February 14, 2018

To Whom It May Concern

Company Name: OUTSOURCING Inc.
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(First Section of TSE, Securities Code 2427)
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Notice Regarding Amendment of Previously Reported Annual/Quarterly Securities Reports and Summary of Financial Statements

OUTSOURCING Inc. (hereinafter the "Company") hereby announces that it will submit to the Kanto Local Finance Bureau Amendment Reports for the following Annual/Quarterly Securities Reports submitted in previous fiscal years, and that it will also amend the following Annual/Quarterly Summary of Financial Statements disclosed in previous fiscal years.

The affected amounts from these amendments are shown on the Attachment.

We sincerely apologize for any inconvenience and concerns caused to all related parties including our shareholders and investors.

Particulars

1. Background and Reason for the Amendments

The Company has prepared consolidated financial statements and other materials since the fiscal year ended December 31, 2016 (hereinafter "FY12/16"), for Securities Reports in accordance with International Financial Reporting Standards (hereinafter "IFRS"), and also for the Summary of Financial Statements of FY12/16, in addition to the Summary of Financial Statements prepared using Japanese Accounting Standard (hereinafter "J-GAAP"), it disclosed the IFRS-based Summary of Financial Statements on March 30, 2017.

In the process of transitioning to accounting treatments in accordance with IFRS, besides the regular auditing by Deloitte Touche Tohmatsu LLC (hereinafter "DTTL"), the Company entered an IFRS Advisory and Guidance Agreement with DTTL, and prepares consolidated financial statements and other materials. In addition, for audits to date, the auditor was expressing in writing unqualified opinions which indicates all important points have been properly stated in its Audit Reports.

However, the Company received an indication from DTTL in the auditing procedures related to consolidated financial statements and other materials for the fiscal year ended December 31, 2017 (hereinafter FY12/17) that certain accounting treatments for M&A used in preparing consolidated financial statements and other materials for past fiscal years were inconsistent with IFRS specific accounting practice.

Specifically, with respect to M&A, in the event that the OUTSOURCING Group acquired less than 100% of the shares in acquired companies* and the right for shareholders to sell the non-controlling interest portion to the Company in the future (hereinafter "put option") is granted, there was incompleteness in application of

International Accounting Standard IAS 32, paragraph 23, which requires that after recording the future prospective purchase price as a liability, the equivalent amount is subtracted from equity.

As a result of accounting treatments for the subject put options, the affected amounts on FY12/16 consolidated financial statements are estimated as follows: Other Financial Liabilities roughly ¥4.9 billion increase, the total of Other Share Premium, Other Components of Equity and Retained Earnings roughly ¥4.9 billion decrease, and the total of Finance Income together with future anticipated Financial Costs to be paid and the impact amount from foreign exchange roughly ¥60 million occur. The affected amounts for each quarter of FY12/17 are estimated as follows: Other Financial Liabilities roughly ¥4.7-5.0 billion increase, the total of Other Share Premium, Other Components of Equity and Retained Earnings roughly ¥4.7-5.0 billion decrease, and the total of Finance Income together with future anticipated Finance Costs to be paid and the impact amount from foreign exchange roughly ¥4-170 million occur.

These accounting treatments do not exist in J-GAAP and are only to record payments expected to occur in the future during the respective accounting periods in which the subject M&A occurred, and there is no decline in the Company's solvency. Also, regarding Financial Costs, a theoretical value is recorded as the interest on the future anticipated payment amount, and no actual payment is incurred.

*Acquired companies that are subject to the aforementioned accounting treatments include: EXPROCHILE S.A. and 4 other companies of the Grupo Expro Group (timely disclosure on November 30, 2015), HOBAN RECRUITMENT PTY LTD and 2 other companies of the Beddison Group (timely disclosure on April 1, 2016), J.B.W. GROUP LIMITED and CASE DYNAMICS LIMITED (currently HITO LIMITED, timely disclosure on April 1, 2016), SYMPHONY HRS SDN. BHD. (currently OS HRS SDN. BHD., timely disclosure on April 28, 2016), and Allen Lane Consultancy Limited (currently VERACITY OSI UK LIMITED, timely disclosure on July 29, 2016).

2. Amendment Reports to be submitted for Annual and Quarterly Securities Reports

(1) Annual Securities Report
- 20th Period (January 1, 2016 through December 31, 2016)

(2) Quarterly Securities Reports
- 21st Period, 1st Quarter (January 1, 2017 through March 31, 2017)
- 21st Period, 2nd Quarter (April 1, 2017 through June 30, 2017)
- 21st Period, 3rd Quarter (July 1, 2017 through September 30, 2017)

3. Amendments to be conducted for Annual and Quarterly Summary of Financial Statements

(1) Summary of Financial Statements
- Summary of Financial Statements for the fiscal year ended December 31, 2016 [IFRS] (Consolidated)

(2) Quarterly Summary of Financial Statements
- Summary of Financial Statements for the 1st quarter of the fiscal year ending December 31, 2017 [IFRS] (Consolidated)
- Summary of Financial Statements for the 2nd quarter of the fiscal year ending December 31, 2017 [IFRS] (Consolidated)
- Summary pf Financial Statements for the 3rd quarter of the fiscal year ending December 31, 2017 [IFRS] (Consolidated)

4. Future Outlook

Regarding the impact on FY12/18 consolidated financial results, this will be reflected in the Summary of Financial Statements of FY12/17 scheduled to be announced today, however, there is no impact on revenue or operating profit. Also, there is no impact on revenue and EBITDA targets for FY12/19 and FY12/20 listed in the Medium-Term Management Plan announced on January 31, 2017.

(Attachment) Affected Amounts from the Amendments on Past Financial Results

(unit: ¥ million)

Fiscal Year	Item	Before Amendment	After Amendment	Affected Amount
20th Period (FY12/16) Full-Year	Revenue	134,283	134,283	-
	Operating profit	5,672	5,672	-
	Profit before tax	4,988	5,048	60
	Profit for the year	3,472	3,532	60
	Profit attributable to owners of the Company	3,061	3,121	60
	Total assets	89,833	89,833	-
	Total equity	15,019	10,087	(4,932)

(unit: ¥ million)

Fiscal Year	Item	Before Amendment	After Amendment	Affected Amount
21st Period (FY12/17) 1st Quarter	Revenue	50,238	50,238	-
	Operating profit	1,520	1,520	-
	Profit before tax for the period	1,341	1,337	(4)
	Profit for the period	791	787	(4)
	Profit attributable to owners of the Company	621	617	(4)
	Total assets	98,035	98,035	-
	Total equity	21,838	17,046	(4,792)
21st Period (FY12/17) 2nd Quarter	Revenue	105,811	105,811	-
	Operating profit	3,562	3,562	-
	Profit before tax for the period	3,241	3,163	(78)
	Profit for the period	1,879	1,801	(78)
	Profit attributable to owners of the Company	1,529	1,451	(78)
	Total assets	115,942	115,942	-
	Total equity	26,371	21,389	(4,981)
21st Period (FY12/17) 3rd Quarter	Revenue	165,515	165,515	-
	Operating profit	6,857	6,857	-
	Profit before tax for the period	6,336	6,162	(174)
	Profit for the period	3,979	3,805	(174)
	Profit attributable to owners of the Company	3,420	3,246	(174)
	Total assets	120,542	120,542	-
	Total equity	27,914	23,240	(4,674)