



Summary of Financial Statements for the Fiscal Year Ended December 31, 2019 [IFRS] (Consolidated)

February 14, 2020

Company name: OUTSOURCING Inc. Stock exchange listing: Tokyo 1st Section
 Securities code: 2427 URL <https://www.outsourcing.co.jp/en/>
 Representative: Haruhiko Doi, Chairman and CEO
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Scheduled date of the general shareholders' meeting: March 25, 2020
 Scheduled date to commence dividend payments: March 26, 2020
 Annual statements filing date (as planned): March 26, 2020
 Supplemental material created for annual results: Yes
 Briefing held for annual results: Yes (for analysts and institutional investors)

(Figures less than one million yen are rounded)

1. Consolidated Financial Results for Fiscal Year 2019 (From January 1, 2019 to December 31, 2019)

a. Consolidated Financial Results

(% indicates change from the previous fiscal year)

	Revenue		Operating profit		Profit before tax		Profit for the year		Profit attributable to owners of the Company		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2019	361,249	16.0	15,501	6.2	13,478	7.4	9,095	9.5	8,336	11.4	8,757	62.2
FY2018	311,311	35.3	14,591	28.4	12,555	20.8	8,302	19.8	7,480	21.1	5,398	(41.3)

	Basic earnings per share	Diluted earnings per share	Ratio of profit to equity attributable to owners of the Company	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
	Yen	Yen	%	%	%
FY2019	66.35	66.26	14.4	6.3	4.3
FY2018	69.42	69.10	18.7	8.1	4.7

(Reference) Equity in earnings (or losses) of affiliates: FY2019: 60 million yen FY2018: N/A

(Notes) As the provisional accounting of the business combinations in FY2018 was finalized, the condensed consolidated financial statements for FY2018 were retrospectively adjusted.

b. Consolidated Financial Positions

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets	Equity attributable to owners of the Company per share
	Million yen	Million yen	Million yen	%	Yen
FY2019	239,179	64,993	60,811	25.4	483.42
FY2018	186,141	60,657	55,210	29.7	439.81

(Notes) As the provisional accounting of the business combinations in FY2018 was finalized, the condensed consolidated financial statements for FY2018 were retrospectively adjusted.

c. Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of year
	Million yen	Million yen	Million yen	Million yen
FY2019	22,560	(8,572)	(3,207)	40,246
FY2018	8,496	(30,018)	32,442	29,451

2. Dividends

	Annual cash dividends per share					Total dividends	Payout ratio (consolidated)	Ratio of total amount of dividends to equity attributable to owners of the Company (consolidated)
	Q1	Q2	Q3	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2018	—	0.00	—	21.0	21.0	2,636	29.4	6.1
FY2019	—	0.00	—	24.0	24.0	3,019	36.2	5.2
FY2020 (Forecast)	—	0.00	—	27.0	27.0		30.5	

3. Forecast of Consolidated Financial Results for Fiscal Year 2020 (From January 1, 2020 to December 31, 2020)

(% indicates change from the corresponding period of the previous fiscal year)

	Revenue		Operating profit		Profit before tax		Profit for the year		Profit attributable to owners of the Company		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	
Half-year	191,000	7.6	5,900	3.5	4,950	40.1	3,050	53.9	2,400	58.9	Yen 19.07
Full-year	420,000	16.3	21,000	35.5	19,150	42.1	12,450	36.9	11,150	33.8	88.63

(Notes)

(1) Significant changes in subsidiaries during this period (changes in subsidiaries that cause changes in the scope of consolidation): No

(2) Changes in accounting policies and accounting estimates

(a) Changes in accounting policies required by IFRS: Yes

(b) Changes in accounting policies other than IFRS requirements: No

(c) Changes in accounting estimates: No

(3) Number of shares issued and outstanding (common stock)

(a) Number of shares issued and outstanding at the end of year (including treasury stock)

FY2019	125,793,200	FY2018	125,530,700
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(b) Number of treasury stock at the end of year

FY2019	490	FY2018	490
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(c) Average number of shares issued and outstanding

FY2019	125,633,377	FY2018	107,752,596
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(Reference) Overview of Non-Consolidated Financial Results

Non-Consolidated Financial Results for Fiscal Year 2019 (From January 1, 2019 to December 31, 2019)

1. Non-Consolidated Financial Results

(% indicates change from the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit for the year	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2019	44,719	8.0	(390)	-	4,497	642.7	3,975	-
FY2018	41,411	18.7	1,664	41.3	605	(71.0)	250	(89.6)

	Earnings per share	Diluted earnings per share
	Yen	Yen
FY2019	31.64	31.60
FY2018	2.32	2.31

2. Non-Consolidated Financial Positions

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2019	116,537	57,100	49.0	453.86
FY2018	106,828	55,664	52.0	443.14

(Reference) Owner's equity: FY2019: 57,093 million yen FY2018: 55,627 million yen

<Reasons for differences between Non-Consolidated Financial Results for the Fiscal Year Ended December 31, 2019 and 2018>

In the fiscal year ended December 31, 2019, operating profit declined year-on-year due to an increase in SG&A expenses mainly associated with the absorption-type merger of a consolidated subsidiary. Profits at Ordinary profit level and below increased year-on-year, mainly due to dividends received from consolidated subsidiaries.

(Notes)

* This summary of financial statements is not subject to audit procedures by certified public accountants or an auditing firm.

* Statement regarding the proper use of financial forecasts and other special remarks

(Caution concerning forward-looking statements)

The forward-looking statements including financial forecasts in this summary are based on the information currently available to the Company and on assumptions believed to be reasonable by the management of the Company. These statements do not guarantee future performance of the Company, and various factors may cause the actual results to differ significantly from the forecasts.