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To Whom It May Concern

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**Notice Regarding the Difference between Consolidated Financial Forecasts and Actual Results for the Cumulative Second Quarter**

OUTSOURCING Inc. (hereinafter "the Company") hereby announces the difference between its consolidated financial forecasts for the cumulative 2nd quarter of the fiscal year ending December 31, 2018 (January 1, 2018 – June 30, 2018) announced on February 14, 2018, and actual results announced today as per the details below.

Particulars

**1. Difference between Consolidated Financial Forecasts and Actual Results for the Cumulative 2nd Quarter of Fiscal 2018 (January 1, 2018 – June 30, 2018)**

| | Revenue | Operating profit | Profit before tax | Profit for the period | 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 Feb. 14, 2018) | 130,000 | 3,700 | 3,200 | 1,700 | 1,100 | 10.78 |
| Actual Results (B) | 139,099 | 4,908 | 3,887 | 2,465 | 2,069 | 20.28 |
| Changes (B-A) | 9,099 | 1,208 | 687 | 765 | 969 | |
| Ratio (%) | 7.0 | 32.6 | 21.5 | 45.0 | 88.1 | |
| Reference: Actual Results for the 2nd Quarter of Previous Fiscal Year (Q2 Fiscal 2017) | 105,811 | 3,474 | 3,075 | 1,740 | 1,390 | 14.51 |

*The Company implemented a five-for-one stock split on its's common stock on October 1, 2017. Basic EPS (Earnings Per Share) shown for Q2 Fiscal 2017 actual results was retrospectively adjusted to reflect the share split.

**2. Reason for the Difference**

Regarding consolidated financial results for the cumulative 2nd quarter of the fiscal year ending December 31, 2018, since overall performance made strong progress, both revenue and profits came in significantly higher than forecasts announced on February 14, 2018.

Revenue had been driven especially by much better-than-forecast overseas operations which contributed to boost the overall Group results. In addition to the Company's conventional operations mainly with Japanese manufacturers, deals with major multinational enterprises have continued to expand in Europe and the United States, and solid public-related outsourcing businesses in Australia and Europe progressed also robust thanks to broader approaches, including BPO service in Chile, worker dispatch service in manufacturing in Germany, payroll service in Asia, and the workforce mobility scheme in Europe by OTTO Group which the Company acquired in May 2018. Meanwhile, weaker exchange rates than forecasts for some currencies contributed positively.

Operating profit gained as revenue largely exceeded the forecast. Especially segment profit at domestic operations grew more than anticipated with improved profit margin, which offset upfront expenses for hiring over 1,300 new graduates.

Similarly, profit before tax and profit for the period significantly exceeded the Company's forecasts led mainly by much higher operating profit.

Profit attributable to owners of the Company also came in significantly higher than forecast, although a significant amount of profit attributable to non-controlling interests was deducted due to strong performance of non-100% owned subsidiaries.

**3. Regarding Full-Year Financial Forecasts**

Regarding full-year consolidated financial forecasts for the fiscal year ending December 31, 2018, as is shown in the table above, while consolidated financial results for the cumulative 2nd quarter of the fiscal year ending December 31, 2018 came in significantly higher than initial forecasts, taking into consideration increasing uncertainties about political and economic outlooks globally, there is no change in full-year consolidated financial forecasts at the present time.

(Note) The forecasts are based on information available at the present time. Therefore, actual results may vary from the forecast figures due to changes in business conditions and other reasons.