



Summary of Financial Statements for the First Quarter of the Fiscal Year Ending December 31, 2020 [IFRS] (Consolidated)

May 14, 2020

Company name: OUTSOURCING Inc.
 Securities code: 2427
 Representative: Haruhiko Doi, Chairman and CEO
 Contact: Kazuhiko Suzuki, Executive Vice President and Executive General Manager in Charge of Business
 Management Division
 TEL +81-3-3286-4888

Stock exchange listing: Tokyo 1st Section
 URL <https://www.outsourcing.co.jp/en/>

Quarterly statements filing date (as planned): May 22, 2020
 Scheduled date to commence dividend payments: —
 Supplemental material created for quarterly results: Yes
 Briefing held for quarterly results: No

(Figures less than one million yen are rounded)

1. Consolidated Financial Results for the First Quarter of Fiscal Year 2020 (From January 1, 2020 to March 31, 2020)

a. Consolidated Financial Results (Cumulative) (% indicates change from the corresponding quarter of the previous year)

	Revenue		Operating profit		Profit before tax		Profit for the period		Profit attributable to owners of the Company		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2020 Q1	89,542	3.6	2,549	2.9	1,530	14.4	1,049	67.2	899	97.4	(3,102)	-
FY2019 Q1	86,404	36.7	2,477	20.8	1,338	(30.9)	627	(52.1)	455	(61.6)	940	787.7

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2020 Q1	7.14	7.14
FY2019 Q1	3.62	3.62

(Notes) As the provisional accounting of the business combinations was finalized in FY2019 Q2 and Q3, the condensed consolidated financial statements for FY2019 Q1 were retrospectively adjusted.

b. Consolidated Financial Positions

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets	Equity attributable to owners of the Company per share
	Million yen	Million yen	Million yen	%	Yen
FY2020 Q1	231,886	58,879	54,633	23.6	434.14
FY2019	239,179	64,993	60,811	25.4	483.42

2. Dividends

	Annual cash dividends per share				
	Q1	Q2	Q3	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2019	—	0.00	—	24.00	24.00
FY2020	—	—	—	—	—
FY2020 (Forecast)	—	0.00	—	8.00	8.00

(Notes) Correction of dividend forecast from the most recent dividend forecast: Yes

3. Forecast of Consolidated Financial Results for Fiscal Year 2020 (From January 1, 2020 to December 31, 2020)

(% indicates change from the corresponding period of the previous fiscal year)

	Revenue		Operating profit		Profit before tax		Profit for the year		Profit attributable to owners of the Company		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Half-year	171,000	(3.7)	1,900	(65.9)	(400)	-	(1,600)	-	(1,700)	-	(13.50)
Full-year	365,000	1.0	10,000	(35.5)	6,800	(49.5)	3,600	(60.4)	3,000	(64.0)	23.83

(Notes) Correction of financial forecast from the most recent financial forecast: Yes

(Notes)

(1) Significant changes in subsidiaries during this period (changes in specified subsidiaries that cause changes in the scope of consolidation): No

(2) Changes in accounting policies and accounting estimates

(a) Changes in accounting policies required by IFRS: No

(b) Changes in accounting policies other than IFRS requirements: No

(c) Changes in accounting estimates: No

(3) Number of issued shares (common stock)

(a) Number of issued shares at the end of period
(including treasury stock)

(b) Number of treasury stock at the end of period

(c) Average number of issued shares (cumulative up
through the period)

FY2020 Q1	125,840,700	FY2019	125,793,200
FY2020 Q1	490	FY2019	490
FY2020 Q1	125,814,111	FY2019 Q1	125,549,543

(Notes)

* This summary of quarterly financial statements is not subject to quarterly review by certified public accountants or an auditing firm.

* Statement regarding the proper use of financial forecasts and other special remarks

(Caution concerning forward-looking statements)

The forward-looking statements including financial forecasts in this summary are based on the information currently available to the Company and on assumptions believed to be reasonable by the management of the Company. These statements do not guarantee future performance of the Company, and various factors may cause the actual results to differ significantly from the forecasts.

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Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	December 31, 2019	March 31, 2020
Assets		
Current assets		
Cash and cash equivalents	40,246	32,631
Trade and other receivables	51,722	50,914
Inventories	1,608	1,557
Other financial assets	9,974	10,083
Other current assets	8,891	10,904
Total current assets	112,441	106,089
Non-current assets		
Property, plant, and equipment	9,421	9,502
Right-of-use assets	18,246	17,460
Goodwill	58,073	57,164
Intangible assets	18,023	16,734
Investments accounted for using equity method	2,178	2,148
Other financial assets	15,891	16,937
Other non-current assets	1,076	1,350
Deferred tax assets	3,830	4,502
Total non-current assets	126,738	125,797
Total assets	239,179	231,886

(Millions of yen)

	December 31, 2019	March 31, 2020
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	35,033	33,841
Bonds and borrowings	20,146	33,504
Lease liabilities	15,577	15,248
Other financial liabilities	2,978	3,172
Income taxes payable	3,922	2,493
Other current liabilities	12,536	12,466
Total current liabilities	90,192	100,724
Non-current liabilities		
Bonds and borrowings	47,664	37,534
Lease liabilities	20,120	19,883
Other financial liabilities	6,806	5,587
Retirement benefit obligation	2,097	2,472
Provisions	1,093	950
Other non-current liabilities	272	348
Deferred tax liabilities	5,942	5,559
Total non-current liabilities	83,994	72,283
Total liabilities	174,186	173,007
Equity		
Issued capital	25,187	25,199
Capital surplus	26,620	26,633
Treasury shares	(0)	(0)
Other capital surplus	(14,056)	(14,061)
Other components of equity	(2,607)	(6,621)
Retained earnings	25,667	23,483
Total equity attributable to owners of the Company	60,811	54,633
Non-controlling interests	4,182	4,246
Total equity	64,993	58,879
Total liabilities and equity	239,179	231,886

(2) Condensed Consolidated Statement of Profit or Loss

(Millions of yen)

	First Quarter of Fiscal Year 2019 (From January 1, 2019 to March 31, 2019)	First Quarter of Fiscal Year 2020 (From January 1, 2020 to March 31, 2020)
Revenue	86,404	89,542
Cost of sales	(70,339)	(72,438)
Gross profit	16,065	17,104
Selling, general and administrative expenses	(14,427)	(15,439)
Other operating income	969	1,072
Other operating expenses	(130)	(188)
Operating profit	2,477	2,549
Finance income	297	684
Finance costs	(1,436)	(1,734)
Share of profit (loss) of investments accounted for using the equity method	—	31
Profit before tax	1,338	1,530
Income tax expense	(711)	(481)
Profit for the period	627	1,049
Profit attributable to:		
Owners of the Company	455	899
Non-controlling interests	172	150
Profit for the period	627	1,049
Earnings per share		
Basic earnings per share (Yen)	3.62	7.14
Diluted earnings per share (Yen)	3.62	7.14

(3) Notes to Condensed Consolidated Financial Statements

[Segment Information] Segment Revenues and Results

Revenues and results by reportable segments are as noted below. Segment profit figures are based on operating profits.

[First Quarter of Fiscal Year 2019 (From January 1, 2019 to March 31, 2019)]

	Reportable segment						Other Business (Note 1)	Total	Adjustments (Note 2)	Consolidated
	Domestic Engineering Outsourcing Business	Domestic Manufacturing Outsourcing Business	Domestic Service Operations Outsourcing Business	Overseas Engineering Outsourcing Business	Overseas Manufacturing and Service Operations Outsourcing Business	Total				
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen				
Revenue										
Revenue from external customers	20,513	17,546	4,806	10,364	33,014	86,243	161	86,404	—	86,404
Intersegment revenue (Note 3)	367	295	10	26	314	1,012	194	1,206	(1,206)	—
Total	20,880	17,841	4,816	10,390	33,328	87,255	355	87,610	(1,206)	86,404
Cost of sales and other income (expenses)	(19,544)	(16,477)	(4,416)	(9,837)	(33,012)	(83,286)	(353)	(83,639)	(288)	(83,927)
Segment profit (Operating profit)	1,336	1,364	400	553	316	3,969	2	3,971	(1,494)	2,477
(Reconciling items)										
Finance income	—	—	—	—	—	—	—	—	—	297
Finance costs	—	—	—	—	—	—	—	—	—	(1,436)
Profit before tax	—	—	—	—	—	—	—	—	—	1,338

(Note 1) The category “other business” is an operating segment not included in reportable segments and is engaged in development, manufacturing and marketing of products, and agency secretarial works and the like at subsidiaries of the Company.

(Note 2) The adjustment of segment profit of ¥(1,494) million includes expenses related to business combinations of ¥(132) million, corporate expenses of ¥(1,346) million, profits or losses not allocated to any specific operating segment, and elimination of intersegment transactions.

(Note 3) Intersegment revenues are based on prevailing market prices.

[First Quarter of Fiscal Year 2020 (From January 1, 2020 to March 31, 2020)]

	Reportable segment						Other Business (Note 1)	Total	Adjustments (Note 2)	Consolidated
	Domestic Engineering Outsourcing Business	Domestic Manufacturing Outsourcing Business	Domestic Service Operations Outsourcing Business	Overseas Engineering Outsourcing Business	Overseas Manufacturing and Service Operations Outsourcing Business	Total				
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen				
Revenue										
Revenue from external customers	25,100	16,280	5,936	9,558	32,621	89,495	47	89,542	—	89,542
Intersegment revenue (Note 3)	620	237	48	24	399	1,328	322	1,650	(1,650)	—
Total	25,720	16,517	5,984	9,582	33,020	90,823	369	91,192	(1,650)	89,542
Cost of sales and other income (expenses)	(24,274)	(15,067)	(5,353)	(9,200)	(32,883)	(86,777)	(314)	(87,091)	98	(86,993)
Segment profit (Operating profit)	1,446	1,450	631	382	137	4,046	55	4,101	(1,552)	2,549
(Reconciling items)										
Finance income	—	—	—	—	—	—	—	—	—	684
Finance costs	—	—	—	—	—	—	—	—	—	(1,734)
Share of profit (loss) of investments accounted for using the equity method	—	—	—	—	—	—	—	—	—	31
Profit before tax	—	—	—	—	—	—	—	—	—	1,530

- (Note 1) The category “other business” is an operating segment not included in reportable segments and is engaged in agency secretarial works and the like at subsidiaries of the Company.
- (Note 2) The adjustment of segment profit of ¥(1,552) million includes expenses related to business combinations of ¥(58) million, corporate expenses of ¥(1,489) million, profits or losses not allocated to any specific operating segment, and elimination of intersegment transactions.
- (Note 3) Intersegment revenues are based on prevailing market prices.