

Insource Co., Ltd.

2Q FY25 (interim period) Consolidated Financial Results

Thursday, May 7, 2026

Make Work Wonderful



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Please download the supplementary data for 2Q FY25 financial results (Excel format) from the “IR Library” on the “IR Information” of our website.

*Available from 9:00 PM (JST) on Thursday, May 7, 2026

https://www.insource.co.jp/ir/ir_library.html#presentationMaterial

Chap. 01

Executive Summary



- 2Q net sales increased 309 million yen (8.8%) YoY, operating profit improved from YoY decline in 1Q to increase 66 million yen (4.5%) YoY
- 1H net sales reached a record high, up million yen (8.0%) YoY, with operating profit up 8 million yen (0.3%) YoY
- Integrating generative AI into operations to improve internal efficiency, providing new services and content externally as practical knowledge

2Q Actual

(unit: million yen)

Net sales	Gross profit	Operating profit	net profit
3,819	2,984	1,549	1,064
YoY +8.8%	YoY +9.4%	YoY +4.5%	YoY +3.0%

1H Result

(unit: million yen)

Net sales	Gross profit	Operating profit	Net profit	Year-end dividend (forecast)
7,584	5,857	2,951	2,027	¥29.5
YoY +8.0%	YoY +7.5%	YoY +0.3%	YoY +3.1%	YoY +4.5yen

1. 2Q sales increased 8.8% YoY

- 2Q net sales recovered with an increase of 309 million yen YoY, driven by sales growth in Open Seminars and Other Businesses
- 1H net sales reached 7,584 million yen , up 8.0% YoY

2. 2Q operating profit YoY improved from 1Q

- Operating profit declined 54 million yen (4.0%) YoY in 1Q, but increased 66 million yen (4.5%) YoY in 2Q
- 1H also recovered with an increase of ¥8mn (0.3%) YoY

3. Effects of price revisions become apparent

- In 2Q, price revisions in On-Site Training took hold, and the ratio of DX training in the training business increased, with average unit price up 23.9 thousand yen (8.5%) YoY, contributing to sales growth

4. Evolution into a total solutions provider supporting practical implementation of generative AI

- Integrating generative AI into each business process to improve productivity. Reviewing role assignments and personnel allocation across all departments
- All employees started receiving AI agent training
- Started commercializing practical knowledge gained from generative AI utilization

5. Proposal amounts increased 31.9% from YoY

- As a result of in-house developing the SFA “AI-Plants” that automatically generates proposals using AI and continuing proposal enhancement initiatives, proposal amounts increased 31.9% YoY

6. Impact from Middle East situation is minimal

- The impact of changes in the Middle East situation on our business results is minimal at this time

Chap. 02

Generative AI Strategy



Insource's AI Strategy: Accelerating Internal Business DX at Low Cost Through User Education and Support

■ Insource educates users to achieve internal business DX quickly and affordably

Currently, internal IT information system departments and consultants perform business analysis and requirements definition, and SEs and programmers handle implementation into existing systems, but in the future, users will utilize generative AI to handle most of the business DX transformation

→ Our role is to accelerate user-driven business DX transformation through education, hands-on support, and implementation SI provision

	<u>Current Business DX</u>	<u>Future Business DX Transformation</u>	<u>Insource's Role</u>
	High cost and took a long period	Low cost and short time	Support client companies' business DX transformation at low cost and sustainably through educational services, solidified by consulting and SI
Business analysis	Performed by internal IT information system departments and consultants	Supported by Insource and performed by users ① Trained users analyze business processes and perform development themselves ② Development using natural language (Japanese) with generative AI	■ Providing Generative AI Utilization Education ① Providing business analysis education to clients ② Providing AI agent creation education so clients can develop their own business systems using generative AI ③ Providing templates of AI agents for various operations through training to make it easier for users to develop ■ Hands-on Support Consulting ④ Hands-on support from analysis to development process ■ Generative AI Utilization Platform Provision ⑤ Providing a system platform for safe AI utilization
Requirements definition			
System development	Implementation by SEs or programmers Implementation	Implementation by SEs or programmers	■ Provision of SI for AI Implementation in Existing Systems ⑥ Implementation support through SI by our engineers ■ Provision of Generative AI Utilization Applications ⑦ Providing generative AI integration for our SaaS products such as Leaf, as well as AI services for highly specialized operations including AI-OJT
Implementation into existing systems	*Development of existing systems Knowledge of development languages such as Java and PHP required	* Implementation requires knowledge of development languages such as Java and PHP, which Insource also provides support for	
Maintenance		Supported by Insource and performed by users ③ Business changes are handled in a user-initiated manner	

*No significant change from current state is expected for systems with massive transactions

Development currently costing several hundred million yen will be reduced to several million yen through generative AI and user education

■ Reconfirming the Disruptive Power of AI and Commercializing Generative AI

1. In-house Business DX - Incorporating AI into Business Processes

- By incorporating the AI agent “AI-Plants” into the sales system, part of the proposal creation work performed by over 200 Sales Reps has been reduced from 2 hours to 5 minutes
 - Put into practical use in several months by 5 young non-engineer field staff and 3 young engineers
- Sales efficiency improvement, labor savings in WEB, system, and textbook development, and reduction of headquarters operations are being implemented using generative AI
 - ⇒ All departments have reviewed role assignments and personnel allocation based on AI utilization. The number of personnel required for business operations in the second half has decreased
 - *The policy is to review future personnel requirements; the Three-year Business Plan will be reviewed at the time of the FY25 full-year financial results announcement

2. Establishing a System Where All Employees Can Utilize and Develop AI Agents

- Through training for all 750 employees, we are transitioning to a system where the field staff themselves can create, utilize, and improve agents tailored to their operations, going beyond just using AI. The policy is to review the recruiting plan
- At the same time, we are developing an in-house generative AI utilization platform. Building a mechanism that enables safe utilization of AI agents and data

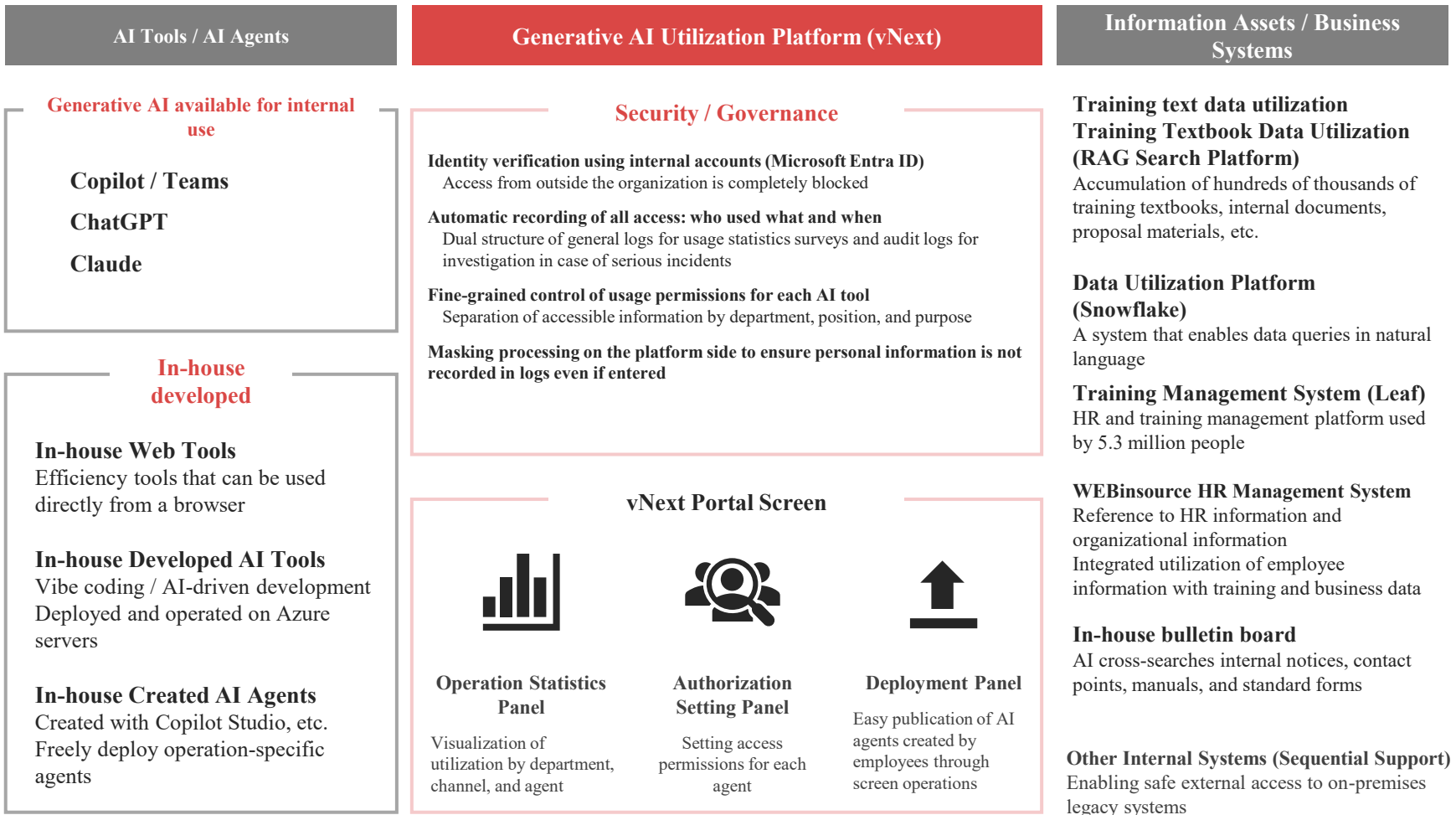
3. Commercializing Practical Knowledge - Creating Mechanisms for Sales Expansion (AI utilization will continue for the next 10 years)

- Preparing to commercialize the know-how of our company, which has become a leading AI utilization enterprise (various training on generative AI utilization, guidelineLMS “Leaf,” AI-OJT, AI-Plants, etc.)
- development support, generative AI platform construction support, generative AI-compatible
 - *Client needs are expected to become apparent gradually over the next 10 years; business performance contributions from generative AI business will follow sequentially

The Insource Group will evolve into a company that not only teaches generative AI but also provides comprehensive human resource development, consulting, and SI services to help clients incorporate AI into their operations

■ Eliminating factors hindering generative AI utilization with the in-house developed generative AI utilization platform (vNext)

- Accelerating in-house business DX with security and governance environment provision services



Expanding business into the digital services field beyond the framework of an education company

■ Practicing Business DX with Employees

Oct.
Nov.

Establishment of a Dedicated Generative AI Team

Developed a prototype of proposal creation AI in just 2 weeks. Developed the AI agent “AI-Plants” by gathering insights from the experienced sales staff

Dec.
Feb.

Success of AI-Plants - A Miracle by Generative AI

Incorporating generative AI into our in-house SFA “Plants,” achieving significant sales operation improvement. The entire company experienced the “miracle of generative AI,” raising momentum for AI utilization

Mar.

Practicing AI Education - Starting to Transform All Employees into AI Human Resources

All employees (approximately 750) regardless of department or work style acquired agent creation skills
→ All became **FD-type** human resources capable of implementing AI agents

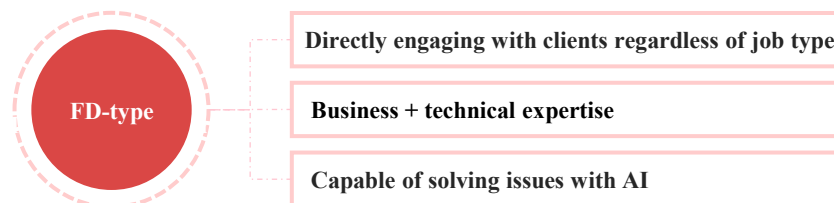
Becoming an AI Showroom

All employees create AI agents specialized for each job type's operations. Utilized not only for operational efficiency but also for sales promotion and consulting

■ Emergence of New Needs in Career Development Education

- The concept of desired human resources in the AI era is changing

Forward Deployed-type human resources who can enter the forefront of client operations and solve issues using AI are beginning to attract attention from IT companies and large enterprises. **A new market is emerging for our company**



■ Insource Takes the Lead - Converting to Education Services

- Transforming Insource personnel skills to FD-type human resources
- Refining communication and project management capabilities
- Converting know-how into educational content and consulting services for commercialization

Becoming a model case for productivity improvement and increased profits through generative AI, bringing business transformation to society

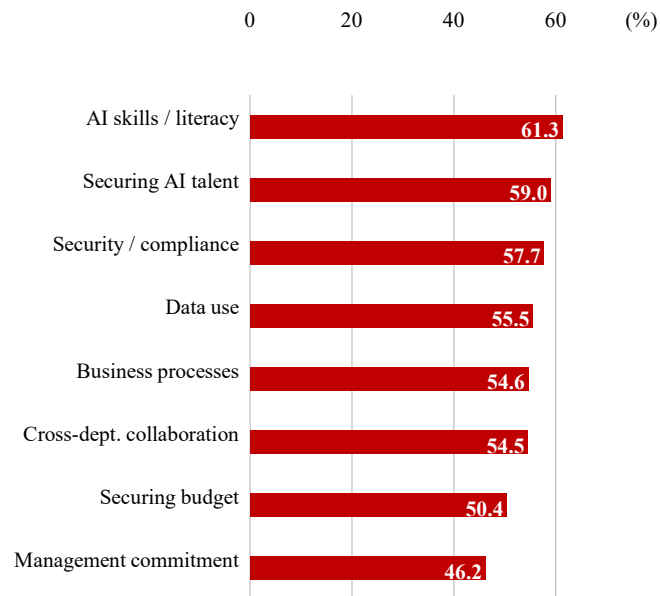
***Personnel increases, mainly in headquarters departments, will be minimized in response to future sales growth**

Generative AI Education is a High-Growth Field

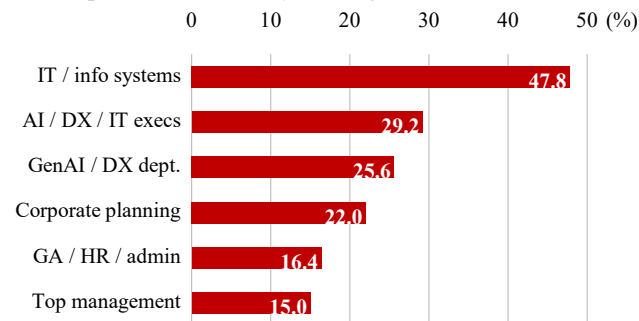
- The main challenge in AI utilization is employee AI skills; the educational approach targets are IT departments and top management

- The challenge in utilizing generative AI is improving employees' basic AI literacy. IT departments and top management are involved as promoters

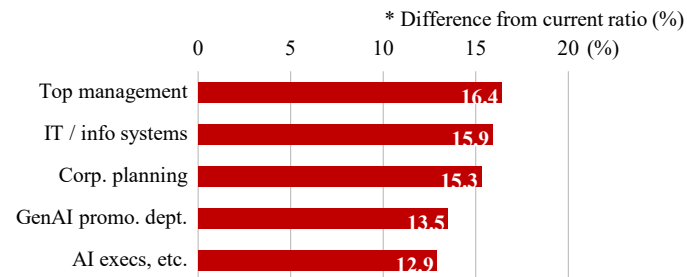
What are the main issues in using generative AI?



Which department currently leads generative AI use?



Who will lead more advanced AI use in three years?

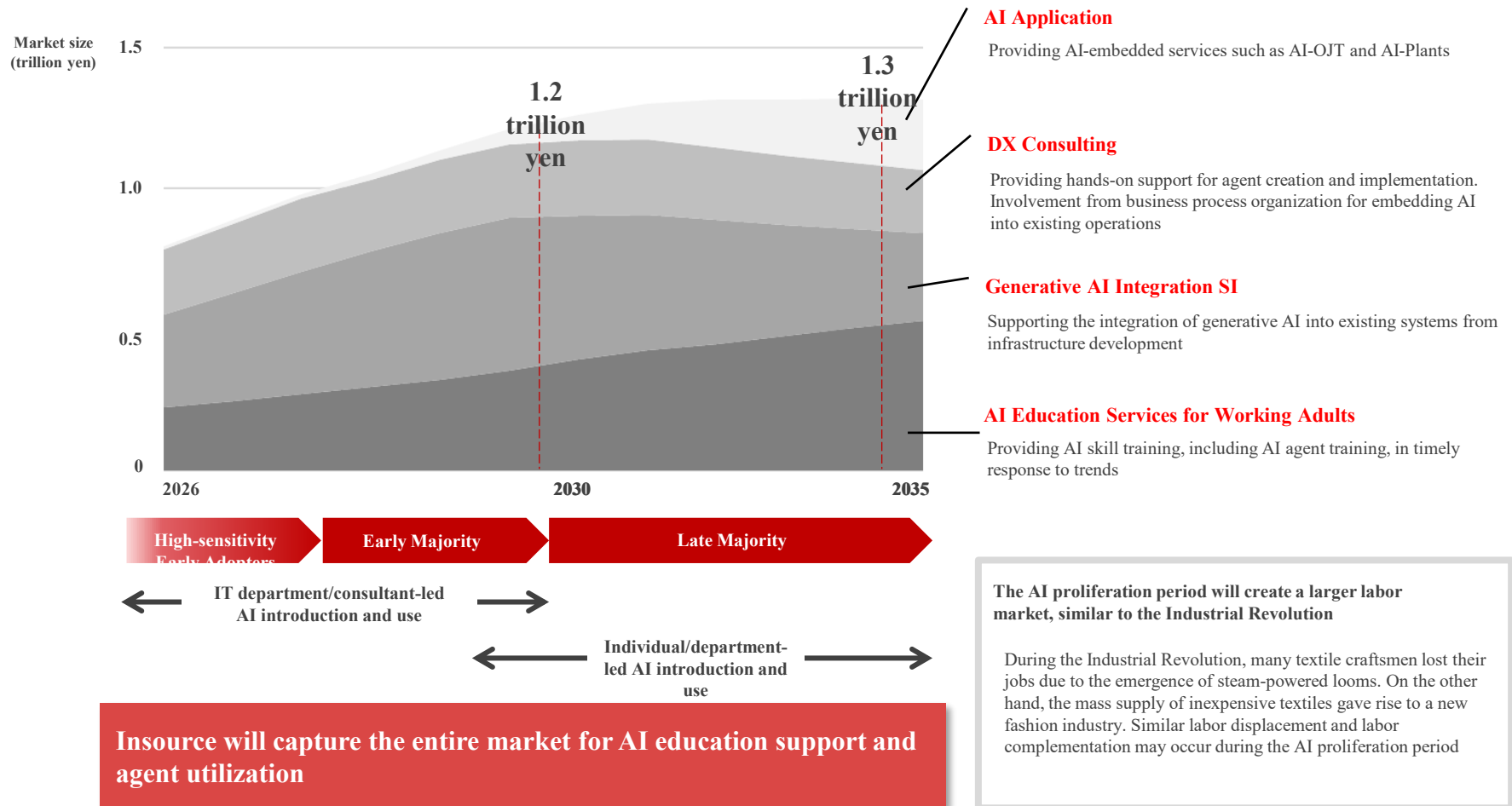


Survey on Issues for Promoting Full-Scale Utilization of Generative AI (2026, Insource Research Institute)

Our company will strengthen its approach to IT departments and top management, the main promoters of generative AI utilization, from the second half onwards

■ Full-scale utilization of generative AI for internal business operations is about to begin - 1.2 trillion yen by 2030

- Currently, adoption is progressing at the business unit level in advanced companies and large enterprises, but a period of rapid adoption will follow
- The business of developing human resources who create AI agents is increasing, creating a tailwind for our company, which covers generative AI from education to development



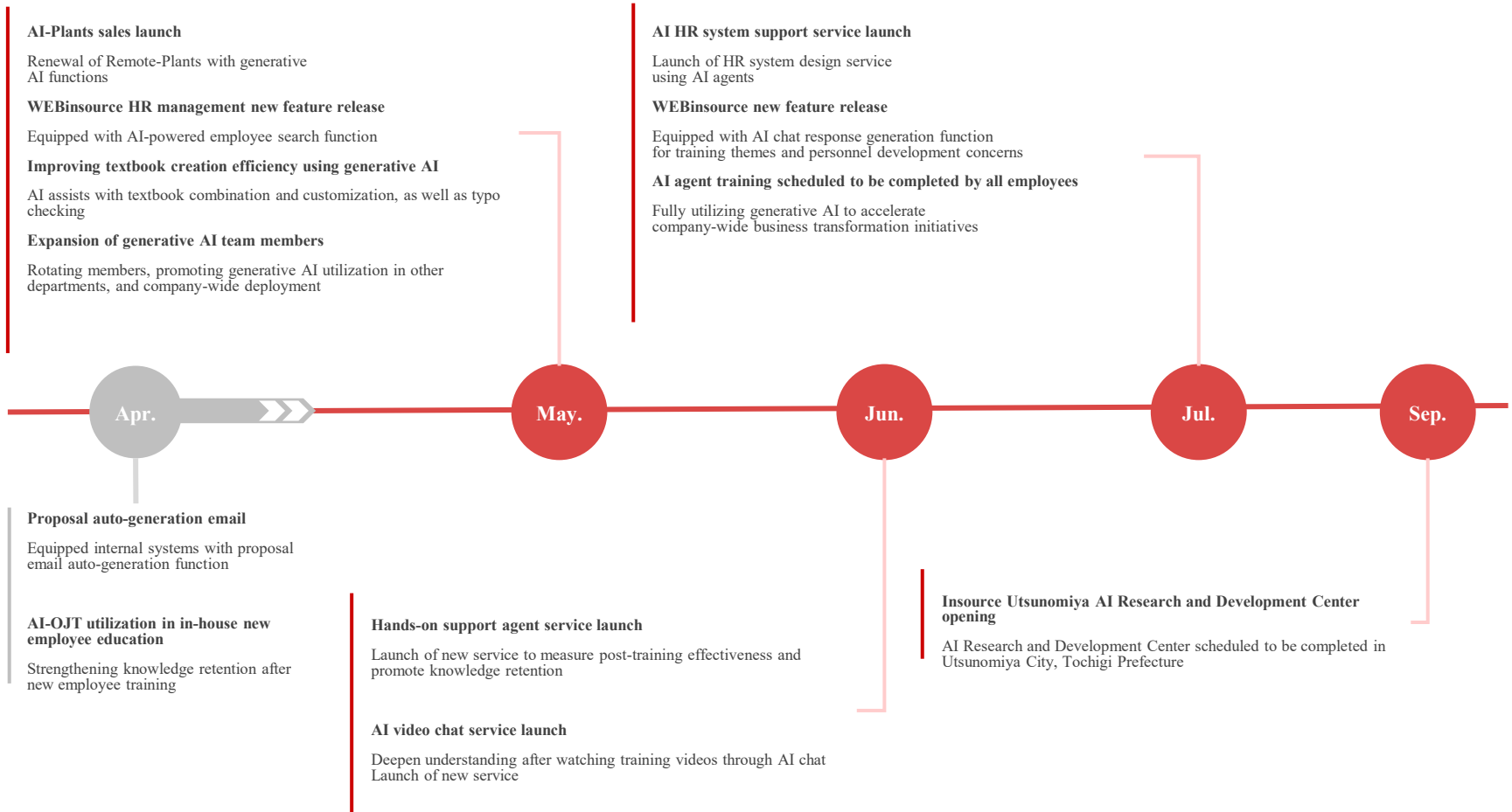
* Market size forecast figures prepared by Insource

- **In the short term, achieve steady promotion of existing education business and growth of DX-related business**
In the mid- to long-term, significantly expand customer business DX support services utilizing AI

	Short-term (~2030)	Mid- to long-term (~2035)	
	<u>Growth strategy for the AI utilization period</u>	<u>Growth during the AI business utilization expansion period</u>	
	<ul style="list-style-type: none"> • Without neglecting existing businesses, achieve growth in AI business • Enhance productivity of existing businesses with AI while shifting personnel to AI business • Continuously strengthen AI personnel 	<ul style="list-style-type: none"> • While maintaining high productivity, expand service lineup and strengthen sales to aim for market share expansion 	40% of sales Growth rate 10-20%
1. Career development education business (excluding DX)	Aim for steady growth through e-Learning, consulting enhancement, and close customer relationships while improving productivity with generative AI	<ul style="list-style-type: none"> • In line with market growth, provide AI agent training to many businesses including mid-sized and small companies 	20% of sales Growth rate 20-30%
2. DX training business	Expand with a focus on AI agent training, which is expected to grow rapidly	<ul style="list-style-type: none"> • Develop a diverse lineup of training programs 	
3. DX-related business AI utilization support	Promote business that supports business DX through AI utilization while educating users, especially management	<ul style="list-style-type: none"> • As it becomes common for users to utilize AI and achieve business DX, provide affordable services • Develop and provide numerous generative AI services including those outside the education field 	40% of sales Growth rate 30% or more

* The Three-year Business Plan is scheduled to be revised at the time of the FY25 full-year financial results announcement

■ In the six months from April to September, rapidly promote the release of generative AI services and the development of in-house AI personnel training and R&D facilities, accelerating AI-related business with both products and organization



■ Strengthening generative AI personnel recruitment and generative AI technical capabilities

Opening generative AI research and development centers in Utsunomiya and Kyushu (Insource Creative Corporation).

Strengthening personnel to enhance generative AI-related service development, generative AI utilization platform development, and support systems

▼ Insource Utsunomiya Generative AI Research and Development Center Image (Scheduled to open in autumn 2026)



▼ Insource Creative Solutions (Generative AI team active from October 2025)



Accelerating the deepening of generative AI education and digital service development

Chap. 03

2Q FY25 (interim period) Consolidated Results



Consolidated Profit and Loss Statement ① Overall

(unit: million yen)

	2Q FY24 (Actual)	2Q FY25 (Actual)	YoY		1H FY24 (Actual)	FY25 1H (Actual)	YoY		FY25 Full-Year Forecasts	progress rate (After revision)	Comments	
Net sales	3,510	3,819	+309	+8.8%	7,020	7,584	+563	+8.0%	Revised - 800	16,000	47.4%	[Net sales] • 2Q increased 8.8% YoY due to increased sales of Open Seminars and Video / e-Learnings, and higher average unit price of On-Site Training, etc. • 1H also increased 8.0% YoY, updating record high sales
Gross profit	2,728	2,984	+256	+9.4%	5,448	5,857	+409	+7.5%	Revised - 630	12,340	47.5%	
Gross profit margin	77.7%	78.1%	+0.4pt	-	77.6%	77.2%	-0.4pt	-	Revised - 0.1pt	77.1%	-	[Gross profit] • 2Q increased 9.4% YoY due to sales growth of high-margin Video / e-Learnings, increase in DX training in the training business, and price revisions, with gross profit margin up 0.4pt YoY • 1H gross profit increased 7.5% YoY
SG&A expenses	1,245	1,434	+189	+15.2%	2,505	2,906	+400	+16.0%	Revised - 210	5,960	48.8%	
SG&A expenses rate	35.5%	37.6%	+2.1pt	-	35.7%	38.3%	+2.6pt	-	Revised +0.5pt	37.2%	-	[SG&A expenses] • 1H increased 16.0% YoY due to increased personnel expenses from hiring increases in the latter half of the previous fiscal year
Total personnel expenses *1	975	1,139	+164	+16.8%	2,005	2,330	+325	+16.2%	Revised - 190	4,750	49.1%	
Office-related expenses *2	41	47	+6	+16.8%	79	90	+11	+14.9%	Revised +10	180	50.0%	[Operating profit] • 2Q increased 4.5% YoY, recovering from 1Q which was down 4.0% YoY
Office & communication expenses	70	69	-1	-1.6%	124	137	+13	+10.6%	Revised - 40	280	48.9%	
Other costs	157	177	+19	+12.6%	297	347	+50	+17.0%	Revised +10	750	46.3%	
Operating profit	1,483	1,549	+66	+4.5%	2,942	2,951	+8	+0.3%	Revised - 430	6,380	46.3%	
Operating profit margin	42.3%	40.6%	-1.7pt	-	41.9%	38.9%	-3.0pt	-	Revised - 0.6pt	39.9%	-	
Ordinary Profit	1,495	1,569	+74	+4.9%	2,957	2,972	+15	+0.5%	Revised - 370	6,430	46.2%	
Net profit	1,032	1,064	+31	+3.0%	1,966	2,027	+60	+3.1%	Revised - 230	4,400	46.1%	

*1 Personnel expenses, wages, recruitment, training, and benefit expenses, outsourcing expenses, and stock-based compensation expenses including Restricted Stock are collectively referred to as "total personnel expenses."
RS for 2Q FY25 is 20 million yen (+22.6% YoY).

*2 Office-related expenses include rent expenses, property taxes and real estate acquisition taxes for company-owned buildings, and depreciation expenses for tangible fixed assets

Consolidated Profit and Loss Statement ② Net Sales and Gross Profit by Business

(unit: million yen)

		2Q FY24 (Actual)	2Q FY25 (Actual)	YoY		1H FY24 (Actual)	1H FY25 (Actual)	YoY		FY25 Full-Year Forecasts	progress rate (After revision)	Comments	
On-Site Training Business	Net sales	1,284	1,386	+102	+8.0%	3,115	3,425	+309	+9.9%	Revised -380	7,730	44.3%	[Net sales] • In 2Q, the average unit price increased by 23.9 thousand yen (8.5%) YoY due to the increase in DX training ratio and price revision measures, and net sales increased by 8.0% YoY
	Gross profit	1,021	1,108	+86	+8.5%	2,476	2,707	+230	+9.3%	Revised -470	6,140	44.1%	• 1H sales increased by 9.9% YoY
	Gross profit margin	79.6%	79.9%	+0.4pt	-	79.5%	79.0%	-0.4pt	-		79.4%	-	[Gross profit] • Due to price revision and increase in DX-related training, 1Q increased by 9.9% YoY and 2Q increased by 8.5%, resulting in 1H increasing by 9.3% YoY
	No. of trainings conducted Unit: times	4,577	4,555	-22	-0.5%	11,301	11,770	+469	+4.2%		-	-	
	Online ratio	18.7%	18.5%	-0.2pt	-	19.3%	18.3%	-0.9pt	-		-	-	[Full-Year Forecasts] • Revised from the initial forecast, but 2H sales YoY is expected to improve
	DX training	424	481	+57	+13.4%	1,025	1,160	+135	+13.2%		-	-	
Average unit price Unit: thousand yen		280.5	304.4	+23.9	+8.5%	275.7	291.0	+15.3	+5.5%		-	-	
Open Seminars Business	Net sales	713	819	+106	+14.9%	1,576	1,710	+134	+8.5%	Revised -100	4,040	42.3%	[Net sales] • 1Q increased by 3.3% YoY, and 2Q increased by 14.9% YoY due to expansion of course offerings, resulting in 1H sales increasing by 8.5% YoY
	Gross profit	516	582	+66	+12.8%	1,177	1,234	+56	+4.8%	Revised -170	2,920	42.3%	
	Gross profit margin	72.3%	71.1%	-1.3pt	-	74.7%	72.1%	-2.6pt	-		72.3%	-	[Gross profit] • 2Q increased by 12.8% YoY along with sales increase
	Number of attendees	31,979	35,848	+3,869	+12.1%	72,256	76,425	+4,169	+5.8%		-	-	• Gross profit margin decreased by 1.3pt YoY in 2Q and 2.6pt in 1H due to increased fixed costs from seminar classroom expansion in February FY25
	Online ratio	68.9%	64.9%	-4.0pt	-	66.2%	62.0%	-4.2pt	-		-	-	
	DX training	4,993	6,498	+1,505	+30.1%	9,683	12,716	+3,033	+31.3%		-	-	[Full-Year Forecasts] • Full-year forecast revised mainly due to underperformance in 1Q
No. of trainings conducted Unit: times		3,652	4,456	+804	+22.0%	7,688	8,633	+945	+12.3%		-	-	• 2H sales are expected to progress as initially forecast
No. of attendee per training Unit: persons		8.8	8.0	-0.7	-8.1%	9.4	8.9	-0.5	-5.8%		-	-	
Average unit price Unit: thousand yen		22.3	22.8	+0.5	+2.5%	21.8	22.3	+0.6	+2.6%		-	-	

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

Consolidated Profit and Loss Statement ② Net Sales and Gross Profit by Business

(unit: million yen)

		2Q FY24 (Actual)	2Q FY25 (Actual)	YoY		1H FY24 (Actual)	1H FY25 (Actual)	YoY		FY25 Full-Year Forecasts	progress rate (After revision)	Comments		
IT Services Business	sales	692	686	-6	-0.9%	1,093	1,116	+23	+2.1%	Revised -170	2,010	55.5%	[Net sales] • In 2Q, recurring sales increased by 19.6% YoY while customization sales decreased by 25.4% YoY, and overall sales decreased by 0.9% YoY • 1H sales increased by 2.1% YoY	
	gross profit	557	536	-20	-3.7%	861	843	-17	-2.0%	Revised -210	1,500	56.2%		
1H composition ratio 14.7% (Previous FY 11.4%)	gross profit margin	80.4%	78.1%	-2.3pt	-	78.8%	75.6%	-3.2pt	-	-	74.6%	-	[Gross profit] • 1H gross profit decreased by 2.0% YoY due to decrease in customization orders and increase in communication costs in 2Q	
monthly disclosure	Leaf Recurring Leaf recurring (monthly revenue)	290	346	+56	+19.4%	590	686	+96	+16.3%	-	-	-		[Full-Year Forecasts] • Full-year sales revised from initial forecast due to the impact of 2Q which has a high sales ratio • Recurring sales are expected to continue to progress steadily
	Leaf customization sales	210	156	-53	-25.4%	253	183	-70	-27.6%	-	-	-		
	stress checks	192	183	-9	-4.9%	250	245	-4	-2.0%	-	-	-		
	Leaf paid subscribers Unit: organizations	796	887	+91	+11.4%	796	887	+91	+11.4%	-	-	-		
	Leaf active users Unit: thousand persons	4,442	5,311	+869	+19.6%	4,442	5,311	+869	+19.6%	-	-	-		
	Other Businesses	sales	819	926	+107	+13.1%	1,234	1,331	+96	+7.8%	Revised -150	2,220	60.0%	[Net sales] • In 2Q, the number of Video Production Solution productions increased by 20% YoY, and overall sales increased by 13.1% YoY • In 1H, increased by 7.8% YoY
	gross profit	632	757	+124	+19.7%	932	1,072	+139	+15.0%	Revised +220	1,780	60.2%		
1H composition ratio 17.6% (Previous FY 10.8%)	gross profit margin	77.2%	81.7%	+4.5pt	-	75.6%	80.5%	+5.0pt	-	-	80.2%	-	[Gross profit] • In 2Q, sales of high-margin Video and e-Learning sales and Video Production Solution increased. As a result, 1H gross profit increased by 15.0% YoY. Also, gross profit margin increased by 5.0pt YoY	
monthly disclosure	Video sales	281	337	+55	+19.7%	404	459	+55	+13.7%	-	-	-		[Full-Year Forecasts] • Sales forecast revised downward due to underperformance YoY in multiple businesses • Gross profit revised upward due to growth in Video and e-Learning business
	Video Production Solution	78	89	+11	+15.1%	118	151	+33	+27.9%	-	-	-		
	Video rental	15	13	-1	-11.2%	25	26	+0	+1.8%	-	-	-		
	Cloud-based Cloud-based e-Learning STUDIO	42	39	-2	-5.2%	95	91	-4	-4.6%	-	-	-		
	Consulting Consulting and Assessment	71	77	+5	+8.1%	122	138	+15	+12.5%	-	-	-		
	Online seminar support	48	37	-11	-23.4%	98	75	-22	-23.0%	-	-	-		
	Regional Revitalization Service	101	110	+9	+9.0%	103	114	+10	+10.5%	-	-	-		
Web marketing	71	130	+59	+83.6%	112	163	+50	+45.1%	-	-	-			

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

FY25 Performance by Service Domain

(unit: million yen)

Major Domains	2Q FY24 (Actual)	2Q FY25 (Actual)	YoY		1H FY24 (Actual)	1H FY25 (Actual)	YoY		Full-Year Forecasts	Budget progress rate	1H FY25 Sales component ratio	Sales component ratio Budget	Comments
HR support Leaf Series, seminar support service, Leaf Series, seminar support service, evaluation system consulting, bulk contract for government agencies	769	860	+91	+11.8%	1,332	1,522	+189	+14.2%	3,000	51%	20.1%	19%	【HR Support】 2Q increased by 11.8% YoY due to increase in government agencies bulk orders, and 1H also increased by 14.2% YoY. Budget progress rate is 51%
Level-specific education level-specific education consulting for building a training system	463	462	-1	-0.3%	1,115	1,123	+8	+0.7%	2,450	46%	14.8%	16%	【Level-specific Education】 2Q is a transitional period for level-specific education, making it difficult to secure stable sales, resulting in a 0.3% decrease YoY. 1H showed an increase of 0.7% YoY. Budget progress rate is 46%
DX Services DX-related training, DX Promotion consulting, DX Services DX Services consulting on generative AI utilization	403	516	+112	+27.9%	836	1,021	+184	+22.1%	2,400	43%	13.5%	14%	【DX Services】 2Q increased 27.9% YoY due to strengthened sales promotion of Generative AI-related training. As a result, 1H showed an increase of 22.1%. Budget progress rate is 43%
Business Skills Business Skills Business skills-related training, workshop, manual creation consulting, online correspondence education	321	339	+18	+5.7%	734	789	+54	+7.5%	1,390	57%	10.4%	8%	【DX Services】 2Q increased 27.9% YoY due to strengthened sales promotion of Generative AI-related training. As a result, 1H showed an increase of 22.1%. Budget progress rate is 43%
Subordinate guidance and turnover prevention Subordinate guidance training, career design training course, engagement survey, Workshop, Subordinate guidance-related training, Career design training, engagement Survey, workshop, interview support and individual coaching	240	252	+12	+5.0%	531	548	+17	+3.3%	1,000	55%	7.2%	7%	
Communications Communications Communication-related training, workshop, CS Survey	261	266	+5	+2.0%	605	583	-21	-3.5%	1,000	58%	7.7%	7%	
Recruitment and training for new employees New employee training, giraffe, document correction, main 8 skill assessment for new employees, INTERN BUS	135	134	-0	-0.4%	251	251	+0	+0.2%	1,900	13%	3.3%	11%	
Other (9 domains)*	912	988	+76	+8.3%	1,613	1,742	+129	+8.0%	2,860	61%	23.0%	18%	

Others (9 domains): Risk & Compliance / Safety & Health / Management Training & Support / Sales & Marketing / Global & Diversity / Operational Improvement / Regional Revitalization / Essential Workers / Qualification & Recurrent Education

Results by Client Segment (All Businesses Total)

*1 From 2Q FY25, the Company's unique client segments were reset based on a new calculation definition.

Accordingly, past results were also calculated under the same conditions

*2 Net sales and operating profit per sales employee are calculated based on the average number of sales personnel during the period



LB (Large Enterprise) MM (Medium Market Business) SMB (Growth Business)		1H FY24	1H FY25	YoY		Comments
		Actual results	Actual results			
All segments total	Average sales per customer (thousand yen)	722	752	+29	+4.1%	[All Segments] • Average sales per customer increased 4.1% YoY, and number of customers increased 3.8%, resulting in net sales of 7,584 million yen, an increase of 563 million yen YoY
	Number of customers (organizations)	9,714	10,084	+370	+3.8%	
	Net sales (million yen)	7,020	7,584	+563	+8.0%	
LE FY25 2Q composition ratio 26.0% FY25 1Q composition ratio 27.5%	Average sales per customer (thousand yen)	2,352	2,205	-147	-6.3%	[LE] • Large DX-related projects from last year decreased this period, resulting in a 6.3% decrease in average sales per customer YoY
	Number of customers (organizations)	842	893	+51	-6.1%	
	Net sales (million yen)	1,981	1,969	-11	-0.6%	
MM FY25 2Q composition ratio 33.1% FY25 1Q composition ratio 33.3%	Average sales per customer (thousand yen)	801	837	+35	+4.4%	[MM] • Due to increased proposal amounts and the effect of price revisions, both number of customers and average sales per customer increased 4.4% YoY, resulting in net sales of 2,509 million yen, an increase of 207 million yen YoY
	Number of customers (organizations)	2,870	2,997	+127	+4.4%	
	Net sales (million yen)	2,301	2,509	+207	+9.0%	
SMB FY25 2Q composition ratio 19.7% FY25 1Q composition ratio 20.4%	Average sales per customer (thousand yen)	299	323	+24	+8.0%	[GB] • Average sales per customer improved 8.0% YoY, resulting in net sales of 1,493 million yen, an increase of 12.7% YoY
	Number of customers (organizations)	4,423	4,613	+190	+4.3%	
	Net sales (million yen)	1,324	1,493	+168	+12.7%	
Public Sector FY25 2Q composition ratio 21.3% FY25 1Q composition ratio 18.9%	Average sales per customer (thousand yen)	894	1,020	+125	+14.0%	[Public] • Increase in municipal lump-sum contract projects contributed, with average sales per customer increasing 14% YoY, and net sales also increasing 199 million yen YoY
	Number of customers (organizations)	1,579	1,581	+2	+0.1%	
	Net sales (million yen)	1,412	1,612	+199	+14.1%	
Number of Customers by Sales (organizations)	10 million yen or more	60	64	+4	+6.7%	[Number of Customers by Sales] • Train advertisements and other initiatives, as well as increased sales activity, contributed to an increase of 213 companies with sales of 100 thousand yen or more
	5 million yen or more to less than 10 million yen	152	163	+11	+7.2%	
	1 million yen or more to less than 5 million yen	1,333	1,404	+71	+5.3%	
	100 thousand yen or more to less than 1 million yen	4,582	4,795	+213	+4.6%	
Net sales per sales representative (million yen)		26.0	25.3	-0.6	-2.4%	• Although the number of sales personnel at the end of the period increased by 17 compared to the same period last year, both net sales and operating profit per sales employee decreased YoY
Operating profit per sales representative (million yen)		10.8	9.8	-1.0	-9.4%	
Number of sales personnel at the end of the period (persons)		276	293	+17	+6.2%	

■ Distribution / Trading companies grew 21.5% YoY due to one-time purchases of videos and e-Learning, and increased video production sales. Government / Public administrations grew 15.6% YoY due to lump-sum contract projects. On the other hand, Finance decreased YoY due to the reduction of large projects (unit: million yen)

Manufacturing	Sales composition ratio 20.1%			Government/ Public administrations	Sales composition ratio 19.3%			Telecommunications/ IT services	Sales composition ratio 13.7%		
	1H FY24	1H FY25	YoY *		1H FY24	1H FY25	YoY		1H FY24	1H FY25	YoY
	▶	▶	+137 (+10.0%)		▶	▶	+197 (+15.6%)		▶	▶	+124 (+13.6%)
	1,383	1,521	△		1,265	1,462	○		914	1,038	△
Construction/ Real estate	Sales composition ratio 8.7%			Services	Sales composition ratio 8.0%			Finance	Sales composition ratio 5.6%		
	1H FY24	1H FY25	YoY		1H FY24	1H FY25	YoY		1H FY24	1H FY25	YoY
	▶	▶	+26 (+4.2%)		▶	▶	+15 (+2.7%)		▶	▶	-84 (-16.6%)
	634	660	△		589	605	△		509	425	×
Educ. Services/ Academic institution	Sales composition ratio 5.2%			Logistics/Trading	Sales composition ratio 4.9%			Transportation/ Warehouse	Sales composition ratio 4.7%		
	1H FY24	1H FY25	YoY		1H FY24	1H FY25	YoY		1H FY24	1H FY25	YoY
	▶	▶	+3 (+0.8%)		▶	▶	+65 (+21.5%)		▶	▶	+43 (+14.1%)
	391	394	△		304	369	◎		311	354	△
Health/Medical	Sales composition ratio 3.9%			Electricity, water and gas	Sales composition ratio 3.0%			Others	Sales composition ratio 2.9%		
	1H FY24	1H FY25	YoY		1H FY24	1H FY25	YoY		1H FY24	1H FY25	YoY
	▶	▶	-8 (-2.9%)		▶	▶	+7 (+3.4%)		▶	▶	+35 (+18.9%)
	306	297	×		223	230	△		187	222	○

Evaluation is based on YoY comparison: +20% or more: ◎, +15% or more: ○, +0% or more: △, Minus (-): ×

Consolidated Balance Sheet

(unit: million yen)

	FY24	FY25 End of 1H	Change from End of		Comments
			Scale value	Rate of change	
Current assets	10,200	9,602	-597	-5.9%	• Cash and deposits decreased due to payment of 2.0 billion yen in dividends and 1.5 billion yen in taxes, etc. in 1Q
Cash and deposits	8,191	7,119	-1,071	-13.1%	
Fixed assets	5,948	6,275	+326	+5.5%	
Total assets	16,149	15,878	-271	-1.7%	
Current liability	3,592	3,360	-232	-6.5%	• Current liabilities decreased due to payment of taxes and bonuses in 1Q
Advances received*	1,097	1,070	-26	-2.4%	
Fixed liability	69	96	+26	+38.0%	
Net assets	12,487	12,422	-64	-0.5%	• Although profit increased, net assets decreased due to dividend payment in 1Q
Liabilities and net assets	16,149	15,878	-271	-1.7%	

Changes in Advance Received (mainly unused HR smart pack points)

(unit: million yen)

	FY24	1Q FY25	End of 1H FY25	Comments
Advances received	1,097	1,055	1,070	Advances received increased by 99 million yen YoY
YoY	+149	+170	+99	
YoY (%)	+15.7%	+19.2%	+10.2%	

* Advance received refers to the unutilized amounts of HR Smart Pack that can be used for services such as Open Seminars and videos

Breakdown of HR Smart Pack Points Balance

(unit: million yen)

Validity period for points	As of End of Dec., 2025	As of End of Mar., 2026	Changes
End of Sep., 2026	188	311	+123

*Applications submitted by the end of March 2026 for implementation from April 2026 onwards are included in unused amounts.

- Reducing the target number of personnel at the end of the period by incorporating generative AI into operations of all departments
- Continuing planned human resource development centered on new graduates for recruitment
- 40 new employees joined in April 2026

■ Transition of Consolidated Number of Employees (Target Revision)

(unit: persons)

	End of September 2025 (Actual)	End of March 2026 (Actual)	End of September 2026 (Revised target)	End of September 2026 (Target before revision)	Compared to target before revision
Number of Employees	755	759	780	815	-35
(Change from End of Previous Period)	(+71)	(+4)	(+25)	(+60)	

■ Reducing total personnel expenses through generative AI utilization and recruitment optimization

1. Improving productivity through internal training

All employees will complete "AI Agent Utilization Training" by July 2026 to promote strengthening of profitability through operational efficiency

2. Selective recruitment in anticipation of AI utilization

From December 2025, mid-career recruitment will be selective, reducing total personnel expenses including recruitment-related costs

■ Total Personnel Expenses Forecast

(unit: million yen)

	FY24	FY25 (After revision)	FY25 (Before revision)	Revised Scale value
Total personnel expenses	4,199	4,750	4,940	-190
YoY	+452	+551	+741	-
YoY (%)	+12.1%	+13.1%	+17.6%	-

* Number of employees does not include directors, corporate auditors, or executive officers. Among employees, temporary employees include part-timers but exclude part-time workers and temporary staff

■ Reskilling needs increase in anticipation of work changes beyond AI utilization

As Forward Deployed Engineers who work on the frontlines of operations to solve problems are gaining attention, we serve as "FDE" in the human resource education field, providing training, systems, and frameworks to support clients in solving their unique challenges

AI Skill Enhancement

Promoting the "democratization" of AI agents

- In Open Seminars, we have developed and implemented many programs differentiated by purpose and level, including "AI Agent Basic Training"

Serializing business skills for the AI era

- Series development as business skills for the AI era, specializing in "intentional acts" required of humans such as "problem setting," "evaluation and supervision," and "decision-making"

Strengthening skills to succeed in the AI era

The next-generation leader model "Neo-Generalist"

- With the spread of AI, we are entering an era where self-driven talent who can conceive and act across fields will thrive. We define such talent as "Neo-Generalists" and have developed training programs positioning them as the next-generation leaders

Supporting the development of essential workers

- Essential work is receiving renewed attention as work that cannot be replaced by AI. Promoting the development of training and video materials for specific industries such as food service, construction, logistics, and nursing care

Number of training content developed

Rank	2Q FY25		1H FY25	
1	Business Skills	20	Business Skills	39
2	Communications	19	Digital skills	39
3	Digital skills	15	Communications	26
4	For managers	15	For managers	25
5	Sales and Marketing	8	For new employees and young workers	8

Total number of contents: 4,973 types (As of the end of March 2026) (Unit: programs)

Number of consulting services

Consulting categories	
DX consulting	7
HR and education planning	6
Executive and next-generation leaders development	5
Management and business consulting	5
HR and system design	3
Human capital management	3
HR and recruitment enhancement	1

AI-related services: 6

AI-OJT
Web customer acquisition consulting for the AI era
AI utilization infrastructure development support service
AI strategic advisor FIRA
Chat response AI FastFlow
President AI Message

■ Aiming to increase proposal amounts through Generative AI utilization "AI-Plants"

monthly disclosure

	FY24 (Actual)	FY25 1Q (Actual)	FY25 2Q (Actual)	FY25 1H (Actual)	FY25 (Target)
No. of new contents for On-Site Training Unit: Type (Total)	361 (4,883)	90 (4,973)	90 (5,063)	180 (Progress rate: 50.0%)	360 (5,243)
No. of new contents for Open Seminars Unit: Type (Total)	531 (4,932)	138 (5,070)	108 (5,178)	246 (Progress rate: 61.5%)	400 (5,332)
Number of new content for video and e-Learning Unit: Type (Total)	276 (1,287)	59 (1,346)	58 (1,404)	117 (Progress rate: 46.8%)	250 (1,537)
Proposal Amount Unit: Million yen	-	8,019	10,577	18,596 (Progress rate: 37.1%)	50,000
Number of inquiries *1, 2 Unit: Times	6,186	1,509	1,634	3,143 (Progress rate: 52.3%)	6,000
No. of new WEBinsource registrations*3 Unit: Organization (Cumulative subscribers)	2,559 (26,993)	634 (27,627)	775 (28,402)	1,409 (Progress rate: 58.7%)	2,400 (29,393)
Number of DX trainers *4 Unit: People (Contract trainer)	23 (135)	3 (138)	2 (140)	5 (Progress rate: 20.0%)	25 (160)

*1 Calculation method changed from Q1 FY23 financial results *2 Revenue increase effect of 364 thousand yen per inquiry acquired (FY24 actual)
*3 Revenue increase effect of 192 thousand yen in Open Seminars business per WEBinsource contract acquired (FY24 actual) *4 Number of DX trainers is as of the end of each quarter

■ Expanding AI-related business and strengthening DX/AX support services

Business field	News	Remarks
AI-related business	(February) Launch of "Generative AI Assessment" to ensure AI is not just a personal convenience tool ~Visualizing the current state with 5 evaluation axes for organizational business reform	Generative AI utilization
	(March) Launch of "AI-Plants," a tool that achieves sales innovation through generative AI functions ~Automatically collecting and organizing client information to support improved sales productivity	Generative AI utilization
	(May) Launch of "Case Study Material Production powered by AI-OJT" that generates high-quality video materials from accident reports using generative AI	Generative AI utilization
On-Site Training	(February) Contracted for Saitama Prefecture's "FY2025 BI Tool Training Business for Prefectural Employees" ~Supporting staff data utilization through Power BI training videos and hands-on training	DX Services
	(March) Continued support for Mitsubishi UFJ Financial Group's DX promotion	DX Services
Open Seminars	(January) Launch of "Guaranteed Seminar" with no worry of training cancellation ~Ensuring execution of human resource development plans even with just one attendee	Improved convenience
	(February) Expanded seminar classrooms in Tokyo Surugadai, Shinjuku, and Nagoya ~Opened 13 seminar classrooms to meet face-to-face training needs	Improved convenience
	(March) Launch of "Monday Discount Open Seminars" held only on Mondays	Improved convenience
IT Services	(October) Released 3 new generative AI-related features for LMS "Leaf"	Generative AI utilization
Other businesses	(March) Contracted for manga material production for Tokyo Metropolitan Government's "Data Utilization Guideline Training" ~Supporting promotion of evidence-based policy making in government	Video and e-Learning
Other	(January) Obtained certification as "DX Certified Business Operator" designated by the Ministry of Economy, Trade and Industry	DX Services
	(February) Launched second phase of transit advertising ~Implemented in Tokyo metropolitan area (Tokyo Metro, Toei Subway, Tobu Railway) and Osaka (Kita-Osaka Kyuko Railway)	Improved brand awareness

Chap. 04

Toward 2H FY25



FY25 Full-year Earnings Forecast Revision (Overall and by Business)

- **Sales:** Sales growth expected across all businesses, but revised from initial forecast of 16.8 billion yen to 16.0 billion yen, sales grew by 10.3% YoY
- **Operating profit:** Despite compressing total personnel expense increases through generative AI utilization, revised from 6.8 billion yen to 6.38 billion yen due to sales revision, operating profit up 6.7% YoY

(unit: million yen)

	FY24 (Actual)	FY25 (Previous Forecast)	Revised changes	FY25 (Revised Forecast)	YoY		Key Points of Revisions to Earnings Forecast
Net sales	14,510	16,800	-800	16,000	+1,490	+10.3%	
Gross profit	11,158	12,970	-630	12,340	+1,182	+10.6%	
Gross profit margin	76.9%	77.2%	-0.1pt	77.1%	+0.2pt	-	<ul style="list-style-type: none"> ■ Gross profit <ul style="list-style-type: none"> Gross profit also revised from initial forecast along with net sales revision. Full year up 10.6% YoY
SG&A expenses	5,180	6,170	-210	5,960	+780	+15.1%	<ul style="list-style-type: none"> ■ SG&A expenses <ul style="list-style-type: none"> Expected to be below plan due to improved productivity through AI utilization and optimized recruitment
SG&A expenses rate	35.7%	36.7%	+0.5pt	37.2%	+1.6pt	-	
Total personnel expenses (*1)	4,199	4,940	-190	4,750	+551	+13.1%	<ul style="list-style-type: none"> ■ Operating profit <ul style="list-style-type: none"> Revised from initial forecast due to net sales revision and 1Q operating profit decline However, 2H expected to recover due to SG&A expense control and sales increase, with full year up 6.7% YoY, expecting record-high profit
Operating profit	5,978	6,800	-420	6,380	+402	+6.7%	
Operating profit margin	41.2%	40.5%	-0.6pt	39.9%	-1.3pt	-	

(unit: million yen)

Net sales by business	FY24 (Actual)	FY25 (Previous Forecast)	Revised changes	FY25 (Revised Forecast)	YoY		1H result	1H progress rate
On-Site Training	6,914	8,110	-380	7,730	+816	+11.8%	3,425	44.3%
Open Seminars	3,579	4,140	-100	4,040	+461	+12.9%	1,710	42.3%
IT Services	1,929	2,180	-170	2,010	+81	+4.2%	1,116	55.5%
Other Businesses	2,086	2,370	-150	2,220	+134	+6.5%	1,331	60.0%

*1 "Personnel expenses," "wages, recruitment, training, and benefit expenses" and "outsourcing expenses," together with stock compensation expenses including Restricted Stock, are collectively referred to as "total personnel expenses."

- Steadily and thoroughly continuing sales enhancement measures implemented since 2Q to achieve results in the 2H
- Suppressing increases in SG&A expenses (total personnel expenses including recruitment-related costs) through generative AI utilization

Theme

Measures

Sales structure enhancement

1. Continuing multiple proposal activities for existing services leveraging industry-leading content capabilities
2. Changing to a structure where all sales departments, in addition to new business development teams, acquire large enterprise transactions
3. Strengthening sales of generative AI-related services such as AI agent training
4. Continuing acquisition of large competitive projects from central government agencies and prefectures
5. Expanding net sales per company through strengthened consulting support by group companies

Increase in proposal amount

- Strengthening closing capabilities along with increased activity through AI-Plants utilization
Disclosing monthly KPIs with proposal amount as the most important indicator, setting this fiscal year's target at 50 billion yen

Price revision

- Continuing price revisions and quality improvements in On-Site Training business and Other businesses
Improving quality and repeat rate through measures such as passing on cost increases to prices and thorough implementation of "pre-assignment"

Advertising and promotion

1. Continuing mass advertising such as transit advertising with high effectiveness for new client acquisition
2. Continuing LLMO (having AI recommend our services on the web)

SG & A expenses reduced

- Reducing increases in SG&A expenses (total personnel expenses) through generative AI utilization
Conducting AI agent training for all employees to improve sales efficiency, reduce personnel in textbook and other development operations, and headquarters operations reduction.
Carefully selecting mid-career hires to suppress increases in total personnel expenses (190 million yen less than initial budget)

* This view is based on current conditions and may change due to future technological advances, market changes, etc.

Reference material①

Corporate profile and Insource's advantages



■ Insource's training is designed to achieve behavioral change. While knowledge acquisition can be replaced by generative AI, activities and role-playing aimed at actual workplace, as well as awareness, cannot be replaced by generative AI.

Feature 1. Lecture to Work Ratio is '4:6'

- Experience gaining 'awareness' through interactive communication

Designed to share experiences and perspectives through group work and presentations, and gain multi-faceted awareness through feedback from trainers and fellow attendees.

Feature 2. The Goal is Behavioral Change

- From 'knowing' to 'being able to do' through role-playing

Insource's training strengthens practical skills by repeatedly experiencing actions simulating actual work through role-playing and repetitive activities.

Feature 3. Trainers with a wealth of real experiences

- Creating empathy through real experiences and connecting to action

In training, we actively share the trainer's own failure experiences without focusing solely on lectures, reducing psychological distance with attendees. Through a process where attendees think, speak, and connect to action themselves, we promote the acquisition of skills that can be immediately practiced in the workplace after training.

Actual Curriculum Example

'OJT Training in Five Steps - Subordinate Guidance for Leaders and Managers'

1. How to Develop Subordinates

[Activity] Pre-assignment sharing (points of ingenuity and difficulties in subordinate guidance)

(1) Ensuring psychological safety (2) Importance of calculated subordinate guidance (3) Five steps of subordinate guidance

2. Creating a Development Plan

(1) Goals are set by the instructor (2) Creating OJT sheets

[Activity] Create a development plan

3. Knowledge Acquisition

Can't be replaced by generative AI

- Classroom Lectures First is Effective

(1) Create materials in order of ideas

(2) Standardize formats from the beginning

[Activity] Identify knowledge to be taught in classroom lectures

Can't be replaced by generative AI

4. OJT - Proceeding with Pulse Method

(1) Repetition of classroom lecture → practice → feedback

[Activity] Practice exercises on praising

(2) Importance of teaching significance

Can't be replaced by generative AI

5. Implementation of Case Study - Sharing Experiences

(1) Refining judgment through experiences (2) Importance of sharing failure experiences

[Activity] Consider failure experiences to share and implement in case studies

6. Conducting Interviews - Aligning Communication with Subordinates

Can't be replaced by generative AI

(1) Have time to talk with each individual

① Have 15 minutes per week, at least once a month for conversation

② Value one-on-one communication

(2) Gain trust by listening to subordinates

[Role-playing] Interview exercise - Listen closely

Can't be replaced by generative AI

7. Summary

Organize what to practice based on this training



Difference between Insource training and knowledge acquisition education

■ Difference between Insource's behavioral change education and knowledge acquisition education that can be replaced by generative AI

	Insource's Education	Knowledge Education such as Schools
Purposes	Behavioral change (How to think and how to act)	Acquisition of knowledge
Means of Learning	Specific experience opportunities (Exercises, group work, etc.)	Classroom Lectures (Possible with books, e-Learning, and generative AI)
Substitution with Generative AI	Not possible (Established through personal exchanges)	Possible (Can learn alone if PC environment is available)

Insource's education will not disappear, but will coexist with generative AI and continue to grow
The scenario that “Generative AI will severely impact the education industry” does not apply to Insource

■ What kind of company is Insource

① DX company from its foundation

- Founder Takayuki Funahashi is a former SE. Thoroughly standardized career development education and improved productivity to an operating profit margin of 40%
- 136 system personnel (*) are employed. Monetized education management SaaS 'Leaf', with over 5 million Leaf active users

② Services and content development company

- Contents Development is our strength. Since founding, continuously developed 4,800 types of content, with 30 new contents monthly
- Since July 2023, a cumulative total of 65 Generative AI-related trainings were developed

It is possible to develop new AI applications and new educational content by utilizing Generative AI

* As of the end of March 2026

Insource Will Grow with Generative AI

■ Impact of Generative AI on Business Performance (*1)

– With minimal negative effects, social changes present opportunities for Insource

◎=Highly relevant, ○=Relevant, △=Somewhat relevant, ×=Not relevant

Insource's Business (FY24 composition ratio)	Impact on Performance (Forecast)	Expected effects	Service Characteristics of Insource	Characteristics of Generative AI
On-Site Training & Open Seminars (Total sales composition ratio: 72.3%)	No negative impact, positive impact	Behavioral change	◎ • Centered on group work and repetitive exercises	× • Same level of effect as books, no impact or thoroughness
		To create a spirit of learning Promoting learning	◎ • Physical, temporal, and psychological binding force • Instruction provided by trainer	× • Depends on learner's spontaneity • Manual intervention by the trainer is required to exercise enforcement
		Human skills, Improvement of business skills	◎ • Improvement through role-playing, workplace practice, fieldwork, etc.	× • Limited to acquisition of knowledge with no practical opportunities
		How to use Generative AI	◎ • Education for diverse learners is possible	△ • Limitations in accommodating learners who do not use PC and generative AI
e-Learning and Video Business (Total sales composition ratio: 7.0%)	Slight negative impact	Knowledge acquisition training	△ • Expected annual decrease of approximately 100 million yen in sales of knowledge-based video materials • Increase in DX-related needs including generative AI	○ • So-called knowledge acquisition education can be acquired easily and inexpensively
IT Services (Total sales composition ratio: 13.3%)	Positive impact	Establishing systems for education and evaluation	◎ • By converting “Leaf” with its 5 million active users to WaaS (*2), an AI utilization platform in HR departments will be realized	△ • Enormous costs to prepare a system that creates broader impact throughout the organization
Generative AI Utilization Platform, AI Applications Business (Sales composition ratio: 0%) ※Newly expanded from FY25	Positive impact	Generative AI utilization in customer organizations	◎ • Speedy delivery will be made possible by contents development capabilities, and system development capabilities by over 130 engineers	○ • Know-how required for complex usage • Limited to general usage
Others (Total sales composition ratio: 7.6%)	No negative impact	Solving various organizational issues	○ • Providing optimal solutions based on apparent and potential issues	△ • Basically solving problems which are discovered

*1 This view is based on the current situation and may change due to future technological advances, market changes, etc. *2 WaaS: Abbreviation for Work as a Service

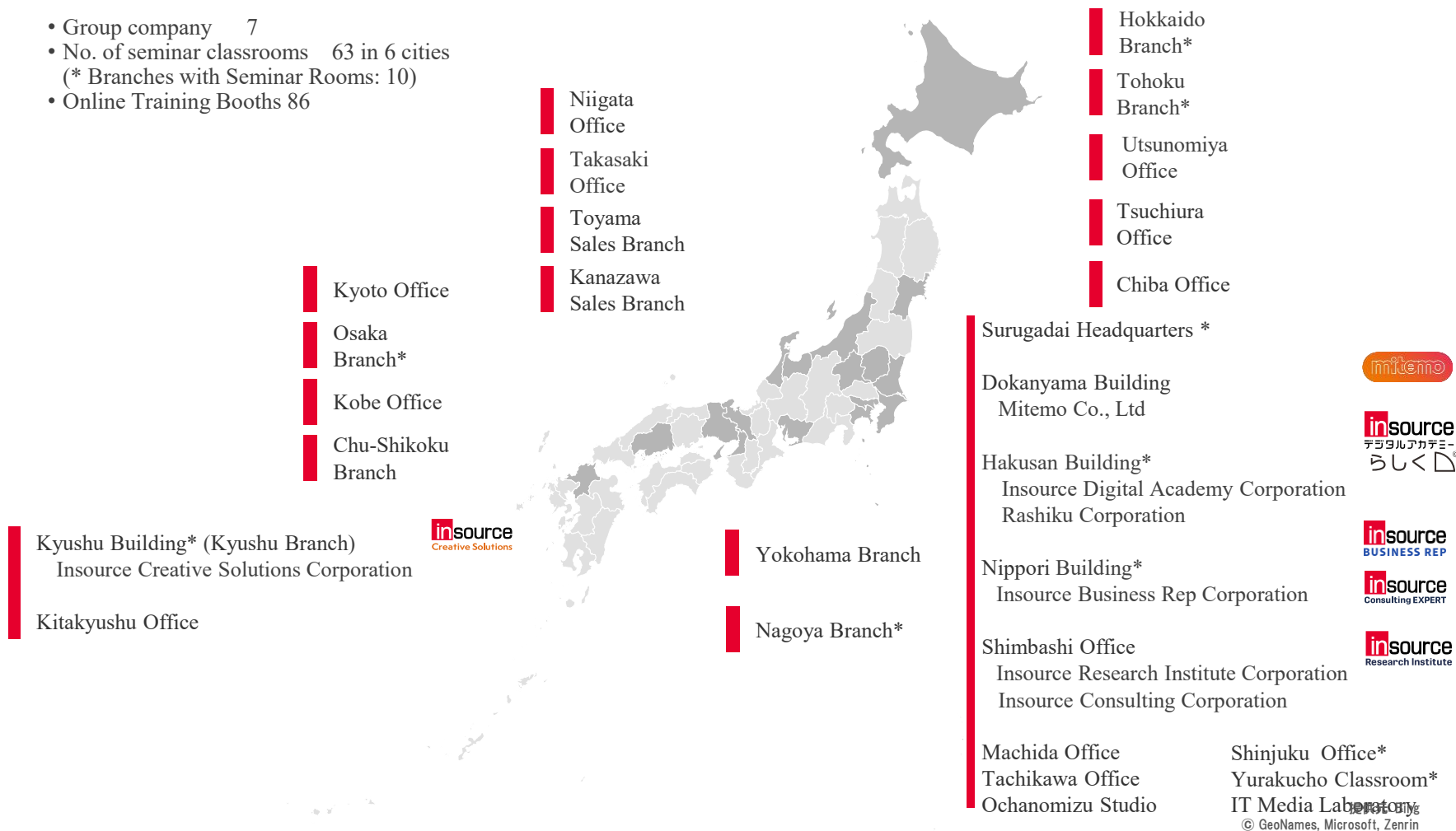
Insource Co., Ltd. (Code number: 6200)

- Surugadai Headquarters Dai-2 Ryumeikan Bldg. 5F 3-20-4 Kanda Ogawamachi, Chiyoda-ku, Tokyo 101-0052
(Head Office: 3-20, Kanda Ogawamachi, Chiyoda-ku, Tokyo)

* As of the end of April, 2026

■ Number of business locations: 28

- Group company 7
- No. of seminar classrooms 63 in 6 cities
(* Branches with Seminar Rooms: 10)
- Online Training Booths 86



- The content of possible to practice what you learned the very next day for both face-to-face and online training is based on the composition of work and exercise.
- Integrated IT into the entire training operation process. Achieve high quality and frequency
- High level of attendee Satisfaction with ... Content 96.2% / Trainers 94.3% ※ As of the end of March 2026

On-Site Training Business

Sales ratio 1H FY25 45.2%
FY24 47.4%

- Offer On-Site Trainings tailored to organizations' needs

Providing content that matches attendee concerns

- Develop 360 new content per year in line with the times
- Able to tailor customization to the actual workplace based on prior issues
- In 60% of work and in 40% of lecture, discussion and exercise center composition

No. of annual training conducted and attendee
25,123 times/712 thousand attendees

Of which, no. of online trainings and attendees
4,156 times /146 thousand attendees

オーダーメイド研修

講師派遣

INSOURCE CUSTOM MADE SEMINAR

*April 2025 - March 2026

Open Seminars Business

Sales ratio 1H FY25 22.6%
FY24 24.7%

- Offer Open Seminars starting from one person

High-frequency seminar classrooms and online in 6 cities nationwide

- More than 5,000 courses including partner companies
- Introduce new courses in a timely manner
- Up to 50% discount on HR Smart Pack
- From startups to large enterprises expanding nationwide

No. of annual training conducted and attendees
16,819 times/163 thousand attendees

Of which, no of online trainings and attendees
9,425 times/ 97 thousand attendees

1名さまから参加できる

公開講座

INSOURCE OPEN SEMINAR

*April 2025 - March 2026

IT Services

Sales ratio 1H FY25 14.7%
FY24 13.3%

- Leaf Series (HR support system, LMS)
Total number of paid subscribers (organizations) / Active Users
887 organizations/5.31 million people *As of the end of March 2026
- Stress Check Support Service
Cumulative number of organizations and examinees
More than 3,837 organizations/ 4.54 million people
*As of the end of March 2026

Powered by Leaf

Other Businesses

Sales ratio 1H FY25 17.6%
FY24 14.4%

- Video and e-Learning sales and video production
(Sales composition in 1H FY25 9.6%)
Number of video sales and custom video production
2,666 titles/ 621 titles
* April 2025 - March 2026
- Consulting/Assessment Services
- Online Seminar Support Service
- Web Marketing Service
- Regional Revitalization Service
- training operation management service

■ Three strengths since founding and data infrastructure to build competitive advantage in the Generative AI era

*As of the end of March 2026



Contents Development

- Separating trainers, Sales Reps, and textbook developers. Achieving both cost reduction and quality improvement
- Deploying each content in various formats such as On-Site Training, Open Seminars, and video materials
- Converting all content into a database for speedy customization

Number of On-Site Training contents
5,063 types

Number of Open Seminars contents
5,178 types

Number of video and e-Learning contents
1,404 types



System Development

- Achieved systematization of all operations and operational efficiency with the in-house developed system ""Plants"" tailored to business needs
- Also in-house developed the ""Leaf"" series, EC site ""WEBinsource"", and ""Video Department Store"" as systems to make ""money""
- AI application development for internal and external use, and AI-integrated database development in progress

Generative AI staff IT engineers
72 persons 123 persons



Sales Force

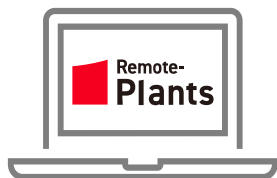
- Quickly practicing LLMO marketing adapted to the Generative AI era
- Promoting web marketing and direct marketing
- Sales Reps share sales processes and know-how based on ""Plants""

Number of web pages
29,075 pages

sales person
293 persons Annual number of inquiries
6,279 cases

digital marketer
61 persons Number of domestic sites
28 sites

Accumulated database



- Achieved database integration of all information and operational efficiency with the in-house developed system ""Plants"" tailored to business needs
 - Centralized management and database integration of client information, negotiation history, training content data, trainer information, etc.
 - Continuing to develop 30 new contents per month utilizing uniquely accumulated data on client challenges
 - Streamlined operations by linking sales activities, promotional activities, and product development based on ""Plants""
- Incorporated this base data into generative AI to develop proposal creation functions and training trainer selection systems

■ Employees are steadily increasing, strengthening recruitment and development of DX and generative AI personnel

	FY24 (Actual)	FY25 1H (Actual)	Change from End of
Total Number of Employees *1	755	759	+4
Of which, women (percentage)	420 (55.6%)	419 (55.2%)	-1
Managerial personnel	233	252	+19
Of which, Female (Ratio) *2	93 (39.9%)	94 (37.3%)	+1
Senior (Over 60)	64	59	-5
Foreign nationals*3	5	5	±0
LGBT	4	4	±0
People with Disabilities (Employment Rate) *4	12 (2.89%)	13 (2.35%)	+1
Trainer	500	510	+10
No. of trainers by cumulative no. of trainings			
2,000 times or more	20	24	+4
1,000 to 1,999 times	67	69	+2
500 to 999 times	87	89	+2

*1 Excluding directors, corporate auditors, and executive officers. Among employees, temporary employees include part-time workers, excluding temporary staff

*2 ""Administrative and managerial workers"" include board members, corporate section managers and above, administrative civil servants, etc. among employed persons

*3 Foreign-born refers to persons with foreign nationality. Including those who acquired Japanese nationality from foreign nationality

*4 Insource non-consolidated

	FY24 (Actual)	FY25 1H (Actual)	Change from End of
Cumulative Number of Clients	49,561 organizations	51,307 organizations	+1,746 organizations
No. of Clients that used our services in the Past Year	16,063 organizations	16,387 organizations	+324 organizations
Number of shareholders	9,192	19,132	+9,940
Proportion of Shares			
Foreign investor	26.2%	27.8%	+1.6pt
Domestic investor	17.8%	11.1%	-6.7pt
Domestic corporation	34.8%	34.5%	-0.3pt
Individuals/Others	19.8%	25.2%	+5.4pt
Number of IR Meetings Held	185	60	-
Of which, with overseas Investors	60	22	-

■ Female ratio among employees is 55.2%, female ratio among managerial personnel is 37.3%, many seniors are also active

■ Obtained 2-star ""Eruboshi"" certification and ""Kurumin"" certification, certified as Certified Health & Productivity Management Organization 2025



reference materials②

Three-year Business Plan "Road to Next 2028"



■ FY27 Target ~Further growth centered on generative AI & content IP

*Scheduled to be reviewed in the new Three-Year Business Plan to be announced in November 2026

(unit: million yen)

Net sales	Operation profit	Net profit	CAGR(net sales) (3-year average growth rate from 2025 to 2028)
23,400	9,620	6,820	17.3%
Compared to FY24 +8,890	Compared to FY24 +3,642	Compared to FY24 +2,690	Compared to FY24 +1.8pt

1. expand generative AI-related services

Seizing the arrival of the generative AI era as an excellent opportunity, aiming for business expansion through education, consulting, AI utilization infrastructure development, and AI application provision

2. Strengthen consulting

Conducting consulting in upstream processes, strengthening provision of optimized education, DX-related, and marketing services

3. Strengthen content development in all directions

In addition to DX-related content including generative AI, expanding qualification-related content for essential workers, foreigners, career changers, etc., achieving Amazon-style educational content

4. Unprecedented intensive investments

Aggressive growth investment of 13.2 billion yen through strengthening engineers, content development, consultant personnel, and M&A for generative AI enhancement and content IP acquisition

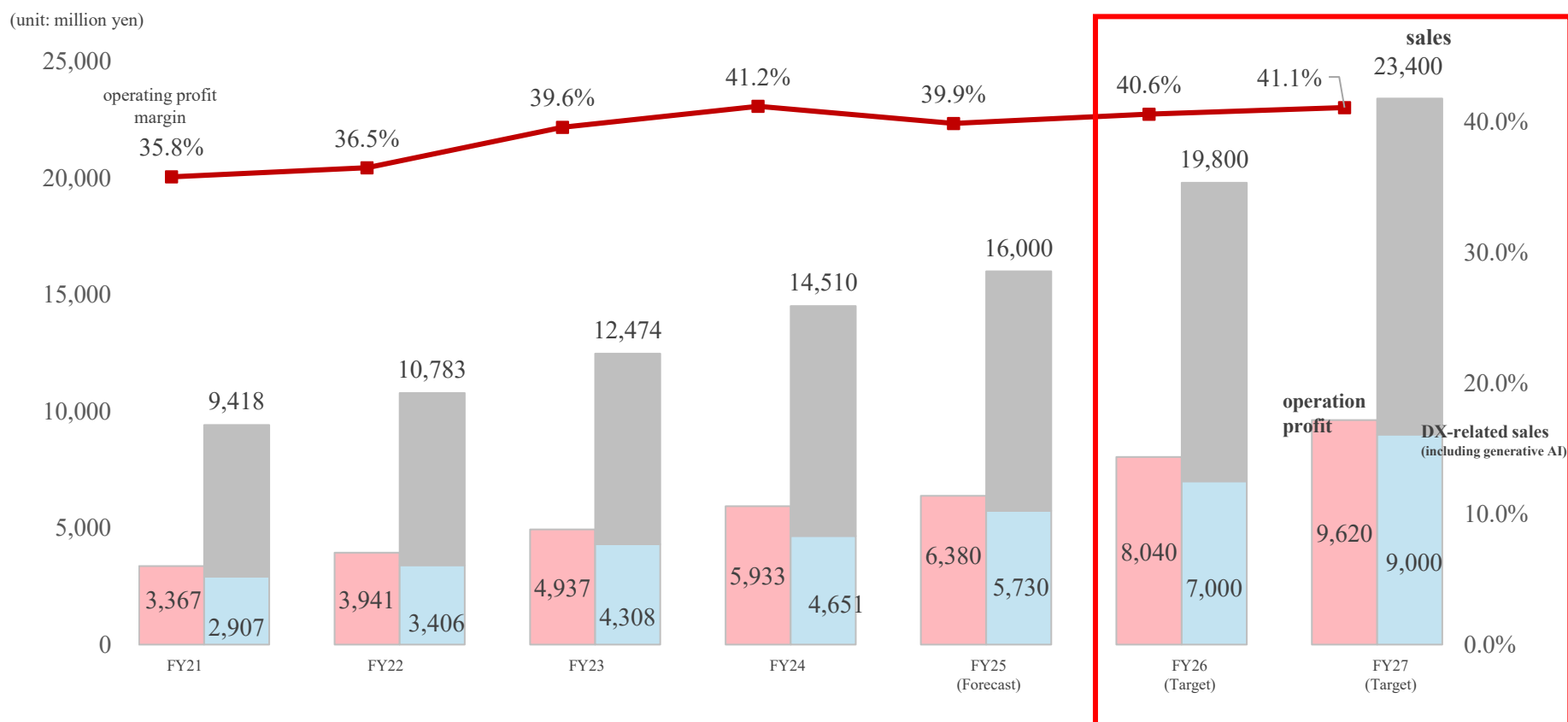
5. guidelines of return to shareholders

Assuming dividends targeting 9.2 billion yen in shareholder returns (50% payout ratio, 18% dividends on equity ratio)

Three-year Business Plan "Road to Next 2028" ~consolidated results transition

- Aiming for net sales of 23,400 million yen, operating profit of 9,620 million yen, and operating profit margin of 41.1% in FY27
- Targeting CAGR (net sales/annual average growth rate) of 17.3%, implementing intensive investments for growth
- Aiming to achieve DX-related (including generative AI) sales of 9,000 million yen in FY27

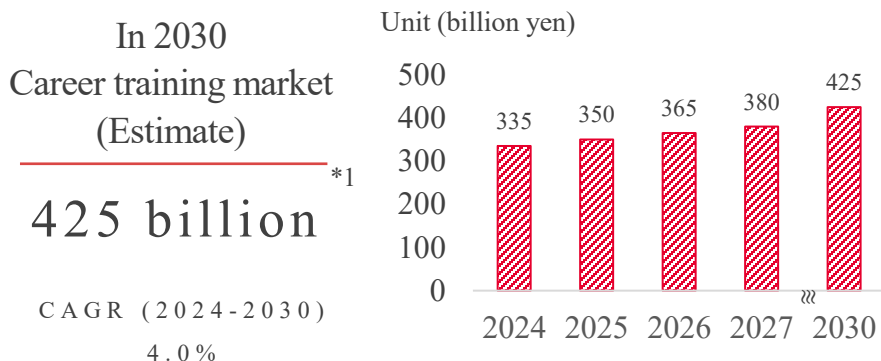
***Scheduled to be reviewed in the new Three-Year Business Plan to be announced in November 2026**
50.0%



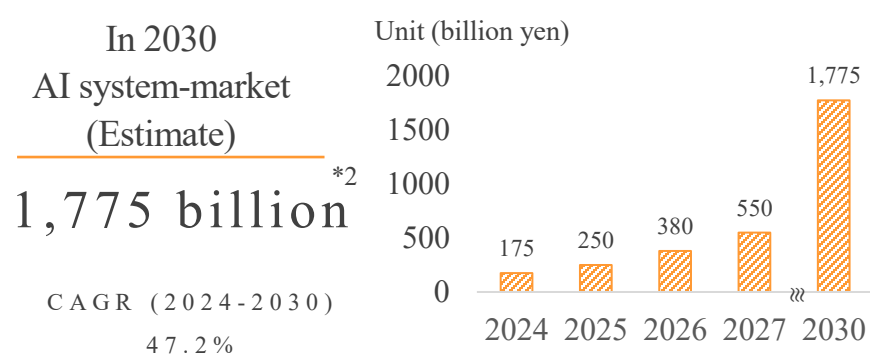
* DX-related sales: Sales from DX training, IT services (including generative AI), video and e-Learning

Expected to expand further in the future

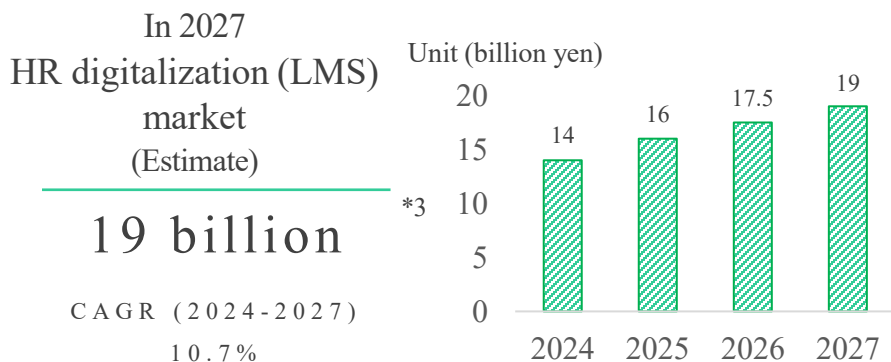
Expansion of career training market



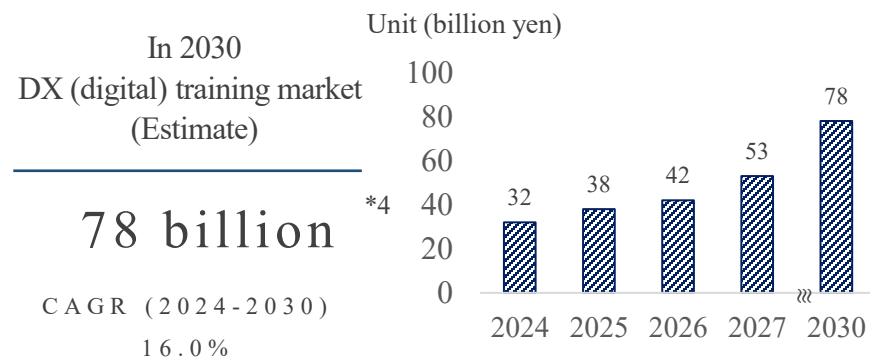
Expansion of the domestic AI system-market



Advancement of HR development and streamlining of HR business through data utilization



DX (digital) training market



*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)'s "Labor Force Survey".

*2 Calculated based on the MIC's "Information and Communications White Paper," and the Japan Fair Trade Commission's "Survey on Trends in Generative AI".

*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.

reference materials③

For human capital and ESG activities



■ Insource's Key Human Capital Disclosure Focus Areas (example)

- **Financial Performance Optimization:** Focus on sales and operating profit per employee as key indicators of financial growth, supported by ongoing initiatives to improve both metrics.
- **Inclusive Organizational Development:** Create a workplace where diverse talent can thrive, advancing D&I initiatives to maintain a strong pipeline of skilled professionals.
- **Employee Ownership and Engagement:** Enhance employee shareholding programs to strengthen ownership mindset, increase engagement, and promote management participation awareness.

Category	Items	FY22	FY23	FY24	Remarks
Performance	Sales per employee (thousand yen)	25,225	27,148	28,286	Calculated based on the average number of employees (excluding temporary employees) during the period
Performance	Operating profit per employee (thousand yen)	9,220	10,661	11,654	Same as above
Performance	Average points of "Energy"	3.24	3.26	3.27	"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	22h30m	28h30m	24h51m	Total hours of training and e-Learning courses (excluding study sessions)
Performance	Total number of DX training attendees	248	1,064	60	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)	211 (37.4%)	221 (40.3%)	233 (39.9%)	
D, E&I	Number of managerial appointments (Percentage of female employees)	29 (48.3%)	25 (56.0%)	21 (38.1%)	Number of non-managerial employees promoted to managerial positions during the fiscal year
D, E&I	Rate of employees taking maternity leave Rate of employees taking paternity leave	100% 86.0%	100% 53.0%	100% 62.5%	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	60.3%	59.5%	49.1%	Aggregate employee stock ownership plan participants and RS (restricted stock compensation) holders

*From FY24, we have changed the calculation method for employees who hold shares of Insource percentage and have recalculated past results under the same conditions.

ESG Highlights for 2Q FY25

- Policy: With the ESG+P (Performance) management policy, aiming for ESG and sustainable performance improvement.
- External Evaluation : Acquired the highest MSCI ESG rating “AAA” (As of March 4, 2026)
Evaluated for our efforts in corporate governance.



<Main Initiatives>

■ Environment

1. CO2 reduction through renewable energy

Due to the effect of switching to renewable energy use at all 6 company-owned buildings, CO2 emissions from electricity use in FY24 decreased significantly from 158.6t to 83.8t YoY.

Achieved the long-term environmental target "140.0t, a 50% reduction compared to 2020 by 2030"

2. Provision of electronic training textbook in training business

In 1H FY25, electronic textbooks were provided to 41 thousand people, with CO2 reduction of 4.63t (-19.8% YoY)

■ Governance

Newly established “Basic Policy on Occupational Safety and Health”

We will develop health management initiatives, strengthen the prevention of occupational accidents and the development of a safe work environment, and aim to improve business continuity and maximize human capital value through ensuring the safety of employees and partners

1. Initiatives concerning occupational safety and health

- (1) Implement stress checks
- (2) Mental health measures: Establishment of internal health consultation desk for employees
- (3) Conduct regular Safety and Health Committee meetings
- (4) Infectious disease prevention and appropriate temperature and humidity management in office spaces

2. Occupational safety and health indicators

Type of activity	unit	2022	2023	2024
Consultation rates for regular health checkups	%	100	100	100
Stress check consultation rate	%	87.6	96.7	97.7
Rate of use of annual paid leave	%	78.1	69.6	72.0
Average overtime	time	24	24	25
No. of occupational accidents	case	0	4	7

Materiality and Long-Term Indicators

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

	Materiality	Actions	KPI	FY23	FY24	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	767,000	872,000	2 million
	2.Acquisition of basic skills to play an active role in diverse environments (Strengthening individuals)	Leveraging IT and enhancing personal skills through reskilling and the provision of DX training	OA/IT/DX training attendees (Open Seminars)	17,000	21,000	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	4,522	4,883	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	1,011 12,000 4,070,000	1,287 15,000 5,018,000	1,500 15,000 7 million
ESG	[E] Responding to climate change	Carbon neutral emissions from business	Scope1+2 (t-CO2)	158.6	83.8	140
	[S] Excellent performances of diverse employees	Create a workplace where diverse human resources can thrive	Ratio of Female Executive Officer Female Manager Ratio	10.5% 40.3%	11.1% 39.9%	50% 50%
	[S] Community Relations	Solve community issues	No. of Regional Revitalization projects No. of public sector supporting period poverty	54 15	39 31	100 100
	[G] Strengthening governance	Ensuring diversity in management	Improving ratio of female in the Board of Directors	37.5%	25.0%	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.