[Translation]

February 14, 2023

To Whom It May Concern

Company Name: OUTSOURCING Inc.
Representative: Haruhiko Doi
Chairman and CEO
(Prime Market of TSE, Securities Code: 2427)
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Notice Regarding Formulation of Medium-Term Management Plan "VISION 2025: Building a New Stage"

OUTSOURCING Inc. hereby announces that it has formulated its 3-year Medium-Term Management Plan "VISION 2025: Building a New Stage" that runs from the fiscal year ending December 31, 2023 to the fiscal year ending December 31, 2025.
Please refer to the attachment for details.

Note: This material contains forward-looking statements concerning earnings estimates and the Company's plans, which are based upon the best available information at the present time. Therefore, actual results may differ from the plan and estimate values due to various factors in the future.

VISION2025: Building a New Stage

FY2023-25 Medium-Term Management Plan

February 2023

OUTSOURCING Inc.
Securities Code: 2427/TSE Prime Section

1. Introduction

Reason For the Rolling of the Medium-Term Management Plan

The business environment surrounding the OUTSOURCING Group has changed dramatically since the announcement of VISION2024 in February 2020 due to the COVID-19 outbreak, instability of the global situation, global monetary tightening, and other factors. We have decided that rolling the Medium-Term Management Plan is desirable to respond quickly and flexibly to rapid changes of the business environment, which also present business opportunities.

1. A major shift is required from a financial strategy for the zero-interest-rate era to a financial strategy for the current monetary tightening.
2. We must carefully analyze the demands that have been lost due to significant environmental changes caused by emergencies such as the COVID-19 pandemic, the demands that have diminished but are expected to revive, and the new demands that may arise. In addition, we must come up with figures based on this analysis.
3. In response to the rapidly increasing use of technology in the post-pandemic era, such as with the spread of remote work, we have decided it is necessary to change our business model by incorporating digital technology and pursue higher profit margins.

Changes in the Medium-Term Management Plan to Tackle the Challenges of the Changing Environment

FY 2010

Revenue(billion yen): 28.4

Bring our M&A strategy into full swing to expand our business from manufacturing outsourcing to other fields as well as globally

Under our portfolio strategy to smooth out financial performance based on what we have learned from the Lehman collapse, our goals were to bring our global strategy into full swing to enter the engineering outsourcing market and capture the emerging markets where domestic demand is growing dramatically.

FY 2011 - 2014

VISION2014: Vector to the TOP

Revenue growth(billion yen): 28.4 ➡ 59.4

During this period of production recovery from the Lehman collapse and the Great East Japan Earthquake, our goal was to significantly increase our market share in major markets including transportation equipment that had been dominated by traditional players. We aimed to become the No. 1 company chosen by customers and job seekers, and then become No.1 in the industry.

FY 2015 - 2017

VISION2017: Vector to the New Paradigm

Revenue growth(billion yen): 59.4 ➡ 230.2

With the declining brand power of "Made in Japan," a paradigm shift to a new business structure adapted to the environmental changes was needed. Our goal was to expand the engineering & construction outsourcing businesses as our paradigm shift within major industries in Japan, as well as expanding our outsourcing business overseas in response to manufacturers shifting their production overseas.

FY 2018 - 2020

VISION2020: Tackling New Frontiers

Revenue growth(billion yen): 230.2 ➡ 365.1

With the accelerating decline in the workforce due to the declining birthrate and the aging population, we aimed to stabilize employment for our group's employees. To smooth out our financial performance, we worked on expanding our outsourcing business globally in areas that are not impacted by environmental changes or economic situations.

FY 2020 - 2022

VISION2024: Change the GAME (Formulated as a 5-year plan for 2020-2024)

Revenue growth(billion yen): 365.1 ➡ 689.8

In the face of the world's rapidly evolving technologies and changes in labor laws, our goal was to become a "game changer" of the HR business amid changing workstyles. We aimed to change into a company that is based more on fee-based businesses through platform building.

We achieved continuous performance growth as we changed our business portfolio, formulating each medium-term VISION to precisely fit the changes in the business environment at the time and executing specific strategies.

Looking Back on VISION2024

FY 2022 Revenue: Plan 593.0 billion yen Actual 689.8 billion yen (+96.8 billion yen)

Operating Profit: Plan 36.0 billion yen Actual 22.0 billion yen (-14.0 billion yen)

No.	Priority Measures	Summary			Future Policies
Strategy I	Expanding support services for foreign workers	×	Missed the targeted number of workers due to the significant impact of COVID-19	▶	Strengthen and expand the business in preparation for the post-pandemic era
Strategy II	Raising operational efficiency and saving labor through Dispatch 2.0, a model that combines engineering and technology	△	Attained some progress amid changing demand	▶	Expand the dispatching and contracting business in more advanced areas such as security
Strategy III	Further expanding the businesses for U.S. military facilities and the public sector that will help smooth out business performance	○	Expanded the revenue of each business	▶	Continue to strengthen and expand the businesses
Strategy IV	Establishing a global HR mobilization network to turn the world's growing population into an opportunity	△	Built a new network despite the impact of COVID-19	▶	Continue to strengthen and expand our network
Strategy V	Creating a WBB platform to shift away from a business based on our stock of human resources available (“stock business”)	×	Delayed due to the COVID-19 pandemic	▶	Restructure the strategy in light of the changing environment
Strategy VI	Financial strategy	×	Fell short of the goals for capital efficiency and financial soundness indicators	▶	Change our financial strategy

We believe that we were able to create the foundation for our next growth phase to some extent, although our operating profit fell short of our plan due to the impact of COVID-19 and other factors.

2. Theme and Numerical Targets for the New Medium-Term Management Plan

Theme for the New Medium-Term Management Plan

VISION2025：Building a New Stage

The new medium-term management plan was formulated with an emphasis on maximizing corporate value.

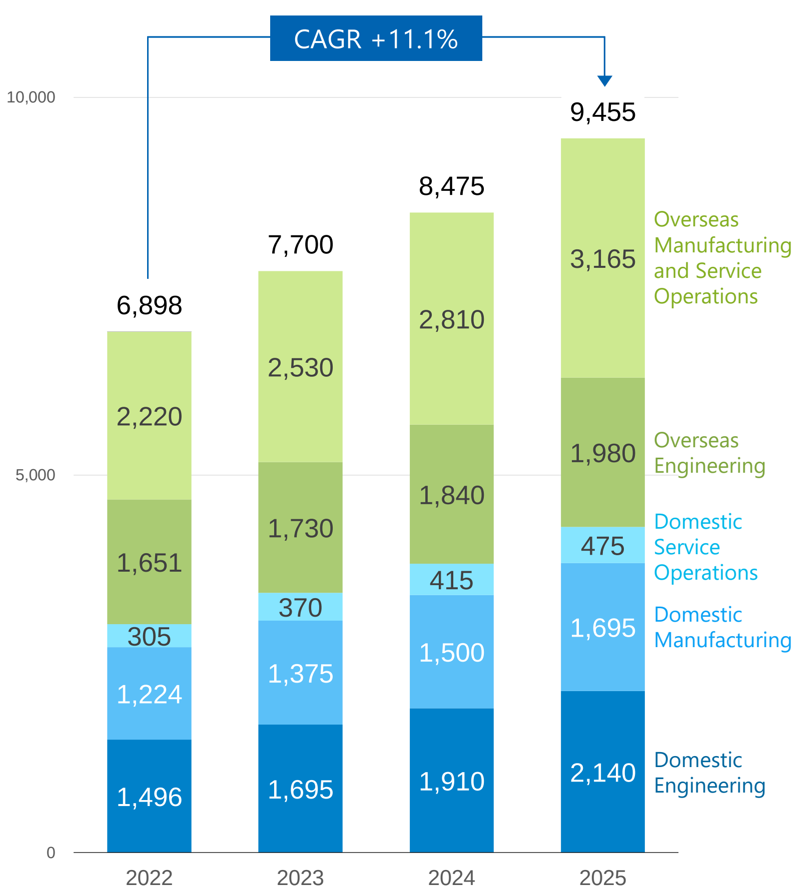
We will make the most of what we can learn from our past experiences, mistakes, and failures in business to build a strong financial structure that is well-balanced between offense and defense, as well as an internal control and governance system that will enable our employees to work with a sense of security and enthusiasm. We will achieve extraordinary growth based on this foundation to pursue solid growth in corporate value.

By "**Building a New Stage,**" we intend to build on our past experiences to create a new stage with our own hands. Hoping to turn our past weaknesses into strengths to achieve further growth, we have adopted this slogan as the theme of our new medium-term management plan.

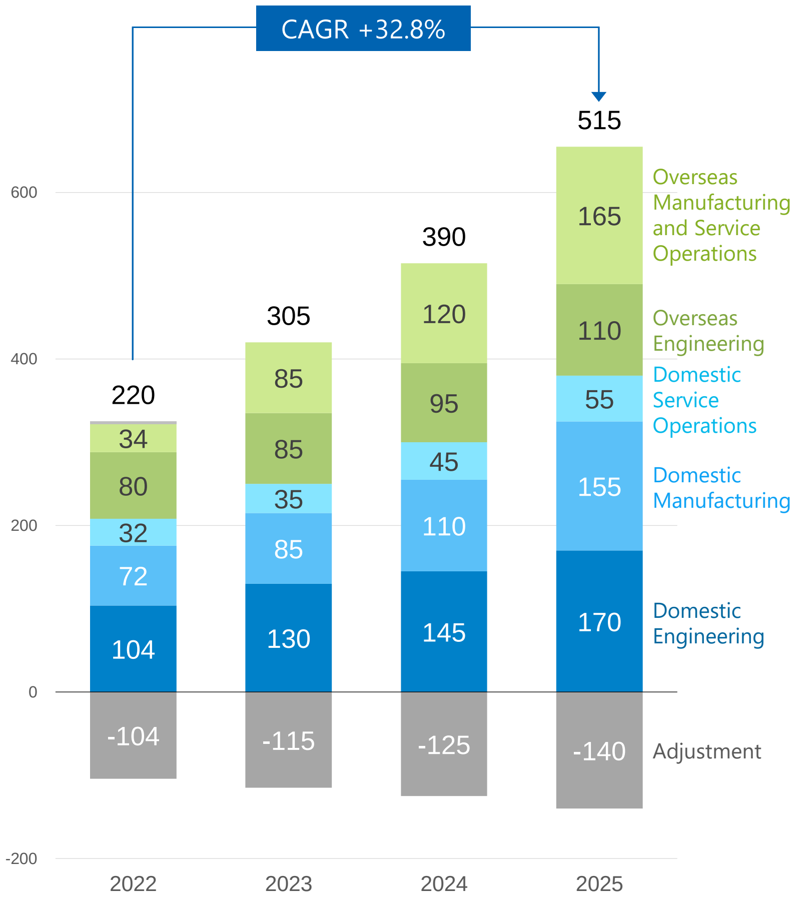
Numerical Targets for VISION2025

Accelerate profit growth by restructuring our group and shifting to a strategy that focuses on organic growth

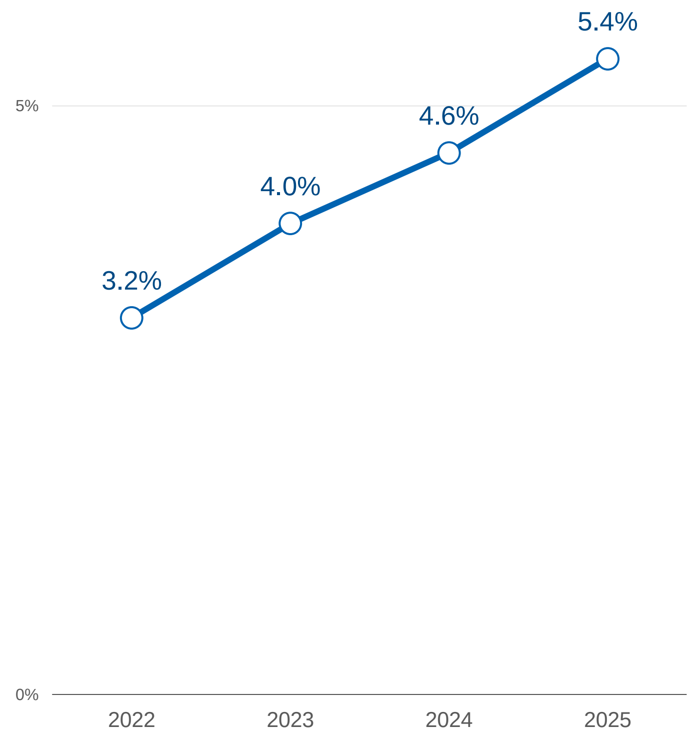
Consolidated revenue (hundred million yen)



Consolidated operating profit (hundred million yen)



Consolidated operating profit ratio (%)



Priority Measures for VISION2025

Priority Measures 01

Strengthening Business Foundation By Improving Financial Standing

Shift our financial strategy from what we had during the zero-interest-rate period and control our bonds and loans to within 3.0x of our profit by FY2025.

Priority Measures 02

Improving Profitability by Strengthening Our Global Internal Control and Improving Efficiency Through the Restructuring of Our Group

Execute the restructuring of our group, including the closure & consolidation of our consolidated subsidiaries, to improve profitability through stronger governance and greater business efficiency.

Priority Measures 03

Achieving Greater Organic Growth in Response to Changing Demands

Achieve sustainable growth of the existing businesses by flexibly responding to the changing human resources demand in the post-pandemic era.

Priority Measures 04

Creating New Sales/Management Systems That Incorporate Leading-Edge Technologies and Lead To Improved Sales Efficiency

Improve sales efficiency by executing initiatives across our group that leverage digital technologies and are not bound by industry conventions.

3. Priority Measures

Priority Measures 01

Strengthening Business Foundation By Improving Financial Standing

Shift our financial strategy from what we had during the zero-interest-rate period and control our bonds and loans to within 3.0x of our profit by FY2025.

Purpose of the Financial Strategy

Purpose of the Financial Strategy

- Build an optimal balance sheet for corporate value growth as the financial environment shifts from zero interest rate to monetary tightening
- Created as a financial strategy that is balanced between offense and defense, with the execution of bolt-on acquisitions that complement our existing businesses with an emphasis on balancing growth and financial discipline
- Maintain a good relationship with banks to ensure flexible financing for the next stage of growth, based on an equity ratio of about 30%.

Target Figures of the Financial Indicators

1. Ratio of Bonds and Loans Payable to Profit

2022: 13.0x → 2025: 3.0x

2. Equity ratio

2022: 19.9% → 2025: About 30%

3. Goodwill* to Total Equity Ratio

2022: 1.5x → 2025: 0.7x

4. Dividend Payout Ratio

30% of profit in principle

*Including adjustments for intangible assets and deferred tax liabilities in PPAs.

Rationale for achieving the target figures of the financial indicators

Building the foundation for organic growth

Building the foundation for executing our global strategy and smoothing out our financial performance

- More than 50% of revenue from overseas
- Expansion of our engineering business
- Growth of businesses for U.S. military facilities and the public sector

We have finished establishing a foundation capable of sustainably generating an organic growth of 15% per year

Shift in the M&A Strategy

With the foundation established, future M&As will be shifted to a strategy that emphasizes the balance between financial discipline and growth based on the following points

Bolt-on acquisitions

- Expansion of our overseas engineering into North America: The balance with financial discipline will be considered in decision-making.
- M&A for industry restructuring in Japan: Decision-making based on a comparison of the hiring cost per person and the acquisition price

+

High cash-generating capacity of the human resources business

The human resources business is intrinsically asset-light.

- No large capital investment required
- High capital efficiency
- About 80% of our investing CF is M&A-related (for the last 3 years)

Profit growth will exceed sales growth with fewer M&As, enabling stable cash generation

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Priority Measures 02

Improving Profitability by Strengthening Our Global Internal Control and Improving Efficiency Through the Restructuring of Our Group

Execute the restructuring of our group, including the closure & consolidation of our consolidated subsidiaries, to improve profitability through stronger governance and greater business efficiency.

Growth & Challenges of the M&A Strategy

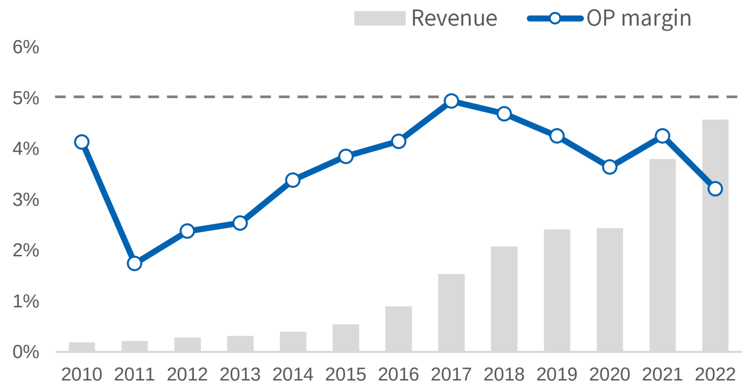
Our business foundation has expanded through our full-fledged M&A strategy since 2010

- Revenue CAGR：+30%
- Operating profit CAGR：+27%
- Smoothed out consolidated financial performance

Management issues became evident as our business grew rapidly

- Stagnant operating profit margin
- Internal control of group companies
- Increase in interest-bearing debts

Trends in consolidated operating profit margin

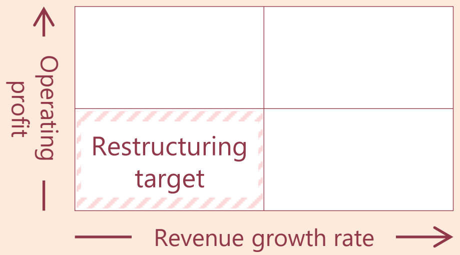


Operating profit margin remained below 5% despite revenue expansion

Solving the Issues with Group Restructuring

Clarify the criteria for closure & consolidation and accelerate the restructuring of our group

- Consistency with the management strategy
- Operating profit (earning power)
- Revenue growth rate

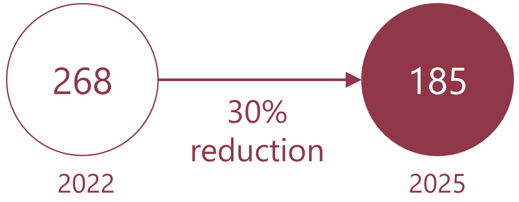


Accelerate the restructuring of business portfolio by establishing headquarters for each area (selection & focus of business)

Strengthen group-wide structure through further restructuring

- Improve profit margin/ operational efficiency
- Strengthen internal control
- Improve budget accuracy

No. of consolidated subsidiaries, etc.



Aim for consolidated operating profit margin of 5% or more through optimization (2022: 3.2% → 2025: 5.4%)

Priority Measures 03

Achieving Greater Organic Growth in Response to Changing Demands

Achieve sustainable growth of the existing businesses by flexibly responding to the changing human resources demand in the post-pandemic era.

During our phase of "Building a New Stage," we will take advantage of our schemes that differentiate us from our competitors expanding in each business segment, such as foreign technical intern trainees and CSM in our Domestic Manufacturing business and Dispatch 2.0 in our Domestic Engineering business. We will also **develop new schemes and business models** to respond to the short cycle of needs. By **expanding mainly through organic growth** that does not require upfront investment, we will generate cash flow and build a strong financial structure.

Priority Measures 03

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Business Expansion in the Area of Semiconductors

Market Size: Semiconductor Market to Double in 10 Years

The semiconductor market is expected to expand in the medium to long term thanks to technological progress and other factors.

Global Semiconductor Market Size

2020	2025	2030
50 trillion yen	75 trillion yen	100 trillion yen

Market size to double in 10 years

(Source: Compiled by METI based on OMDIA data)

Train Work-Ready Engineers at Our Semiconductor Training Centers

- April 2022 Semiconductor Training Center Isahaya (OSCI) opened
- FY2023 Planning to open another semiconductor training center

Development of semiconductor engineer training scheme → Training work-ready engineers

Our Strength: Covering a Wide Range of Processes from Upstream to Downstream

Semiconductor Value Chain

R&D / Design → Data analysis/ Processing technology → Test Quality assurance & maintenance → Manufacturing → Maintenance

Scope of services of the Domestic Engineering segment (R&D / Design through Test Quality assurance & maintenance)

Scope of services of the Domestic Manufacturing segment (Test Quality assurance & maintenance through Maintenance)

Coverage of a wide range of processes from upstream to downstream within the group + Preparing for the establishment of a company specialized in semiconductors in 2023

Numerical Plan: Number of Semiconductors-Related Employees

FY 2022	FY 2025
3,859 employees	7,800+ employees

Priority Measures 03

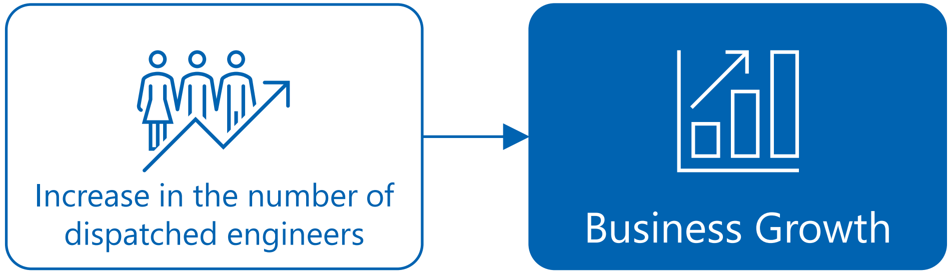
Achieving Greater Organic Growth in Response to Changing Demands

Achieve sustainable growth of the existing businesses by flexibly responding to the changing human resources demand in the post-pandemic era.

Training Engineers for Cutting-edge Technologies

Engineer Dispatching Is a “Stock Business”

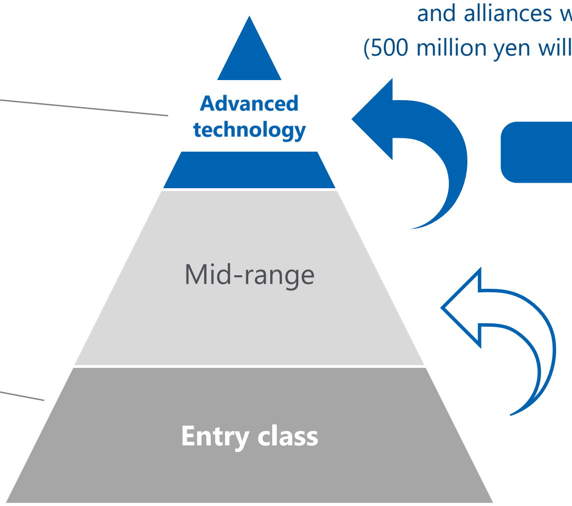
Engineer dispatching is a business based on our stock of engineers. Business performance improvement is linked with the number of dispatched engineers. In other words, increasing the number of hires is essential for business growth.



Technology Layers of Engineers and Our Strategy

High-end engineers add value but are difficult to recruit, so growth through just these cutting-edge technology engineers is difficult

Entry-level engineers, including new graduates, are relatively easy to recruit, but the price of each dispatching contract tends to be low.



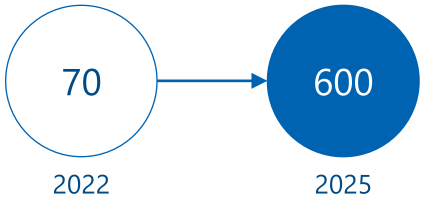
Train cutting-edge technology engineers by maximally leveraging our training business and alliances with other companies (500 million yen will be invested over 3 years)

Training through alliances

KENスクール

Training through our training schools

Planned number of cutting-edge technology engineers



Achieve both business growth and high added value

Priority Measures 03

Achieving Greater Organic Growth in Response to Changing Demands

Achieve sustainable growth of the existing businesses by flexibly responding to the changing human resources demand in the post-pandemic era.

Establish a Global Talent Flow Network

Widening Gap between the Global Supply and Demand of Labor

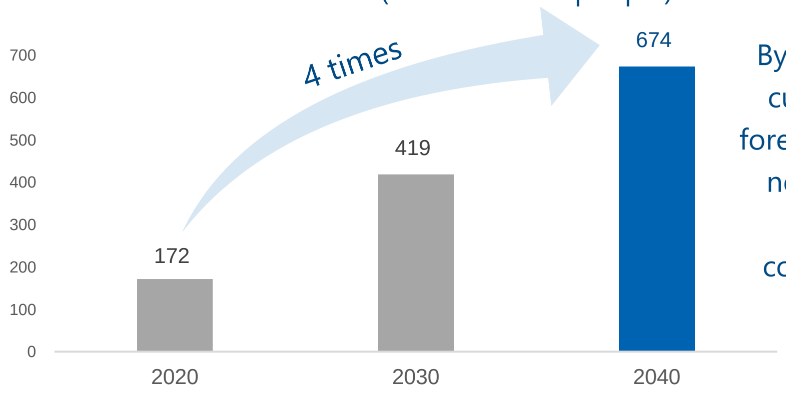
Growing need for cross-border employment, despite a temporary halt due to COVID-19

- Countries lifting entry bans
- Global population growth
- Population decline in developed countries

Some reasons why foreign workers will be necessary in Japan as well

- Low birthrate & aging population
- Working-age population to decline by about 20% from 2020 to 2040

Number of foreign workers needed to achieve Japan's growth targets (Ten thousand people)



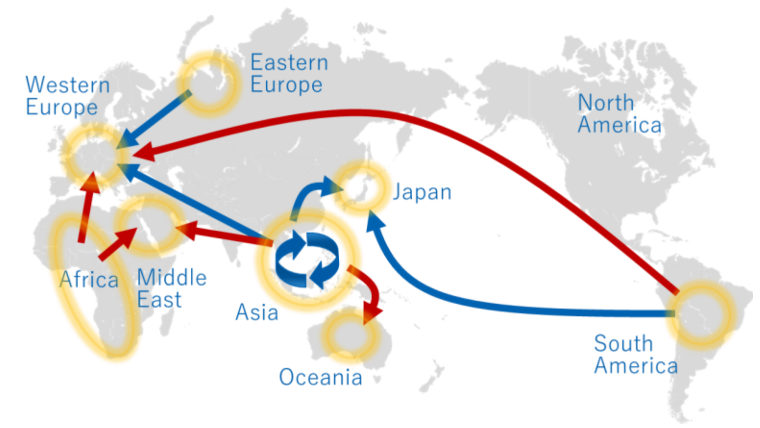
By 2040, 4 times the current number of foreign workers will be necessary in Japan (all developed countries share the same problem)

(Source: JICA "Research and Study toward the Realization of a Society Coexisting with Foreign Residents in 2030/40")

Establishment of a Global Talent Flow Network

Leveraging our group's resources to turn the world's population growth into business growth potential

- Operating in 38 countries around the world
- Our staff-sending business in Southeast Asia
- Know-how of immigration into EU/Australia



Expansion of existing routes
+
Development of new routes

Established HR mobilization routes

HR mobilization routes aimed to be established in our new medium-term management plan

Developing / expanding various businesses

- Staff-sending business
- Talent matching
- Staff-accepting business
- Labor management
- Employment support
- Outplacement

Number of cross-border employees using our services

2022	2025
About 30,000	200,000

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Priority Measures 03

Achieving Greater Organic Growth in Response to Changing Demands

Achieve sustainable growth of the existing businesses by flexibly responding to the changing human resources demand in the post-pandemic era.

Improve Productivity through Dispatch Management System

Improve Productivity through Dispatch Management System

We see lagged digitalization as a common issue for the entire dispatching industry

- Analog workflow
- Redundant management of multiple systems
- Old Business Practices

Promotion of dispatching DX through our "Cloud Staffing" dispatch management system

クラウドスタッフィング

Streamlining dispatch management operations

- Cloud-based centralized management of conventional paper-based operations such as contracts and attendance management
- All interactions between the dispatch agency and client company can be done online
- 80% reduction of workload estimated

Joint investment by 16 companies in the dispatching Industry

- Establishment of a systems company in 2022 through joint investment by 10 companies (currently 16) of the dispatching industry
- Aiming to establish a *de facto* standard for dispatch management operations through each company's cooperation in promoting system implementation

Creation of a common platform to contribute to the entire dispatching industry

- Improved industry productivity
- Improved working environment
- Contribution to the SDGs

Version Upgrade of Cloud Staffing

Features of Cloud Staffing

Released クラウドスタッフィング 派遣管理	**Released** クラウドスタッフィング 勤怠管理
In Preparation HR datawarp Linking with the database of client and dispatch agency	**Under Consideration** クラウドスタッフィング スタッフ管理 Online service for staff management operations

Existing Functions + New Functions

Improve efficiency through new functions to improve productivity and work environment for the entire industry

Numerical plan: Number of Users of the Dispatch Management System

Increase the number of users of the entire dispatch management system by 5 times in 3 years

Number of users

2022	2025
19,000	100,000

Priority Measures 04

Creating New Sales/Management Systems That Incorporate Leading-Edge Technologies and Lead To Improved Sales Efficiency

Improve profitability by executing initiatives across our group that leverage digital technologies and are not bound by industry conventions.

Introduction of an Evaluation System for Manufacturing Dispatch Employees

Challenges with the Career Development of Manufacturing Dispatch Employees

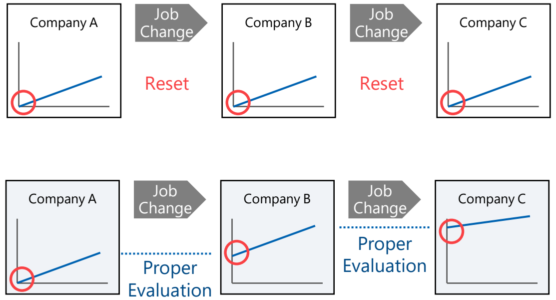
Experience and skills of dispatch employees for manufacturing are reset with each job change.

- Difficulty in raising wage levels
- Outflow of talents to other industries
- Absence of an evaluation system

Comparison of career development of manufacturing dispatch employees and engineering dispatch employees

Manufacturing Wage Image

Engineering Wage Image



Continuous career development is difficult because there is no system for transferring over evaluations.

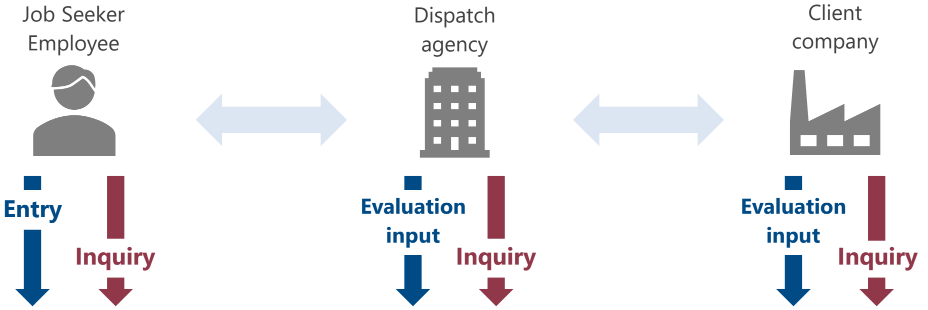
Experience & skills can be more easily evaluated, allowing for strategic career development

We see these as challenges in the healthy development of the dispatching industry and the domestic manufacturing industry

- Growing shortage of labor
- Growing social demand for better work environments and SDGs

Creation/Implementation of a Point-Addition Evaluation System

Operation Scheme of the Point-Addition Evaluation System



Point-addition evaluation system/ database

Visualize the experience/ skills of dispatch employees as points

- Attendance Rate
- Supervisor's evaluation
- Completion of Term
- Product knowledge
- Qualifications

Higher wages through proper evaluation upon changing roles or changing jobs between participating companies

System Introduction	Scheduled in September 2023	Number of employees evaluated In FY2025	Aiming for 50,000 employees

The evaluation system will lead to appropriate evaluations and wages and encourage strategic career development. These will raise the manufacturing dispatch employees' value as workers and improve their social status, thereby contributing to the healthy development of dispatching and manufacturing industries.

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Priority Measures 04

Creating New Sales/Management Systems That Incorporate Leading-Edge Technologies and Lead To Improved Sales Efficiency

Improve profitability by executing initiatives across our group that leverage digital technologies and are not bound by industry conventions.

Improve Efficiency through Our In-house Developed CTG System

Solving Issues of Systems Related to Sales Office Operations

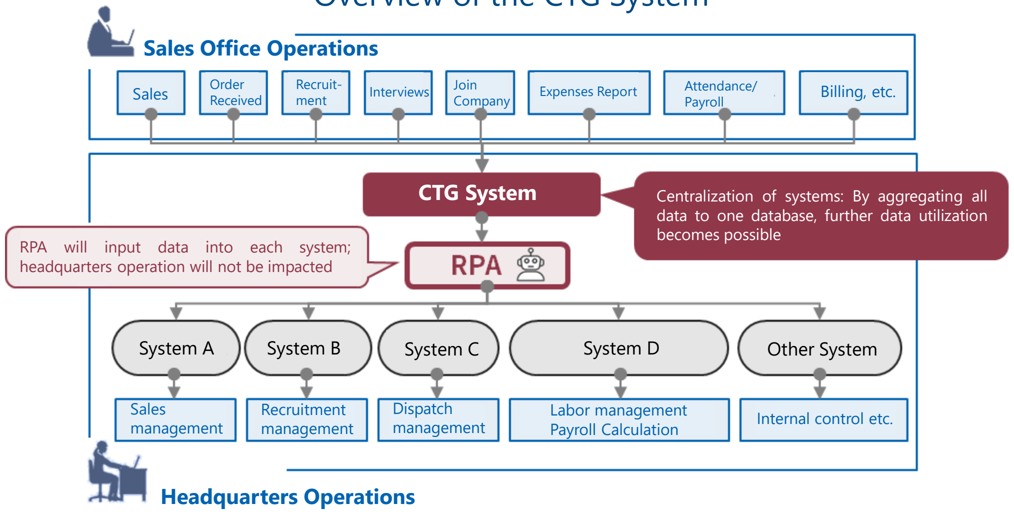
Current issues with the operation of systems related to sales office operations

- Duplicate entries into multiple systems occurs
- Large burden on the user in terms of efficiency

Solving the above issues by introducing the CTG system

- Centralized operation system
- Improved efficiency
- Reduced stress

Overview of the CTG System



CTG System Development/Implementation Schedule and Its Effects

Timeline

- Jul. 2022
  CTG system development
- Aug. 2023 (Plan)
  Begin operation in the Domestic Manufacturing business
- Apr. 2024 (Plan)
  Implementation in the Domestic Service Operations business and the Domestic Engineering business

Continue to develop the system for each business segment and implement in steps

Increase profitability by streamlining/ optimizing operations

CTG System
FY2025 SG&A expenses reduction
About 500 million yen

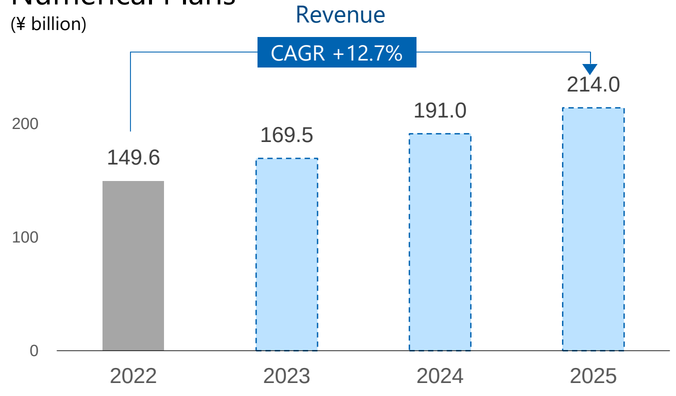
4. Business Plan by Segment

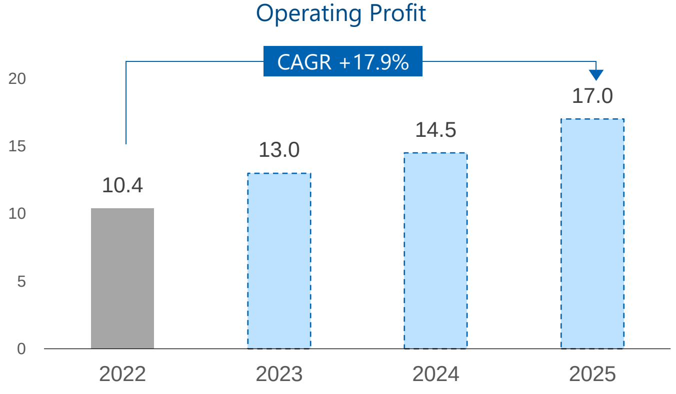
Consolidated Operating Results Targets

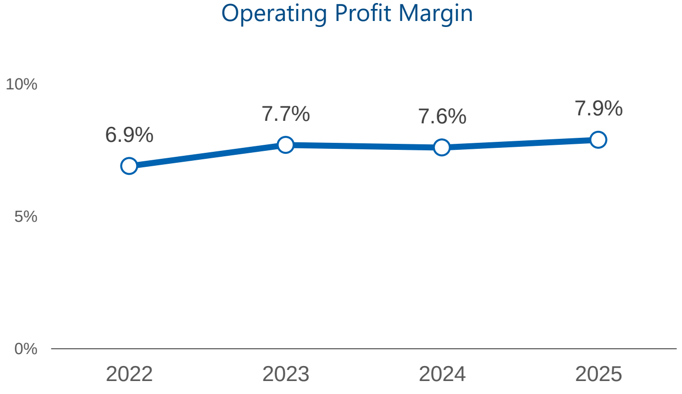
(¥ billion, %)	FY12/22	FY12/23	FY12/24	FY12/25	Differences from 2022	Rate of change
Revenue	689.8	770.0	847.5	945.5	+ 255.7	+ 37.1%
Cost of Sales	565.3	631.0	691.5	766.5	+ 201.2	+ 35.6%
Gross Profit	124.5	139.0	156.0	179.0	+ 54.5	+ 43.8%
(Gross Profit Margin)	18.1%	18.1%	18.4%	18.9%	+ 0.8pt	---
SG&A Expenses	107.1	118.5	127.0	138.0	+ 30.9	+ 28.9%
(SG&A Expenses Ratio)	15.5%	15.4%	15.0%	14.6%	- 0.9pt	---
Other Sales Profit	10.1	10.0	10.5	11.0	+ 0.9	+ 8.9%
Other Sales Expenses	5.5	0	0.5	0.5	- 5.0	- 90.1%
Operating Profit	22.0	30.5	39.0	51.5	+ 29.6	+ 135.2%
(Operating Profit Margin)	3.2%	4.0%	4.6%	5.4%	+ 2.2pt	---

Domestic Engineering Outsourcing Segment

Numerical Plans
(¥ billion)







Business Plan Assumptions

(1) Growth in revenue & number of worksite employees

Number of worksite employees from FY2022 to FY2025

FY2022: 24,713 → FY2025: 32,300

- Reinforce the strategy to raise the quality of engineers through improvement of retention rate and skills, while also maintaining the top-level number of hires in the industry
- Expecting a 95% utilization rate (for dispatching) based on the forecast that the demand for engineers will remain at a high level in the medium term
- Targeted market share as of 2025 is 15%

(2) Improvement of the operating profit margin

- Planning to enhance training for engineers to meet client needs and improve the gross margin
- Reduce turnover rate by 2 percentage points in 3 years by revising the HR system and enhancing follow-ups by career advisors
- Reduce costs through automation of operation, group restructuring, and sharing back-office operations

(3) Development of a recruitment scheme resilient to changes in the external environment

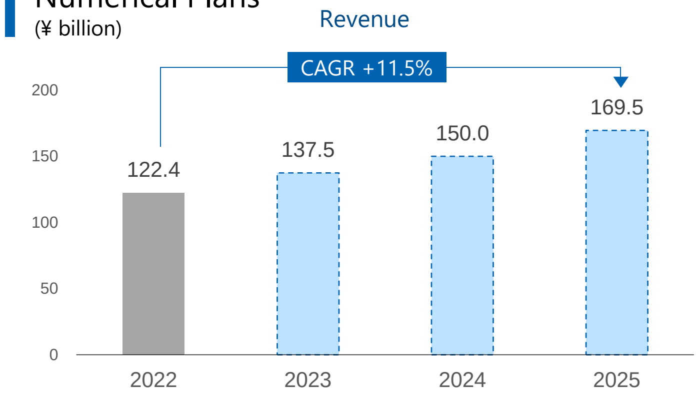
Strategies against rising recruitment costs and competition for talent

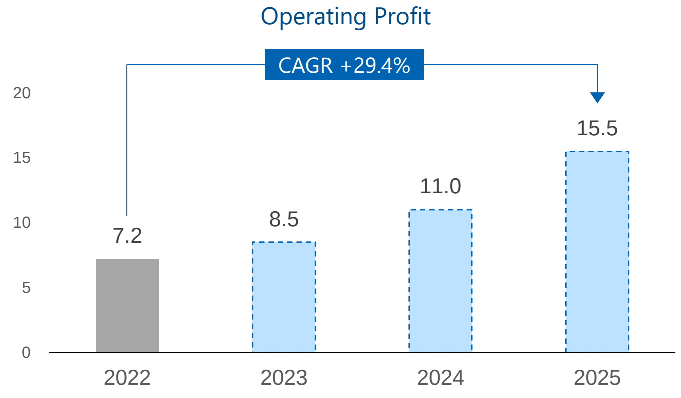
1. Strengthening referral recruiting and direct recruiting
2. New source of workers with digital workplaces
3. Resumed hiring of global talents

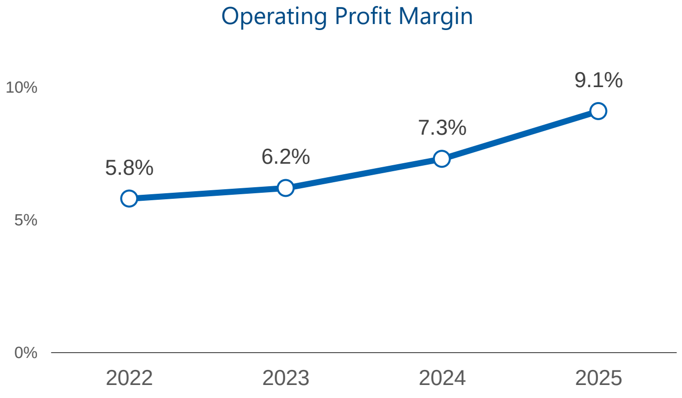
Stable recruitment that is resistant to environmental changes

Domestic Manufacturing Outsourcing Segment

Numerical Plans
(¥ billion)







Business Plan Assumptions

(1) Growth in revenue & number of worksite employees

Number of worksite employees from FY2022 to FY2025

FY2022: 26,529 → FY2025: 34,400

- Planning to increase the number of worksite employees at a CAGR of 9.1%
- Automobile manufacturing is expected to return to full production in the second half of 2023 and contribute to full-year earnings starting in 2024
- Semiconductor-related demand is expected to increase due to the establishment of new plants although it may fluctuate in the short term with the silicon cycle

(2) Improvement of the operating profit margin

- Cost reduction of just under 0.5 billion yen is expected in 2025 with the restructuring and integration of 17 group companies.
- With the recovery of automobile production, the hours of operation of the dispatched employees are expected to increase and lead to improved gross margin
- Expansion of the highly profitable overseas employment support business is expected to improve the operating profit margin of the entire segment

(3) Expansion of the overseas employment support business

Number of worksite employees from FY2022 to FY2025

FY2022: 19,045 → FY2025: 80,000

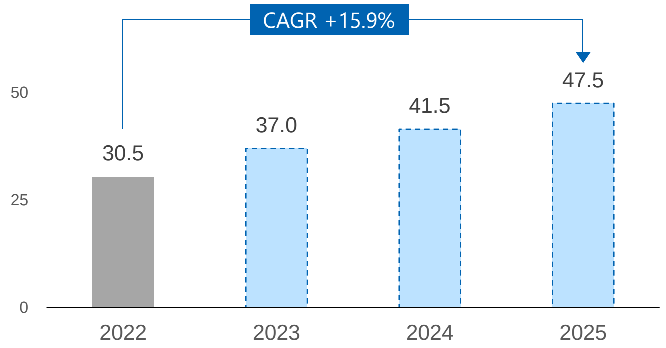
- A significant increase in the number of technical intern trainees and other workers under outsourced administration is expected as a result of the relaxation/ lifting of entry bans for COVID-19
- Expand services to meet various needs
- Committed to resolving the workers' debt issue to improve the overall health of the foreign labor market

Domestic Service Operations Segment

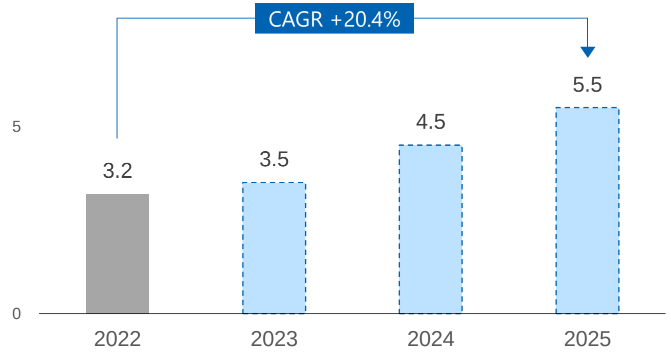
Numerical Plans

(¥ billion)

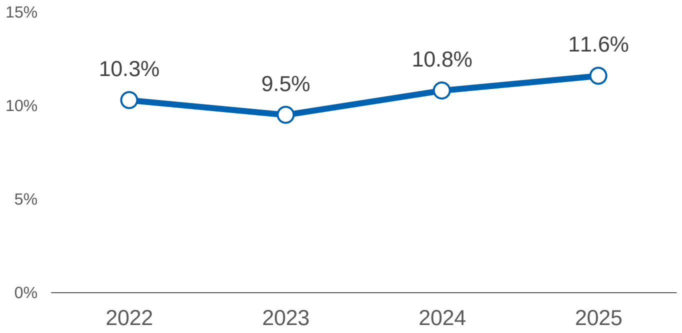
Revenue



Operating Profit



Operating Profit Margin



Business Plan Assumptions

(1) Implementation of a building integration system (US military facilities business)

Centralized management with a building integration system

Design / Quote | Construction | Maintenance & Management

- Improve operational efficiency through centrally managed data (reduction of errors, quality control, work efficiency)
- Ensure competitiveness and expand orders by improving quality and eliminating rework due to systems
- Plan to introduce the system during the period of the Medium-Term Management Plan in cooperation with design firms

(2) Capturing the expanding market (US military facilities business)

US defense spending is rising due to the instability of the global situation and this trend is expected to continue in the medium term.

Capture the expanding market needs as demand for the construction of various infrastructures is expected to rise

(3) Thorough cost control (US military facilities business)

Profitability declined in 2022 due to a combination of multiple cost-increasing factors

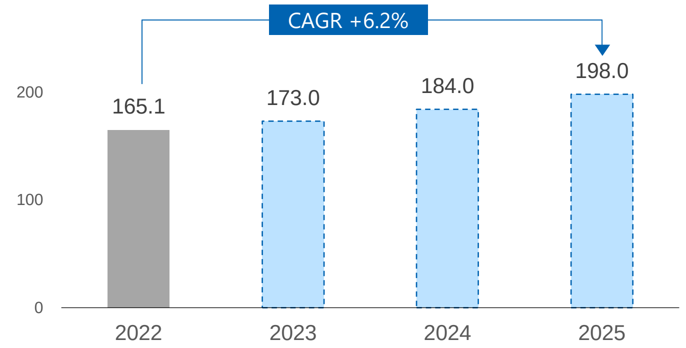
Depreciation of the yen | Soaring material prices | Semiconductor shortage

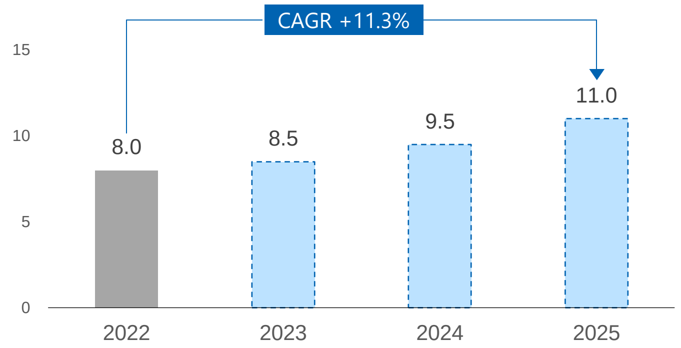
Improved profitability through the following approaches

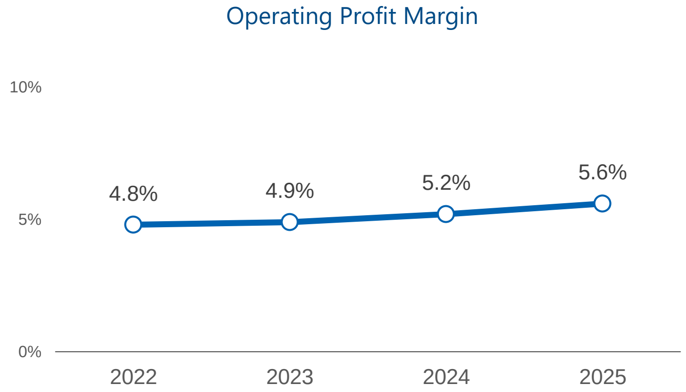
Revision of the method for ordering parts | Careful review of quoted prices | Foreign exchange risk hedging

Overseas Engineering Outsourcing Segment

Numerical Plans
(¥ billion)







Business Plan Assumptions

(1) Engineering Outsourcing Business in Ireland

Numerical plan for FY2022 to FY2025

Revenue CAGR: 5.5% | OP Margin: +0.4pt

- Top-line growth driven by market share expansion in countries around Ireland (UK and DACH region)
- Reduce costs through consolidation and digitization of back-office operations
- Improve operating profit margin (+0.4 percentage points) while managing the higher costs due to inflation, wage hikes, etc.

(2) Engineering Outsourcing Business in Oceania

Numerical plan for FY2022 to FY2025

Revenue CAGR: 7.3% | OP Margin: +1.2pt

- Top-line growth by capturing demand in high-growth/recession-resistant sectors and expanding geographically
- Absorbing the impact of wage increases by passing on the amount to the unit price charged to customers
- Improve operating profit margin by increasing operational efficiency through IT investments, etc.

(3) Debt Collection Businesses in the U.K.

Numerical plan for FY2022 to FY2025

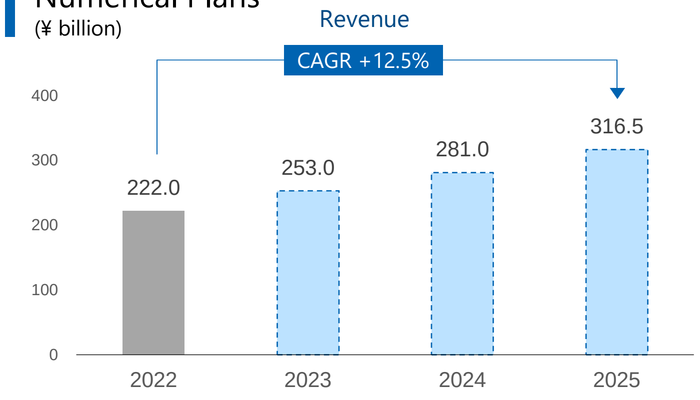
Revenue CAGR: 7.2% | OP Margin: +1.6pt

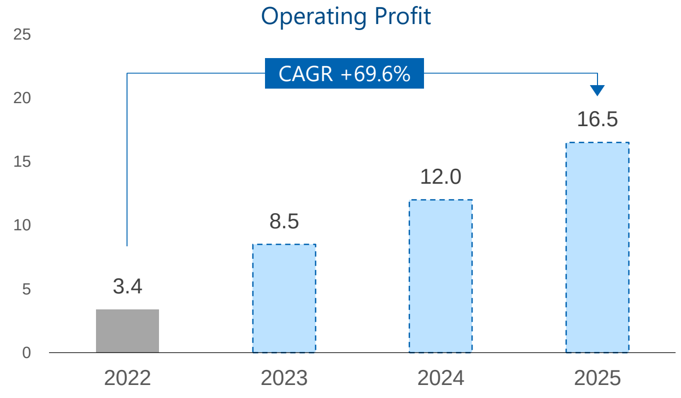
- Top-line growth as new debt issuance, which had been impacted by COVID-19, returns to normal
- Factoring in the rise in debt collection fees expected during the mid-term management period due to inflation
- Improve efficiency through the unification of collection system within our group

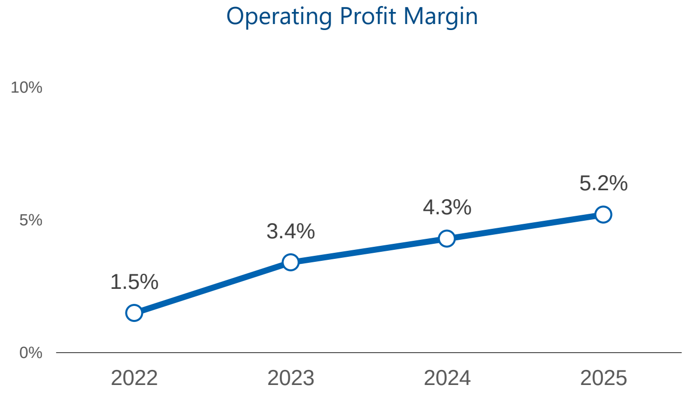
Overseas Manufacturing & Service Operations Outsourcing Segment

Numerical Plans

(¥ billion)







Business Plan Assumptions

(1) Service Operations Outsourcing Business in the Netherlands

Numerical plan for FY2022 to FY2025

Revenue CAGR: 14.4%

OP Margin: +0.7pt

- Top-line growth by focusing on the logistics area for which demand is expected to increase
- Factoring in the increase in unit cost (>5% per year) due to wage increases
- Improve operating profit margin (+0.7 pt) with the elimination of COVID-19-related expenses, economies of scale, and improved operational efficiency

(2) Manufacturing Outsourcing Businesses in Germany

Numerical plan for FY2022 to FY2025

Revenue CAGR: 13.7%

OP Margin: +2.7pt

- Factoring in top-line growth due to recovery of automobile production starting in the second half of 2023
- Synergies from the acquisition of OTTO Germany
- Closure & consolidation of more than 20% of branches by the end of FY2023 to reduce costs from the following year (SG&A expenses ratio: -1.0 percentage points)

(3) Other Topics

- Improvement also due to the recording of impairment loss (-2.44 billion yen) and conservative recording of the expenses in South America (-630 million yen) in 2022
- Accelerated pursuit of group synergies with the acquisition of OTTO Group in the Netherlands as a wholly-owned subsidiary (in FY2022)
- Pursue the possibility of improving profitability through selection, concentration, and improved efficiency of businesses as the restructuring of our group accelerates

Legal Disclaimer

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Therefore, the actual results may differ from the plan and the estimate values due to various factors in the future.
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