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May 15, 2020

Insource Co., Ltd.

Representative Director and CEO Takayuki Funahashi

(Code number: 6200, The First Section of the Tokyo Stock Exchange)

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## **Notification: Partial Correction of the Q2 FY19 Cumulative Consolidated Financial Results (October 1,2019 to March 31,2020)**

Insource Co., Ltd. ("Insource") would like to apologize for the errors in the " Q2 FY19 Cumulative Consolidated Financial Results(October 1,2019 to March 31,2020) " released at 4:30 p.m. on Thurs, May 14, 2020, and to make corrections as shown in the attached sheet.

### 1. Corrected part

P18 Consolidated Profit & Loss Statement ③ Breakdown of SG&A expenses

### 2. Contents of the correction

Please refer to the separate sheet. Corrections are underlined.

# Consolidated Profit & Loss Statement③ Breakdown of SG&A expenses

- Total personnel expenses increased mainly due to hiring more employees
- Office & system expenses increased due to cloud usage
- As for the other expenses, temporal expense related to office acquisitions (16 million yen in total) was added

Before  
correction

Unit: million yen

Breakdown of SG&A	1H FY17 (Actual)	1H FY18 (Actual)	1H FY19 (Actual)	YOY	FY19 (Revised target)
Personnel expenses * (YOY)	<b>768</b>	<b>926</b>	<b>1,100</b> (+174)	+18.8%	Changed ▲650 <b>1,850</b>
Rent expenses (YOY)	<b>57</b>	<b>62</b>	<b>72</b> (+9)	+15.5%	Changed ▲30 <b>100</b>
Office & system expenses (YOY)	<b>55</b>	<b>80</b>	<b>106</b> (+26)	+32.4%	Changed ▲70 <b>150</b>
Other expenses (YOY)	<b>114</b>	<b>143</b>	<b>169</b> (+25)	+17.7%	Changed ▲190 <b>240</b>
Total SG&A expenses (YOY)	<b>996</b>	<b>1,213</b>	<b>1,449</b> (+235)	+19.4%	Changed ▲940 <b>2,340</b>
(SG&A expense ratio)	<b>(48.0%)</b>	<b>(47.5%)</b>	<b>(49.9%)</b>	-	<b>(42.6%)</b>

\* Total personnel expenses include wages, recruitment, training, and benefit expenses, outsourcing expenses.

# Consolidated Profit & Loss Statement③

Breakdown of SG&A expenses



- Total personnel expenses increased mainly due to hiring more employees
- Office & system expenses increased due to cloud usage
- As for the other expenses, temporal expense related to office acquisitions (16 million yen in total) was added

After correction

Unit: million yen

Breakdown of SG&A	1H FY17 (Actual)	1H FY18 (Actual)	1H FY19 (Actual)	YOY	FY19 (Revised target)
Personnel expenses * (YOY)	<b>768</b>	<b>926</b>	<b>1,100</b> (+174)	+18.8%	Changed ▲230 <b>2,270</b>
Rent expenses (YOY)	<b>57</b>	<b>62</b>	<b>72</b> (+9)	+15.5%	Changed +15 <b>145</b>
Office & system expenses (YOY)	<b>55</b>	<b>80</b>	<b>106</b> (+26)	+32.4%	Changed ▲20 <b>200</b>
Other expenses (YOY)	<b>114</b>	<b>143</b>	<b>169</b> (+25)	+17.7%	Changed ▲70 <b>360</b>
Total SG&A expenses (YOY)	<b>996</b>	<b>1,213</b>	<b>1,449</b> (+235)	+19.4%	Changed ▲305 <b>2,975</b>
(SG&A expense ratio)	<b>(48.0%)</b>	<b>(47.5%)</b>	<b>(49.9%)</b>	-	<b>(54.2%)</b>

\* Total personnel expenses include wages, recruitment, training, and benefit expenses, outsourcing expenses.