November 9, 2026
Insource Co., Ltd.

Q&A Session Summary for Financial Results Briefing for FY25

Date & Time: November 5, 2026 (Thursday) 15: 30-16:30 (JST)
Speaker: Takayuki Funahashi (Representative Director, President and Chief Executive Officer),
Shigeo Fujimoto (Director, Executive Officer (Chief Financial Officer)),

The following is a summary of the main questions and answers at the financial results briefing. Some parts of the contents have been added or modified for better understanding.
All responses were made by CEO Funahashi in Japanese.

Question 1: You mentioned that AI training for large enterprises has been weak. Is this because large enterprises are increasingly bringing AI training in-house? Has this reduced demand for outsourced AI training?

Answer 1: Most large enterprises have already completed basic AI training and are now at the stage of waiting for employees to put it into practice in their day-to-day work. Making full use of generative AI requires in-depth knowledge. However, relatively few companies are taking a thorough approach, making it difficult to secure new large-scale AI training projects. As with Excel, companies are currently satisfied once their employees have reached a basic level of proficiency. Viewed another way, I believe AI training has become a field in which we can expect ongoing revenue from advanced courses and other programs, just as we do with Excel training.

Question 2: SaaS providers in areas such as labor management are also offering educational services. Has competition with those businesses intensified? Are you losing opportunities with large enterprises because of the aggressive expansion of other SaaS providers?

Answer 2: In terms of training and educational content, Insource has strengths that other SaaS providers cannot match. We have an overwhelming advantage in education, and I do not believe we are losing ground. In fact, we have received numerous partnership inquiries from SaaS providers seeking our content. Each company has its own areas of expertise, and we would like to pursue partnerships with a wide range of providers.

Question 3: You have said that you want to ensure that the targets in the new medium-term management plan are achieved, but the October KPIs were weak, making the targets look difficult to attain. Could you explain your plan for achieving them?

Answer 3: It is true that Open Seminars did not grow as much as we had expected in October. We intend to improve results in 1Q, accelerate growth in 2Q, and deliver substantially stronger results in 3Q to achieve our targets. We expect the incentives for sales representatives under our new profit-focused system to begin producing results from 3Q onward, so we believe growth will accelerate from that point.

Question 4: As you shift to a more profit-focused organization, are you seeing any internal resistance or an increase in employee turnover?

Answer 4: Our previous compensation system had elements of seniority-based pay, and I believe younger employees welcome the introduction of an incentive system. We increased hiring over the past one or two years, but this has not translated into higher profits. I believe our staffing levels are now gradually being optimized. Going forward, we will also strengthen training and development for each employee and establish a system that supports people who generate profits and deliver results.

Question 5: Regarding the Open Seminars Business, you have stated that you want to raise the average number of attendees per session to 10. Do you believe this target is achievable?

Answer 5: In FY25, we held too many sessions, which weighed on profits. The number of scheduled sessions is still somewhat excessive, and we are working to optimize it. Our revised policy is to first adjust the number of sessions to an appropriate level and then expand the schedule as attendee numbers increase. We have also set a limit of 19,000 sessions for the current fiscal year and established cost targets for Open Seminars.

Question 6: I recall you previously saying that you decided to increase the number of sessions because you had restricted them too much by placing excessive emphasis on profitability. Does this mean you are returning to the previous policy?

Answer 6: We increased the number of sessions based on lessons learned from that earlier experience, but we ended up going too far this time. We intend to optimize the number of sessions in the current fiscal year.

Question 7: Do you expect revenue from On-Site Training to decline year on year?

Answer 7: This does not mean that we will offer only high-priced On-Site Training programs. We intend to raise prices and improve productivity. In the past, we often provided On-Site Training tailored to customer requests that were relatively unprofitable for us and expensive for our customers. Going forward, when Open Seminars offer customers better value for money and greater convenience, we plan to recommend them more frequently. We believe this will improve profitability in both On-Site Training and Open Seminars.

Question 8: You have indicated a dividend of 36 yen for FY26. Could you explain the rationale behind this amount?
Answer 8: A dividend of 36 yen per share is the amount calculated using a dividend on equity (DOE) ratio of 18%. We expect dividends to increase as equity grows.

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