

About OUTSOURCING TECHNOLOGY Inc.

February 2020



Overview of OUTSOURCING TECHNOLOGY Group

- Providing technology for a wide range of fields centered mainly on IT and machinery/electronics
- Roughly 16,000 engineers with a core of young engineers in their 20s and 30s are playing an active part.

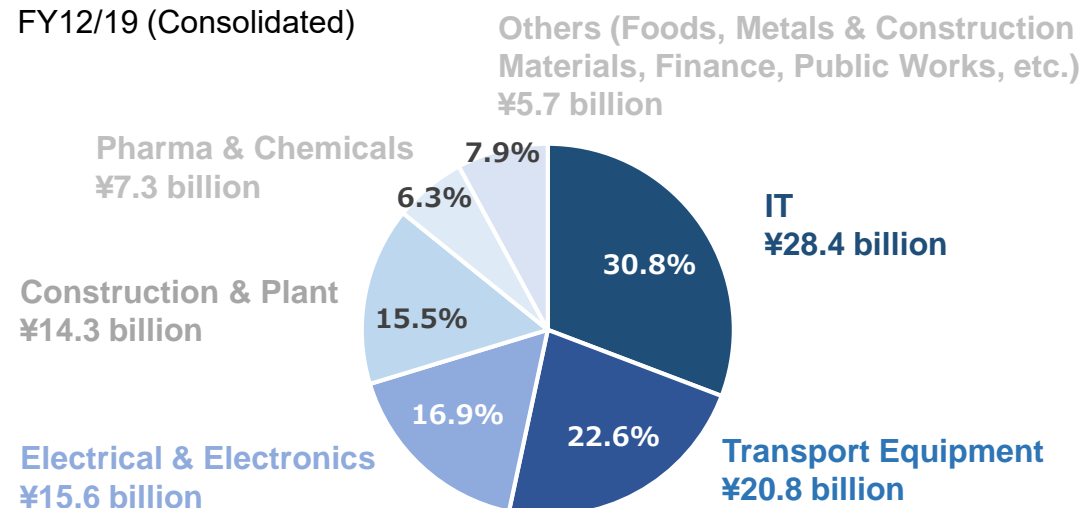
Company Profile (as of the end of FY12/19)

| | |
|--|--|
| Company name | OUTSOURCING TECHNOLOGY Inc. |
| Established | December 2004 |
| Representative | Masaki Motegi, President and Representative Director |
| Share capital | ¥483 million |
| Number of registered engineers | Consolidated: 15,888 / Non-consolidated: 10,410 |
| Number of engineers recruited | Consolidated: 6,343 |
| Number of business offices | Consolidated: 87 |
| Number of group subsidiaries | Consolidated subsidiaries: 14 companies Equity method affiliate: 1 company |
| Number of corporate clients | Approximately 3,600 companies |
| Major business | Engineer dispatch and R&D on consignment specialized in R&D for machinery, electronics, electrical equipment and IT software |
| Consolidated business results FY12 / 19 [J-GAAP] | Net sales: ¥92,391 million Operating profit: ¥5,643 million Profit before income taxes: 5,603 million Total assets: 39,420 million Net assets: 14,203 million Equity ratio: 36.0% |

* The amounts shown are truncated at the nearest million yen.

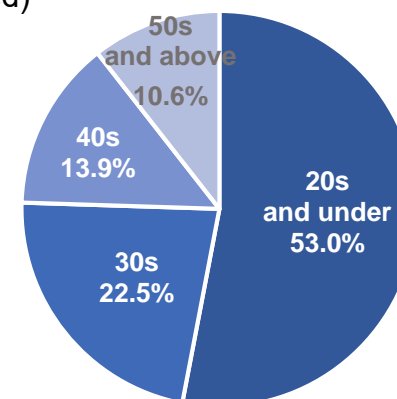
Net Sales Breakdown by Industry

FY12/19 (Consolidated)










Age Distribution of Registered Engineers

FY12/19 (Consolidated)

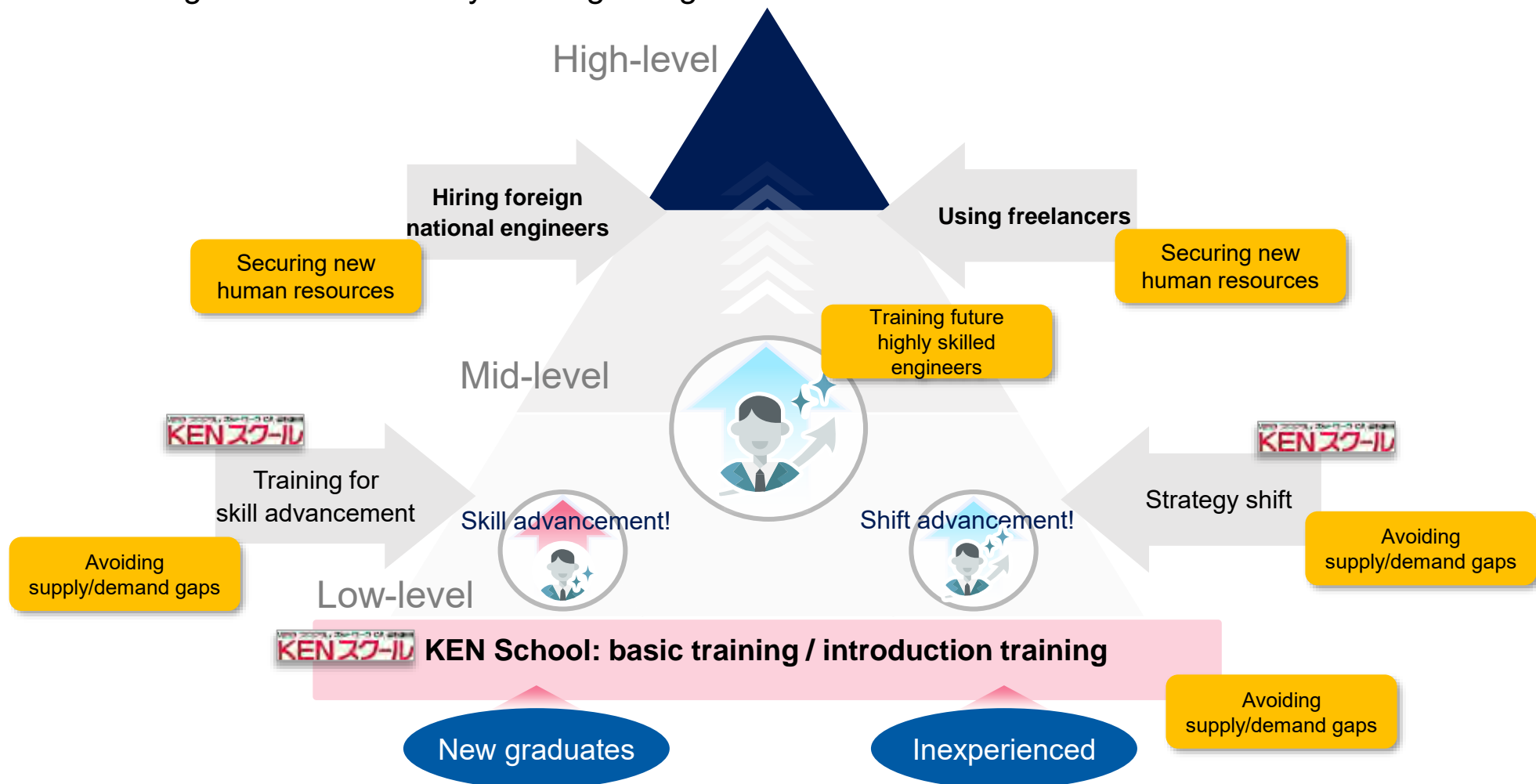


Overview of the Group's Principal Subsidiaries

| Sector | Company name | Net sales | Business description | M&A timing |
|----------------------------------|--|---------------|---|--------------|
| Construction & plant |  共同エンジニアリング株式会社 Kyōgō Engineering Co., Ltd. | ¥13.2 billion | Provides outsourcing services of expertise specialized for building construction management and design as well as design, construction and management for various types of plants | January 2015 |
| Transport equipment |  enable 株式会社 アネブル Enable Co., Ltd. | ¥2.9 billion | Engaged in engine tests and parts prototypes for automaker R&D, as well as development, manufacturing and sales of high-performance auto parts mainly for racing. Provides engineer outsourcing services specialized in the design / development, and testing / evaluation processes for transport equipment. | March 2005 |
| IT & telecom |  M MOBILE COMMUNICATIONS M Mobile Communications Co., Ltd. | ¥2.0 billion | Provides outsourcing services for mobile telecommunications work in general such as development, progress management, design, testing, marketing and call center for mobile communications systems | April 2016 |
| Pharma |  RPM 株式会社アールピーエム RPM Co., Ltd. | ¥1.0 billion | Clinical research work on consignment including clinical trials, post manufacturing and sales studies, and clinical research for pharmaceuticals and medical devices, as well as clinical research on consignment for food products | August 2009 |
| |  Try Angle トライアングル Try Angle Co., Ltd. | ¥2.2 billion | Provides researchers and engineers for corporate research institutes, public institutions, medical institutions and companies, as well as providing technical and academic consulting services for research on consignment | August 2009 |
| |  Advan アドバンテック株式会社 Advantec co.,ltd Advantec Co., Ltd. | ¥3.6 billion | Provides dispatch and placement services for R&D engineers related to pharmaceuticals, food products and chemicals etc., as well as providing training services for capacity development and HR development | August 2018 |
| Education & training institution |  Tb ThinkethBank Thinketh Bank Co., Ltd. | ¥0.7 billion | Operates KEN School which is IT school with strengths in software and the internet, and provides training services mainly for corporate training and education for engineers | April 2014 |

Business Model

- Developing business for industries with high demand in the engineer dispatch market
- The model for training inexperienced workers using KEN School resolves the supply/demand gap for human resources
- Focusing on dispatch business for the fields of IT and construction engineers where there will have particular shortages
- Securing new labor force by utilizing foreign nationals and freelancers



Board of Directors

- Consists of a total of 7 members, including 4 external directors

As of February 1, 2020

| Title | Name | Short Bios | Discretionary nomination and compensation committee |
|---|---------------------|---|---|
| President and Representative Director | Masaki Motegi | 2006 Established Grayscale Co., Ltd., appointed President and Representative Director 2012 Joined OUTSOURCING Inc., appointed Executive Officer in charge of IT Business, Business Management Division 2014 Appointed President and Representative Director of OUTSOURCING TECHNOLOGY Inc. (current position) | ✓ |
| Director (General Manager of Business Management Division) | Koki Yoshida | 2005 Joined Aozora Bank, Ltd. 2017 Joined OUTSOURCING Inc., Manager of Business Management Division OUTSOURCING TECHNOLOGY Inc. Deputy General Manager of the Administration Division 2020 OUTSOURCING TECHNOLOGY Inc. Director and Head of Business Management Division (current position) | |
| Director* ¹ | Satoshi Shima | 1996 Elected member of the House of Representatives (re-elected for 3 consecutive terms thereafter) 2005 Head of Softbank President's Office 2017 Appointed external Director of Mixi Inc. (current position) 2019 Appointed Director of OUTSOURCING TECHNOLOGY Inc. (current position) | ✓ |
| Director * ¹ | Hiroshige Sugihara | 2014 Appointed President and CEO of Oracle Corporation Japan 2018 Appointed President and Representative Director of Automation Anywhere Inc. Japan 2018 Appointed President and CEO of Digital Aid, Inc. (current position) 2020 Appointed Director of OUTSOURCING TECHNOLOGY Inc. (current position) | ✓ |
| Director (Full-time Audit & Supervisory Committee member)* ¹ | Toshihiro Matsumoto | 2004 Appointed Konica Minolta Photo Imaging France S.A. President 2017 Appointed Deputy Manager of Corporate Audit Office of KONICA MINOLTA, INC. 2019 Appointed Director and Full-time Audit & Supervisory Committee Member of OUTSOURCING TECHNOLOGY Inc. (current position) | ✓ |
| Director (Audit & Supervisory Committee Member)* ¹ | Masao Mukai | 1996 Joined Deloitte Touche Tohmatsu LLC 2018 Opened the Office of Certified Public Accountant Masao Mukai (current position) 2019 Appointed Director and Audit & Supervisory Committee Member of OUTSOURCING TECHNOLOGY Inc. (current position) | ✓ |
| Director (Audit & Supervisory Committee Member) | Ichiro Otani | 1980 Joined MITSUI & CO., LTD. 2018 Appointed Director and Full-time Audit & Supervisory Committee Member of OUTSOURCING Inc. (current position) 2018 Appointed Auditor of OUTSOURCING TECHNOLOGY Inc. (current position) | |

*¹ Directors Satoshi Shima, Hiroshige Sugihara, Toshihiro Matsumoto and Masao Mukai are external directors.

*² In accordance with OUTSOURCING TECHNOLOGY Inc. transitioning from 'a company with auditors' to 'a company with Audit & Supervisory Committee Members' from April 2019, Ichiro Otani was appointed as a Director who is Audit & Supervisory Committee Member.

Notes

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