



FACTBOOK

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

For the 2nd Quarter of Fiscal Year
Ending December 31, 2018 [IFRS]

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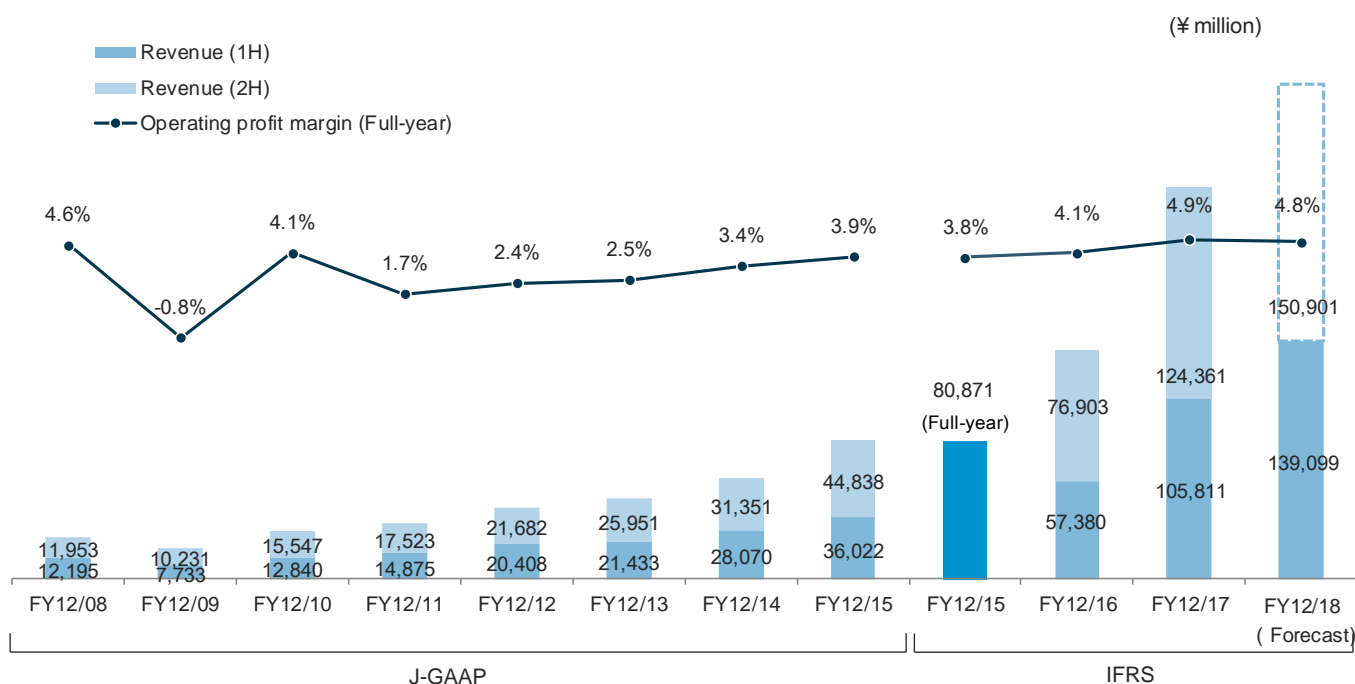
Out-Sourcing!
Inc.

Corporate Profile / Revenue and Ratio of Operating Profit

Corporate Profile (as of June 30, 2018)

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	¥7,139 million
Established	January 1997
Representative	Haruhiko Doi, Chairman & CEO
Main Businesses	Domestic Engineering Outsourcing Business, Domestic Manufacturing Outsourcing Business, Domestic Service Operations Outsourcing Business, Overseas Engineering Outsourcing Business, Overseas Manufacturing and Service Operations Outsourcing Business
Total Employees (Group)	78,728

Revenue and Ratio of Operating Profit



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

Business Overview

Operating Segments

Domestic Engineering Outsourcing Business

23.4% (Composition Ratio)



18 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., Thinketh Bank Co., Ltd., Kyodo Engineering Corporation, GLocal Co.,Ltd.

Domestic Manufacturing Outsourcing Business

20.7%



12 Group Companies

In response to makers' outsourcing needs for the manufacturing processes, provides production technology and administrative expertise, service achieving higher productivity, 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, outplacement assistance for workers whose contracts have expired, and recruitment agency services for fixed-term contract employees etc. directly employed by makers

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

Domestic Service Operations Outsourcing Business

6.6%



5 Group Companies

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

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

Overseas Engineering Outsourcing Business

11.6%



20 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

37.5%



110 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, INVERSIONES SL GROUP SpA, SEGURIDAD PRIVADA ACTIVE SECURITY COMPANY A.S.C. CIA. LTDA., WHOLE SECURITY S.A.C., SANTILLANA DE SEGURIDAD VIGILANCIA PRIVADA LTDA, KINETIC EMPLOYMENT LIMITED, OTTO Holding B.V., OTTO WORK FORCE POLSKA SPOLKA Z OGRANICZONA ODPOWIEDZIALNOSCIA, LIMITED LIABILITY COMPANY "OTTO WORKFORCE", Societatea cu Raspundere Limitata "OTTO WORK FORCE", OTTO Work Force Czech s.r.o., OTTO Work Force Slovakia s.r.o., OTTO Workforce Hungary Korlatolt Felelossegu Tarsasag, OTTO Work Force Bulgaria EOOD

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
Dec. 2004		Listed on the JASDAQ Standard Market of the Tokyo Stock Exchange (formerly JASDAQ Securities Exchange)
Mar. 2005		Launched enable Inc. , an outsourcing service provider specializing in transport equipment industry
Aug. 2009		Acquired RPM Co., Ltd. and TryAngle Co., Ltd. as consolidated 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 consolidated subsidiary (commercially registered name changed to OUTSOURCING TECHNOLOGY Inc. in April 2011)
Aug. 2010	China	Launched Out-Sourcing China, Inc. in Shanghai; a consolidated 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	Thailand	Launched OS (THAILAND) CO., LTD. to consolidate local production outsourcing businesses
Jul. 2011	Indonesia	Launched PT.OS ENGINEERING & CONSULTANT INDONESIA , a manufacturing and management consulting firm, and expanded into Indonesian market (absorbed by PT. OS SELNAJAYA INDONESIA in June 2015)
Nov. 2011	Vietnam, China, Singapore, Hong Kong	Acquired OS International Co., Ltd. as a consolidated subsidiary with overseas 10 consolidated 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	Vietnam	Launched OS VIETNAM CO., LTD. in Vietnam to provide outsourcing services primarily for the transport equipment, electric and electronics fields
Mar. 2012		Listed on the second section of the Tokyo Stock Exchange
Jul. 2012		Relocated the head office to Chiyoda-ku, Tokyo
Mar. 2013		Listed on the first section of the Tokyo Stock Exchange
Oct. 2013	Malaysia	Acquired SANSHIN (MALAYSIA) SDN. BHD. as a consolidated subsidiary and expanded into the Malaysian market
Jan. 2014	India	Acquired ALP CONSULTING LIMITED, DATACORE TECHNOLOGIES PRIVATE LIMITED and DATACORE TECHNOLOGIES INC as consolidated subsidiaries and expanded into the Indian market (DATACORE TECHNOLOGIES INC was transferred in December 2017)
Apr. 2014		Acquired Thinketh Bank Co., Ltd. , which operates IT schools, as a consolidated subsidiary
Sep. 2014		Launched PEO Co., Ltd.
Dec. 2014	Thailand	Acquired CELCO (THAILAND) CO., LTD. as a consolidated subsidiary
Jan. 2015		Acquired KDE Holding Corporation as a consolidated subsidiary, thereby also acquiring Kyodo Engineering Corporation as a consolidated subsidiary
Apr. 2015	Cambodia	Launched OUTSOURCING (CAMBODIA) Inc. and expanded into the Cambodian market
Aug. 2015	Australia, UK, Belgium	Launched HR services for US military facilities Acquired BLUEFIN Group companies as consolidated subsidiaries Acquired NTRINSIC Group companies as consolidated subsidiaries and expanded into the UK and Belgian markets
Sep. 2015		Acquired CRS Co., Ltd. as a consolidated subsidiary, and launched Outsourcing Business Service Inc. as a special subsidiary company for hiring handicapped employees
Oct. 2015		Acquired ISE INTERNATIONAL Co., Ltd. as a consolidated subsidiary, and launched outsourcing business for convenience stores with CRS Co., Ltd.
Dec. 2015	Chile	Acquired Grupo Expro Group companies as consolidated subsidiaries and expanded into the Chilean market
Apr. 2016	Australia, UK, Malaysia	Acquired BEDDISON Group companies in Australia as consolidated subsidiaries Acquired J.B.W. Group companies in the U.K. as consolidated subsidiaries Acquired SYMPHONY HRS SDN. BHD. in Malaysia as a consolidated subsidiary (commercially registered name changed to OS HRS SDN. BHD. in June 2016)
May 2016		Consolidated Subsidiary BROTHERS CO., LTD. merged consolidated subsidiaries CRS Co., Ltd. and ATS Inc. and changed commercially registered name to OTS Inc.
Aug. 2016	UK	Acquired Recruit Factory Partners Co., Ltd. as a consolidated subsidiary and changed commercially registered name to OS Partners CO., LTD. Acquired LIBERATA UK LIMITED as a consolidated subsidiary
Jan. 2017	Germany	Acquired Orizon Group as consolidated subsidiaries and expanded into the German market
Apr. 2017		Acquired AMERICAN ENGINEERING CORPORATION (OKINAWA) as a consolidated subsidiary
Apr. 2018	Peru, Colombia, Ecuador	Acquired SL Group with South American bases mainly in Chile as consolidated subsidiaries
May 2018	Netherlands, Poland, Czech, Moldova, Slovakia, Hungary, Bulgaria, Ukraine	Acquired OTTO Holding B.V. , which has a recruitment network in Europe mainly in the Netherlands and Poland, as a consolidated subsidiary

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 June 30, 2018)

Domestic Consolidated Subsidiaries : 38

● OUTSOURCING Inc.

● Consolidated Subsidiaries

Kanto Area

OUTSOURCING TECHNOLOGY Inc.

OTS Inc.

Kyodo Engineering Corporation

Outsourcing Business Service Inc.

Oomura Industrial Co., Ltd.

OS Capital Partners Inc.

Outsourcing Quest Inc.

OSTech Business Arch Inc.

S Agent Co.,Ltd.

ISE INTERNATIONAL Co.,Ltd.

OUTSOURCING Communications Co.,Ltd.

OUTSOURCING Inc.

RPM Co., Ltd.

TryAngle Co., Ltd.

Three S Japan Co., Ltd.

Thinketh Bank Co., Ltd.

IOD Career Inc.

KEN Technology Co.,Ltd

Mobile Communications Co., Ltd.

Kinki Area

ORJ INC.

OS Partners CO.,LTD.

LOGITEC Co., Ltd.

Chugoku Area

Oshima Shokai Co.,Ltd.

Chubu Area

Active A-1 Inc.

enable Inc.

PEO Co., Ltd.

Tokai Engineering System CO.,LTD.

Staff support Co.,Ltd.

THANKS COMPANY Co., Ltd.

GLocal Co.,Ltd.

AMERICAN ENGINEERING CORPORATION (OKINAWA)

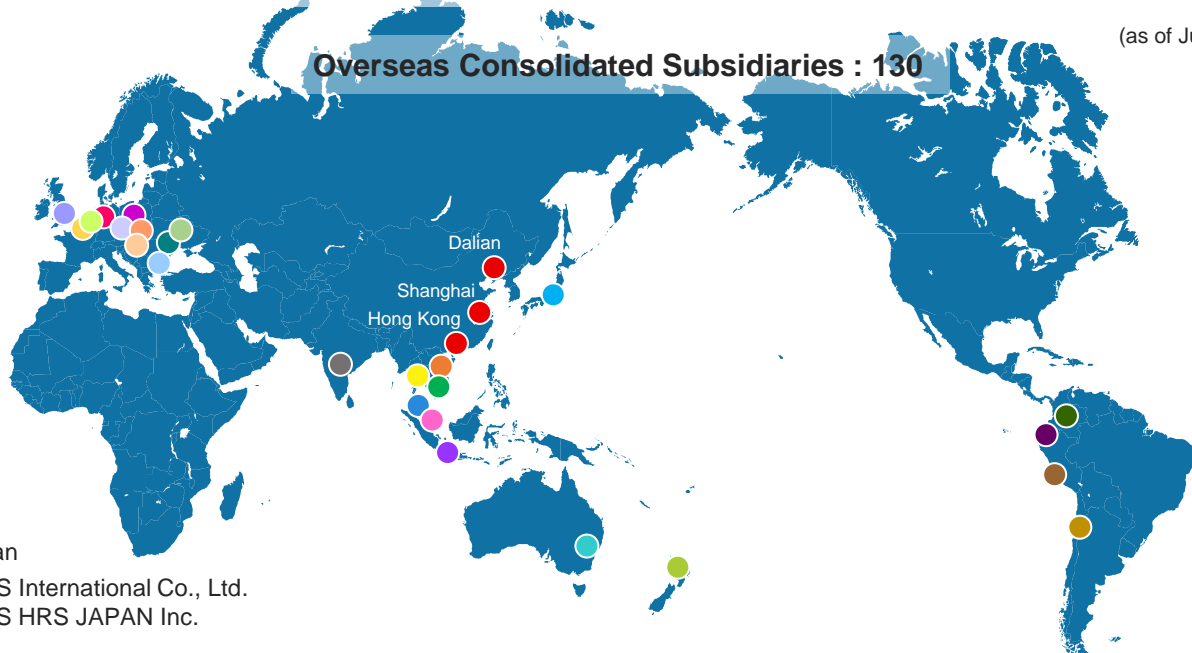
Okinawa Area

Business Locations Overview

Overseas Business Locations

Overseas Consolidated Subsidiaries : 130

(as of June 30, 2018)



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.
- FOREIGN WORKER EMPLOYMENT AGENCY OS LABOUR ASIA COMPANY LIMITED

Vietnam

- 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

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

The Netherlands

- OTTO Holding B.V.

Germany

- OSI Holding Germany GmbH
- Orizon Holding GmbH
- Orizon GmbH
- Orizon Projekt GmbH
- Plumer Konstruktionen GmbH
- jobs in time medical GmbH
- Orizon Hamburg GmbH

Moldova

- Societatea cu Raspundere Limitata "OTTO WORK FORCE"

Czech Republic

- OTTO Work Force Czech s.r.o.

Slovakia

- OTTO Work Force Slovakia s.r.o.

Hungary

- OTTO Workforce Hungary Korlatolt Felelossegu Tarsasag

Bulgaria

- OTTO Work Force Bulgaria EOOD

Poland

- OTTO WORK FORCE POLSKA SPOLKA Z OGRANICZONA ODPOWIEDZIALNOSCIA

Ukraine

- LIMITED LIABILITY COMPANY "OTTO WORKFORCE"

South America

Chile

- EXPROCHILE S.A.
- INVERSIONES SL GROUP SpA
- OSI SOUTH AMERICA HOLDINGS SpA

Ecuador

- SEGURIDAD PRIVADA ACTIVE SECURITY COMPANY A.S.C. CIA. LTDA.

Peru

- WHOLE SECURITY S.A.C.

Colombia

- SANTILLANA DE SEGURIDAD VIGILANCIA PRIVADA LTDA

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

New Zealand

- KINETIC EMPLOYMENT LIMITED

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

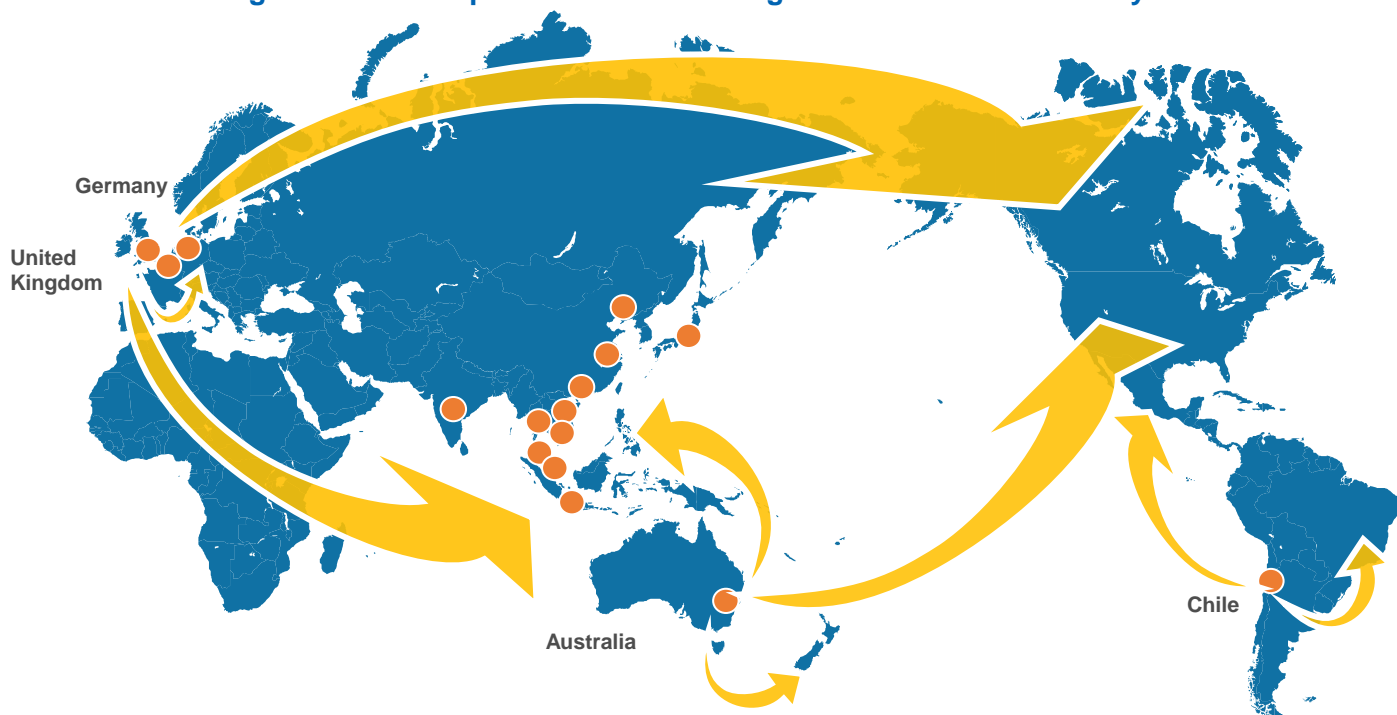
**OUTSOURCING Group is taking the next leap
as a global provider of comprehensive human resource solutions.**

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 global 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.
The Group will expand 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 wider 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

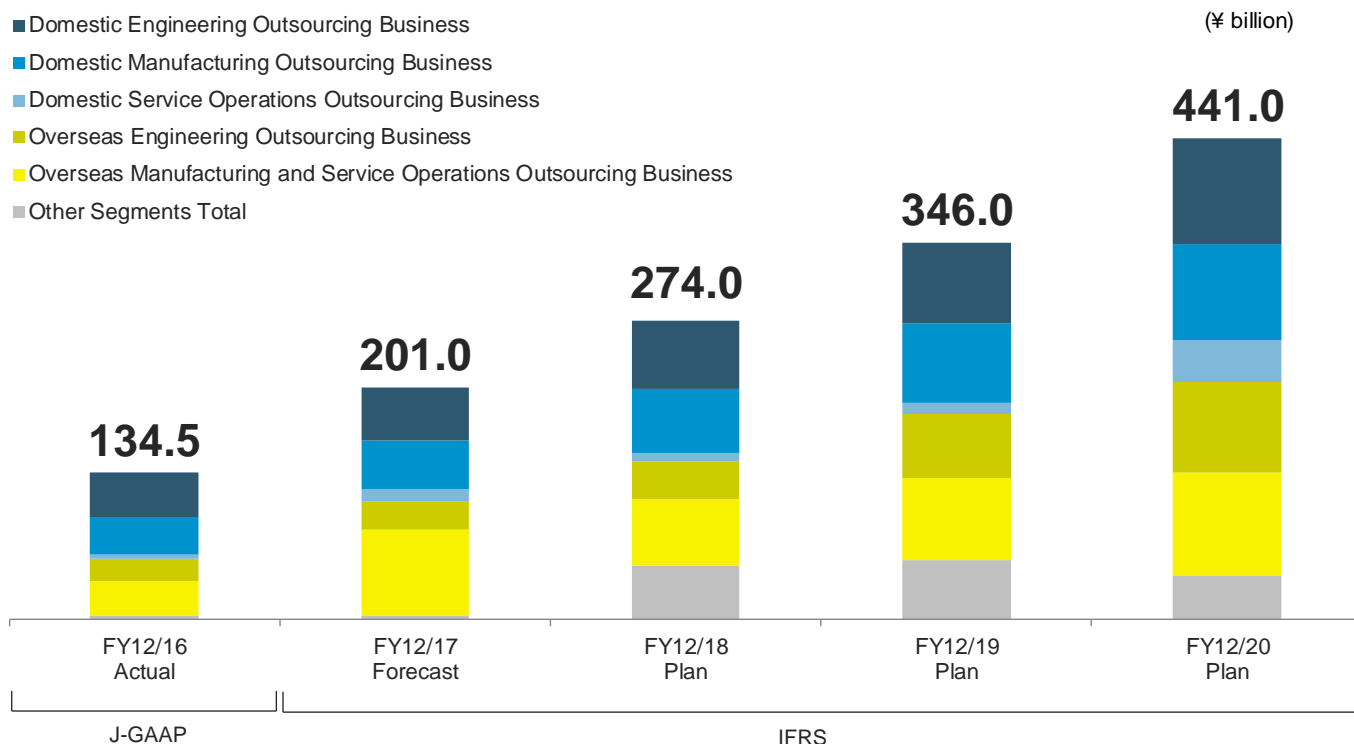
Goal is to proactively expand such outsourced engineering services as Information Technology Outsourcing (ITO) and Knowledge Process Outsourcing (KPO), and in doing so, drive solutions-based businesses via proprietary services that leverage our IT strengths.

Given the trend toward the state 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

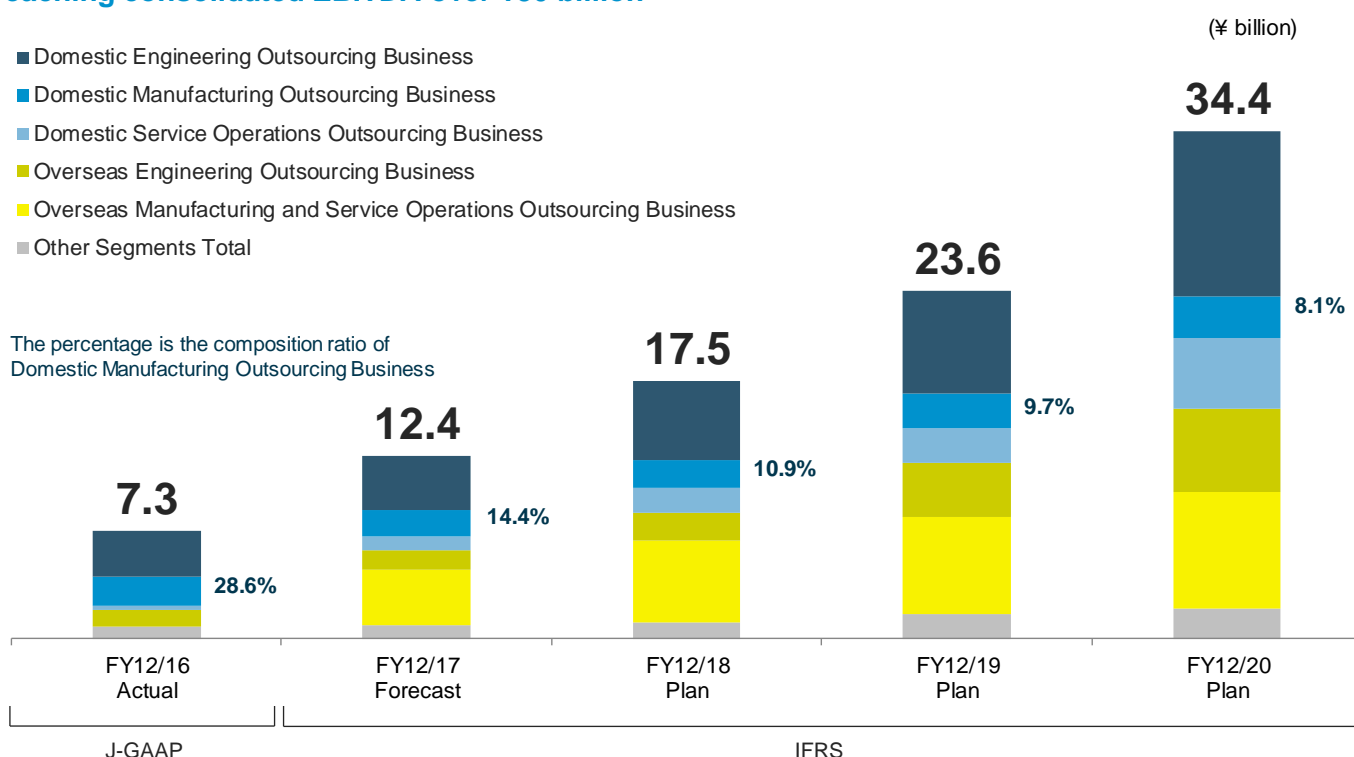
Revenue Plan by Operating Segment

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)	FY12/16 End	FY12/17 H1 End	FY12/18 H1 End
Assets			
Total assets	90,355	116,723	156,072
Total current assets	36,251	54,529	79,371
Cash and cash equivalents	11,746	18,267	20,368
Trade and other receivables	21,006	30,897	44,444
Inventories	808	1,151	1,589
Other current financial assets	974	1,729	5,555
Other current assets	1,717	2,485	7,415
Total con-current assets	54,104	62,194	76,701
Property, plant and equipment	4,994	6,603	8,285
Goodwill	26,315	37,252	48,334
Intangible assets	8,640	11,244	10,685
Other non-current financial assets	9,671	2,378	4,281
Other non-current assets	1,862	2,063	2,171
Diferred tax assets	2,622	2,654	2,945

(¥ million)			
Liabilities and equity			
Total liabilities	80,354	95,362	134,631
Total current liabilities	45,521	57,991	74,612
Trade and other payables	13,763	24,104	32,133
Bonds and borrowings	24,375	24,246	26,669
Other current financial liabilities	1,460	1,476	3,387
Income tax payables	948	3,889	3,717
Other current liabilities	4,975	4,276	8,706
Total non-current liabilities	34,833	37,371	60,019
Bonds and borrowings	21,114	23,712	43,568
Other non-current financial liabilities	7,581	7,058	9,832
Net defined benefit liabilities	3,184	3,421	3,346
Non-current provisions	640	675	764
Other non-current liabilities	195	103	100
Diferred tax liabilities	2,119	2,401	2,409
Total equity	10,001	21,361	21,441
Share capital	1,759	7,040	7,139
Share premium	3,502	8,758	8,849
Treasury shares	(0)	(0)	(0)
Other share premium	(4,717)	(5,241)	(10,542)
Other components of equity	(1,236)	(617)	(1,083)
Retained earnings	8,391	9,096	14,244
Equity attributable to owners of the Company	7,699	19,036	18,607
Non-controlling interests	2,302	2,325	2,834
Total liabilities and equity	90,355	116,723	156,072

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

Consolidated Statement of Income [IFRS]

(¥ million)	FY12/16 1H End	FY12/17 1H End	FY12/18 1H End
Revenue	57,380	105,811	139,099
Cost of sales	(46,042)	(86,035)	(112,618)
Gross profit	11,338	19,776	26,481
SG&A expenses	(9,372)	(16,489)	(21,514)
Other operating income	568	316	219
Other operating expense	(167)	(129)	(278)
Operating profit	2,367	3,474	4,908
Finance income	208	227	69
Finance costs	(867)	(626)	(1,090)
Profit before tax for the period	1,708	3,075	3,887
Income tax expenses	(809)	(1,335)	(1,422)
Profit for the period	899	1,740	2,465
Attributable to :			
Owners of the Company	827	1,390	2,069
Non-controlling interests	72	350	396
Profit for the period	899	1,740	2,465

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

Consolidated Statement of Cash Flows [IFRS]

(¥ million)	FY12/16 1H End	FY12/17 1H End	FY12/18 1H End
Cash flows from operating activities			
Net cash used in operating activities	770	3,733	2,278
Profit before tax for the period	1,708	3,075	3,887
Depreciation and amortization	661	1,189	1,429
Increase (decrease) in provision and net defined benefit liabilities	(63)	162	10
Finance income	(208)	(227)	(69)
Finance costs	867	626	1,090
Decrease (increase) in inventories	246	85	(225)
Decrease (increase) in trade and other receivables	(1,179)	(2,153)	(3,649)
Increase (decrease) in trade and other payables	1,614	2,166	4,247
Increase (decrease) in accrued consumption taxes	(639)	(293)	549
Others	(776)	383	(431)
Subtotal	2,231	5,013	6,838
Interest and dividend income received	31	31	31
Interest paid	(206)	(399)	(458)
Income taxes paid	(1,318)	(985)	(4,135)
Income taxes refund	32	73	2

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

Consolidated Statement of Cash Flows [IFRS]

(¥ million)	FY12/16 H1 End	FY12/17 H1 End	FY12/18 H1 End
Cash flows from investing activities			
Net cash used in investing activities	(6,583)	(5,507)	(17,080)
Payments into time deposits	(161)	(229)	(534)
Withdrawals of time deposits	1,115	576	517
Purchase of other financial assets	-	-	(3,889)
Payments for purchase of business	(7,639)	(6,169)	(11,280)
Proceeds from purchase of business	-	1,059	-
Payments for lease and guarantee deposits	(315)	(344)	(272)
Proceeds from collection of lease and guarantee deposits	71	61	79
Others	346	(461)	(1,701)
Cash flows from financing activities			
Net cash used in financing activities	8,004	8,156	16,429
Net increase (decrease) in short-term borrowings payable	5,750	(3,614)	7,895
Proceeds from long-term borrowings payable	3,892	5,370	8,815
Repayment of long-term borrowings payable	(828)	(1,845)	(3,975)
Proceeds from issuance of bonds	-	-	6,116
Payments for redemption of bonds	(25)	(25)	-
Payments for contingent consideration	-	(357)	-
Proceeds from issuing shares	30	10,537	17
Dividends paid	(610)	(733)	(1,937)
Transactions with non-controlling interest shareholders	-	(737)	-
Cash dividends paid to non-controlling interests	(2)	(227)	(277)
Others	(203)	(213)	(225)
Effect of exchange rate changes on cash and cash equivalents	(350)	139	(367)
Net increase (decrease) in cash and cash equivalents	1,841	6,521	1,260
Cash and cash equivalents at the beginning of period	7,501	11,746	19,108
Cash and cash equivalents at the end of period	9,342	18,267	20,368

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

Consolidated Information by Operating Segment and Region [IFRS]

(¥ million)	FY12/17 1H		FY12/18 1H	
Revenue by operating segment	Amount	Composition Ratio	Amount	Composition Ratio
Domestic Engineering Outsourcing Business	23,315	22.0%	32,547	23.4%
Electrical & Electronics	4,793	4.5%	6,560	4.7%
Transport Equipment	5,657	5.3%	8,356	6.0%
Pharm. & Chemicals	1,100	1.0%	1,309	1.0%
IT-related	7,059	6.7%	9,622	6.9%
Construction & Plant-related	3,038	2.9%	4,327	3.1%
Others	1,668	1.6%	2,373	1.7%
Domestic Manufacturing Outsourcing Business	22,542	21.3%	28,785	20.7%
Electrical & Electronics	8,439	8.0%	9,209	6.6%
Transport Equipment	7,639	7.2%	11,474	8.3%
Pharm. & Chemicals	2,165	2.0%	2,525	1.8%
Metals & Construction Materials	1,868	1.8%	1,937	1.4%
Foods	829	0.8%	838	0.6%
Others	1,602	1.5%	2,802	2.0%
Domestic Service Operations Outsourcing Business	4,624	4.4%	9,249	6.6%
Retail	832	0.8%	768	0.5%
Public Works	3,076	2.9%	7,177	5.2%
Others	716	0.7%	1,304	0.9%
Overseas Engineering Outsourcing Business	13,560	12.8%	16,165	11.6%
Electrical & Electronics	53	0.0%	99	0.1%
Transport Equipment	133	0.1%	304	0.2%
Pharm. & Chemicals	230	0.2%	228	0.2%
IT-related	1,290	1.2%	1,695	1.2%
Metals & Construction Materials	93	0.1%	124	0.1%
Construction & Plant-related	112	0.1%	93	0.1%
Foods	2	0.0%	28	0.0%
Retail	508	0.5%	517	0.4%
Public Works	8,257	7.8%	9,229	6.5%
Finance	2,189	2.1%	2,738	2.0%
Others	693	0.7%	1,110	0.8%
Overseas Manufacturing and Service Operations Outsourcing Business	41,536	39.3%	52,102	37.5%
Electrical & Electronics	8,707	8.2%	10,313	7.4%
Transport Equipment	7,315	6.9%	7,743	5.6%
Pharm. & Chemicals	2,126	2.0%	2,322	1.7%
IT-related	1,789	1.7%	1,722	1.2%
Metals & Construction Materials	688	0.7%	729	0.5%
Construction & Plant-related	696	0.7%	784	0.6%
Foods	834	0.8%	1,959	1.4%
Retail	4,740	4.5%	6,679	4.8%
Public Works	10,699	10.1%	11,793	8.5%
Finance	867	0.8%	1,154	0.8%
Others	3,075	2.9%	6,904	5.0%
Other Business	234	0.2%	251	0.2%
Total	105,811	100.0%	139,099	100.0%

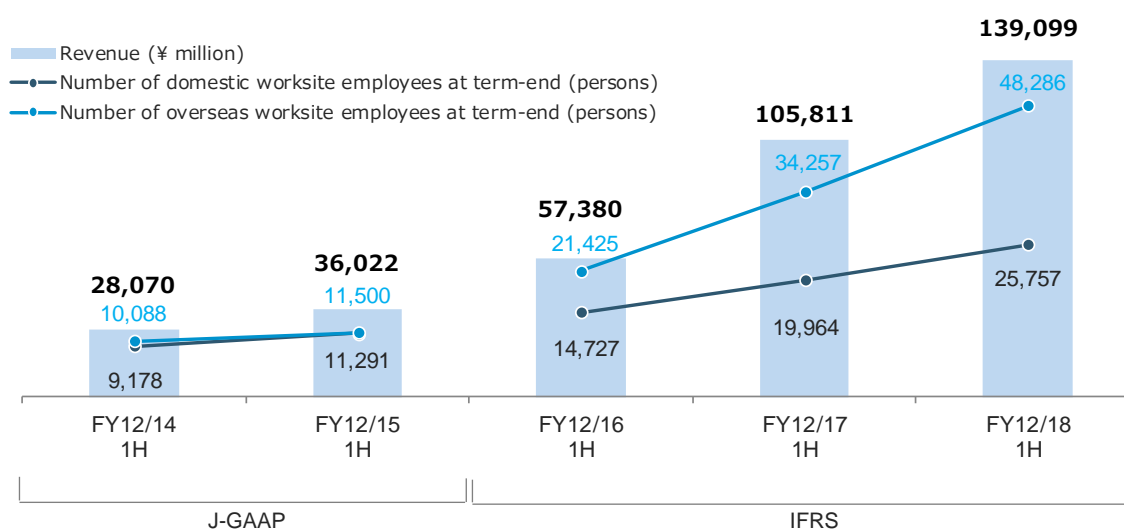
(¥ million)	FY12/17 1H		FY12/18 1H	
Revenue by region				
Japan	50,715	47.9%	70,832	50.9%
Asia (excl. Japan)	8,732	8.3%	9,083	6.5%
Oceania	18,225	17.2%	20,282	14.6%
Europe	25,788	24.4%	35,842	25.8%
South America	2,351	2.2%	3,060	2.2%
Total	105,811	100.0%	139,099	100.0%

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

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

	FY12/14 1H	FY12/15 1H	FY12/16 1H	FY12/17 1H	FY12/18 1H
Number of worksite employees at term-end					
Consolidated	19,266	22,791	36,152	54,221	74,043
Domestic	9,178	11,291	14,727	19,964	25,757
Domestic Engineering Outsourcing Business	2,893	4,285	5,720	7,161	10,943
IT-related	788	1,017	1,431	1,612	2,501
Construction & Plant-related	82	548	779	1,039	1,752
Domestic Manufacturing Outsourcing Business	6,285	6,625	7,482	10,295	11,826
Domestic Service Operations Outsourcing Business	-	381	1,521	2,503	2,985
Retail	-	381	1,202	1,746	542
Public Works	-	-	277	757	1,023
Others	-	-	42	0	1,420
Other Business	-	-	4	5	3
Overseas	10,088	11,500	21,425	34,257	48,286
Overseas Engineering Outsourcing Business	-	472	1,778	2,038	2,252
Overseas Manufacturing and Service Operations Outsourcing Business	-	11,028	19,647	32,219	46,034
Production Outsourcing Business	7,545	7,987	10,789	19,264	30,330
Other Business	2,543	3,041	8,858	12,955	15,704
Number of outsourcing administrative workers at term-end					
	2,018	1,730	1,401	3,480	6,716
Number of placed workers					
	1,455	1,194	1,695	1,899	1,851

Note1: the number of worksite employees includes dispatched employees.



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

	FY12/14 1H	FY12/15 1H	FY12/16 1H	FY12/17 1H	FY12/18 1H
Recruitment efficiency					
Domestic Engineering Outsourcing Business					
Number of workers recruited (persons)	545	1,073	1,482	1,803	3,188
Recruitment unit price (¥/worker)	241,758	197,892	206,814	346,039	346,184
Utilization rate	96.8%	97.5%	97.6%	97.5%	95.2%
Domestic Manufacturing Outsourcing Business					
Number of workers recruited (persons)	2,892	3,418	2,819	3,888	4,329
Recruitment unit price (¥/worker)	73,276	77,678	73,466	64,349	78,465
Domestic Service Operations Outsourcing Business					
Number of workers recruited (persons)	-	-	1,478	2,182	2,559
Recruitment unit price (¥/worker)	-	-	13,934	14,741	19,123
Domestic Recruiting and Placing Business					
Number of workers recruited (persons)	1,412	1,194	1,695	1,899	1,851
Recruitment unit price (¥/worker)	116,930	121,715	127,053	131,245	155,620

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

Consolidated Major Indicators

(¥ million)	J-GAAP		IFRS		
	FY12/14 1H	FY12/15 1H	FY12/16 1H	FY12/17 1H	FY12/18 1H
Revenue	28,070	36,022	57,380	105,811	139,099
Gross profit	5,521	7,075	11,338	19,776	26,481
SG&A expenses	4,808	6,137	9,372	16,489	21,514
Operating profit	713	938	2,367	3,474	4,908
Profit before tax	-	-	1,708	3,075	3,887
Profit attributable to owners of the Company	375	489	827	1,390	2,069

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

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

(%)	FY12/14 1H	FY12/15 1H	FY12/16 1H	FY12/17 1H	FY12/18 1H
Ratio of gross profit	19.7	19.6	19.8	18.7	19.0
Ratio of SG&A expenses	17.1	17.0	16.3	15.6	15.5
Ratio of operating profit	2.5	2.6	4.1	3.3	3.5
Ratio of profit before tax	-	-	3.0	2.9	2.8
Ratio of profit attributable to owners of the Company	1.3	1.4	1.4	1.3	1.5

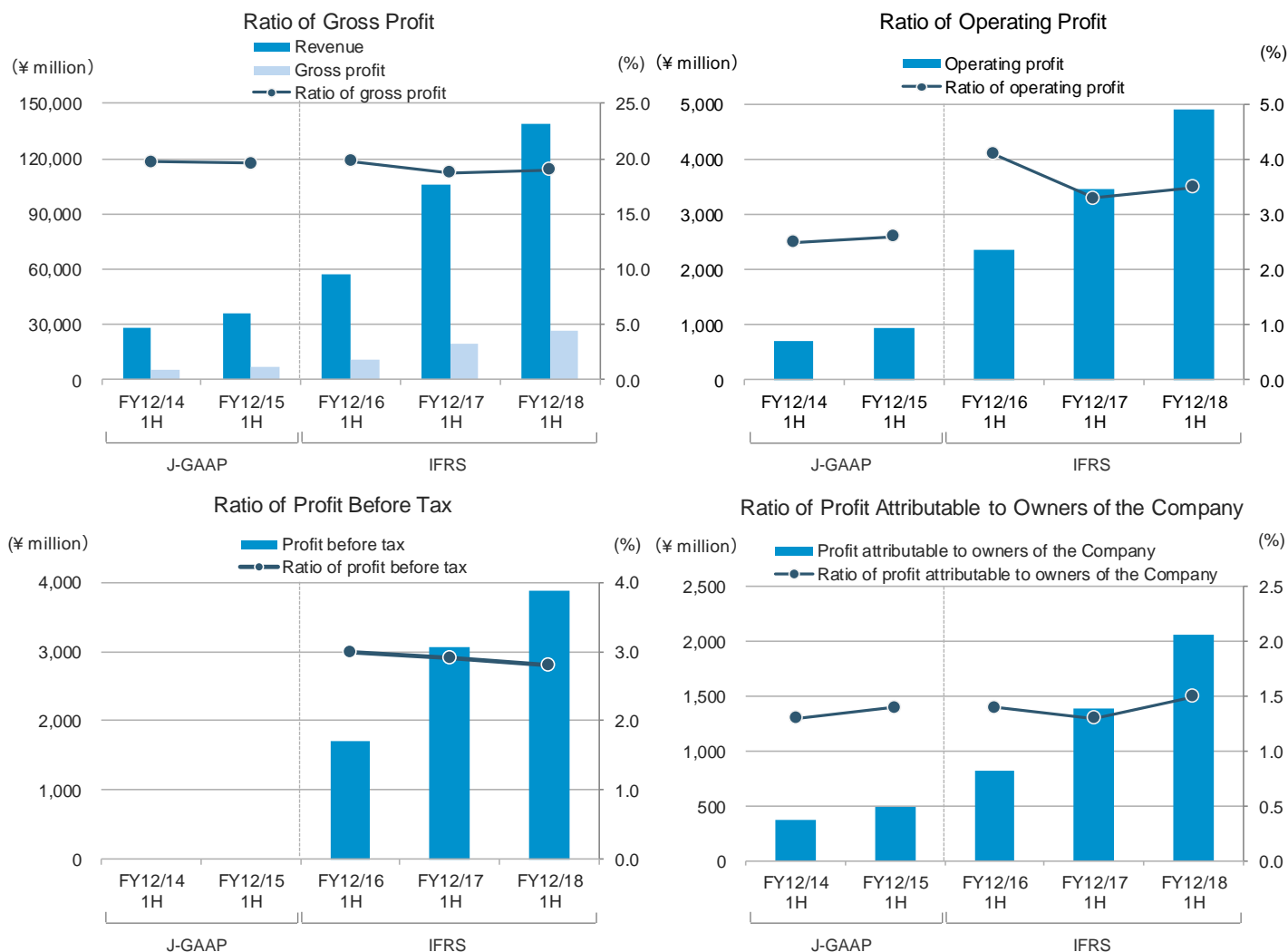
Ratio of gross profit=Gross profit/Revenue

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



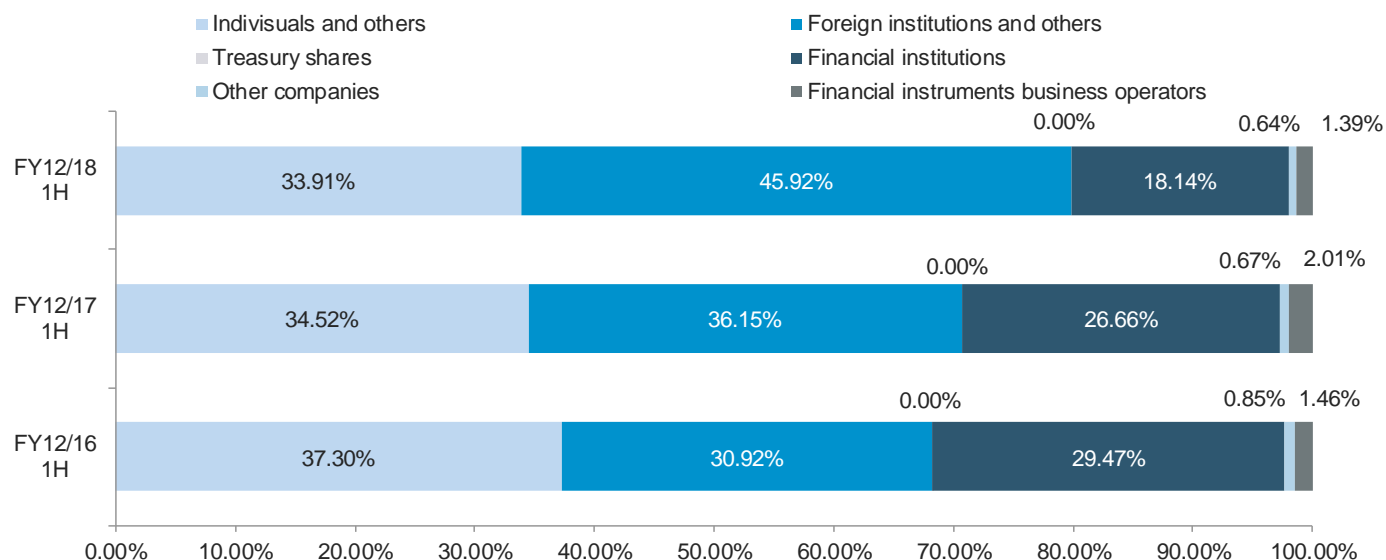
Stock Information

Major Shareholders

As of June 30, 2018

Top 10 Shareholders	Number of Shares	Shareholding Ratio
Haruhiko Doi	18,738,500	18.37%
JAPAN TRUSTEE SERVICES BANK, LTD. (Trust account)	7,140,300	7.00%
THE MASTER TRUST BANK OF JAPAN, LTD. (Trust account)	5,137,900	5.04%
STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A/C UK LONDON BRANCH CLIENTS- UNITED KINGDOM	3,500,100	3.43%
BBH FOR MATTHEWS JAPAN FUND	2,981,000	2.92%
STATE STREET BANK AND TRUST COMPANY 505103	2,198,618	2.16%
GOVERNMENT OF NORWAY	2,141,600	2.10%
Masahiko Dorin	2,050,000	2.01%
THE BANK OF NEW YORK 133524	1,877,100	1.84%
THE BANK OF NEW YORK 133612	1,822,000	1.79%

Breakdown by Type of Shareholders



Per Share Indicators

(¥)	J-GAAP		IFRS		
	FY12/14 1H	FY12/15 1H	FY12/16 1H	FY12/17 1H	FY12/18 1H
Share price at term-end	291	419	939	1,096	2,056
Basic earnings per share	5.15	6.33	9.49	14.51	20.28
Diluted earnings per share	5.04	6.28	9.38	14.35	20.17
Equity attributable to owners of the Company per share	75.57	123.87	-	187.53	182.40
Dividend per share	1.60	-	-	-	-

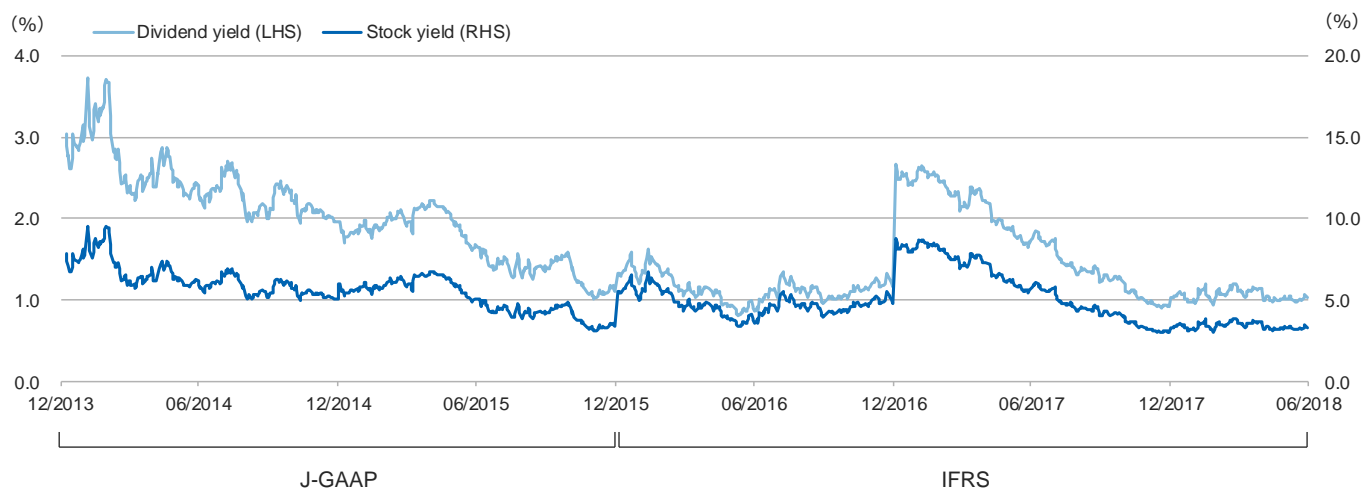
Note1: IFRS (International Financial Reporting Standard s) has been applied from FY12/15(Full-Year).

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, 2014.

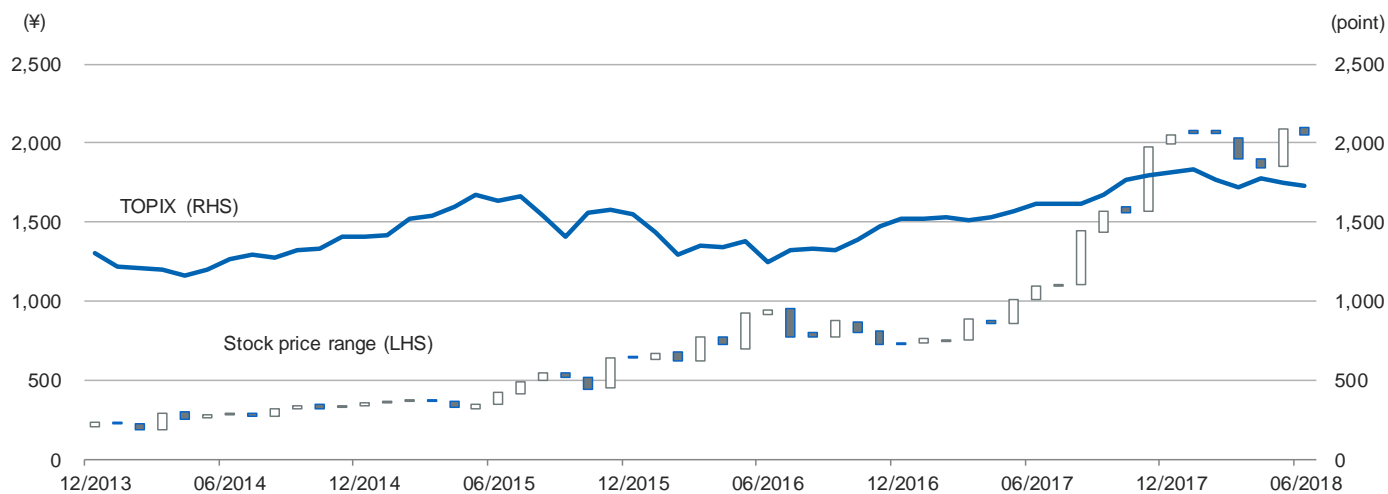
Stock Price Information

Stock Yield / Dividend Yield

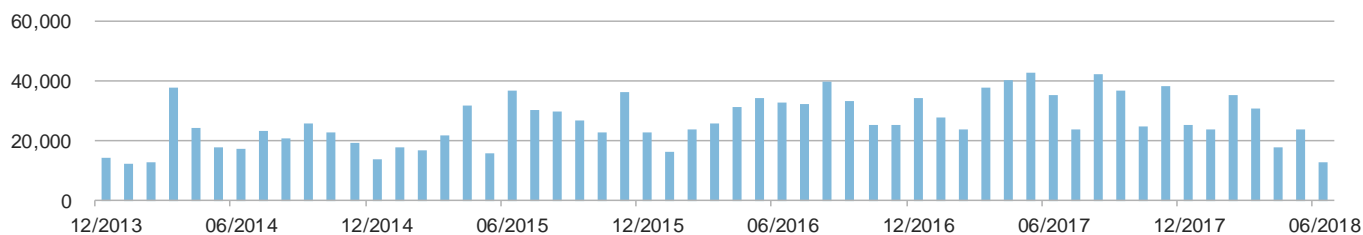
01/2018-06/2018: forecast



Stock Price Range / Trading Volume



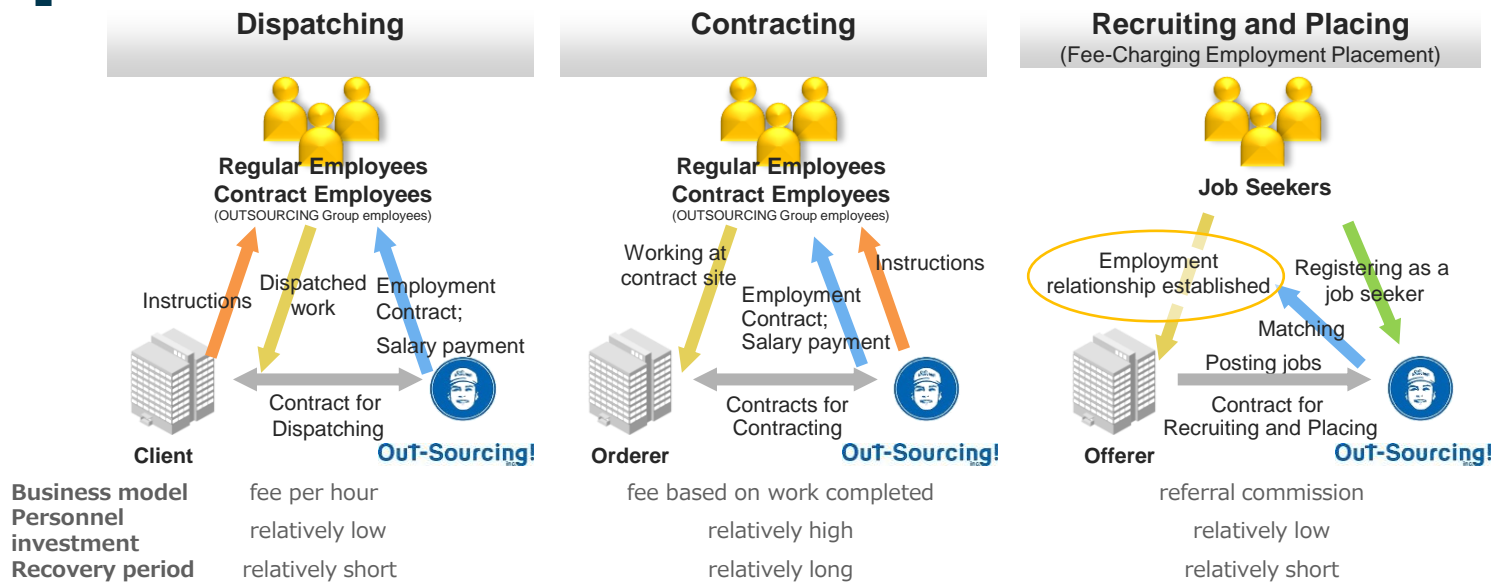
(thousand shares)



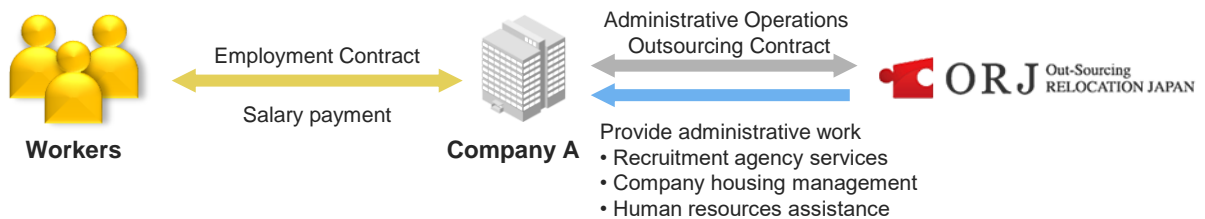
Reference

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

Major Hiring Formats for Our Domestic Outsourcing Business



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 (1 year in principle, 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

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

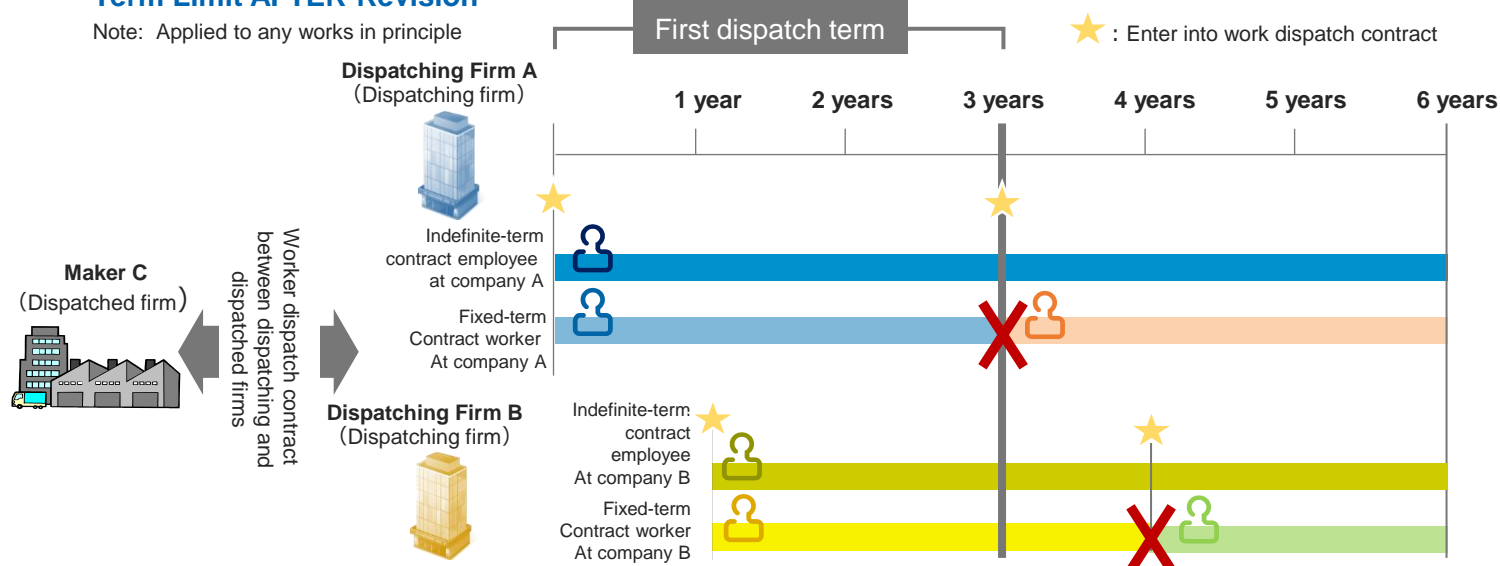
- The Revised Worker Dispatching Act aims for employment stabilization through foreclosing malicious businesses by imposing various requirements on dispatch business operators and relaxed term limit for indefinite-term contract worker dispatching
- The Revised Labor Contracts Act aims to reduce unstable 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 which 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 (The terms of license permissions tightened)

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

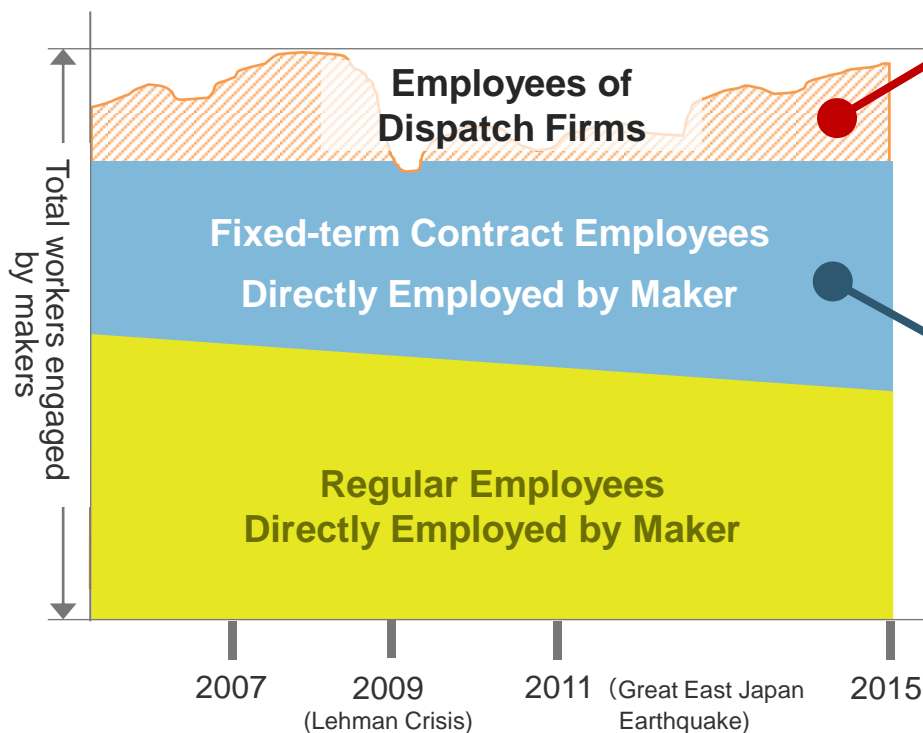
Note: When the worker is changed, continued dispatch to the same work is allowed without a cooling-off period.

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)



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

Adjustment domain for short-term cycle

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

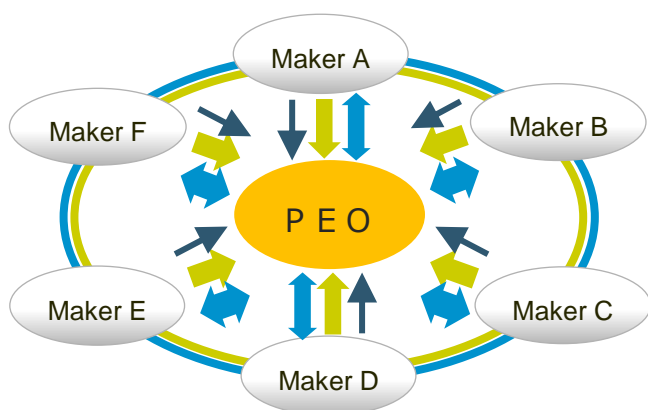
Adjustment domain for long-term cycle

- 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

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**



Memorandum



Memorandum



Memorandum

Contact

19F Marunouchi Trust Tower Main Bldg.,
1-8-3 Marunouchi, Chiyoda-ku, Tokyo, 100-0005 Japan
Email: os-ir@outsourcing.co.jp
<https://www.outsourcing.co.jp/en/>

