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

January 14, 2022

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Quarterly statements filing date (as planned): January 14, 2022
 Scheduled date to commence dividend payments: –
 Supplemental material created for quarterly results: Yes
 Briefing held for quarterly results: Yes

(Figures less than one million yen are rounded)

1. Consolidated Financial Results for the Third Quarter of Fiscal Year 2021 (From January 1, 2021 to September 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 Q3	412,068	57.0	17,889	91.6	12,192	82.2	5,675	58.3	4,533	37.7	9,210	314.7
FY2020 Q3	262,414	(1.9)	9,336	(6.6)	6,692	(3.0)	3,585	(6.7)	3,293	(1.0)	2,221	118.4

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2021 Q3	36.00	36.00
FY2020 Q3	26.16	26.16

(Notes) As the provisional accounting process related to business combinations was finalized in FY2020 Q4, the condensed consolidated financial statements for FY2020 Q3 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 Q3	350,767	73,189	67,753	19.3	538.03
FY2020	300,862	65,596	60,468	20.1	480.25

(Notes) As the provisional accounting process related to business combinations was finalized in FY2021 Q3, the consolidated financial statements for FY2020 were retrospectively adjusted.

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	44.6	25,100	88.4	21,400	175.0	14,200	427.0	12,800	562.9	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 (a): Yes

(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 Q3	125,926,800	FY2020	125,909,300
FY2021 Q3	490	FY2020	490
FY2021 Q3	125,917,784	FY2020 Q3	125,866,593

(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 Company management. These statements do not guarantee future performance of the Company, and various factors may cause the actual results to differ significantly from the forecasts.

Table of Contents for Appendix

Condensed Consolidated Financial Statements	2
(1) Condensed Consolidated Statement of Financial Position	2
(2) Condensed Consolidated Statement of Profit or Loss	4
(3) Notes to Condensed Consolidated Financial Statements	5
[Segment Information]	5

Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of December 31, 2020	As of September 30, 2021
Assets		
Current assets		
Cash and cash equivalents	81,720	52,002
Trade and other receivables	55,610	87,250
Inventories	1,743	2,556
Other financial assets	11,076	13,717
Other current assets	9,845	13,819
Total current assets	159,994	169,343
Non-current assets		
Property, plant, and equipment	9,732	11,301
Right-of-use assets	17,491	21,389
Goodwill	62,556	98,351
Intangible assets	21,082	20,211
Investments accounted for using equity method	2,231	281
Other financial assets	18,797	20,988
Other non-current assets	3,747	3,337
Deferred tax assets	5,233	5,567
Total non-current assets	140,869	181,424
Total assets	300,862	350,767

(Millions of yen)

	As of December 31, 2020	As of September 30, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	41,365	60,714
Bonds and borrowings	68,050	55,896
Lease liabilities	16,791	20,044
Other financial liabilities	4,607	6,978
Income taxes payable	4,258	2,939
Other current liabilities	16,899	25,668
Total current liabilities	151,970	172,238
Non-current liabilities		
Bonds and borrowings	43,213	61,845
Lease liabilities	20,556	26,560
Other financial liabilities	5,845	4,456
Retirement benefit liability	5,403	5,014
Provisions	1,113	1,165
Other non-current liabilities	581	629
Deferred tax liabilities	6,586	5,671
Total non-current liabilities	83,296	105,340
Total liabilities	235,266	277,578
Equity		
Share capital	25,214	25,230
Capital surplus	26,647	26,663
Treasury shares	(0)	(0)
Other capital surplus	(13,456)	(12,886)
Other components of equity	(1,187)	1,948
Retained earnings	23,249	26,798
Total equity attributable to owners of the Company	60,468	67,753
Non-controlling interests	5,128	5,436
Total equity	65,596	73,189
Total liabilities and equity	300,862	350,767

(2) Condensed Consolidated Statement of Profit or Loss

(Millions of yen)

	For the First Nine Months of Fiscal Year 2020 (From January 1, 2020 to September 30, 2020)	For the First Nine Months of Fiscal Year 2021 (From January 1, 2021 to September 30, 2021)
Revenue	262,414	412,068
Cost of sales	(212,268)	(335,391)
Gross profit	50,146	76,678
Selling, general and administrative expenses	(43,898)	(62,885)
Other operating income	3,547	5,536
Other operating expenses	(459)	(1,440)
Operating profit	9,336	17,889
Finance income	62	1,055
Finance costs	(2,736)	(6,851)
Share of profit (loss) of investments accounted for using equity method	29	99
Profit before tax	6,692	12,192
Income tax expense	(3,107)	(6,517)
Profit for the period	3,585	5,675
Profit attributable to:		
Owners of the Company	3,293	4,533
Non-controlling interests	292	1,142
Profit for the period	3,585	5,675
Earnings per share		
Basic earnings per share (Yen)	26.16	36.00
Diluted earnings per share (Yen)	26.16	36.00

(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 Nine Months of Fiscal Year 2020 (From January 1, 2020 to September 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	75,928	44,966	17,976	28,270	95,113	262,253	161	262,414	—	262,414
Intersegment revenue (Note 3)	1,932	690	210	75	1,106	4,013	1,017	5,030	(5,030)	—
Total	77,861	45,656	18,186	28,345	96,219	266,267	1,177	267,444	(5,030)	262,414
Cost of sales and other income (expenses)	(71,933)	(41,654)	(16,207)	(28,128)	(94,353)	(252,275)	(915)	(253,190)	113	(253,078)
Segment profit (Operating profit)	5,927	4,002	1,979	217	1,865	13,992	262	14,254	(4,917)	9,336
(Reconciling items)										
Finance income	—	—	—	—	—	—	—	—	—	62
Finance costs	—	—	—	—	—	—	—	—	—	(2,736)
Share of profit (loss) of investments accounted for using equity method	—	—	—	—	—	—	—	—	—	29
Profit before tax	—	—	—	—	—	—	—	—	—	6,692

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

(Note 2) The adjustment of segment profit of ¥(4,917) million includes acquisition-related costs related to business combinations of ¥(73) million, corporate expenses of ¥(4,828) 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 Nine Months of Fiscal Year 2021 (From January 1, 2021 to September 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	89,413	72,579	21,466	100,510	128,059	412,027	42	412,068	—	412,068
Intersegment revenue (Note 3)	2,323	2,100	178	767	1,282	6,649	1,243	7,892	(7,892)	—
Total	91,737	74,678	21,643	101,277	129,341	418,676	1,285	419,961	(7,892)	412,068
Cost of sales and other income (expenses)	(84,612)	(69,417)	(18,126)	(97,269)	(125,149)	(394,573)	(1,157)	(395,730)	1,551	(394,179)
Segment profit (Operating profit)	7,124	5,262	3,517	4,007	4,192	24,102	128	24,231	(6,342)	17,889
(Reconciling items)										
Finance income	—	—	—	—	—	—	—	—	—	1,055
Finance costs	—	—	—	—	—	—	—	—	—	(6,851)
Share of profit (loss) of investments accounted for using equity method	—	—	—	—	—	—	—	—	—	99
Profit before tax	—	—	—	—	—	—	—	—	—	12,192

- (Note 1) The category “other business” is an operating segment not included in reportable segments that is engaged in administrative outsourcing service business and the like at subsidiaries of the Company.
- (Note 2) The adjustment of segment profit of ¥(6,342) million includes acquisition-related costs related to business combinations of ¥(926) million, corporate expenses of ¥(5,396) 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.