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December 8, 2020

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Notification: Stock Split and Partial Amendment to the Articles of Incorporation and Revision of Dividend Forecast

Insource Co., Ltd. (the "Company") hereby announces that at our extraordinary meeting of its Board of Directors, held on December 8, 2020, it resolved to conduct a stock split, partial amendment of the Articles of Incorporation, and revision of the dividend forecast as follows.

1. Purpose of the Stock Split

The purpose of the stock split is to increase the liquidity of the Company's stock and expand the investor base further.

2. Outline of the Stock Split

(1) Method of the Stock Split

The split will be conducted at a ratio of two (2) shares per one (1) share of common stock held by shareholders registered or recorded in the last shareholders' register as of December 31, 2020 (Thursday) (effectively, December 30, 2020 (Wednesday), as the record date is a holiday for the administrator of the shareholders' register).

(2) Number of Shares to be Increased by the Stock Split

- a. Total number of outstanding shares prior to the stock split : 21,310,750 shares (as of September 30, 2020)
- b. The number of shares to be increased by the stock split : 21,310,750 shares
- c. Total number of outstanding shares after the stock split : 42,621,500 shares
- d. Total number of authorized shares after the stock split : 150,000,000 shares

Note: There is a possibility that the total number of outstanding shares will increase due to the exercise of stock acquisition rights between the date of this resolution by the Board of Directors and the record date for the stock split.

(3) Schedule of the Stock Split

- a. Public Notice of Record Date : December 16, 2020 (Wednesday)
b. The Record Date : December 31, 2020(Thursday)
(As the record date is a holiday for the administrator of the shareholders' register,
December 30, 2020 (Wednesday) is the actual record date.)
c. Effective Date : January 1, 2021 (Friday)

(4) Others

a. Change in the Amount of Capital Stock

There will be no change in the amount of capital stock upon this stock split.

b. Adjustment of Price for Exercising Stock Acquisition Rights

With the stock split conducted this time, the exercise price per share of the following stock acquisition rights will be adjusted as follows from January 1, 2021, in accordance with the issuance guidelines for the relevant stock acquisition rights.

Stock Acquisition Rights	Exercise price before adjustment	Exercise price after adjustment
Third Series of Stock Acquisition Rights	125 yen	63 yen

3. Partial Amendment to the Articles of Incorporation in Relation to Stock Split

(1) Reason for the Amendment

With the stock split conducted this time, pursuant to the provisions of Article 184, Paragraph 2 of the Companies Act, Article 6 of the Company's Articles of Incorporation (Total Number of Authorized Shares) will be amended effective January 1, 2021 (Friday).

(2) Details of the Amendment

Details of the amendment are as below;

Before the Amendment	After the Amendment
<i>(Total Number of Authorized Shares)</i> 6. The total number of shares authorized to be issued by the Company shall be <u>75,000,000</u> shares.	<i>(Total Number of Authorized Shares)</i> 6. The total number of shares authorized to be issued by the Company shall be <u>150,000,000</u> shares.

(3) Schedule of the Amendment

- Date of resolution by the Board of Directors : December 8, 2020 (Tuesday)
Effective Date : January 1, 2021 (Friday)

4. Revision of Dividend Forecast

In accordance with the implementation of this stock split, we have revised the year-end dividend forecast for FY20 announced on November 5, 2020. Since the revision of the dividend forecast is in accordance with the increase in the total number of outstanding shares due to the stock split, there is no actual change to the year-end dividend forecast of 20 yen per share announced on November 5, 2020.

	Annual Dividend (yen)		
	End of 2nd Quarter	Year-End	Total
Previous Forecast (November 5, 2020)	0.00	20.00	20.00
Amendment This Time	0.00	10.00	10.00
*Reference for Results for the Previous Fiscal Year (FY29)	0.00	18.50	18.50

*The year-end dividend of 18.50 yen for FY19 will be proposed at the Ordinary General Meeting of Shareholders to be held on December 18, 2020.

5. Shareholder Benefit Program

With regard to the shareholder benefit program, the following details will be changed to match the existing plan criteria with the split ratio. There will be no actual change to the shareholder benefit program announced on August 17, 2020.

(The changes are shown with the underlines.)

Number of Shares Owned	Details of Benefits
<u>More than 200 shares (2 units)</u> <u>Less than 1000 shares (10 units)</u>	QUO Card (worth 500 yen)
<u>More than 1,000 shares (10 units)</u> <u>Less than 2,000 shares (20 units)</u>	QUO Card (worth 700 yen)
<u>More than 2,000 shares (20 units)</u> <u>Less than 4,000 shares (40 units)</u>	QUO Card (worth 1,500 yen)
<u>More than 4,000 shares (40 units)</u> <u>Less than 20,000 shares (200 units)</u>	QUO Card (worth 2,000 yen)
<u>20,000 shares (200 units) or more</u>	QUO Card (worth 5,000 yen)

*The QUO card is a prepaid card.

The End