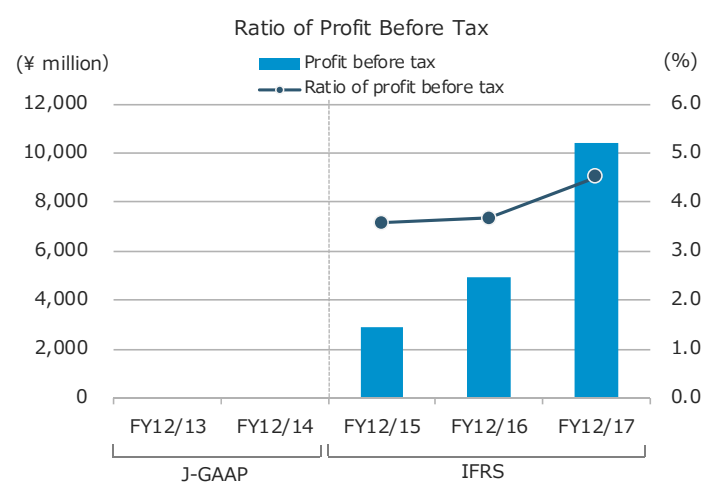
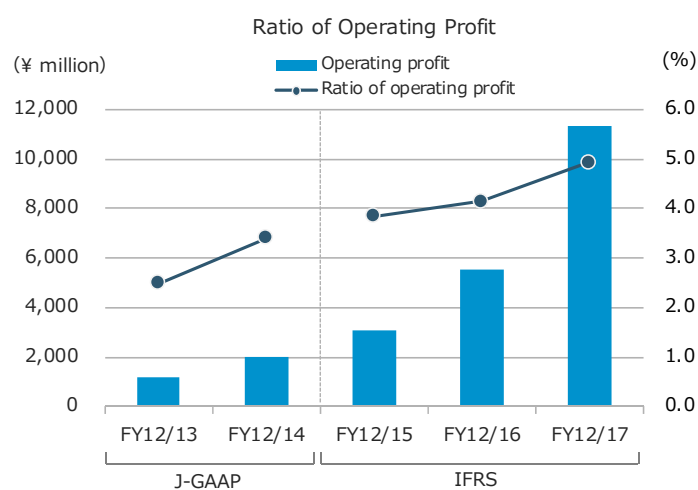
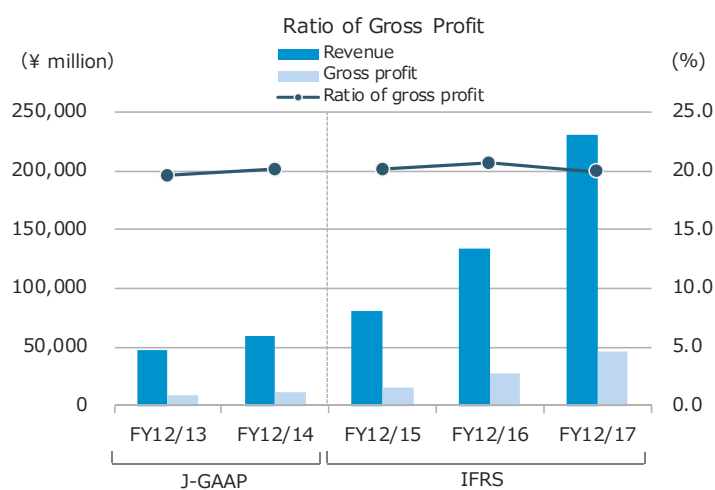
Ratio of gross profit=Gross profit/Revenue

Ratio of SG&A expenses=SG&A expenses/Revenue

Ratio of operating profit=Operating profit/Revenue

Ratio of profit before tax=Profit before tax/Revenue

Ratio of profit attributable to owners of the Company=Profit attributable to owners of the Company/Revenue



Consolidated Major Indicators (2) [IFRS]

(¥ million)	J-GAAP		IFRS		
	FY12/13	FY12/14	FY12/15	FY12/16	FY12/17
Equity attributable to owners of the Company	5,328	6,883	10,315	7,699	24,958
Total assets	20,343	24,133	42,648	90,355	124,645
Current assets	14,120	17,065	24,529	36,251	59,312
Current liabilities	10,004	12,967	23,033	45,521	51,594
Interest-bearing debt	7,233	6,642	13,815	48,138	50,347

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

Note1: IFRS (International Financial Reporting Standards) has been applied from FY12/15.

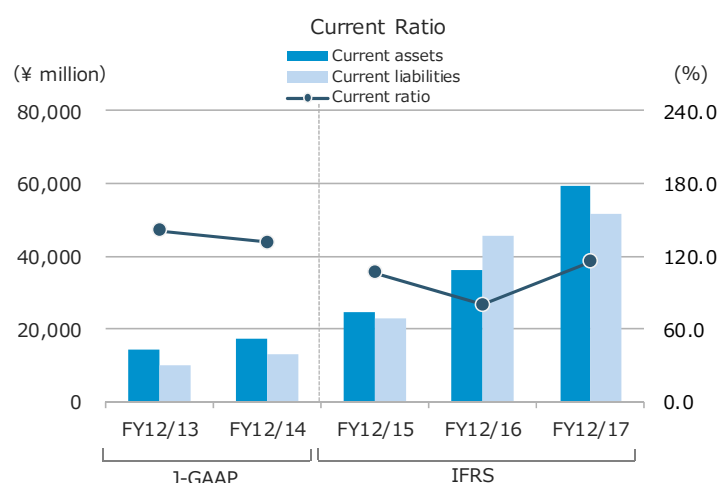
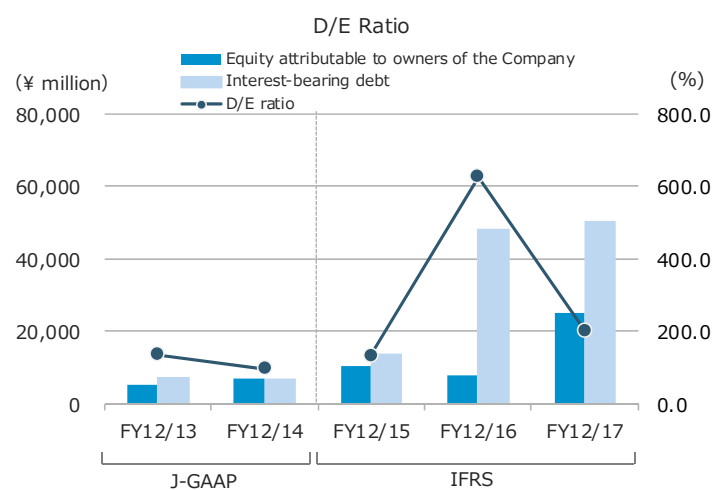
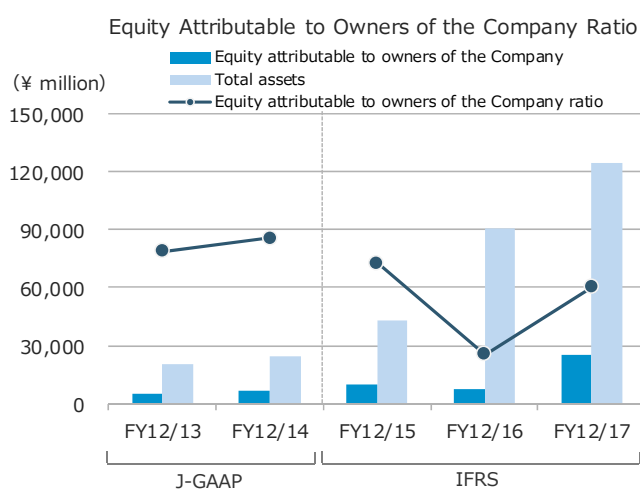
Note2: Fractions less than unit in the above amount figures are rounded off.

(%)	FY12/13	FY12/14	FY12/15	FY12/16	FY12/17
Equity attributable to owners of the Company ratio	26.2	28.5	24.2	8.5	20.0
D/E ratio	135.8	96.5	133.9	625.3	201.7
Current ratio	141.1	131.6	106.5	79.6	115.0

Equity attributable to owners of the Company ratio=Equity attributable to owners of the Company/Total assets

D/E ratio=Interest-bearing debt/Equity attributable to owners of the Company

Current ratio=Current assets/Current liabilities



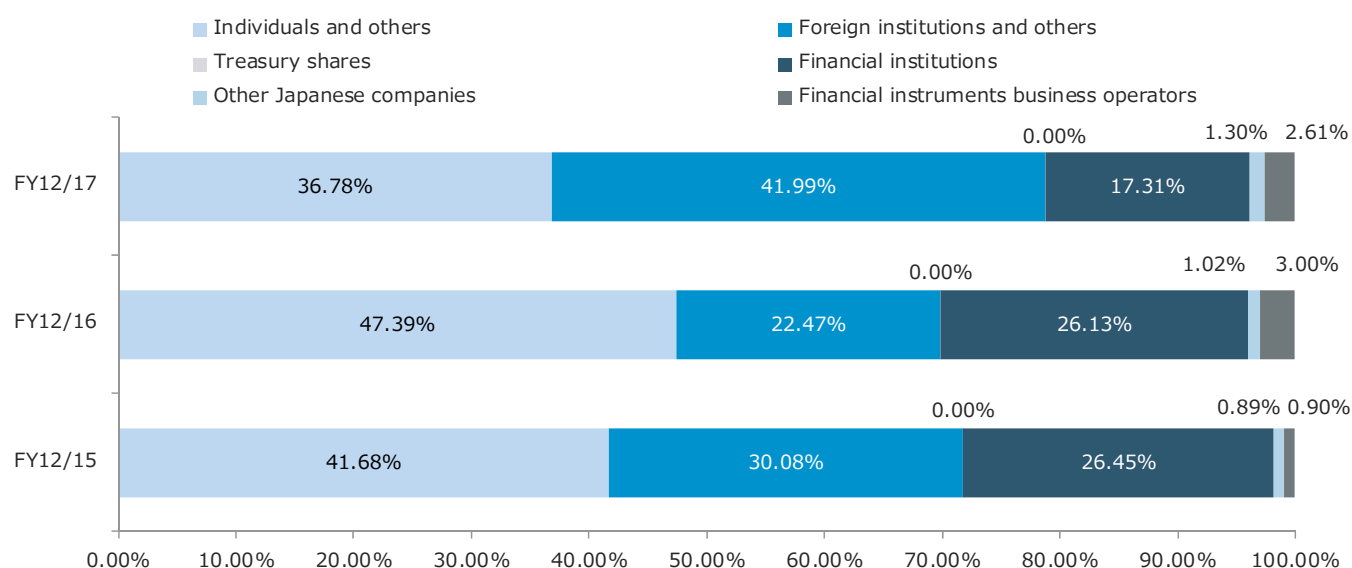
Stock Information

Major Shareholders

As of December 31, 2017

Top 10 Shareholders	Number of Shares	Shareholding Ratio
Haruhiko Doi	18,738,500	18.38%
JAPAN TRUSTEE SERVICES BANK, LTD. (Trust account)	7,464,900	7.32%
THE CHASE MANHATTAN BANK 385036	5,493,147	5.39%
THE MASTER TRUST BANK OF JAPAN, LTD. (Trust account)	4,043,400	3.97%
STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A/C UK LONDON BRANCH CLIENTS- UNITED KINGDOM	3,370,000	3.30%
Masahiko Dorin	2,500,000	2.45%
THE BANK OF NEW YORK 133612	1,686,000	1.65%
NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	1,640,000	1.61%
Chiharu Doi	1,550,000	1.52%
STATE STREET BANK AND TRUST COMPANY 505213	1,545,589	1.52%

Breakdown by Type of Shareholders



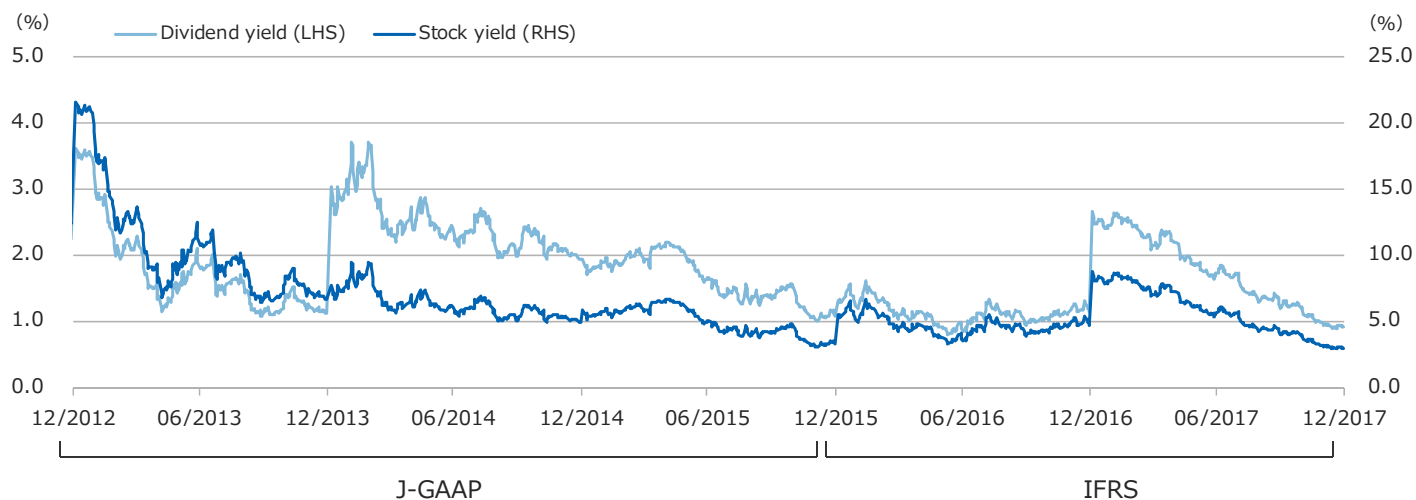
Per Share Indicators

	J-GAAP			IFRS	
(¥)	FY12/13	FY12/14	FY12/15	FY12/16	FY12/17
Share price at year-end	232	359	638	729	2,054
Basic earnings per share	15.51	17.96	21.33	34.85	62.53
Diluted earnings per share	15.20	17.66	21.16	34.46	61.97
Equity attributable to owners of the Company per share	73.34	92.73	118.51	88.20	244.76
Dividend per share	2.60	7.00	7.00	8.40	19.00

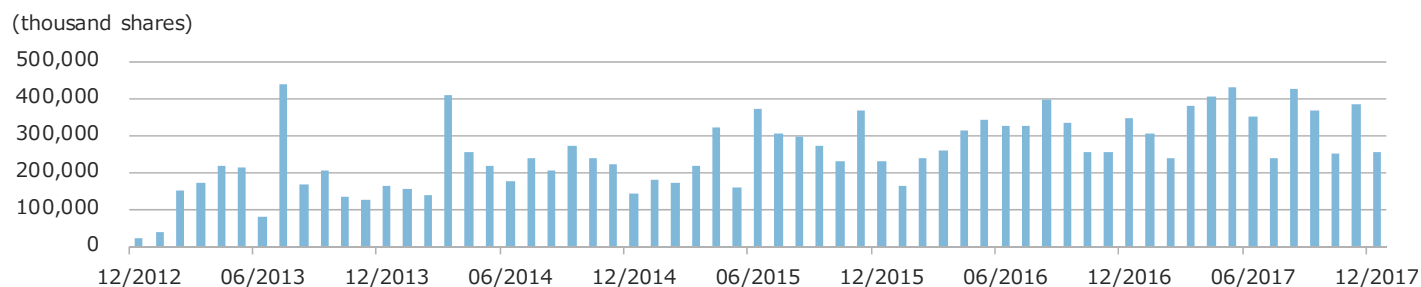
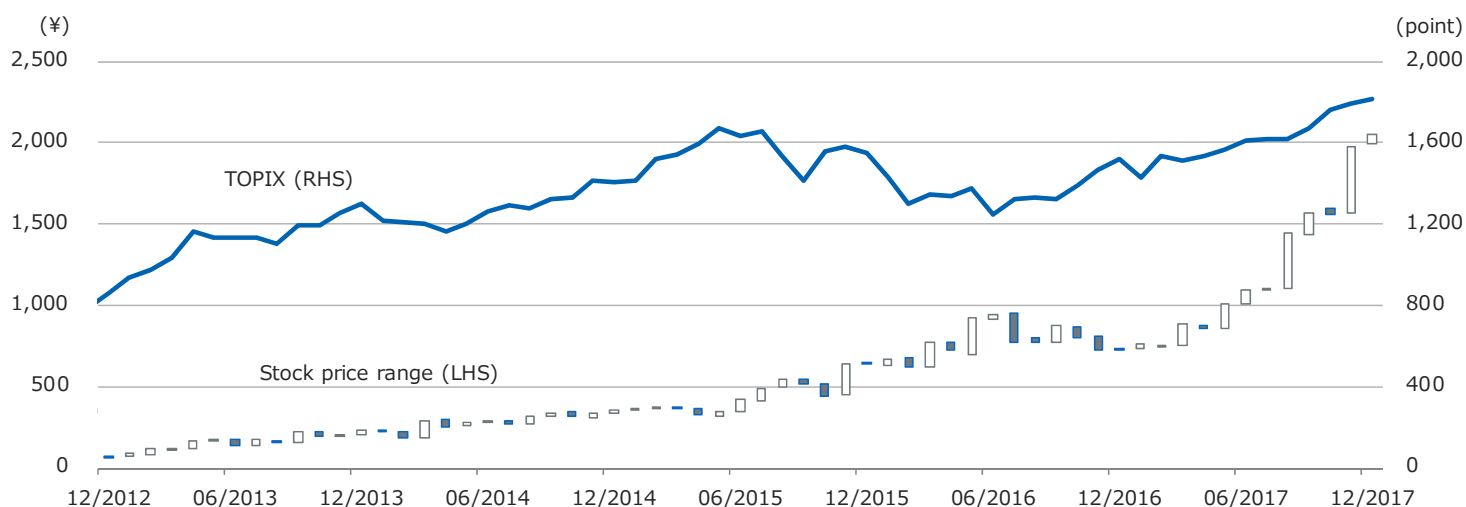
Note1: IFRS (International Financial Reporting Standards) has been applied from FY12/15.

Note2: The Company conducted a 5 for 1 split of common shares on October 1, 2017. The calculations of "Share price at year-end", "Basic earnings per share", "Diluted earnings per share", "Equity attributable to owners of the Company per share" and "Dividend per share" are based on the assumption that the 5 for 1 stock split was conducted at the beginning of the fiscal year ended December 31, 2013.

Stock Yield / Dividend Yield



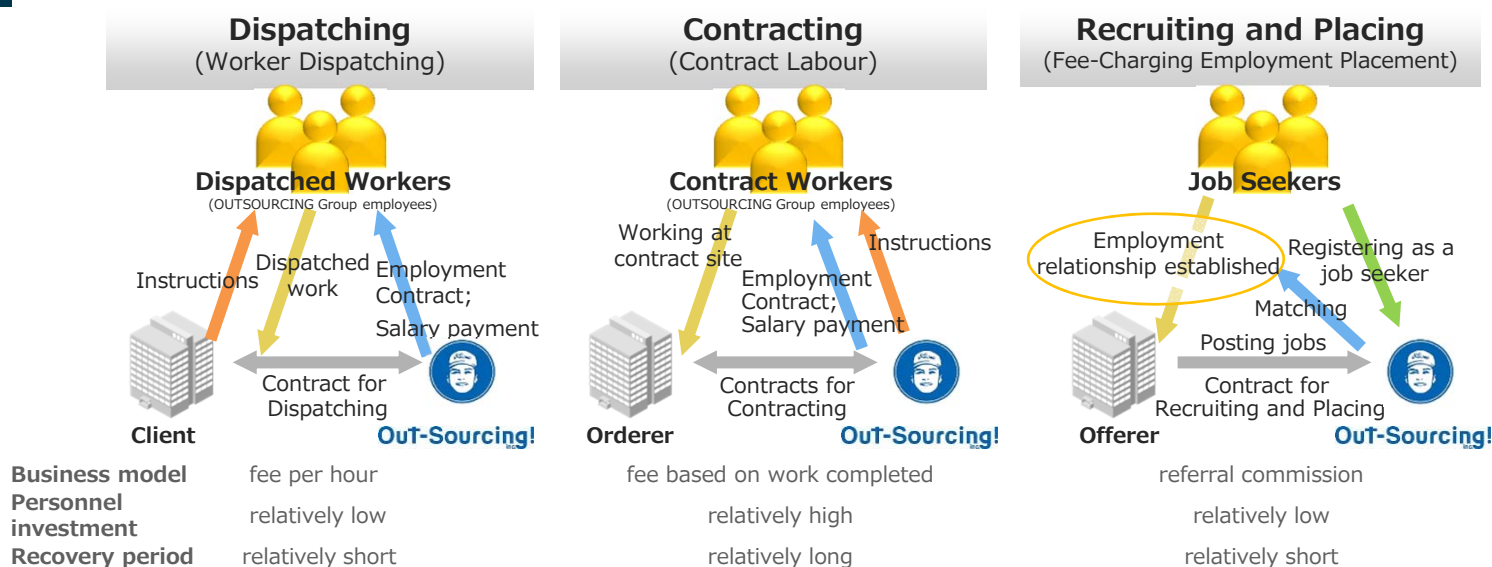
Stock Price Range / Trading Volume



Reference

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

- 1985**
 - Worker Dispatching Act is enacted (positive list employed)
- 1986**
 - Worker Dispatching Act goes into effect (approved job categories eligible to use dispatched workers are expanded from 13 to 16)
- 1996**
 - Job categories specified under the Act are expanded (eligible list expanded from 16 to 26 occupations)
- 1999 Major Revision (deregulation)**
 - Eligible job categories are deregulated in principle (negative list employed)
 - Deregulated job categories are restricted on period for accepting (maximum 1 year)
 - System created to secure period for accepting (notification before date limit, notification of dispatching termination etc.)
 - For deregulated job categories, obligation to make efforts to employ, creation of advice to hire in the case of contravention to the Act
- 2000**
 - Remove the ban on Employment Placement Dispatching
- 2004**
 - Period for accepting restriction is extended (minimum 1 year, maximum 3 years)
 - Remove the ban on manufacturing occupations worker dispatching is lifted (maximum 1 year)
 - Creation of client's obligation to offer employment contracts to a dispatched worker(s) (deregulated occupations and regulated occupations)
 - Employment Placement Dispatching is formally covered under regulations
- 2012 Revision (regulations tightened)**
 - "Protecting dispatched workers" is explicitly stated in the title and the purpose of the Act
 - Business regulations strengthened (prohibition on day worker dispatching, regulations on dispatching to group companies, regulations for persons leaving jobs)
 - Treatment and benefits for dispatched workers (fair treatment, information disclosure, etc.)
 - Penalties addressing illegal worker dispatching (creation of systems for the deemed offers of an employment contract*, implementing grounds for causes of disqualification, etc.) *Note: Effective as of October 1, 2015
- 2015 Revision**
 - All worker dispatching undertakings fall under a license system, with distinctions between general dispatching and 26 specified occupations dispatching eliminated
 - Employment security measures for dispatched workers and training for their career advancement become mandatory for the dispatch business operators
 - Restrictions on the periods for receiving worker dispatching services are reviewed, with restriction on period for business office unit and individual unit
 - Introduction of the deemed offer system of an employment contract in the case of illegal worker dispatching

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

Revised Worker Dispatching Act

1. Revised Labor Contracts Act Enforced in April 2013

- When a fixed term employment contract is renewed repetitively and the total exceeds 5 years, the user is required to convert it to an unlimited term employment contract at the request of the employee.



Key Points

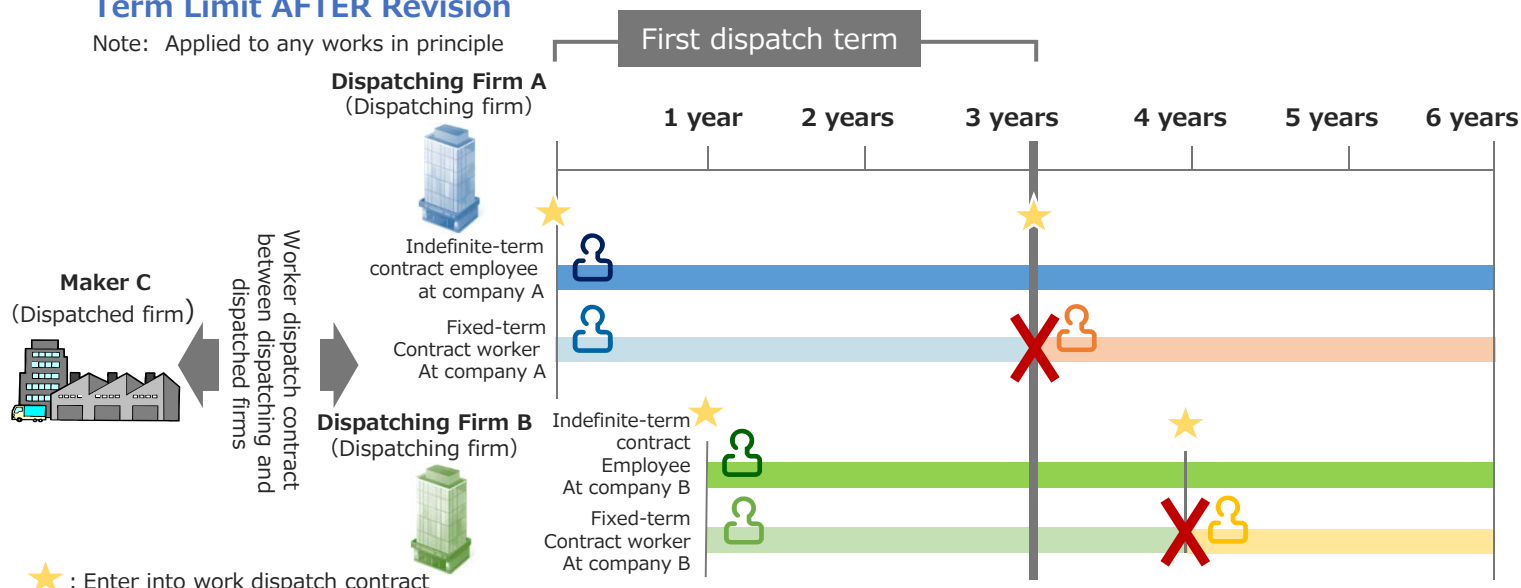
- The Revised Worker Dispatching Act aims for employment stabilization through foreclosing malicious businesses by imposing various requirements on dispatch business operators and relaxed term limit for indefinite-term contract worker dispatching
- The Revised Labor Contracts Act aims to reduce unstable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

2. Revised Worker Dispatching Act Enforced in September 2015

- Requiring dispatch business operators to secure employment stabilization measures for dispatched workers at the expiration of dispatching period (Partly obligation to make efforts)
- 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
- 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)

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

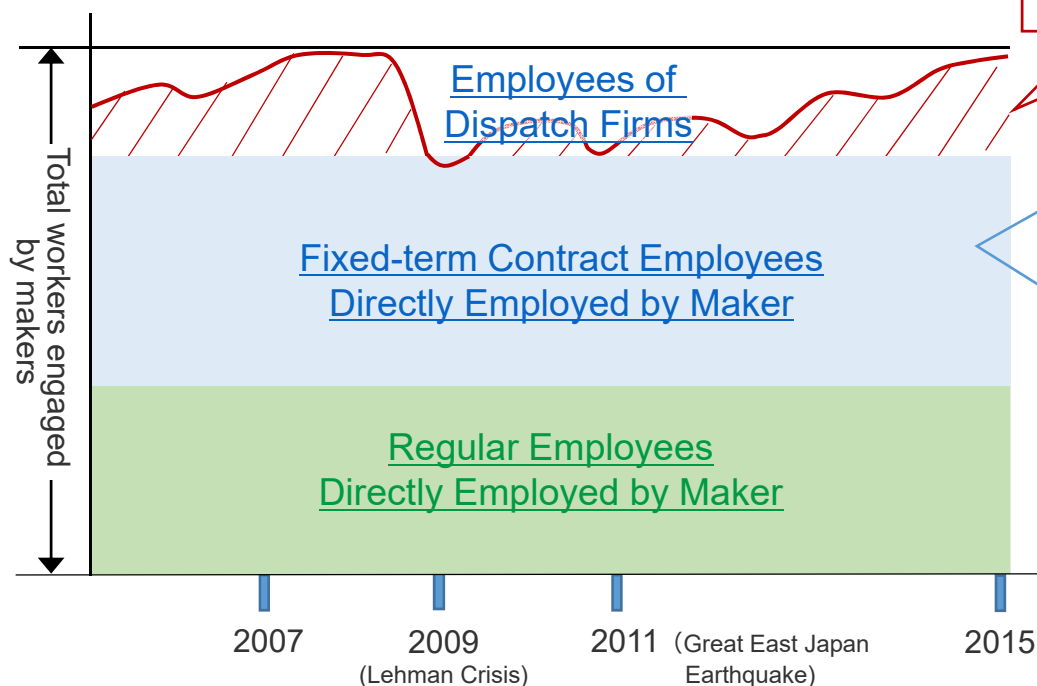
Note: When the worker is changed, continued dispatch to the same work is allowed without a cooling-off period.

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)



Adjustment domain for short-term cycle

- Core area for domestic manufacturing outsourcing providers
- Labor-intensive business field using unskilled workers

Adjustment domain for long-term cycle

- Area that can target raising efficiency through using skilled workers trained for a cost
- Through revision of related acts, new market that can utilize indefinite-term contract employees of dispatch business operators as an effective means

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

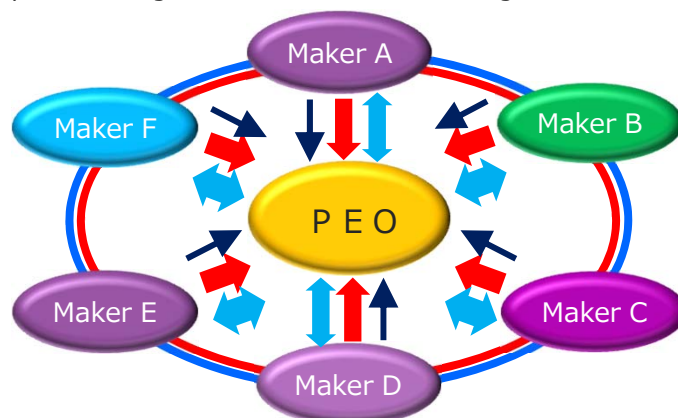
2. PEO Scheme

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**



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