[Translation]

November 14, 2023

To Whom It May Concern

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Notice Regarding Differences Between the Forecasts vs. Actual Results for the Cumulative Consolidated Performance for the Second Quarter

OUTSOURCING Inc. (hereinafter, "the Company") hereby announces that differences that have arisen between the consolidated performance forecast for the second quarter of the fiscal year ending December 31, 2023 (January 1, 2023, to June 30, 2023) announced on February 14, 2023, and the actual results stated in today's summary of the financial results, as described below.

Note

1. FY2023 2Q (Cumulative) Consolidated Business Performance: Difference Between Forecasts vs. Actual Results
   (1) Consolidated business performance: Differences between forecasts vs. actual results
   (January 1, 2023 to June 30, 2023)

	Revenue	Operating profit	Quarterly profit before tax	Quarterly profit	Quarterly profit attributable to owners of parent	Basic quarterly earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previously announced forecast (A) (Announced February 14, 2023)	366,000	10,500	9,500	6,500	6,000	46.92
Actual results (B)	360,721	8,719	8,272	3,582	3,622	28.75
Difference (B-A)	(5,279)	(1,781)	(1,228)	(2,918)	(2,378)	
Difference (%)	(1.4)	(17.0)	(12.9)	(44.9)	(39.6)	
(Reference) Results for the second quarter of the previous fiscal year (FY2022 2Q)	325,399	11,288	8,021	4,356	4,167	33.09

(Note) In conjunction with the determination of provisional accounting for business combination, the Company has retroactively revised the summarized quarterly results for the second quarter of the fiscal year ended December 31, 2022.

(2) Reasons for the differences

Regarding the consolidated performance for the cumulative period of the second quarter of the fiscal year ending December 31, 2023, despite achieving record-high revenue for the first half, the actual results fell below the performance forecast announced on February 14, 2023. The impact of factors such as impairment losses on goodwill recorded in the second quarter significantly contributed to the shortfall in performance compared to the forecast, particularly in the operating profit and other profits below operating profit.

Revenue recorded a new high for the first half, driven by strong demand in engineering and the recovery of production in the transportation equipment sector. However, challenges such as intensifying competition for talent acquisition and delays in material procurement for projects related to the domestic U.S. military facilities led to a performance below the forecast. On the other hand, operating profit, quarterly profit before tax, quarterly profit, and quarterly profit attributable to owners of parent all fell below the forecast affected by the impairment losses on goodwill, amounting to 2,176 million yen recorded in the second quarter. Furthermore, as impairment losses, including goodwill, are not considered in tax calculations, they had a downward impact on profits below quarterly profit before tax.