

Insource Co., Ltd.

1H FY24

Consolidated Financial Results

(Six Months Ended March 31, 2025)

Wednesday, May 7, 2025



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Chap. 01

1H FY24 Consolidated Financial Results

Chap. 02

Toward 2H FY24

<Appendix 1> Three-year Business Plan “Road to Next 2027”

<Appendix 2> 2Q FY24 Performance by Business

<Appendix 3> Company Profile & Insource’s Advantages

<Appendix 4> Human Capital and ESG Activities

1H FY24 Consolidated Results and Overview by Business (Oct. 2024-Mar. 2025)

- Net sales: 7,020 million yen (+16.6% YoY), achieving record sales
On-Site Training Business: 3,115 million yen (+14.5% YoY). Increase in DX-related, management, and mid-level employee training.
Open Seminars Business: 1,576 million yen (+17.8% YoY). Increase in DX-related, management, thinking ability, and mid-career employee training.
IT Services Business: 1,093 million yen (+4.8% YoY). Slight increase due to the lack of high-margin customization projects this year.
Other Businesses: 1,234 million yen (+34.9% YoY). Increase in bulk purchase orders for videos and high-margin customization video projects.
- Net Sales by client segment, LE acquired large-scale DX projects by construction/real estate and financial institutions, with average sales per client of 886 thousand yen (+20.3% YoY). As for MM, the number of clients increased by 419 organizations (+10.5% YoY) to 4,395 organizations.
- Net sales by industry: Manufacturing: 1,356 million yen (+212 million yen YoY); Construction and real estate: 640 million yen (+172 million yen YoY); Services: 587 million yen (+134 million yen YoY); Finance: 507 million yen (+147 million yen YoY), which led sales growth
- Gross profit: 5,448 million yen (+16.9% YoY), Gross profit margin: 77.6% (+0.2pt YoY). Increase in gross profit due to increase in sales.
- Operating profit: 2,942 million yen (+22.6% YoY), Operating profit margin: 41.9% (+2.0pt YoY), recorded all-time profit high.
Operating profit increased as SG&A expenses fell short of expectations due to the failure to reach the hiring target.
- For the half-year plan, there is a progress of 100.3% in net sales, 100.1% in operating profit, and 100.3% in net profit.
For the revised full-year forecast, there is a progress of 48.1% in net sales, 49.0% in operating profit, and 48.6% in net profit.

2Q FY24 Consolidated Results and Overview by Business (Jan.- Mar. 2025)

- Net sales: 3,510 million yen (+11.5% YoY), Gross profit: 2,728 million yen (+12.0% YoY), Gross profit margin: 77.7% (+0.3pt YoY),
Operating profit: 1,483 million yen (+10.7% YoY), Operating profit margin: 42.3% (-0.3pt YoY)
- On-Site Training Business (net sales 1,284 million yen, +11.7% YoY), DX related training and training for mid-career and young employees increased.
Open Seminars Business (net sales: 713 million yen, +11.1% YoY). Training for OA related, data analysis, logical thinking, subordinate guidance, increased.
IT Services (net sales: 692 million yen, -8.5% YoY). There was no high-margin customization project in this year, sales increased slightly YoY.
Other Businesses (net sales: 819 million yen, +36.9% YoY). Large-scale projects for video sales and customization video productions increased.

Measures and Results for 1H FY24

Themes	Measures	Results
Sales Structure Reform	Changed from 1 to 5 Sales-Department structure	This measure resulted in acceleration of decision-making and improvement of proposal ability. Insource won lump-sum sales (Hokkaido, Chiba and Kanagawa Prefecture) that contribute to sales from 3Q onward.
Sales Increase Measure for Open Seminars	By opening new Seminar Classrooms in Yurakucho and Shinjuku (both in Tokyo), and expanding floor space in Osaka, 8 Seminar Classrooms were added.	Expect to increase the number of visiting training programs and increase sales in Tokyo/Osaka after 3Q
Content Enhancement	Expanded services of "Easy Orders" to customize existing videos	Net sales of Video Production Solution increased by 122.9% YoY
	Developed DX training by industry/job category	The number of DX related training for On-Site Training conducted increased by 31.9% YoY
Digital Enhancement	Expanded LMS functions to 176 in "Leaf Lightning"	In 1H, number of Leaf paid subscribers increased by 55 to about 800 organizations. Number of active users increased by about 370,000 to 4.4 million.

Revision of Consolidated Financial Forecasts for Full Year of FY24

- Net sales: 14,600 million yen (+17.0% YoY) (+100 million yen, +0.8% from previous forecast)
Operating profit: 6,000 million yen (+21.5% YoY) (+480 million yen, +9.7% from previous forecast)
Operating profit margin: 41.1% (+3.0pt from previous forecast)
- While sales remain as planned, SG&A expenses are lower than expected, and operating profit is expected to increase, resulting in a revision of the full-year financial forecast.

FY24 Revised Forecast for the Full Year (Consolidated and by Business)



Unit: million yen

	FY23 (Actual)	FY24 (previous forecast)	Revised changes	FY24 Forecast	YoY		Key points of the revised financial forecast
Net sales	12,474	14,500	+100	14,600	+2,126	+17.0%	■ Net sales It is expected to proceed almost as planned
Gross profit	9,613	11,350	-140	11,210	+1,597	+16.6%	■ Gross profit As with 1H, gross profit margin of On-Site Training is expected to decline along with the increase in trainer fees and the increase in the sales ratio of public sector (including lump-sum sales) .
Gross profit margin	77.1%	78.3%	-1.5pt	76.8%	-0.3pt	-	
SG&A expenses	4,676	5,830	-620	5,210	+534	+11.4%	■ SG&A expenses Decreased mainly due to failure to achieve recruitment plans for 1H
SG&A ratio	37.5%	40.2%	-4.5pt	35.7%	-1.8pt	-	
Total personnel expenses *1	3,746	4,540	-390	4,150	+404	+10.8%	
Operating profit	4,937	5,520	+480	6,000	+1,063	+21.5%	■ Operating profit
Operating profit margin	39.6%	37.6%	+4.4pt	41.1%	+1.5pt	-	Operating profit increased due to a decrease in SG&A expenses

Unit: million yen

	FY23 (Actual)	FY24 (previous forecast)	Changes	FY24 Forecast	YoY		1H Results	1H Progress Rate
On-Site Training	5,884	6,830	+20	6,850	+965	+16.4%	3,115	45.5%
Open Seminars	3,060	3,600	0	3,600	+540	+17.6%	1,576	43.8%
Of which, DX training (*2)	1,205	1,570	+10	1,580	+375	+31.1%	739	46.8%
IT Services	1,822	2,040	-90	1,950	+128	+7.0%	1,093	56.1%
Other Businesses	1,707	2,030	+170	2,200	+493	+28.9%	1,234	56.1%

*1 "Personnel expenses", "Wages, recruitment, training, and benefit expenses", "Outsourcing Expenses", and "Restricted Transfer of Shares (Restricted Stock)" are collectively referred to as "Total personnel expenses". *2 DX-related training among On-Site Training and Open Seminars

Chap. 01

1H FY24 Consolidated Financial Results



Consolidated Profit & Loss Statement 1 - Overview

Unit: million yen

	2Q FY23 (Actual)	2Q FY24 (Actual)	YoY		1H FY23 (Actual)	1H FY24 (Actual)	YoY		FY24 Forecast (full-year)		Progress (after revision)	Comments
Net sales	3,148	3,510	+362	+11.5%	6,018	7,020	+1,001	+16.6%	Revised +100	14,600	48.1%	【Net sales】 •Both 2Q and 1H sales hit record highs
Gross profit	2,436	2,728	+291	+12.0%	4,661	5,448	+787	+16.9%	Revised -140	11,210	48.7%	
Gross profit margin	77.4%	77.7%	+0.3pt	-	77.4%	77.6%	+0.2pt	-	Revised -1.5pt	76.8%	-	【Gross profit】 •It reached a record high due to an increase in net sales. Gross profit margin increased by 0.2pt YoY.
SG&A expenses	1,097	1,245	+147	+13.5%	2,260	2,505	+245	+10.9%	Revised -620	5,210	48.1%	【SG&A expenses】 •Total personnel expenses of 1H increased by 12.1% YoY. On the other hand, recruitment fell short of the planned number.
SG&A ratio	34.9%	35.5%	+0.6pt	-	37.6%	35.7%	-1.9pt	-	Revised -4.5pt	36.4%	-	
Total personnel expenses *1	860	975	+115	+13.4%	1,789	2,005	+215	+12.1%	Revised -390	4,150	48.3%	
Office-related expenses*2	36	41	+4	+11.6%	72	79	+6	+9.5%	Revised -60	160	49.4%	
Office & communication expenses	47	70	+23	+50.0%	101	124	+22	+22.5%	Revised 0	270	46.0%	【Operating profit】 •It exceeded forecasts in 2Q and 1H, reaching a record high
Other expenses	153	157	+4	+3.1%	297	297	-0	-0.1%	Revised -170	630	47.2%	
EBITDA	1,367	1,512	+145	+10.6%	2,454	2,999	+545	+22.2%	Revised +464	6,110	49.1%	【Full-year Forecast】 •Net sales will be transition as planned, but SG&A expenses will be lower than expected and operating profit will increase
EBITDA margin	43.4%	43.1%	-0.3pt	-	40.8%	42.7%	+2.0pt	-	Revised + 2.9pt	41.8%	-	
Operating profit	1,339	1,483	+143	+10.7%	2,400	2,942	+541	+22.6%	Revised +480	6,000	49.0%	
Operating profit margin	42.5%	42.3%	-0.3pt	-	39.9%	41.9%	+2.0pt	-	Revised + 3.0pt	41.1%	-	
Ordinary profit	1,341	1,495	+153	+11.5%	2,403	2,957	+553	+23.0%	Revised +400	6,000	49.3%	
Net profit	1,025	1,032	+7	+0.7%	1,752	1,966	+214	+12.2%	Revised +300	4,050	48.6%	

*1 "Personnel expenses", "Wages, recruitment, training, and benefit expenses", "Outsourcing Expenses", and "Restricted Transfer of Shares (Restricted Stock)" are collectively referred to as "Total personnel expenses". RS for 1H FY24 was 17 million yen (-72.6% YoY). *2 "Office-related expenses" includes "rent expenses," "fixed assets tax on company buildings," "real estate acquisition tax," and "depreciation related to tangible fixed assets."

Consolidated Profit & Loss Statement 2

- Net Sales and Gross Profit By Business



Unit: million yen

		2Q FY23 (Actual)	2Q FY24 (Actual)	YoY		1H FY23 (Actual)	1H FY24 (Actual)	YoY		FY24 Forecast (full-year)	Progress (revised)	Comments	
On-Site Training 1H Composition ratio: 44.4% (1H FY23 45.2%)	Net sales	1,149	1,284	+134	+11.7%	2,721	3,115	+394	+14.5%	Revised +20	6,850	45.5%	【Net Sales】 • Increase in DX-related training (especially Generative AI and data analysis) and training for managers and mid-level employees 【Gross profit】 • Gross profit margin remained at the same level as the previous year. • 1H saw a 4.7% YoY decline in average unit price due to an increase in short-term projects from public sector. 【Full-year Forecast】 • Gross profit revised due to the impact of increased trainer fees
	Gross Profit	915	1,021	+106	+11.6%	2,177	2,476	+298	+13.7%	Revised -210	5,320	46.5%	
	Gross profit margin	79.7%	79.6%	-0.1pt	-	80.0%	79.5%	-0.5pt	-		77.7%	-	
	Number of trainings conducted Unit: times	3,840	4,577	+737	+19.2%	9,407	11,301	+1,894	+20.1%		-	-	
	Of which, online training	24.6%	18.7%	-5.8pt	-	25.5%	19.3%	-6.1pt	-		-	-	
	Of which, DX-related training	320	424	+104	+32.5%	752	1,025	+273	+36.3%		-	-	
	Average unit price Unit: Thousand yen	299.3	280.5	-18.7	-6.3%	289.2	275.7	-13.5	-4.7%		-	-	
Open Seminars 1H Composition ratio: 22.5% (1H FY23 22.2%)	Net sales	642	713	+71	+11.1%	1,338	1,576	+237	+17.8%	Revised +0	3,600	43.8%	【Net Sales】 • 2Q saw an increase in the no. of attendees for DX-related, management, and mid-level employee training 【Gross profit】 • In 1H, we aimed to increase sales by increasing the number of training held, resulting in a 13.1% increase YoY. No of attendees per training decreased by 1.8. 【Full-year Forecast】 • Gross profit revised downward 3.1pt compared to forecast due to the impact of increased trainer fees
	Gross profit	484	516	+31	+6.6%	1,041	1,177	+136	+13.1%	Revised -110	2,740	43.0%	
	Gross profit margin	75.4%	72.3%	-3.0pt	-	77.8%	74.7%	-3.0pt	-		76.1%	-	
	No. of attendees	29,366	31,979	+2,613	+8.9%	62,273	72,256	+9,983	+16.0%		-	-	
	Of which, online training	74.4%	68.9%	-5.4pt	-	72.3%	66.2%	-6.0pt	-		-	-	
	Of which, DX-related training	3,985	4,993	+1,008	+25.3%	8,133	9,683	+1,550	+19.1%		-	-	
	No. of trainings conducted Unit: times	3,016	3,991	+975	+32.3%	5,725	8,027	+2,302	+40.2%		-	-	
No. of attendees per training	9.7	8.0	-1.7	-17.7%	10.9	9.0	-1.8	-17.2%		-	-		
Average unit price per training Unit: Thousand yen	21.8	22.3	+0.4	+2.0%	21.5	21.8	+0.3	+1.5%		-	-		

Consolidated Profit & Loss Statement 2

- Net Sales and Gross Profit By Business

Unit: million yen

		2Q FY23 (Actual)	2Q FY24 (Actual)	YoY		1H FY23 (Actual)	1H FY24 (Actual)	YoY		FY24 Forecast (full-year)	Progress (revised)	Comments	
IT Services	Net sales	757	692	-64	-8.5%	1,043	1,093	+49	+4.8%	Revised -90	1,950	56.1%	【Net Sales】 • In 1H, monthly recurring sales grew to over 100 million yen. • 2Q saw a decline due to a rebound of large customization projects in the previous year. 【Gross profit】 • In 1H, gross profit margin improved 0.2pt due to the increase in recurring sales. 【Full-year Forecast】 • Net sales and gross profit revised due to delayed planning
	Gross profit	611	557	-54	-8.9%	819	861	+42	+5.1%	Revised -100	1,520	56.7%	
	Gross profit margin	80.8%	80.4%	-0.4pt	-	78.5%	78.8%	+0.2pt	-		77.9%	-	
	Leaf recurring (Monthly revenue)	218	290	+71	+33.0%	429	590	+160	+37.4%		-	-	
	Leaf customization sales	385	210	-174	-45.4%	412	253	-158	-38.4%		-	-	
	Stress check	154	192	+38	+25.0%	201	250	+49	+24.7%		-	-	
	Leaf paid subscribers (organization)	676	796	+120	+17.8%	676	796	+120	+17.8%		-	-	
	Leaf active users (thou.)	3,216	4,442	+1,225	+38.1%	3,216	4,442	+1,225	+38.1%		-	-	
Other Businesses	Net sales	598	819	+220	+36.9%	915	1,234	+319	+34.9%	Revised +170	2,200	56.1%	【Net Sales】 • 2Q grew due to the impact of a large video sales project, increasing 34.9% YoY in 1H. • In Video Production Solutions, demand for high-margin customization video production increased, mainly among large companies. 【Gross profit】 • 1H increased 49.7% YoY, gross profit margin improved 7.5pt 【Full-year Forecast】 • Net sales and gross profit revised due to strong video and consulting.
	Gross profit	424	632	+207	+48.9%	623	932	+309	+49.7%	Revised +280	1,630	57.2%	
	Gross profit margin	71.0%	77.2%	+6.2pt	-	68.1%	75.6%	+7.5pt	-		74.1%	-	
	Video sales	248	281	+33	+13.3%	344	404	+59	+17.4%		-	-	
	Video Production Solutions	33	78	+44	+134.6%	53	118	+65	+122.9%		-	-	
	Rental	9	15	+5	+58.4%	18	25	+7	+37.8%		-	-	
	Monthly Subscription (STUDIO)	41	42	+0	+1.0%	81	95	+14	+17.3%		-	-	
	Consulting/ Assessment Service	50	71	+20	+40.8%	85	122	+43	+53.9%		-	-	
	Online Seminar Support Service	56	48	-7	-13.1%	107	98	-9	-8.6%		-	-	
	Regional Revitalization Service	68	101	+33	+49.4%	81	103	+21	+26.7%		-	-	
Web Marketing	49	71	+22	+45.1%	95	112	+17	+18.6%		-	-		

*1 Gross profit by business has not been audited by Ernst & Young ShinNihon LLC

Performance by Client Segment (Total for all Businesses)

* From FY24, the definition of Large Enterprise (LE) has been changed to companies with 2,000 or more employees.



LE (Large Enterprise Businesses): 2,000 employees* or more MM (Medium Market Businesses): 300 - 1,999 employees SMB (Small Medium Businesses): 299 employees or less		1H FY23	1H FY24	YoY		Comments	
		Actual	Actual	YoY Value	YoY ratio		
LE Sales composition ratio 2Q FY24 1Q FY24	28.2% 26.9%	Average sales per client (unit: thousand yen)	886	1,065	+180	+20.3%	Sales increased significantly due to an increase in DX training, video sales, and video production solutions.
		Number of clients	1,731	1,816	+85	+4.9%	
		Net sales (unit: million yen)	1,533	1,934	+401	+26.2%	
MM Sales composition ratio 2Q FY24 1Q FY24	28.9% 33.5%	Average sales per client (unit: thousand yen)	476	498	+22	+4.6%	Consulting sales increased more than twofold YoY, resulting in orders for On-Site Training and Open Seminars as part of multi-product proposals
		Number of clients	3,976	4,395	+419	+10.5%	
		Net sales (unit: million yen)	1,894	2,190	+296	+15.6%	
SMB Sales composition ratio 2Q FY24 1Q FY24	20.3% 23.0%	Average sales per client (unit: thousand yen)	209	228	+18	+8.8%	Sales of Open Seminars, which account for over 40% of the SMB segment's sales, increased 20% YoY
		Number of clients	6,134	6,587	+453	+7.4%	
		Net sales (unit: million yen)	1,283	1,499	+216	+16.9%	
Public Sectors Sales composition ratio 2Q FY24 1Q FY24	22.7% 17.1%	Average sales per client (unit: thousand yen)	551	573	+22	+4.0%	Sales increased by 24% YoY for stress checks and 10% YoY for On-Site Training. On the other hand, sales increased slightly as the rebound from large-scale customization orders in Leaf in the previous year was apparent.
		Number of clients	2,376	2,437	+61	+2.6%	
		Net sales (unit: million yen)	1,308	1,395	+87	+6.7%	
Net sales per client (unit: thousand yen)		423	461	+37	+8.9%	By reorganizing the sales organization to target each segment, proposals to clients of similar size became more efficient, resulting in a YoY increase of 37,000 yen in sales per client	
Total number of clients with which transaction is made		14,217	15,235	+1,018	+7.2%		
Total net sales (unit: million yen)		6,018	7,020	+1,001	+16.6%		
Number of clients by sales volume (organizations)	10 million yen or more	55	81	+26	+47.3%	While cross-selling and up-selling of existing clients are progressing steadily, the problem is that the number of new clients that start from small-scale sales is declining	
	5 million yen or more	135	199	+64	+47.4%		
	1 million yen or more	1,845	2,078	+233	+12.6%		
	100,000 yen or more	8,443	8,002	-441	-5.2%		
Sales per sales representative (unit: million yen)		23.7	26.0	+2.3	+9.9%	Promoted efficient sales activities through organizational changes, resulting in a 9.9% YoY increase in sales per sales rep, and a 15.5% YoY increase in operating profit per sales rep.	
Operating profit per sales representative (unit: million yen)		9.4	10.9	+1.4	+15.5%		
Number of sales representatives at the end of 1H		254	276	+22	+8.7%		

Performance by Industry

■ “Manufacturing” grew 18.5% YoY, due to strong demand for consulting services mainly focused on e-Learning production and education system development
 “Construction/Real estate” and “Finance” performed well due to an increase in DX training. “Services” saw an increase in video purchases, growing 29.7% YoY.

Unit: million yen

Manufacturing	Sales composition ratio 19.3%		
	1H FY23	1H FY24	YoY
	1,144	1,356	+212 (+18.5%) ○
Construction/ Real estate	Sales composition ratio 9.1%		
	1H FY23	1H FY24	YoY
	468	640	+172 (+36.7%) ◎
Educ. Services/ Academic institution	Sales composition ratio 6.7%		
	1H FY23	1H FY24	YoY
	410	470	+60 (+14.6%) ○
Transportation/ Warehouse	Sales composition ratio 4.3%		
	1H FY23	1H FY24	YoY
	229	302	+72 (+31.7%) ◎
Government/ Public administrations	Sales composition ratio 18.0%		
	1H FY23	1H FY24	YoY
	1,188	1,263	+74 (+6.3%) △
Services	Sales composition ratio 8.4%		
	1H FY23	1H FY24	YoY
	452	587	+134 (+29.7%) ◎
Logistics/Trading	Sales composition ratio 4.4%		
	1H FY23	1H FY24	YoY
	282	312	+29 (+10.4%) ○
Electricity, water and gas	Sales composition ratio 3.0%		
	1H FY23	1H FY24	YoY
	190	210	+19 (+10.1%) ○
Telecommunications/ IT services	Sales composition ratio 12.4%		
	1H FY23	1H FY24	YoY
	849	872	+23 (+2.8%) △
Finance	Sales composition ratio 7.2%		
	1H FY23	1H FY24	YoY
	359	507	+147 (+41.0%) ◎
Health/Medical	Sales composition Ratio 4.3%		
	1H FY23	1H FY24	YoY
	285	303	+18 (+6.6%) △
Others	Sales composition ratio 2.8%		
	1H FY23	1H FY24	YoY
	156	193	+36 (+23.4%) ◎

Evaluation is based on YoY comparison: +20% or more: ◎, +10% or more: ○, +0% or more: △, Minus (-): ×

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Consolidated Balance Sheets

Unit: million yen

	End of FY23 (Actual)	End of 1H FY24 (Actual)	YoY		Comments
Current assets	7,405	7,744	+339	+4.6%	▪ The increase in current assets is due to an increase in accounts receivable.
Of which, cash and deposits	5,705	5,818	+113	+2.0%	
Fixed assets	5,772	5,767	-4	-0.1%	
Total assets	13,177	13,512	+334	+2.5%	
Current liability	3,199	3,159	-40	-1.3%	▪ The increase in fixed liability is due to an increase in asset retirement obligations (restoration costs) associated with the opening of the Shinjuku and Yurakucho Classrooms (Tokyo).
Of which, Advances received*	948	971	+22	+2.4%	
Fixed liability	43	69	+26	+61.2%	
Net assets	9,935	10,284	+348	+3.5%	▪ The increase in net assets was due to an increase in retained earnings.
Liabilities and net assets	13,177	13,512	+334	+2.5%	

* Advances received are the unused amount of HR smart packs that can be used for services such as Open Seminars and video/e-Learning

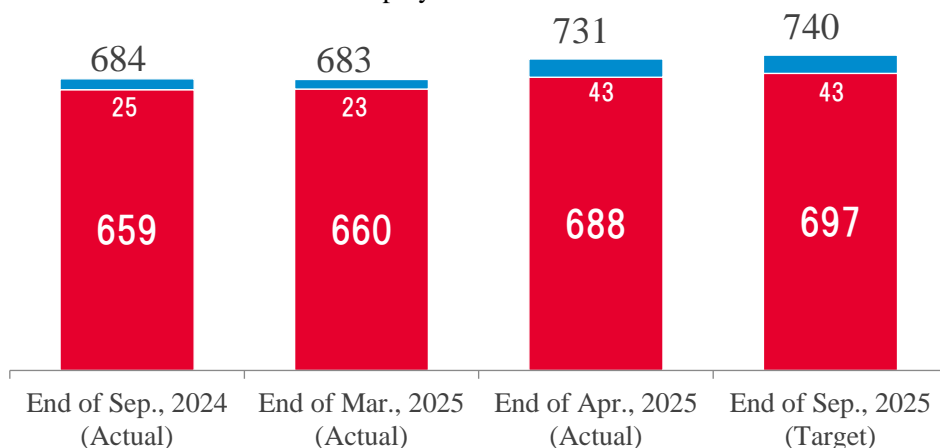
Human Capital - Number of Employees FY24

■ 1H was below the planned number of recruits, but in April, 2025, due to successful recruitment of new graduates, 43 employees will be recruited, double YoY, and the number of employees is expected to be 740 (+56YoY) in FY24

Consolidated number of employees	End of Sep., 2024 (Actual)	End of Mar., 2025 (Actual) (YoY) (Target ratio)	End of Apr., 2025 (Actual) (YoY) (Target ratio)	End of Sep., 2025 (Target) (YoY)
Total number of employees* (Unit: Person)	684	683 (-1) (-57)	731 (+47) (-9)	740 (+56)

Change of the number of employees

■ Full-timers ■ New employees



Personnel expenses forecast

Unit: million yen

	FY23 (Actual)	1H FY24 (Actual)	FY24 (full-year revised forecast)
Total personnel expenses	3,746	2,005	4,150
YoY Change	+301	+215	+404
YoY (%)	+8.7%	+12.1%	+10.8%

* Number of employees does not include directors, corporate auditors and executive officers.

■ Promote the development of content that improves business skills such as digital skills and creative thinking.

(Unit: Title)

Rank	1Q FY24		2Q FY24		1H FY24	
	Title	Rank	Title	Rank	Title	Rank
1	For Managers	19	Digital Skills	35	Digital Skills	53
2	Digital Skills	18	Business Skills	13	For Managers	31
3	Business Skills	17	For Managers	12	Business Skills	30
4	For New & Young Employees	8	Risk and Compliance	11	Risk and Compliance	17
5	For Mid-level Employees	6	Sales and Marketing	7	Sales and Marketing	12

■ Developed the “Digital Age” series

A series on adapting to digital-age work styles. MM, which has high demand for digital training, is the main target.

- Time management training in the digital age
- Training on how to work in the digital age
- Communication skills for agile working etc.

■ Strengthened business skills-related training

Strengthening the development of skills training that builds the foundation as business professionals, such as creative thinking, relationship building, and verbalization skills

■ Sales Promotion of Content IP

Measures	Details and Current Status
Improved Web pages	Reviewed the flow from the On-Site Training top page to each training feature page. As a result of implementation, the rate of visits to the training feature page increased to 51.8% (+4.0pt YoY).
Created landing pages	Created product information pages that focus on timely topics such as new products, customer harassment and new employee support, and sent direct emails. We expect to complete 300 pages in 3Q. Currently, 137 pages are in progress.

KPI for FY24

■ The number of contents increased steadily. The challenge is to increase number of inquiries and hire new DX trainers.

	FY23 (Actual)	1Q FY24 (Actual)	2Q FY24 (Actual)	1H FY24 (Actual)	FY24 (Target)	
Monthly Disclosure	No. of new contents for On-Site Training (cumulative)	366 (4,522)	90 (4,612)	91 (4,703)	181 (Progress rate: 50.9%)	360 (4,882)
	No. of new contents for Open Seminars (cumulative)	464 (4,401)	86 (4,487)	219 (4,706)	305 (Progress rate: 76.3%)	400 (4,801)
	No. of new contents for video/e-Learning (cumulative)	257 (1,011)	72 (1,083)	68 (1,151)	140 (Progress rate: 56.0%)	250 (1,261)
	No. of inquiries *1,2	6,052	1,479	1,573	3,052 (Progress rate: 50.9%)	6,000
	No. of new contracts of WEBinsource *3 (Cumulative no. of organizations)	2,790 (24,434)	583 (25,017)	684 (25,701)	1,267 (Progress rate: 52.8%)	2,400 (26,834)
	Number of newly contracted trainers *4 Unit: People (No. of contracted trainers)	53 (430)	15 (445)	6 (451)	21 (Incremental progress rate: 52.5%)	40 (470)
	Of which, No. of DX trainers *4 Unit: People (No. of contracted trainers)	29 (112)	7 (119)	2 (121)	9 (Incremental progress rate: 36.0%)	25 (137)

※1 Calculation method has been changed from 1Q FY23 financial results ※2 Each inquiry resulted in an increase in sales of 329 thousand yen (actual results for FY23)

※3 Each WEBinsource acquisition had the effect of increasing sales by 147 thousand yen in the Open Seminars Business (actual results for FY23)

※4 Number of trainers and DX trainers are as of the end of each quarter of the fiscal year.

Major News from 2Q FY24 (As of May 7, 2025)

■ Strengthened proposals and securing contracts for training management support for government organizations by combining On-Site Training and Leaf.

Business	News	Client Segment/ Service Details
On-site Training	(Jan.) Selected as a contractor for providing officials training services in Hokkaido, Chiba, and Kanagawa Prefectures	Public sectors/Training management
	(Jan.) Jointly conducted “Training for improving operational efficiency through Generative AI (Copilot)” at Keiyo Gas Co., Ltd.	Private sectors/DX Support
	(Mar.) Selected as a contractor for providing officials training services in Nakatsu, Oita Prefecture	Public sectors/Training management
	(Mar.) Selected as a contractor for managing “2025 Mentor Follow-up Training” organized by the Tokyo Metropolitan Board of Education	Public sectors/Online Seminar Support Service
Open Seminars	(Feb.) Newly opened Shinjuku and Yurakucho Seminar Classrooms in Tokyo	All segments
	(Apr.) Open Seminars “New Employee Training” were held on the largest scale ever, in 41 locations across 17 areas nationwide.	All segments
IT Services	(Apr.) Started providing LMS (Leaf) for official training services in Hokkaido, Chiba, and Kanagawa Prefectures	Public sectors/Leaf
	(Apr.) Four new features, including “Course Map Function” and “Function to Show Recommended Content,” were released on Leaf	All segments/Leaf
Other Businesses	(Feb.) Launched video training course on preventing harassment during job hunting	All segments /Videos and e-Learning
	(Mar.) Held a successful event as part of the “Design Management Promotion Project” contracted by Miyazaki Prefecture	Public sectors/Regional Revitalization
	(Mar.) In partnership with Flier inc., we began offering 14 video training materials	All segments /Videos and e-Learning
	(Mar.) Released 34 training videos titled “DX Literacy Standards Series”	All segments /Videos and e-Learning
All	(Apr.) Announced the launch of “Insource ENERGY Partner” from May. Three types of special benefits will be offered based on their annual usage.	All segments
	(Apr.) In partnership with Osaka University FORESIGHT inc. , holding “New Value Creation Framework” Practical Workshop was announced	All segments

Chap. 02

Toward 2H FY24



Growth Strategy for 2H FY24

- Accelerate growth by strengthening internal competition in the sales divisions and content development in the digital field.
- Expand the market through product development and sales promotions targeting departments other than human resources and cultivating the western Tokyo area.
- Launched multiple new measures, such as “ENERGY Partner” and “Intern Bus”

<u>Theme</u>	<u>Measures</u>
System reform and Market expansion	<p>1. Establishment of Western Tokyo Sales Department and acceleration of competition among 6 divisions In addition to aiming to expand transactions in the Shinjuku and western areas, promote growth by thoroughly competing on sales, weekly proposal amounts and sales activities</p> <p>2. Expand the approach to our clients from “human resources and training departments” to “all departments within the organization” Improve sales per organization by expanding content for divisions and occupations and implementing sales promotions and conducting transactions with multiple divisions</p>
Contents and Digital	<p>Focus on developing contents IP, which is the source of our growth, especially in the DX field, and branding Accelerate competition in 3 divisions, including group companies, for development, and increase recognition and brand power in sales promotion through collaboration between the 3 divisions</p>
New Measures	<p>1. Launch of our first client loyalty program , "ENERGY Partner“ Strengthen relationships with customers to continuously support them and promote cross-selling, including new products</p> <p>2. Publication of “Intern Bus”, an intern information magazine for recruitment support Responding to mid-sized companies’ needs for recruitment, developing an advertising business by integrating paper media and DX</p>
Response to environmental changes	<p>Strengthen sales activities and sales promotions in industries that are less susceptible to economic fluctuations Acquire domestic demand-oriented companies such as the service industry, as well as government, hospitals, and universities without missing their needs</p>
Winning strategy	<p>Accumulate company-wide knowledge regarding large-scale competitive projects (bidding and proposal methods) for public sectors By combining training with non-training products such as Leaf, we significantly improved our order rate</p>

Client loyalty program “ENERGY Partner” was launched to strengthen client relationships (May 2025)



■ Launched our first client loyalty program “ENERGY Partner”

Video materials, Open Seminars, and HR administration systems will be provided at no charge or discounts depending on the annual usage amount

<Service Overview>

- 3 benefits for each client account will be provided according to the amount of annual usage
(Benefits: rental plan for videos, Open Seminars, WEBinsource HR Management)
- Benefits can be used by logging in to WEBinsource
- The number of target clients is about 30 thousand clients, and the total amount of benefits is about 550 million yen in equivalent value

<Expected effects of program>

- Increase sales per organization through cross-selling to each clients that take advantage of special benefits
- Acquire new WEBinsource members that want to take advantage of special benefits, and regain active membership of WEBinsource clients who have not used the service for a while
- Acquire orders for our new service "WEBinsource HR Management" (100 clients per year is expected)

インソース ENERGY パートナー
～人的資本経営推進企業に贈るロイヤリティプログラム～

年間ステージ別特典一覧	WEBinsource 特典1	WEBinsource 特典2	WEBinsource 特典3
1年間のご利用額ステージ (対象期間) 2024年5月1日～2025年4月30日	動画教材レンタルプラン 無料ご招待	公開講座受講 無料ご招待	WEBinsource人事管理システム利用料 月額割引
PREMIUM プレミアム 1,000万円以上	最大 200 名様 (792,000円相当)	最大 10 名様 (305,000円相当)	年間最大 33 万円相当 (月額利用料から自動割引)
PLATINUM プラチナ 500万円以上～1,000万円未満	最大 100 名様 (396,000円相当)	最大 5 名様 (152,500円相当)	年間最大 16.5 万円相当 (月額利用料から自動割引)
GOLD ゴールド 100万円以上～500万円未満	最大 20 名様 (79,200円相当)	最大 1 名様 (30,500円相当)	年間最大 9.9 万円相当 (月額利用料から自動割引)
SILVER シルバー 50万円以上～100万円未満	最大 10 名様 (39,600円相当)	—	年間最大 6.6 万円相当 (月額利用料から自動割引)
BRONZE ブロンズ 10万円以上～50万円未満	最大 5 名様 (19,800円相当)	—	年間最大 3.3 万円相当 (月額利用料から自動割引)
REGULAR レギュラー 10万円未満 / WEBinsource 会員登録	最大 2 名様 (7,920円相当)	—	—

New Digital and Recruitment Support Services was Launched (May 2025)



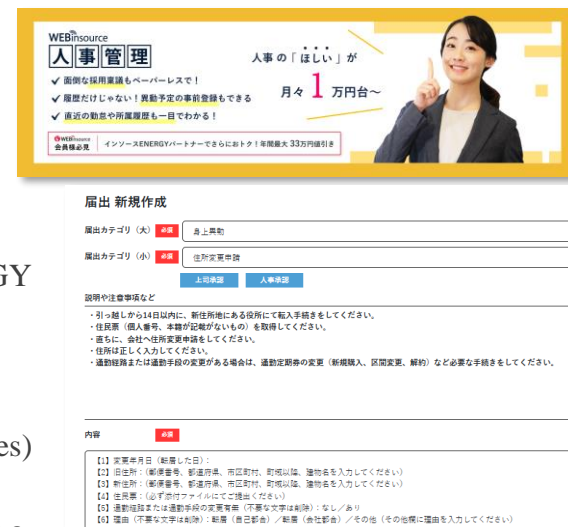
■ "WEBinsource HR Management" was launched as a new service in the digital field. Easy, multi-functional personnel management system can be used from 10,000 yen per month

<Service Overview>

- Comprehensive management of employee information such as approval requests for personnel decision, paperless applications, attendance records, transfer history, and interview history, as well as task sharing within HR departments
- Discounted prices will be provided through the stages of client loyalty program "ENERGY Partner"

< Sales forecast from 3Q FY24 and onwards >

- We will aim for 100 new organizations per year
- Sales promotion activities will be conducted mainly in SMB (with 299 or fewer employees) market
- Promotion of introduction to 25,000 WEBinsource members will be implemented as it is a system linked to WEBinsource



■ "Intern Bus", a free information magazine for students, is published to support new graduate recruitment. Unique information magazine in paper during the digital media era

<Service Overview>

- Internship information from excellent companies is printed, and Insource will ask recruitment support desks at universities and vocational schools to distribute the magazines
- "Leaf Lightning" will be provided to manage applications for internships offered by companies as it is highly secure and highly sophisticated.

<Sales forecast from 3Q FY24 and onwards>

- In May 2025, Insource has begun introducing the magazine as a trial, targeting more than 400 universities and vocational schools in Tokyo. At the same time, we will implement proposal activities companies in the Kanto region as a target.
- We will aim to expand nationwide by the end of FY25 by leveraging its 48,000 client base



<Appendix 1>
Three-year Business Plan “Road to Next 2027”



Growth driven by “content and digital,” the engines of mid-term plan achievement

- 1** Targets net sales of 20 billion yen in FY26
- 2** Operating profit of 7.8 billion yen in FY26
- 3** The three-year CAGR is 17.0% for net sales

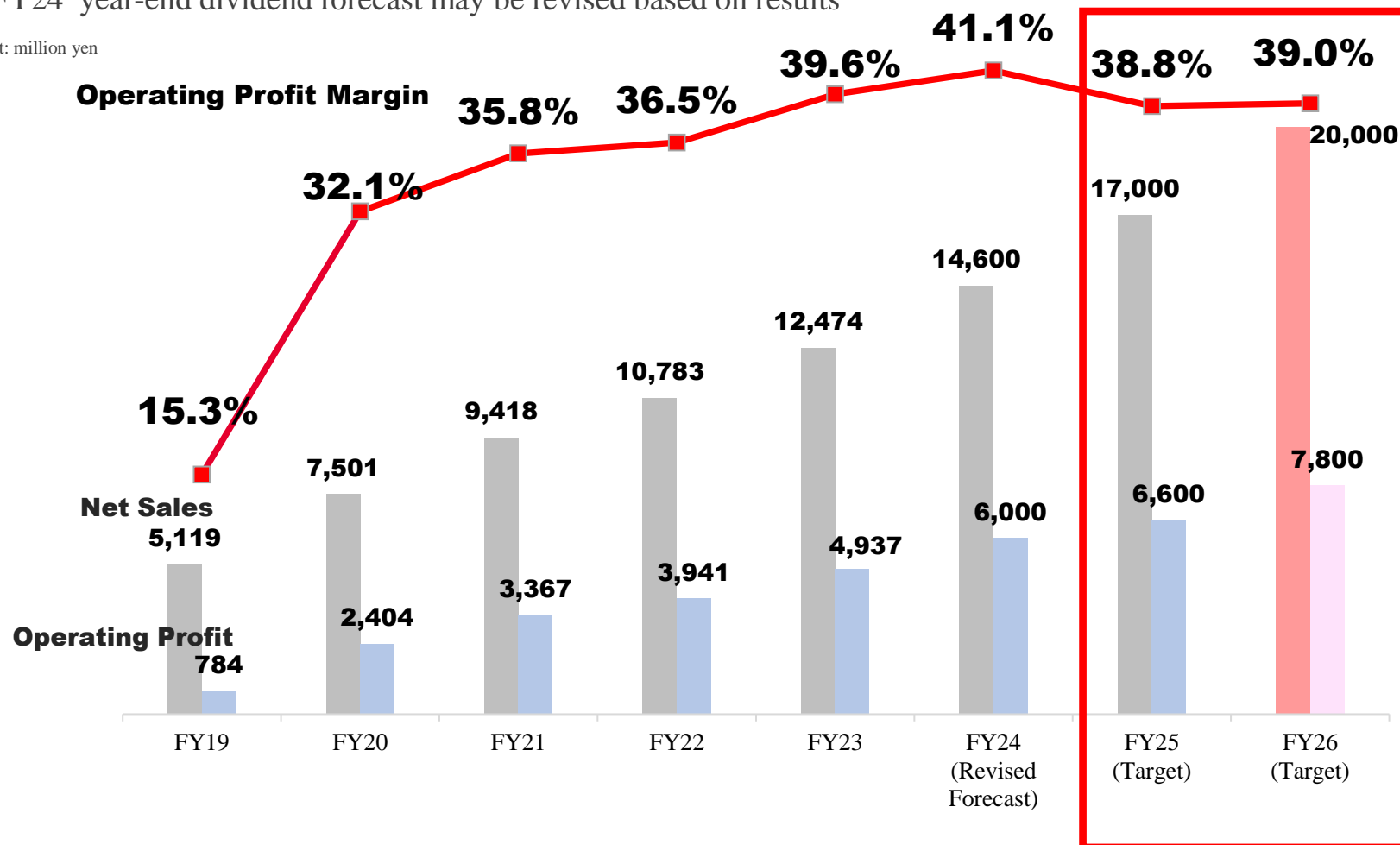
[Reference]

- In the fiscal year ended September 2016, when the company was newly listed, net sales were 2,915 million yen, and operating profit was 460 million yen.
- Over the 8 years since listing (FY15–FY23), the CAGR has been 19.9% for net sales.

Three-year Business Plan “Road to Next 2027” -Financial Results and Targets

- Targeting a 17% CAGR (Compound Annual Growth Rate) through proactive growth investments
- In the new Three-year Business Plan “Road to Next 2028” scheduled to be announced in November 2025, the performance targets for FY25 and FY26 will be reviewed based on the results for FY24.
- In terms of shareholder return policy, we will pay dividends targeting a dividend payout ratio of 50% and a dividend on equity ratio (DOE) of 18%.
- FY24 year-end dividend forecast may be revised based on results

Unit: million yen



*To be revised at the new Three-year Business Plan to be announced in Nov. 2025

<Appendix 2> 2Q FY24 Performance by Business



Consolidated Profit & Loss Statement - Overview

Unit: million yen

	2Q FY23 (Actual)	3Q (Actual)	4Q (Actual)	1Q FY24 (Actual)	2Q FY24 (Actual)	YoY	
Net sales	3,148	3,155	3,300	3,510	3,510	+362	+11.5%
(YoY)	(+20.3%)	(+17.1%)	(+14.4%)	(+22.3%)	(+11.5%)		
(QoQ)	(+277)	(+7)	(+144)	(+210)	(+0)		
Gross profit	2,436	2,379	2,573	2,720	2,728	+291	+12.0%
(YoY)	(+20.2%)	(+17.7%)	(+15.1%)	(+22.3%)	(+12.0%)		
(QoQ)	(+212)	(-57)	(+194)	(+146)	(+8)		
(Margin)	(77.4%)	(75.4%)	(78.0%)	(77.5%)	(77.7%)	(+0.3pt)	
Operating profit	1,339	1,139	1,396	1,459	1,483	+143	+10.7%
(YoY)	(+29.2%)	(+29.9%)	(+23.2%)	(+37.5%)	(+10.7%)		
(QoQ)	(+278)	(-199)	(+256)	(+62)	(+24)		
(Margin)	(42.5%)	(36.1%)	(42.3%)	(41.6%)	(42.3%)	(-0.3pt)	
Ordinary profit	1,341	1,140	1,396	1,461	1,495	+153	+11.5%
(YoY)	(+29.7%)	(+29.8%)	(+23.2%)	(+37.6%)	(+11.5%)		
(QoQ)	(+279)	(-201)	(+256)	(+64)	(+34)		
Net Profit	1,025	677	926	933	1,032	+7	+0.7%
(YoY)	(+44.9%)	(+15.8%)	(+19.8%)	(+28.5%)	(+0.7%)		
(QoQ)	(+298)	(-348)	(+249)	(+7)	(+99)		

On-Site Training

	2Q FY23 (Actual)	3Q (Actual)	4Q (Actual)	1Q FY24 (Actual)	2Q FY24 (Actual)	Unit: million yen YoY	
Net sales	1,149	1,612	1,551	1,831	1,284	+134	+11.7%
(YoY)	(+14.0%)	(+10.3%)	(+10.3%)	(+16.5%)	(+11.7%)		
(QoQ)	(-422)	(+463)	(-61)	(+280)	(-547)		
Composition ratio	36.5%	51.5%	47.0%	52.2%	36.6%		
Gross profit	915	1,246	1,249	1,454	1,021	+106	+11.6%
(YoY)	(+13.2%)	(+9.0%)	(+14.2%)	(+15.2%)	(+11.6%)		
(QoQ)	(-346)	(+330)	(+2)	(+205)	(-432)		
(Margin)	(79.7%)	(77.3%)	(80.5%)	(79.4%)	(79.6%)	(-0.1pt)	
Number of trainings conducted	3,840	5,645	5,544	6,724	4,577	+737	+19.2%
(YoY)	(+9.8%)	(+8.1%)	(+10.0%)	(+20.8%)	(+19.2%)		
(QoQ)	(-1,727)	(+1,805)	(-101)	(+1,180)	(-2,147)		
Of which, online training	943	741	1,218	1,319	857	-86	-9.0%
(Composition ratio)	(24.6%)	(13.1%)	(22.0%)	(19.6%)	(18.7%)	(-5.8pt)	
Average unit price Unit: Thousand yen	299.3	285.6	279.8	272.4	280.5	-18.7	-6.3%
(YoY)	(+3.8%)	(+2.0%)	(+0.2%)	(-3.5%)	(-6.3%)		
(QoQ)	(+17.0)	(-13.6)	(-5.9)	(-7.3)	(+8.1)		

※ 事業別売上総利益については、EY新日本有限責任監査法人による監査を受けていません

Open Seminars

	2Q FY23 (Actual)	3Q (Actual)	4Q (Actual)	1Q FY24 (Actual)	2Q FY24 (Actual)	YoY	
Net sales	642	859	862	862	713	+71	+11.1%
(YoY)	(+16.2%)	(+12.2%)	(+19.0%)	(+23.9%)	(+11.1%)		
(QoQ)	(-53)	(+216)	(+3)	(+0)	(-149)		
Sales composition (%)	24.1%	27.2%	26.1%	24.6%	20.3%		
Gross profit	484	682	681	661	516	+31	+6.6%
(YoY)	(+20.6%)	(+24.3%)	(+15.8%)	(+18.8%)	(+6.6%)		
(QoQ)	(-72)	(+198)	(-0)	(-19)	(-145)		
(Margin)	(75.4%)	(79.4%)	(79.0%)	(76.7%)	(72.3%)	(-3.0pt)	
Number of attendees Unit: people	29,366	35,928	39,316	40,277	31,979	+2,613	+8.9%
(YoY)	(+13.7%)	(+15.9%)	(+17.2%)	(+22.4%)	(+8.9%)		
(QoQ)	(-354)	(+6,562)	(+3,388)	(+961)	(-8,298)		
Of which, online training (composition ratio)	21,837 (74.4%)	19,336 (53.8%)	26,659 (67.8%)	25,784 (64.0%)	22,047 (68.9%)	+210	+1.0%
No. of trainings conducted	3,016	2,928	3,574	4,036	3,991	+975	+32.3%
(YoY)	(+11.4%)	(+10.7%)	(+41.3%)	(+49.0%)	(+32.3%)		
(QoQ)	(+307)	(-88)	(+646)	(+462)	(-45)		
No. of attendees per training	9.7	12.3	11.0	9.9	8.0	-1.7	-17.7%
(YoY)	(+2.1%)	(+4.6%)	(-17.0%)	(-17.8%)	(-17.7%)		
(QoQ)	(-2.4)	(+2.5)	(-1.3)	(-1.0)	(-1.9)		
Average unit price per training Unit: thousand yen	21.8	23.9	21.9	21.4	22.3	+0.4	+2.0%
(YoY)	(+2.1%)	(+4.6%)	(+1.6%)	(+1.2%)	(+2.0%)		
(QoQ)	(+0.7)	(+2.0)	(-2.0)	(-0.5)	(+0.9)		

IT Services

	2Q FY23 (Actual)	3Q (Actual)	4Q (Actual)	1Q FY24 (Actual)	2Q FY24 (Actual)	YoY	
Net sales	757	338	440	400	692	-64	-8.5%
(YoY)	(+45.0%)	(+40.8%)	(+34.4%)	(+40.0%)	(-8.5%)		
(QoQ)	(+471)	(-419)	(+101)	(-39)	(+292)		
Sales composition (%)	24.1%	10.7%	13.3%	11.4%	19.7%		
<Breakdown>							
Leaf recurring (MRR)	218	264	282	300	290	+71	+33.0%
(YoY)	(+29.7%)	(+50.6%)	(+46.1%)	(+42.1%)	(+33.0%)		
(QoQ)	(+6)	(+46)	(+18)	(+18)	(-10)		
Sales per month *1	72	89	97	101	94	+21	+29.8%
Average unit price /Organization (Unit:thou. yen)	108.4	126.1	128.9	130.8	122.0	+13.6	+12.5%
Leaf customization sales	385	71	127	43	210	-174	-45.4%
Stress check	154	2	29	57	192	+38	+25.0%
Gross profit ※2	611	245	359	304	557	-54	-8.9%
(YoY)	(+42.9%)	(+31.0%)	(+34.8%)	(+46.7%)	(-8.9%)		
(QoQ)	(+404)	(-366)	(+114)	(-55)	(+252)		
(Margin)	(80.8%)	(72.6%)	(81.7%)	(76.0%)	(80.4%)	(-0.4pt)	

※1 Monthly charges for the last month of each quarter are shown. ※2 Gross profit by business has not been audited by Ernst & Young ShinNihon LLC
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IT Services KPI

	2Q FY23 (Actual)	3Q (Actual)	4Q (Actual)	1Q FY24 (Actual)	2Q FY24 (Actual)	YoY	
<Monthly Subscription Model>							
Leaf paid subscribers (Unit: organization)	676	710	741	778	796	+120	+17.8%
(YoY)	(+15.0%)	(+16.0%)	(+16.1%)	(+17.5%)	(+17.8%)		
(QoQ)	(+14)	(+34)	(+31)	(+37)	(+18)		
Leaf Active Users (Unit: thousand persons)	3,216	3,826	4,070	4,342	4,442	+1,225	+38.1%
(YoY)	(+26.0%)	(+40.6%)	(+40.6%)	(+41.9%)	(+38.1%)		
(QoQ)	(+156)	(+610)	(+243)	(+271)	(+99)		
On-the-web appraisal form services (Unit: No. of Organizations)	215	222	231	235	246	+31	+14.4%
(YoY)	(+16.8%)	(+16.8%)	(+14.9%)	(+14.1%)	(+14.4%)		
(QoQ)	(+9)	(+7)	(+9)	(+4)	(+11)		
<Services based on Individual Contract>							
Leaf No. of Customization	39	38	41	17	58	+19	+48.7%
(YoY)	(+27.8%)	(+100.0%)	(+7.9%)	(+13.3%)	(+48.7%)		
(QoQ)	(-25)	(-1)	(+3)	(-24)	(+41)		
No. of Stress Check Support Services	341	14	88	163	446	+105	+30.8%
(YoY)	(+4.6%)	(-7.7%)	(+35.4%)	(+19.0%)	(+30.8%)		
(QoQ)	(+204)	(-327)	(+74)	(+75)	(+283)		

Other Businesses (Rising Next)

		2Q FY23 (Actual)	3Q (Actual)	4Q (Actual)	1Q FY24 (Actual)	2Q FY24 (Actual)	YoY	
Net sales		598	345	446	415	819	+220	+36.9%
(YoY)		(+12.3%)	(+22.0%)	(+4.8%)	(+31.2%)	(+36.9%)		
(QoQ)		(+282)	(-252)	(+100)	(-31)	(+404)		
Sales composition (%)		19.0%	11.0%	13.5%	11.8%	23.3%		
Gross profit		424	204	283	299	632	+207	+48.9%
(YoY)		(+9.5%)	(+44.1%)	(-1.6%)	(+51.4%)	(+48.9%)		
(QoQ)		(+226)	(-220)	(+78)	(+16)	(+332)		
(Margin)		(71.0%)	(59.2%)	(63.4%)	(72.2%)	(77.2%)	(+6.2pt)	
<Breakdown>								
Video sales (Outright Purchase)	Net sales	248	111	91	123	281	+33	+13.3%
	No. of Videos	1,084	454	431	531	1,289	+205	+18.9%
Video production	Net sales	33	18	23	40	78	+44	+134.6%
	No. of Contents	47	61	79	43	201	+154	+327.7%
Video rental	Net sales	9	10	12	10	15	+5	+58.4%
	No. of Viewers	3,965	4,378	5,025	4,127	5,315	+1,350	+34.0%
Video monthly subscription (STUDIO)	Net sales	41	47	43	53	42	+0	+1.0%
	No. of User IDs (Unit : thou. IDs)	88	89	93	108	108	+19	+22.4%
Consulting/ Assessment Service	Net sales	50	60	63	51	71	+20	+40.8%
	No. of Organizations	99	83	111	115	132	+33	+33.3%
Online Seminar Support Service	Net sales	56	35	39	49	48	-7	-13.1%
	No. of Organizations	68	88	64	75	57	-11	-16.2%
Regional Revitalization Service	Net sales	68	0	101	1	101	+33	+49.4%
	No. of Projects	25	2	17	5	33	+8	+32.0%
Web Marketing	Net sales	49	91	45	41	71	+22	+45.1%

<Appendix 3> Company Profile & Insource's Advantages





Insource Co., Ltd. (Code number: 6200)

Foundation November 2002
Capital 800,623 thousand yen (As of September 30, 2024)
Tokyo Headquarters Insources Dokanyama Bldg. 4-19-12 Nishi Nippori, Arakawa-ku, Tokyo
 (Head Office: 3-20, Kanda Ogawamachi, Chiyoda-ku, Tokyo)
Representative Profile Takayuki Funahashi, Representative Director, President and CEO
 Joined Sanwa Bank (now Mitsubishi UFJ Bank) in 1988. Had been in charge of the systems development department (management accounting, sales, marketing) and the personal finance department (new product development). After working in a distribution industry, established Insources Co., Ltd. in 2002 and became its Representative Director.

Affiliated Companies

Mitemo Co., Ltd

- Regional Revitalization Business,
- Workshops/ Consulting, e-Learning
- Production of Training Materials

Rashiku Corporation

- Recruitment Support Business

Insources Digital Academy Corporation

- Training Business of HR with Digital Skills
 (AI Support for Machine Learning Applications, Support for Utilizing RPA, Improving OAIT Skills and Business Skills)

Insources Marketing Design Corporation

- Website Promotion, Web page Creation, System Development

Insources Business Rep Corporation

- Support Service for Training Management

Insources Consulting Corporation

- HR strategy, Consulting, Professional Development

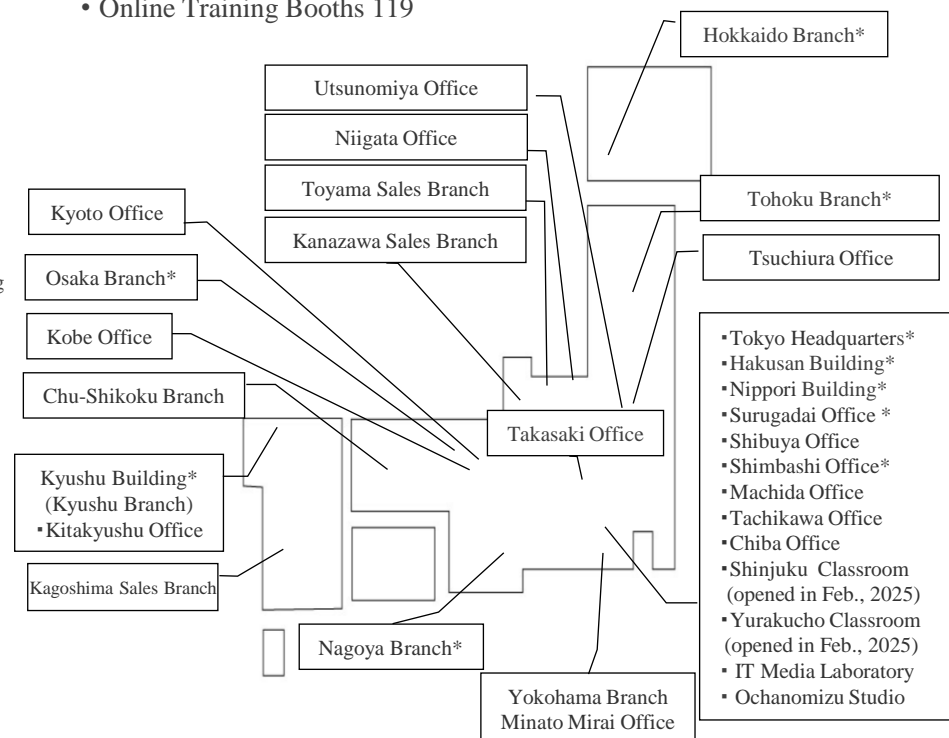
Insources Creative Solutions Corporation

- Training Content and Video Production, Website Production, Consulting

Business Locations : 31

- Seminar Rooms 52 in 6 cities
- Online Training Booths 119

* As of the end of March, 2025
 * Branches with Seminar Rooms



- High quality services both face-to-face and online training make it possible to practice what you learned the very next day.
- Digitalization of the operation process for training management allows us to provide more training programs with better quality and high frequency.
- High level of client satisfaction with ... Contents **96.0 %** / Trainers **93.9%** * Apr., 2024 – end of Mar., 2025

On-Site Training

Sales ratio: 1H FY24 44.4%
FY23 47.2%

- Offer On-Site Trainings tailored to organizations' needs

Separate and digitalize the roles of trainers and content-creators

Trainers 451 ↔ Sales reps 276 ↔ Content Creators 129

*As of the end of Mar., 2025

Annual total no. of trainings conducted/attendees
22,490 times 644 thousand attendees

Of which, no. of online trainings
4,136 times 139 thousand attendees

*Apr., 2024 – Mar., 2025

Open Seminars

Sales ratio: 1H FY24 22.5%
FY23 24.5%

- Offer Open Seminars starting from one person

Held frequently in seminar classrooms in 6 cities and online

- More than 4,700 types of courses, including those offered by business partners, are available
- New courses introduced timely
- Up to 50% discount with “HRD Smart Pack”(our unique point service)
- Used by many enterprises including startups and large companies nationwide

Annual total no. of trainings conducted attendees:
14,529 times 147 thousand attendees

Of which, no. of online trainings
7,934 times 93 thousand attendees

*Apr., 2024 – Mar., 2025

IT Services

Sales ratio: 1H FY24 15.6%
FY23 14.6%

- Leaf Series (HR support system, LMS)
No. of Leaf paid subscribers/ active users
796 organizations ▪ 4.44 million people
*As of the end of Mar., 2025
- Stress Check Support Service
Cumulative no. of organizations and examinees
Over 3,179 organizations, Over 3.65 million employees
* As of the end of Mar., 2025

Powered by Leaf

Other Businesses

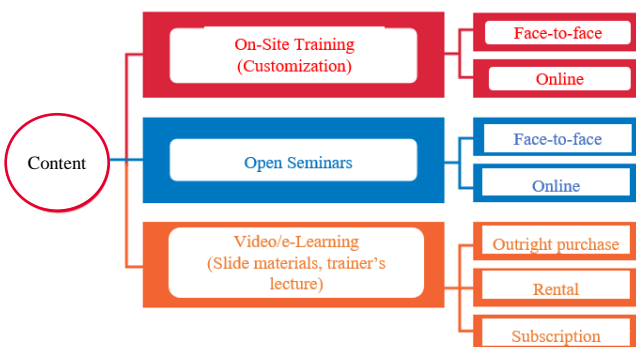
Sales ratio: 1H FY24: 17.6%
FY23: 13.7%

- Video/e-Learning sales and production
(Sales composition 1H FY24 9.1%)
No. of videos sold/No. of video customization projects
2,705 videos / 384 projects
* Apr., 2024 – end of Mar., 2025
- Consulting/ Assessment Services
- Online Seminar Support Service
- Regional Revitalization Service
- Web Marketing Service ■ Support Service for Training Management

High Ability to Develop Various Contents - System to produce diverse content and services

- Separate the roles as trainers and textbook creation by digitalization. Focusing on their respective roles has reduced costs and improved the quality of training.
- Programs developed through On-Site Training are expanded into Open Seminars, e-Learning, and video materials. Utilizing the same content in various formats helps to reduce development costs.

Multi-channel service delivery



No. of training contents

On-Site Training

4,703

Open Seminars

4,706

Video /e-Learning

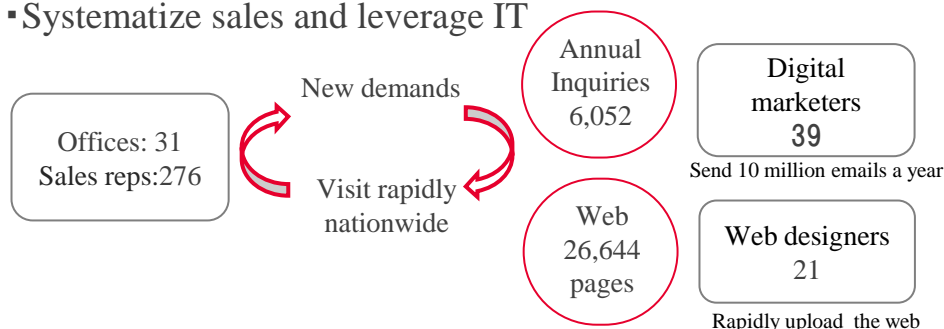
1,151

*End of Mar., 2025

Theme	1H FY23		1H FY24		
	No.	Sales Composition ratio	No.	Sales Composition ratio	Sales growth ratio
For managers	1	18.9%	1	19.6%	+19.9%
DX/OA/IT	3	13.5%	2	14.4%	+23.1%
Business skills	2	15.1%	3	14.2%	+8.7%
Harassment prevention/ Compliance	4	11.2%	4	10.4%	+7.3%
Communication/ CS	5	10.6%	5	10.1%	+10.1%
For new and younger employees	6	7.5%	6	8.1%	+24.9%
For mid-level employees	7	5.3%	7	6.3%	+37.3%
Diversity	8	4.2%	8	2.7%	-24.7%
Others		13.7%		14.0%	+17.5%
Total		100.0%		100.0%	+15.3%

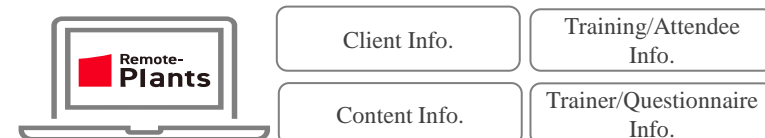
Strong Sales Force - Expand business through data and IT

- Acquired new inquiries through more than 26,000 web pages
- Systematize sales and leverage IT



IT Capability - Self-developed System

- Improving operational efficiency with IT, and putting all information into a database

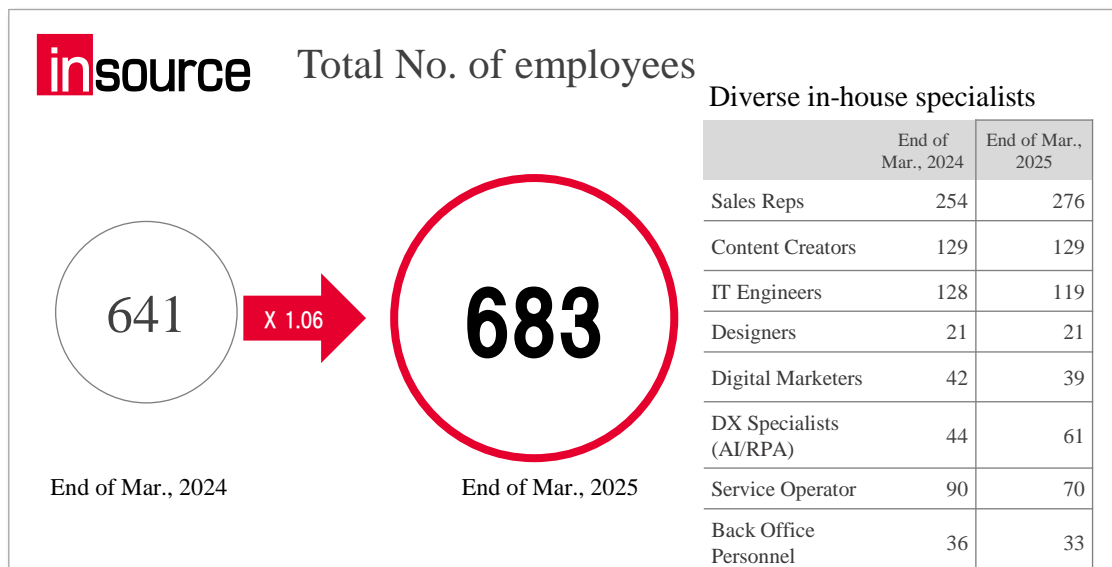
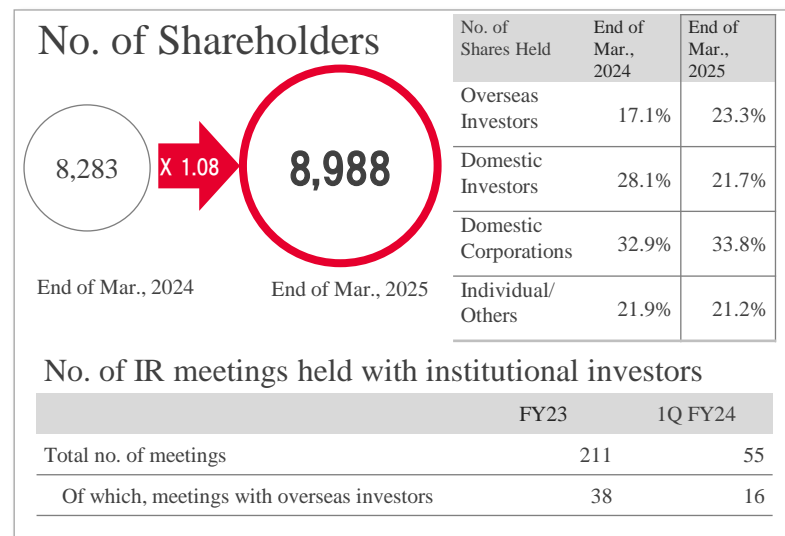


- In-house system development
- Sales of "Leaf" an ASP system developed in-house

かんたんお申込みシステム
WEBinsource



Numerical comparison between the end of March 2024 and the end of March 2025



*From FY23, the definition of the number of clients has been changed to 'clients with financial transactions', and the calculation excludes clients who have not used the HRD Smart Pack or clients who have used it for free as part of a campaign.
 Copyright © Insource Co., Ltd. All rights reserved. 「insource」「Leaf」「WEBinsource」「動画百貨店」の名称及びロゴは株式会社インソースの登録商標です。

■ Career Training Market – Still great potential for growth

- The market size is estimated to be 350 billion yen in 2025 and over 425 billion yen in 2030. *1
- Market share of Insource is about 3.4%*2, and there is a lot of room for growth in the future.

■ HR digitalization (LMS) market - Expansion is expected

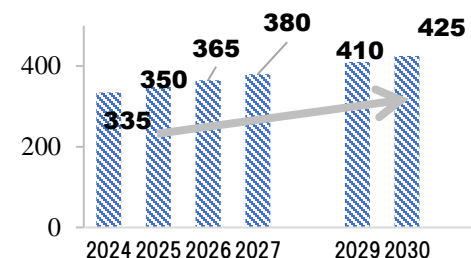
- The market size is estimated to be 16 billion yen in 2025 and expected to be 19 billion yen in 2027.*3
- The needs to increase the value of human capital and the administration of information disclosure is expected to increase significantly in the future.
- Net sales of “Leaf” (HR support system / LMS) for FY23 is 1.3 billion yen and there is a lot of room for growth.

■ DX (digital) training market - The growth in need has been remarkable

- The size of the DX (digital) training market is expected to be 38 billion yen in 2025 and 78 billion yen in 2030.*4
- From FY24 onwards, due to the shortage of labor and the need for greater operational efficiency, there appears to be a growing priority for investment in DX (digital) development.

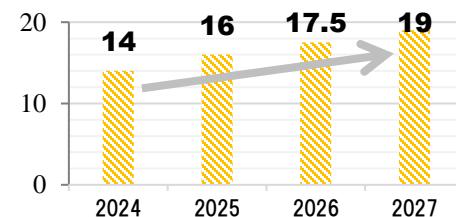
Training market size forecast

Unit (billion yen)



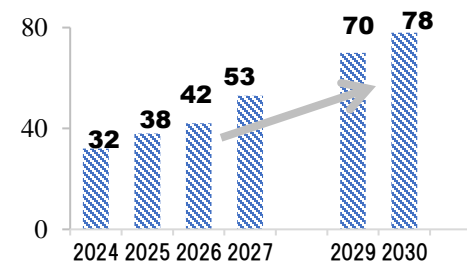
HR digitalization (LMS) market forecast

Unit (billion yen)



DX (digital) training market forecast

Unit (billion yen)



*1 Calculated based on the Ministry of Health, Labour and Welfare (MHLW)'s “Basic Survey on HR Development” and Ministry of Internal Affairs and Communications (MIC) “Labor Force Survey”.

*2 Calculated on the assumption that sales related to the career training market for FY23 are 11.5 billion yen.

*3 Calculated based on the MIC's “Basic Survey on Information and Communications Industry” and “Information and Communications White Paper.”

*4 Calculated based on the “Survey on IT Human Resources Supply and Demand” by the Ministry of Economy, Trade and Industry (METI) and “DX Trends 2024” by the Information-technology Promotion Agency, Japan.

<Appendix 4> Human Capital and ESG Activities



Human Capital – Structure of Workforce

■ Workforce by job function (including those who are holding two or more posts concurrently) -Diverse specialists*1

Content Creators	129	Sales Representatives	276	IT Engineers	119	Back Office Personnel	33
Digital Marketers	39	DX Specialists	61	Designers	21	Service Operators	70

■ Female employees account for 56.8% of the entire employees and 40.8% of managerial positions. Many seniors are also active.

■ Acquired 2 stars in “Eruboshi”, and “Kurumin” certification*. Selected under the

“2024 Certified Health & Productivity Management Outstanding Organizations Recognition Program”.

*Eruboshi: A program under which the Minister of Health, Labor and Welfare certifies companies that have made excellent efforts to promote the advancement of women, based on the Law for the Promotion of Women's Activities.

Kurumin: A certification system for companies that meet certain criteria as a "company that supports child-rearing" based on the Law for Measures to Support the Development of the Next Generation.



	Total	Female employees (ratio)
No. of employees*3	683	388 56.8%
No. of managerial positions	223	91 40.8%

<Private Sectors>
Average percentage of female employees in managerial positions:
14.6% *2
(Source: The Gender Equality Bureau of the Cabinet Office (2024))



Foreign nationals *5	8	Seniors (aged over 60)	57	LGBTs	4	Persons with disabilities	12 Disability employment rate: 3.08% *4
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< Private Sectors >
 ■ Legal employment rate: **2.50%**
 ■ Average of actual employment rate: **2.41%**
 (Source: “2024 Disability Persons' Employment Status” released by the Ministry of Health, Labour and Welfare)

*1 Number of employees by job category is calculated by duplicating those who hold concurrent positions.

*2 Administrative and managerial workers include board members, managers or above, administrative civil servants.

*3 Directors, auditors and corporate officers are excluded. Employees include part-time employees and exclude part-time and temporary employees.

*4 Non-consolidated (Insource only)

*5 “Foreign nationals” refers to employees with foreign nationalities. This includes foreign nationals who have acquired Japanese citizenship.

(As of the end of March, 2025, Consolidated)

■ Human capital disclosure items that Insource focuses on (example)

- Continue to place the highest priority on sales and operating profit per employee, which are directly linked to financial performance expansion, and continue to promote and improve them at the same time.
- Continue to promote the organization development where diverse human resources can work comfortably and promote D, E&I to secure a stable supply of excellent human resources.
- Increase the number of employee shareholders to foster a desire to improve company performance, increase engagement, and raise awareness of management participation.

Category	Items	FY21	FY22	FY23	Remarks
Performance	Sales per employee (thousand yen)	24,181	25,225	27,148	Calculated based on the average number of employees (excluding temporary employees) during the period
Performance	Operating profit per employee (thousand yen)	8,645	9,220	10,661	Same as above
Performance	Average points of "Energy"	3.24	3.24	3.26	"Energy" is the ability to have a strong will and to see the value in continuing to work despite difficulties. Maximum 5 points. Calculated using our assessment test tool "giraffe"
Performance	Training hours per employee	10h43m	22h30m	28h30m	Total hours of training and e-Learning courses (excluding study sessions)
Performance	Total number of DX training attendees	681	248	1,064	Total number of participants in each fiscal year
Performance	Percentage of employees' experience with the company's services	100%	100%	100%	Calculated based on use of Leaf and attendance at Open Seminars and e-Learning
D, E&I	Number of management positions (Percentage of female employees)	185 (37.8%)	211 (37.4%)	221 (40.3%)	
D, E&I	Number of managerial appointments (Percentage of female employees)	38 (52.6%)	29 (48.3%)	25 (56.0%)	Number of non-managerial employees promoted to managerial positions during the fiscal year
D, E&I	Number and rate of employees taking maternity leave Number and rate of employees taking paternity leave	100% 92.3%	100% 86.0%	100% 53.0%	The percentage indicates the ratio calculated by the actual number of acquirers to those eligible for acquisition during the period.
Employee engagement	Percentage of employees who hold shares of Insource	69.6%	72.0%	80.0%	Aggregate employee stock ownership plan participants and RS (restricted stock compensation) holders

- Policy: With the ESG+P (Performance) management policy, aiming for ESG and sustainable performance improvement.
- Evaluation: Maintained an 'AA' MSCI ESG Rating (as of April 14, 2025), evaluating our business model and employee retention.

■ Environment

1. CO2 reduction through renewable energy

With the completion of the switch to renewable energy at all six company-owned buildings in FY23, CO2 emissions from electricity use in 1H FY24 decreased significantly from 105.6t YoY to 39.5t.

We are close to achieving our long-term environmental goal of a 50% reduction from 2020 levels, which is 140t CO2 emissions.

2. Providing electronic textbooks in training business

In 1H FY24, the service was provided to 38,000 attendees with CO2 reduction increased from 5.38t YoY to 5.77t.



■ Social

Status and Results of Health and Productivity Management Initiatives

Category	Item	FY24 (%)	FY23 (%)	target figure for FY24 (%)
Mental health	Stress check examination rate	97.6 (+0.9pt YoY)	96.7	100
Medical checkups	Participation rate in initial interviews for specific health guidance	91.6 (+21.6pt YoY)	70.0	100

■ Governance

Insource Group conducted human rights due diligence.

We conducted a survey of our group's employees. We identified human rights risks and examined countermeasures for all our businesses through Sustainability Committee and The Risk and Compliance Committee. The results are disclosed on its website.



Materiality and Long-term Indicators

Management philosophy: Create a society in which all people can enjoy working and feel fulfilled

	Materiality	Actions	KPI	FY22	FY23	FY29
Solving Social Issues through Business Activities	1.Increase productivity through career development education (Strengthening the organization)	Acquire knowledge and skills, solve problems, and improve productivity of organizations and individuals through trainings	Training business No. of annual attendees	720,000	767,000	2 million
	2.Acquisition of basic skills to play an active role in diverse environments (Strengthening individuals)	Leveraging IT and enhancing personal skills through the provision of DX training	OA/IT/DX training attendees (Open Seminars)	13,000	17,000	50,000
	3.Development of learning content tailored to each individual and organization	Development and accumulation of content in response to social issues and needs	Total no. of contents	4,156	4,522	5,000
	4.Provision of educational infrastructure	Improve productivity and provide fair educational opportunities through the provision of IT	Cumulative video content Annual no.of Open Seminars conducted Leaf active users	754 10,000 2,895,000	1,011 12,000 4,070,000	1,500 15,000 7 million
ESG	[E] Responding to climate change	Carbon neutral emissions from business	Scope1+2 (t-CO2)	237	158.6	140
	[S] Excellent performances of diverse employees	Create a workplace where diverse human resources can thrive	Ratio of Female Executive Officer Female Manager Ratio	0% 37.4%	10.5% 40.3%	50% 50%
	[S] Community Relations	Solve community issues	No. of Regional Revitalization projects No. of public sector supporting period poverty	36 62	54 15	100 100
	[G] Strengthening governance	Ensuring diversity in management	Ratio of female in the Board of Directors	25.0%	37.5%	50.0%

*Targets for 2030 are subject to change as business conditions and management plans are revised or changed in the future.

*The percentage of female executive officers excludes those who also concurrently serve as directors.