



January 14, 2022

To Whom It May Concern

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### **Notice Regarding Amendment of Annual Securities Reports and Financial Results for Past Fiscal Years**

The Company hereby announces that it will submit an amendment of the following Annual Securities Reports submitted in past fiscal years to the Kanto Finance Bureau, and it will also amend the following Financial Results disclosed in past fiscal years.

The affected amounts from these amendments are as described in the separate attachment.

We sincerely apologize for the great concern and inconvenience caused to our shareholders, investors, and other stakeholders.

#### Particulars

##### 1. Background and reason for amendment

In the process of preparing for the listing of the Company's consolidated subsidiary OUTSOURCING TECHNOLOGY Inc., it was discovered that there was suspicion that its subsidiary, enable Inc. (hereinafter "enable"), had engaged in inappropriate accounting. Therefore, the Company established an outside investigation committee that includes outside lawyers and certified public accountants to proceed with conducting the investigation.

As a result of receiving the investigation report from the Investigation Committee on December 28, 2021, in addition to omission of recording impairment losses for property, plant and equipment of enable and the overstatement of work-in-process, etc., it was discovered that the Company and consolidated subsidiaries belonging to the Domestic Engineering Outsourcing Business, Domestic Manufacturing Outsourcing Business, Domestic Service Operations Outsourcing Business, and Overseas Manufacturing and Service Operations Outsourcing Business had overstated revenue and understated expenses. Therefore, the Company has decided to amend the relevant parts of the consolidated financial statements and non-consolidated financial statements included in the Annual Securities Reports as well as quarterly financial statements, etc. submitted in past fiscal years.

In addition, when making the amendments, those unrelated to this inappropriate accounting case in past fiscal years (those that were not reflected in consolidated financial statements, etc. from the standpoint of materiality, and the affected amounts for profit before tax were roughly (160) million yen for the full year ended December 2019, and roughly (440) million yen for the full year ended December 2020) will also be amended.

##### 2. Annual and Quarterly Securities Reports for which amended reports are being submitted

[Translation]

- (1) Annual securities report
  - 23rd fiscal year (from January 1, 2019 to December 31, 2019)
  - 24th fiscal year (from January 1, 2020 to December 31, 2020)
- (2) Quarterly securities report
  - The first quarter of the 24th fiscal year (from January 1, 2020 to March 31, 2020)
  - The second quarter of the 24th fiscal year (from April 1, 2020 to June 30, 2020)
  - The third quarter of the 24th fiscal year (from July 1, 2020 to September 30, 2020)
  - The first quarter of the 25th fiscal year (from January 1, 2021 to March 31, 2021)
  - The second quarter of the 25th fiscal year (from April 1, 2021 to June 30, 2021)

### 3. Financial Results and Quarterly Financial Results being amended

- (1) Financial results
  - Financial Results for the Fiscal Year Ended December 31, 2020 [IFRS] (Consolidated)
- (2) Quarterly financial results
  - Financial Results for the First Quarter Ended March 31, 2021 [IFRS] (Consolidated)
  - Financial Results for the Second Quarter Ended June 30, 2021 [IFRS] (Consolidated)

### 4. Future outlook

There are no changes to the consolidated earnings forecast for the fiscal year ending December 2021, disclosed on February 15, 2021.

(Disclaimer with respect to earnings and other forecasts)

The forward-looking statements including earnings forecast contained in this document are based on information currently available to the Company, and certain assumptions that the Company believes are reasonable. Accordingly, the Company can give no assurance that such statements will prove to be correct. Actual results may differ from the results anticipated in these forward-looking statements due to a variety of factors.

[Translation]

(Attachment) Impact of amendments on financial results of past fiscal years

The affected amounts of these amendments on consolidated financial results of past fiscal years are as follows.

(1) Annual securities reports / financial results

(Unit: millions of JPY)

Fiscal year	Items	Before amendment	After amendment	Affected amount
23rd (FY12/19) full-year	Revenue	361,249	360,874	(375)
	Operating profit	15,501	13,957	(1,544)
	Profit before tax	13,478	12,116	(1,362)
	Profit	9,095	8,197	(898)
	Profit attributable to owners of the Company	8,336	7,439	(897)
	Total assets	239,179	238,757	(422)
	Total equity	64,993	63,846	(1,147)
24th (FY12/20) full-year	Revenue	366,711	365,135	(1,576)
	Operating profit	14,337	13,333	(1,004)
	Profit before tax	9,143	7,791	(1,352)
	Profit	4,088	2,701	(1,387)
	Profit attributable to owners of the Company	3,324	1,938	(1,386)
	Total assets	302,873	300,717	(2,156)
	Total equity	68,200	65,603	(2,597)

\* The cumulative affected amount of inappropriate accounting recognized before the fiscal year ended December 31, 2018 will be reflected collectively in the fiscal year ended December 31, 2019.

\* The amendment to the amounts at the time of submission of the annual securities report, and retrospective adjustments due to finalization of provisional accounting treatment for business combinations that occurred after the filing have not been included.

(2) Quarterly securities reports / quarterly financial results

(Unit: millions of JPY)

Fiscal year	Items	Before amendment	After amendment	Affected amount
24th (FY12/20) first quarter	Revenue	89,542	89,606	64
	Operating profit	2,549	3,503	954
	Profit before tax	1,530	2,434	904
	Profit	1,049	1,519	470
	Profit attributable to owners of the Company	899	1,370	471
	Total assets	231,886	231,636	(250)
	Total equity	58,879	58,161	(718)
24th (FY12/20) second quarter	Revenue	172,628	172,540	(88)
	Operating profit	3,305	4,496	1,191
	Profit before tax	2,046	3,193	1,147
	Profit	798	1,489	691
	Profit attributable to owners of the Company	664	1,354	690
	Total assets	234,445	234,273	(172)
	Total equity	60,110	59,676	(434)
24th (FY12/20) third quarter	Revenue	262,583	262,414	(169)
	Operating profit	8,364	9,417	1,053
	Profit before tax	5,764	6,773	1,009
	Profit	3,112	3,650	538
	Profit attributable to owners of the Company	2,819	3,357	538
	Total assets	240,821	240,494	(327)
	Total equity	63,637	63,034	(603)

[Translation]

Fiscal year	Items	Before amendment	After amendment	Affected amount
25th (FY12/21) first quarter	Revenue	123,896	123,801	(95)
	Operating profit	5,206	5,573	367
	Profit before tax	5,464	6,133	669
	Profit	3,123	3,738	615
	Profit attributable to owners of the Company	2,767	3,382	615
	Total assets	332,905	331,055	(1,850)
	Total equity	74,363	72,390	(1,973)
25th (FY12/21) second quarter	Revenue	264,712	264,639	(73)
	Operating profit	11,994	12,407	413
	Profit before tax	10,990	11,705	715
	Profit	6,472	7,124	652
	Profit attributable to owners of the Company	5,632	6,284	652
	Total assets	349,200	347,407	(1,793)
	Total equity	78,107	76,133	(1,974)

\* The amendment to the amounts at the time of submission of the quarterly securities report, and retrospective adjustments due to finalization of provisional accounting treatment for business combinations that occurred after the filing have not been included.