[Translation]

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To Whom It May Concern

Company Name: OUTSOURCING Inc.
Representative: Haruhiko Doi
Chairman and CEO
(Prime Market of TSE, Securities Code 2427)
Contact: Masashi Umehara
Director and Executive General Manager in charge of Corporate Management Division
Phone: +81-3-3286-4888 (main)

Notice Regarding Revision of Consolidated Financial Forecasts and Dividend Forecast

Based on recent earning trends, OUTSOURCING Inc. (hereinafter, the "Company") hereby announces a revision of consolidated financial results forecast and dividend forecast for FY12/22 (January 1, 2022 - December 31, 2022) announced on February 18, 2022, with the details below.

Particulars

1. Revision of full-year consolidated financial forecasts for FY12/22

(1) Revision of full-year consolidated financial forecasts for FY12/22 (January 1, 2022 - December 31, 2022)

	Revenue	Operating profit	Profit before tax	Profit for the year	Profit attributable to owners of the Company	Basic earnings per share for the period
	Millions of JPY	Millions of JPY	Millions of JPY	Millions of JPY	Millions of JPY	JPY
Previous forecasts (A) (Announced on February 18, 2022)	695,000	32,000	29,600	19,300	18,500	146.93
Revised forecasts (B)	686,000	22,000	17,000	9,000	9,000	71.46
Differences (B-A)	- 9,000	- 10,000	- 12,600	- 10,300	- 9,500	
Percentage of changes (%)	- 1.3%	- 31.3%	- 42.6%	- 53.4%	- 51.4%	
(Reference) Results for the previous fiscal year (FY12/21)	569,325	23,925	11,742	2,018	664	5.27

(Note) As the provisional accounting of the business combinations was finalized, the condensed consolidated financial statement for FY12/21 was retroactively adjusted.

(2) Reasons for the revision

Consolidated results for the fiscal year ending December 2022 are expected to fall below the previous forecast announced on February 18, 2022.

Revenue is expected to be 9 billion yen lower than the previous forecast. As the overseas businesses have so far compensated for the downturn in the domestic businesses affected by supply restrictions, for the full-year period, the forecasted domestic revenue budget shortfall of 20.5 billion yen (engineering -6.5 billion yen, manufacturing -9.5 billion yen, and service operations -4.5 billion yen) is expected to be eased due to the strong overseas revenue upsurge against the budget of 11.5 billion yen (engineering +11.2 billion yen, manufacturing and service operations +300 million yen).

The revenues in the domestic manufacturing and service operations businesses were sluggish mainly due to the impact of supply restrictions. In the domestic engineering business, recruitment activities in each industry resumed, recruitment competition intensified, and as a result, revenue is expected to be lower than the previous forecast.

Operating profit is expected to be 10 billion yen lower than the previous forecast.

Until now, the domestic and overseas engineering businesses have compensated for the downturn in the domestic and overseas manufacturing and service operations businesses. For the full year, in comparison to the initial budget, the -9.95 billion yen operating profit shortfall in the manufacturing and service operations (2.9 billion yen for the domestic manufacturing business, 1.7 billion yen for the domestic service business, and 5.35 billion yen for the overseas business) will be partially offset by the + 0.95 billion yen increase in the engineering businesses and other upsides of 150 million yen. In addition, we expect an increase of 1.15 billion yen in adjustments. On the business front, in addition to a decrease in gross profit due to revenue shortfall, a deterioration in the gross profit margin due to high raw material and fuel prices, and an increase or soaring SG&A expenses due to inflation and other factors are expected to continue.

In addition, factors not incorporated in the previous forecast, specifically, such as impairment losses (approximately 2.8 billion yen) and conservative expense processing of assets in Chile (approximately 700 million yen), are expected to be significantly lower than the previous forecast.

Profit before tax, profit for the year, and profit attributable to owners of the Company are also expected to be significantly lower than the previous forecasts, mainly due to substantially lower than expected operating profit compared to the previous forecast. In addition, In January 2022, the Company entered into an agreement for the early purchase of the remaining shares of the OTTO Group of the Netherlands. The difference between the recorded put option liability and the purchase of the remaining shares was recorded as financial expenses of approximately 2.5 billion yen.

This one-time finance charge and impairment loss, which had not been factored into the previous forecast, were not included in the tax calculation and had a significant impact to reduce each profit before income taxes by the same amount.

2. Revision of dividend forecast

(1) Details of the revision

	Annual cash dividends per share				
	1Q	2Q	3Q	Year-end	Total
	JPY	JPY	JPY	JPY	JPY
Previous forecast (Announced on February 18, 2022)	–	0.00	–	45.00	45.00
Revised forecast	–	–	–	22.00	22.00
Dividends paid in the current fiscal year	–	0.00	–		
Dividends paid in the previous fiscal year (FY12/21)	–	0.00	–	31.00	31.00

(2) Reasons for the revision

The Company is aware that returning profits to shareholders is an important management priority. Therefore, while reinvesting a portion of profits toward future business growth, we maintain a consolidated payout ratio at 30% in principle, in order to enhance the return of profits to shareholders and expand the shareholder base.

The year-end dividend forecast for FY12/22 was initially set at \45 per share. However, in line with the revised financial forecast above, the Company has revised the dividend forecast to \22 per share, based on a 30% payout ratio.

(Disclaimer with respect to earnings and other forecasts)

The forward-looking statements, including the 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.