# Insource Co., Ltd. <6200>

# Dialogue between Outside Directors and Institutional Investors

Friday, September 11, 2026

# Introduction of Speakers

## ■Takashi YURI

| Past experience, positions and responsibility in the Company | |
|---|---|
| Apr. 1983 | Joined Nichimen Corporation (currently Sojitz Corporation) |
| Jun. 1987 | Seconded to TechMatrix Corporation |
| Mar. 1998 | Director of TechMatrix Corporation |
| Apr. 2000 | President and CEO of TechMatrix Corporation |
| Jul. 2004 | Representative Director, President & CEO, Chief Operating Officer of TechMatrix Corporation |
| Aug. 2007 | Executive member of ICHIGO LLC |
| Sept. 2007 | Director of CROSS HEAD Corporation |
| Aug. 2009 | Director of CASAREAL,Inc. |
| Apr. 2024 | Director of TechMatrix Corporation |
| Jun. 2024 | Outside Director of Riskmonster.com (current) |
| Aug. 2024 | Representative Director of TY Insight (current) |
| Sep. 2024 | Outside Director of Lasertec Corporation (current) |
| Dec. 2024 | Outside Director of Internetworking & Broadband Consulting Co.,Ltd. (IBC) (current) |
| Dec. 2025 | Outside Director of the Company (current) |

### Significant concurrent positions

Representative Director of TY Insight
Outside Director of Riskmonster.com
Outside Director of Lasertec Corporation
Outside Director of Internetworking & Broadband Consulting Co.,Ltd. (IBC)

# Introduction of Speakers

## ■Yoshiko NIWAMOTO

### Past experience, positions and responsibility in the Company

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|---|---|
| Mar. 2015 | Graduated from Graduate School of Business Administration, Division of Business Administration, Kobe University |
| Apr. 2015 | Full-time lecturer of Faculty of Business Administration Department of Business Administration, Setsunan University |
| Oct. 2016 | Part-time Lecturer of Faculty of Business Administration, Ryukoku University |
| Dec. 2016 | Part-time Lecturer of Global Business and Management Studies, Doshisha Business School |
| Apr. 2017 | Associate Professor of Graduate School of Business Administration, Kobe University (current) |
| Sep. 2019 | Part-time Lecturer of Faculty of Business Administration, Konan University |
| Dec. 2023 | Outside Director of the Company (current) |

### Significant concurrent positions

Associate Professor of Graduate School of Business Administration, Kobe University

# Kohei HABARA

## Past experience, positions and responsibility in the Company

| | |
|---|---|
| Apr. 2017 | Joined PwC Advisory LLC |
| Sept. 2019 | Joined GENDA Inc. |
| Aug. 2021 | Executive Officer of GENDA Inc. |
| Sep. 2023 | Chief Strategy Officer of GENDA Inc. (current) |
| Nov. 2023 | Representative Director and President of GENDA Capital (current) |
| Apr. 2024 | Director of GENDA Inc. |
| Dec. 2024 | Outside Director of the Company (current) |
| Apr. 2025 | Managing Director of GENDA Inc. (current) |

## Significant concurrent positions

Managing Director, Chief Strategy Officer of GENDA Inc.
President and Representative Director of GENDA Capital Inc.

# 1. From Outside Directors

（1） Basic Approach to Corporate Governance

（2） Corporate Governance System

（3） Overview of Corporate Governance Initiatives

（4） Evaluation of the Effectiveness of the Board of Directors

（5） Succession Plan

（6） Compensation of Directors

（7） Identification of Issues and Future Prospects

("Interview with Outside Directors" from *Integrated Report 2025*)

# 2. Roles and Key Priorities as Outside Directors

# 3. Questions and Answers

# 1. From Outside Directors

# (1) Basic Approach to Corporate Governance

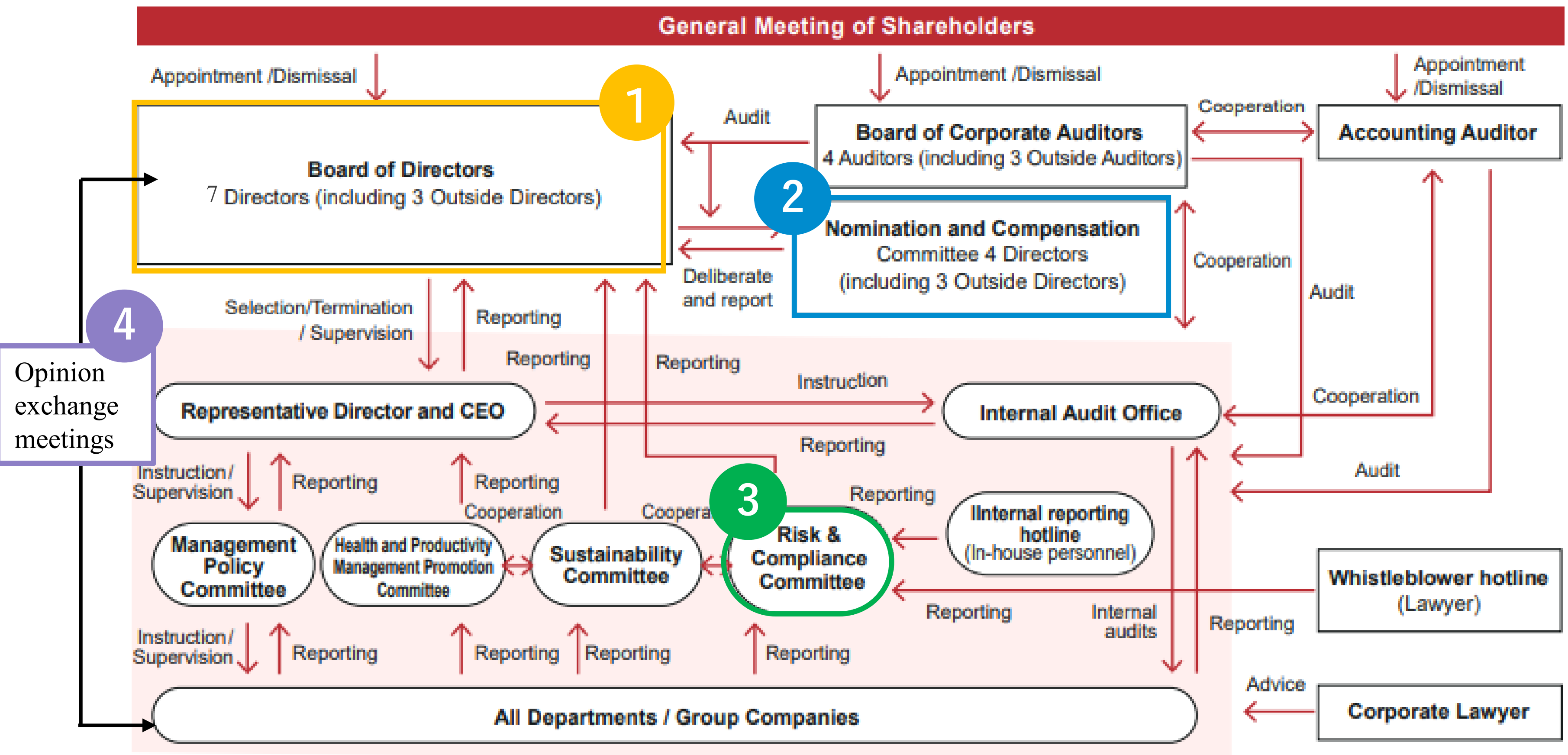
- We place great importance on ensuring management transparency and disclosing information promptly and appropriately in order to fulfill our accountability to shareholders.

- In order to expand profits and increase corporate value

① We are promoting the efficiency of the management system for speedy decision-making and business execution

② We are enhancing our management monitoring system to conduct corporate activities based on sound ethical principles that are in harmony with society insource

We attend ①Insource's Board of Directors, ② Nomination and Compensation Committee, ③ Risk and Compliance Committee. In addition, we regularly hold ④ Opinion exchange meetings with the next-generation management.



# (3) Overview of Corporate Governance Initiatives

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## 1. Board of Directors

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|---|---|
| Chair | Representative Director, President and CEO Takayuki FUNAHASHI |
| Composition | 7 Directors (including 3 Outside Directors) |
| Overview | As a management decision-making body, the Board of Directors resolves important matters based on the Board of Directors Regulations and the Authority Regulations<br>Outside Directors advise and supervise Board of Directors from an external third-party perspective.<br>In addition to regular monthly Board of Directors meeting, extraordinary Board of Directors are held as needed. |
| Example of the agenda | Organizational changes, personnel transfers, internal regulations, reports on sustainability, etc. |
| FY25 results | 17 meetings* (Attendance rate: 100%) * One session is scheduled for Sept. 14. |
| **Pre-briefing** | **Explanation of the background of the agenda and the internal review process will be provided to the Corporate Auditors and the Outside Directors** |

## 2. Nomination and Compensation Committee

| | |
|---|---|
| Chair | Outside Director Takashi YURI |
| Composition | 1 Internal Director, 3 Outside Directors |
| Overview | The Committee, which serves as an advisory body to the Board of Directors, deliberates and provides recommendations from an objective and fair perspective on the appointment and dismissal of Directors and Executive Officers of the Company and its Group companies, as well as their compensation and succession plans. |
| Example of the agenda | Succession Plan, Compensation for Directors (bonuses, compensation revisions, etc.) |
| FY25 results | 10 meetings (Attendance rate: 100%) |

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## 3. The Risk and Compliance Committee

| | |
|---|---|
| Chair | Representative Director, President and CEO Takayuki Funahashi |
| Composition | All Directors, all Corporate Auditors, and the Internal Audit Office |
| Overview | To promote risk management and compliance, the committee is chaired by the Representative Director and is implemented by all Directors, all Corporate Auditors, and persons appointed by the chairman |
| Example of the agenda | Disaster-related measures, BCP of internal systems, cybersecurity measures, etc. |
| FY25 results | 4 meetings (Attendance rate: 100%) |

## 4. Opinion exchange meetings with the next-generation management

| | |
|---|---|
| Purpose | To Enhance Outside Directors' understanding of the business and deepen their involvement |
| Composition | 3 Outside Directors<br>Speakers: Directors who are responsible for each division, Executive Officers (including those from group companies), and business unit heads |
| Overview | Once a month<br>2 people per session (60 minutes x 2 people)<br>Each person in charge presents his/her division, the current situation of the Company, future issues, and the status of initiatives |

# (4) Evaluation of the Effectiveness of the Board of Directors

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## Methods of analysis and evaluation

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|---|---|
| Subjects | 11 in total : Directors (including Outside Directors) and Corporate Auditors (including Outside Auditors) |
| Period | From mid-November to early December every year |
| Method | Distribute to and collect replies from target persons through"Leaf" (HR support system / LMS) |
| How to answer | 5-point evaluation + Free comments |
| Evaluation items | 1. Ensuring Shareholder Rights and Equity 2. Appropriate Collaboration with Stakeholders other than Shareholders<br>3. Appropriate Disclosures and Ensuring Transparency 4. Responsibilities of Board of Directors, etc.<br>5. Dialogue with Shareholders 6. Management of Board of Directors<br>7. Size (number of members) and composition of the Board of Directors<br>8. Structure to support the Board of Directors 9. Communications between Directors (Directors and Corporate Auditors) |

## Summary of Evaluation Results (Results in 2025)

| | |
|---|---|
| Items with high evaluation | ・Roles and responsibilities to be fulfilled by the Board of Directors<br>・Development of systems and initiatives to promote dialogue with institutional investors and other shareholders<br>・Timely and accurate disclosure of information with high added value for users, including not only financial statements but also non-financial information (monthly KPIs, etc.) |
| Issues to be addressed | ・Sufficient discussion on particularly important themes at the Board of Directors (management strategy, governance structure, risks)<br>・Composition of knowledge, experience, and capabilities of the Board of Directors members |

# (5) Succession Plan

## Overview

- Conduct multifaceted discussions on the next generation of management without preconceived notions
- Actively appoint executives to subsidiary management positions and create opportunities to gain management experience
- Provide education to support management decision-making, based on the concepts of "everyone is the president" and "tough assignments"

## Major items to be deliberated by Nomination and Compensation Committee and details of its activities （FY25）

| | |
|---|---|
| Deliberations on the Election and Dismissal of Directors | Deliberation on the backgrounds, qualifications, and expected roles of candidates for Insource Executive Officers and Group company Directors and Executive Officers |
| Deliberation on CEO and CFO succession | Confirmed current progress and future direction with the CEO and shared awareness of issues |
| Deliberation on next-generation management pool candidates based on opinion exchange meetings with business unit heads | Based on the monthly "Opinion Exchange Meetings with business unit heads," provided recommendations to the CEO regarding the characteristics and challenges of the Company's Executive Officers and frontline leaders as a whole, as well as the actions needed for future growth |

# (6) Compensation of Directors

## Basic Policy

- Ensure that the compensation structure is linked to company performance so that it functions effectively as an incentive for the continuous enhancement of corporate value.
- To ensure an appropriate level of compensation based on the roles and responsibilities of each Director

## Major Matters Deliberated by Nomination and Compensation Committee and Activities Related to Executive Compensation (FY25)

| | |
|---|---|
| Deliberation on revision of Executive compensation | Deliberated on the validity of the proposed compensation revisions for the Group's Directors and Executive Officers while organizing the rationale |
| Deliberation on granting restricted stock compensation (RS) to Executives | Deliberated on the positioning of restricted stock compensation and its ratio to total compensation while sharing examples from other companies |
| Deliberation on Executive bonuses | Deliberated on the methods for budgeting Executive compensation and the logic (coefficients) used in determining payment amounts while sharing examples from other companies |

# (7) Identification of Issues and Future Prospects

(“Interview with Outside Directors” from *Integrated Report 2025*)

## Identified Challenges

- **Building systems and structures for sustainable growth over the medium to long term is the key theme**

**① Strengthening organizational decision-making and management structures**

Reducing dependence on specific leaders and building a sustainable, repeatable leadership model

Transitioning to “succession and development as organizational systems” and “collaborative management structures”

**② Building the next growth strategy with an eye toward the generative AI era**

Redefining business models and competitive advantages in light of environmental changes brought about by generative AI

Deepening AI strategy to drive company-wide growth, not limited to individual products

**③ Deepening strategic discussions for medium- to long-term corporate value enhancement**

Improving the quality and effectiveness of discussions, not limiting the Board of Directors to a decision-making body

Strategic discussions that lead to sustainable growth, including M&A and cross-industry perspectives

## Looking to the Future

- Development of next-generation management personnel and succession plan, establishment of organizational decision-making and co-management structure
- Establishment of AI strategy for long-term enhancement of corporate value
- Enhancement of strategic discussions from a medium- to long-term perspective

Insource Group’s Integrated Report 2025＜PDF of Full Text in English＞
https://www.insource.co.jp/resource/pdf/ir/integratedreport2025_eng.pdf

# 2. Roles and Key Priorities as Outside Directors

# 2. Roles and Key Priorities as Outside Directors (Mr. YURI)

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## Important Roles as an Outside Director

①Participation in strategic discussions to achieve sustainable business growth

②Optimization of capital allocation

(balance between business investment and shareholder returns)

## What I particularly prioritize as an Outside Director

①Ensuring successful succession

(Dialogue with successor candidates and identification of suitable individuals)

②Supporting transformation into a company that can achieve growth through the use of AI

# 2. Roles and Key Priorities as Outside Directors (Ms. NIWAMOTO)

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## Important Roles as an Outside Director

① Strengthening governance

→Management's decision-making process and monitoring of business execution

② Strengthening Management

→Contributing to healthy Insource management

## What I particularly prioritize as an Outside Director

Preliminary briefing for the Board of Directors and the Nominating and Compensation Committee

① Participate in discussions from the perspective of objectivity and diversity

② Based on academic knowledge of business administration, particularly organizational theory and human resource management theory, more discussion is held on employee training and appropriate placement.

# 2. Roles and Key Priorities as Outside Directors (Mr. HABARA)

## Important Roles as an Outside Director

① Contributing to sustainable enhancement of corporate value

→ Advice on management policies and growth strategies for business expansion

② Management oversight

→ Seek correction as necessary from an objective and neutral standpoint

→ Promote sound management

## What I particularly prioritize as an Outside Director

Constructive dialogue

→Participate in discussions by leveraging management experience in GENDA and expertise and experience as a certified public accountant

→Promote active discussions and strive to lead the Company in a better direction

# 3. Questions and Answers ① Questions we received in advance

# ① Questions we received in advance

1. Please tell us what led you to accept the position of Outside Director.

2. In the financial results presentation materials and other documents, a significant number of pages were devoted to AI strategy.
   What kind of discussions are taking place at the Board of Directors regarding AI strategy? Also, what are your thoughts as an Outside Director?

3. How do you think the competitive environment and demand are changing with the widespread adoption of generative AI?

4. Do Outside Directors participate in the formulation of the next Three-year Business Plan?
   Or do you provide input or express your views?

# 3. Q&A ② Questions via chat or verbally

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Friday, September 11, 2026

Thank you for joining us today.