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## Summary of Financial Statements for the Second Quarter of the Fiscal Year Ending December 31, 2021 [IFRS] (Consolidated)

July 30, 2021

Company name: OUTSOURCING Inc. Stock exchange listing: Tokyo 1st Section  
 Securities code: 2427 URL <https://www.outsourcing.co.jp/en/>  
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Quarterly statements filing date (as planned): August 12, 2021  
 Scheduled date to commence dividend payments: –  
 Supplemental material created for quarterly results: Yes  
 Briefing held for quarterly results: Yes (for analysts and institutional investors)

(Figures less than one million yen are rounded)

### 1. Consolidated Financial Results for the Second Quarter of Fiscal Year 2021 (From January 1, 2021 to June 30, 2021)

#### a. Consolidated Financial Results (Cumulative) (% indicates change from the corresponding quarter of the previous year)

	Revenue		Operating profit		Profit before tax		Profit for the period		Profit attributable to owners of the Company		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2021 Q2	264,712	53.3	11,994	268.6	10,990	450.7	6,472	754.5	5,632	802.9	11,353	–
FY2020 Q2	172,628	(2.8)	3,254	(41.2)	1,995	(40.7)	757	(57.9)	624	(54.7)	(1,945)	–

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2021 Q2	44.72	44.72
FY2020 Q2	4.95	4.95

(Notes) As the provisional accounting process related to business combination was finalized in FY2020 Q4, the condensed consolidated financial statements for FY2020 Q2 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
FY2021 Q2	349,200	78,107	72,798	20.8	578.10
FY2020	302,873	68,200	62,977	20.8	500.18

### 2. Dividends

	Annual cash dividends per share				
	Q1	Q2	Q3	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2020	–	0.00	–	10.00	10.00
FY2021	–	0.00	–	–	–
FY2021 (Forecast)	–	–	–	31.00	31.00

(Notes) Correction of dividend forecast from the most recent dividend forecast: No

### 3. Forecast of Consolidated Financial Results for Fiscal Year 2021 (From January 1, 2021 to December 31, 2021)

(% 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	%	Yen
Full-year	528,000	44.0	25,100	75.1	21,400	134.1	14,200	247.4	12,800	285.0	101.66

(Notes) Correction of financial forecast from the most recent financial forecast: No

(Notes)

(1) Significant changes in subsidiaries during this period (changes in specified 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: No

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

(c) Changes in accounting estimates: No

(3) Number of issued shares (common stock)

(a) Number of issued shares at the end of period  
(including treasury stock)

(b) Number of treasury stock at the end of period

(c) Average number of issued shares (cumulative up  
through the period)

FY2021 Q2	125,926,800	FY2020	125,909,300
FY2021 Q2	490	FY2020	490
FY2021 Q2	125,913,451	FY2020 Q2	125,845,253

(Notes)

\* This summary of quarterly financial statements is not subject to quarterly review 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.

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Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of December 31, 2020	As of June 30, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	81,720	48,723
Trade and other receivables	56,195	88,329
Inventories	1,750	2,429
Other financial assets	11,076	13,195
Other current assets	10,026	11,433
Total current assets	160,767	164,109
Non-current assets		
Property, plant, and equipment	10,815	12,576
Right-of-use assets	17,492	22,105
Goodwill	63,394	99,023
Intangible assets	20,743	20,862
Investments accounted for using equity method	2,231	238
Other financial assets	18,797	21,268
Other non-current assets	3,747	3,624
Deferred tax assets	4,887	5,395
Total non-current assets	142,106	185,091
Total assets	302,873	349,200

(Millions of yen)

	As of December 31, 2020	As of June 30, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	41,308	58,330
Bonds and borrowings	68,050	67,046
Lease liabilities	16,791	19,724
Other financial liabilities	4,607	4,176
Income taxes payable	4,360	3,596
Other current liabilities	16,832	21,979
Total current liabilities	151,948	174,851
Non-current liabilities		
Bonds and borrowings	43,213	52,929
Lease liabilities	20,556	26,605
Other financial liabilities	5,530	3,254
Retirement benefit liability	5,403	5,248
Provisions	1,113	1,153
Other non-current liabilities	581	610
Deferred tax liabilities	6,329	6,443
Total non-current liabilities	82,725	96,242
Total liabilities	234,673	271,093
Equity		
Share capital	25,214	25,229
Capital surplus	26,647	26,662
Treasury shares	(0)	(0)
Other capital surplus	(13,456)	(12,847)
Other components of equity	(1,205)	3,366
Retained earnings	25,777	30,388
Total equity attributable to owners of the Company	62,977	72,798
Non-controlling interests	5,223	5,309
Total equity	68,200	78,107
Total liabilities and equity	302,873	349,200

## (2) Condensed Consolidated Statement of Profit or Loss

(Millions of yen)

	For the First Half of Fiscal Year 2020 (From January 1, 2020 to June 30, 2020)	For the First Half of Fiscal Year 2021 (From January 1, 2021 to June 30, 2021)
Revenue	172,628	264,712
Cost of sales	(141,528)	(215,032)
Gross profit	31,100	49,680
Selling, general and administrative expenses	(29,525)	(41,014)
Other operating income	2,234	3,629
Other operating expenses	(555)	(301)
Operating profit	3,254	11,994
Finance income	606	2,056
Finance costs	(1,861)	(3,116)
Share of profit (loss) of investments accounted for using equity method	(4)	56
Profit before tax	1,995	10,990
Income tax expense	(1,238)	(4,518)
Profit for the period	757	6,472
Profit attributable to:		
Owners of the Company	624	5,632
Non-controlling interests	133	840
Profit for the period	757	6,472
Earnings per share		
Basic earnings per share (Yen)	4.95	44.72
Diluted earnings per share (Yen)	4.95	44.72

## (3) Notes to Condensed Consolidated Financial Statements

## [Segment Information] Segment Revenues and Results

Revenues and results by reportable segment are as noted below. Segment profit figures are based on operating profits.

[For the First Half of Fiscal Year 2020 (From January 1, 2020 to June 30, 2020)]

	Reportable segment					Total	Other Business (Note 1)	Total	Adjustments (Note 2)	Consolidated
	Domestic Engineering Outsourcing Business	Domestic Manufacturing Outsourcing Business	Domestic Service Operations Outsourcing Business	Overseas Engineering Outsourcing Business	Overseas Manufacturing and Service Operations Outsourcing Business					
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Revenue										
Revenue from external customers	50,404	30,408	11,854	18,270	61,636	172,572	56	172,628	—	172,628
Intersegment revenue (Note 3)	1,340	449	130	49	783	2,751	672	3,423	(3,423)	—
Total	51,744	30,857	11,984	18,319	62,419	175,323	728	176,051	(3,423)	172,628
Cost of sales and other income (expenses)	(49,032)	(28,299)	(10,718)	(18,201)	(62,685)	(168,935)	(671)	(169,606)	232	(169,374)
Segment profit (Operating profit)	2,712	2,558	1,266	118	(266)	6,388	57	6,445	(3,191)	3,254
(Reconciling items)										
Finance income	—	—	—	—	—	—	—	—	—	606
Finance costs	—	—	—	—	—	—	—	—	—	(1,861)
Share of profit (loss) of investments accounted for using equity method	—	—	—	—	—	—	—	—	—	(4)
Profit before tax	—	—	—	—	—	—	—	—	—	1,995

(Note 1) The category “other business” is an operating segment not included in reportable segments and is engaged in administrative outsourcing service business and the like at subsidiaries of the Company.

(Note 2) The adjustment of segment profit of ¥(3,191) million includes acquisition-related cost related to business combinations of ¥(72) million, corporate expenses of ¥(3,128) million, profits or losses not allocated to any specific operating segment, and elimination of intersegment transactions.

(Note 3) Intersegment revenues are based on prevailing market prices.

[For the First Half of Fiscal Year 2021 (From January 1, 2021 to June 30, 2021)]

	Reportable segment					Total	Other Business (Note 1)	Total	Adjustments (Note 2)	Consolidated
	Domestic Engineering Outsourcing Business	Domestic Manufacturing Outsourcing Business	Domestic Service Operations Outsourcing Business	Overseas Engineering Outsourcing Business	Overseas Manufacturing and Service Operations Outsourcing Business					
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Revenue										
Revenue from external customers	57,530	47,648	14,170	62,528	82,807	264,683	29	264,712	—	264,712
Intersegment revenue (Note 3)	1,584	1,449	120	545	841	4,539	805	5,344	(5,344)	—
Total	59,114	49,097	14,290	63,073	83,648	269,222	834	270,056	(5,344)	264,712
Cost of sales and other income (expenses)	(55,163)	(45,288)	(11,897)	(59,896)	(80,735)	(252,979)	(772)	(253,751)	1,033	(252,718)
Segment profit (Operating profit)	3,951	3,809	2,393	3,177	2,913	16,243	62	16,305	(4,311)	11,994
(Reconciling items)										
Finance income	—	—	—	—	—	—	—	—	—	2,056
Finance costs	—	—	—	—	—	—	—	—	—	(3,116)
Share of profit (loss) of investments accounted for using equity method	—	—	—	—	—	—	—	—	—	56
Profit before tax	—	—	—	—	—	—	—	—	—	10,990

(Note 1) The category “other business” is an operating segment not included in reportable segments and is engaged in administrative outsourcing service business and the like at subsidiaries of the Company.

(Note 2) The adjustment of segment profit of ¥(4,311) million includes acquisition-related cost related to business combinations of ¥(790) million, corporate expenses of ¥(3,455) million, profits or losses not allocated to any specific operating segment, and elimination of intersegment transactions.

(Note 3) Intersegment revenues are based on prevailing market prices.