Insource Co., Ltd.

3Q FY25
Consolidated Financial Results

Tuesday, July 21, 2026

AI for All of Japan

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Disclaimer Regarding Forward-Looking Statements

- This material contains estimates and targets pertaining to the future plans and business results of the Insource Group (Insource Co., Ltd. and its affiliated companies). Such statements are based on information available at the time of preparing this material and are based on potential risks and uncertainties. Please be aware that actual results may differ materially from estimates and targets contained herein.

- Unless otherwise noted, financial statements contained herein are presented in accordance with the accounting principles generally accepted in Japan.

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Contents

Please download the supplementary data for 3Q FY25 financial results (Excel format) from the "IR Library" on the "IR Information" of our website.
***Available from 9:00 PM (JST) on Tuesday, July 21, 2026**
https://www.insource.co.jp/en/ir/ir_ir_ibrary.html

Executive Summary: Consolidated Financial Results for 3Q FY25

- 3Q net sales increased by 381 million yen (10.5%) YoY, operating profit increased by 148 million yen (11.0%) YoY
- Cumulative 3Q net sales increased by 945 million yen (8.9%) YoY, operating profit increased by 156 million yen (3.7%) YoY
- Progress rate against full-year forecasts: net sales 72.4%, operating profit 69.7%
- To commemorate the 10th anniversary of our listing, we will pay a commemorative dividend of 5.5 yen per share, bringing the forecast year-end dividend to 35.0 yen per share

3Q Results

(unit: million yen)

Net sales	Gross profit	Operating profit	net profit
3,998	2,980	1,497	1,050
YoY +10.5%	YoY +9.5%	YoY +11.0%	YoY +12.9%

Cumulative Results for 1Q–3Q

(unit: million yen)

Net sales	Gross profit	Operating profit	net profit	Year-end dividend (forecast)
11,582	8,838	4,448	3,077	35.0 yen (Ordinary: 29.5 yen) (Commemorative: 5.5 yen)
YoY +8.9%	YoY +8.2%	YoY +3.7%	YoY +6.2%	YoY +10.0 yen (YoY +4.5 yen, excludeing the commemorative dividend)

Overall

3Q

- Net sales were 3,998 million yen, up 381 million yen or 10.5% YoY, driven by increased sales in the On-Site Training business and Open Seminars business. The effects of price revisions continued from 2Q onward in the On-Site Training Business, Open Seminars Business, and Video and e-Learning Sales Business.
- Operating profit was 1,497 million yen, up 148 million yen or 11.0% YoY, due to increased net sales and the effect of curbing growth in SG&A expenses.
- SG&A expenses were 1,483 million yen, up 109 million yen or 8.0% YoY, as the growth in total personnel expenses was curbed through selective mid-career hiring implemented from 2Q, as well as productivity improvements and optimization of staffing through generative AI utilization.

1-3Q

- Net sales rose by 945 million yen or 8.9% YoY to 11,582 million yen. The progress rate against the full-year forecast was 72.4%.
- Operating profit grew by 156 million yen or 3.7% YoY to 4,448 million yen. The progress rate against the full-year forecast was 69.7%. The YoY change in operating profit improved from -58 million yen in 1Q to +66 million yen in 2Q and +148 million yen in 3Q.
- SG&A expenses increased by 510 million yen or 13.2% YoY to 4,389 million yen, due to increased personnel expenses from higher hiring in the second half of the previous fiscal year. The progress rate against the full-year forecast was 73.6%.

By Business

3Q

- Net sales of the On-Site Training Business increased by 233 million yen or 12.2% YoY to 2,151 million yen. The increase in the ratio of DX-related training and the acquisition of large-scale public-sector projects contributed, with the unit price per company increasing by 14.4 thousand yen YoY.
- Net sales of the Open Seminars Business grew by 83 million yen or 8.2% YoY to 1,101 million yen. The average unit price rose 7.3% YoY. The number of attendees remained solid, with classroom-based seminars up 14.2% YoY, while online seminars decreased 11.2%.
- Net sales of the IT Services Business increased by 45 million yen or 12.9% YoY to 403 million yen . The total number of paid subscribers (organizations) for Leaf reached 919 organizations, Leaf active users exceeded 5.4 million, and recurring sales increased steadily.
- Net sales of the Other Businesses grew by 18 million yen or 5.7% YoY to 341 million yen . Due to increased sales in the profitable video e-Learning business, gross profit increased 15.5% YoY

1-3Q

- Net sales for the On-Site Training Business were 5,576 million yen, up 543 million yen (10.8%) YoY
- Net sales for the Open Seminars Business were 2,812 million yen, up 217 million yen or 8.4% YoY
- Net sales for the IT Services Business were 1,519 million yen, up 69 million yen or 4.8% YoY
- Net sales for the Other Businesses were 1,673 million yen, up 115 million yen or 7.4% YoY

3Q Progress of Performance Improvement Measures for 2H FY25

Strengthening the Sales Structure

- Changed to a structure where all sales divisions win contracts with large enterprises
  ⇒ Deepened relationships with existing LE clients; net sales per company showed a recovery trend, declining 6.3% YoY in 1H but increasing 0.4% YoY in 3Q
- Strengthened sales of generative AI-related services such as AI agents and AI applications
  ⇒ 3Q net sales from generative AI-related training increased 2.7x YoY, reflecting accelerating growth. We are also strengthening cross-selling to propose related services.

Increase in Proposed Amount

- Increased activity volume through utilization of "AI-Plants" and strengthened closing capabilities
  ⇒ Proposed amount increased 69% YoY. Contract amount also increased along with the increase in proposed amount.

Price Revision

- Price revisions in On-Site Training Business, Open Seminars Business, and video/e-Learning Business
  ⇒Average unit price increased by 14.4 thousand yen for On-Site Training, 1.7 thousand yen for Open Seminars, and 14 thousand yen for outright video sales

Advertising and Promotion

- Expanded transportation advertising from June 2026, which has been running since October 2025
  ⇒Number of inquiries in 3Q was 1,673 (+4.4% YoY); June alone increased by 20.2% YoY

SG&A Expenses Reduction

- Since April 2026, 665 employees across the entire group have completed AI agent training, and implementation into actual operations has begun in each department
  ⇒Labor savings achieved in email creation and sales promotion activities; total personnel expenses in 3Q were held to a 4.8% YoY increase (compared to 16.2% increase in 1H)

Performance Improvement Measures from 4Q FY25 through FY26

Strengthening the LE segment and AI-related services as priorities, while changing management methods and personnel allocation to improve profitability across the entire group

■ Clarifying the entire value chain for delivering value to clients across all businesses and steadily yet swiftly overcoming challenges

- Identify and address challenges in the process from client needs generation to continued use, by service and product (e.g., providing information that facilitates internal purchasing decisions, easy-to-use web navigation for applications, follow-up after training)
- Establish an organization and personnel to continuously review the value chain and implement bold improvements
- Particularly for Open Seminars and video content, implement flexible pricing to achieve both an increase in the number of users and higher unit prices

■ Continuing to strengthen the structure for acquiring LE segment clients

- Expand consulting personnel across the Group to strengthen the acquisition of medium- and large-scale projects.
- Changing the structure so that all sales divisions can win orders from large enterprises

■ Strengthening recurring-revenue businesses centered on AI-related services - Focused Sales of AI Applications, Including "AI BOAT"

- Launched new service "AI BOAT (in-house education automation tool)" in July 2026.
  It was positioned as a key product from Q4 onwards, to be deployed as infrastructure for client organizational education
- Strengthen sales promotion of "Leaf" with generative AI functionality, with essential workers as the primary target
- Offer the accident prevention education platform "AI-OJT" with a new, more accessible pricing plan
- Also offer the generative AI-utilization platform "vNext" to support the promotion of generative AI utilization in a secure environment

■ Improving profit and profit margin through promotion of efficiency across the entire business

- Strengthened profitability management systems for each business division and Group company
- Optimized recruitment and personnel allocation across the Group based on productivity improvements through the use of generative AI
- Gradually scaled down unprofitable businesses

Shareholder Returns Policy and Capital Policy

Capital Policy and Shareholder Return Policy

- From the perspective of stable profit distribution to shareholders and improvement of capital efficiency, we regard shareholder returns as an important management priority, implementing dividends with a target payout ratio of 50% and dividend on equity (DOE) of 18%
- While prioritizing investment for future growth, we will flexibly consider capital efficiency and implement shareholder returns centered on share buybacks for surplus cash

Treasury Share Repurchase

- In FY25, the Company will acquire up to 3 million treasury shares (up to 2 billion yen) and cancel up to 4 million treasury shares.

Regarding FY25 Dividends (Commemorative Dividend)

- In celebration of our 10th anniversary of listing on July 21, 2026, we will pay a commemorative dividend of 5.5 yen per share with a record date of September 30, 2026, as an expression of gratitude to our shareholders (Effective date: December 21, 2026)
- As a result, the year-end dividend for FY25 will be 35.0 yen, comprising an ordinary dividend of 29.5 yen (forecast) plus a commemorative dividend of 5.5 yen

Consolidated Financial Results for 3Q FY25

Consolidated Profit and Loss Statement ① Overall

(unit: million yen)

	3Q FY24 (Actual)	3Q FY25 (Actual)	YoY		1-3Q FY24 (Actual)	1-3Q FY25 (Actual)	YoY		FY25 Full-Year Forecasts	Progress rate (After revision)
Net sales	3,616	3,998	+381	+10.5%	10,637	11,582	+945	+8.9%	16,000	72.4%
Gross profit	2,722	2,980	+257	+9.5%	8,171	8,838	+667	+8.2%	12,340	71.6%
Gross profit margin	75.3%	74.5%	-0.7pt	-	76.8%	76.3%	-0.5pt	-	77.1%	-
SG&A expenses	1,373	1,483	+109	+8.0%	3,879	4,389	+510	+13.2%	5,960	73.6%
SG&A ratio	38.0%	37.1%	-0.9pt	-	36.5%	37.9%	+1.4pt	-	37.2%	-
Total personnel expenses *1	1,115	1,168	+53	+4.8%	3,121	3,499	+378	+12.1%	4,750	73.7%
Office-related expenses *2	43	46	+3	+8.4%	122	137	+15	+12.6%	180	76.1%
Office & communication expenses	65	76	+11	+17.5%	189	213	+24	+13.0%	280	76.1%
Other costs	149	190	+41	+27.8%	446	538	+92	+20.6%	750	71.7%
Operating profit	1,349	1,497	+148	+11.0%	4,291	4,448	+156	+3.7%	6,380	69.7%
Operating profit margin	37.3%	37.4%	+0.1pt	-	40.4%	38.4%	-1.9pt	-	39.9%	-
Ordinary profit	1,349	1,529	+180	+13.4%	4,306	4,502	+196	+4.6%	6,430	70.0%
Net profit	930	1,050	+119	+12.9%	2,897	3,077	+180	+6.2%	4,400	69.9%

*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 3Q FY25 is 33 million yen (+17.5% 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

		3Q FY24 (Actual)	3Q FY25 (Actual)	YoY		1-3Q FY24 (Actual)	1-3Q FY25 (Actual)	YoY		FY25 Full-Year Forecasts	Progress rate (After revision)
On-Site Training Business **1-3Q Revenue Composition 48.1%** **(1H FY25 45.2%)**	**Net sales** unit: million yen	**1,917**	**2,151**	+233	+12.2%	**5,033**	**5,576**	+543	+10.8%	7,730	72.1%
	Gross profit unit: million yen	**1,481**	**1,651**	+170	+11.5%	**3,957**	**4,358**	+401	+10.1%	6,140	71.0%
	Gross profit margin	**77.2%**	**76.8%**	-0.5pt	-	**78.6%**	**78.2%**	-0.5pt	-	79.4%	-
	No. of training conducted Unit :times	**6,728**	**7,184**	+456	+6.8%	**18,029**	**18,954**	+925	+5.1%	-	-
monthly disclosure	Online ratio	**11.4%**	**11.0%**	-0.4pt	-	**16.3%**	**15.6%**	-0.8pt	-	-	-
monthly disclosure	DX training	**598**	**734**	+136	+22.7%	**1,623**	**1,894**	+271	+16.7%	-	-
	Average unit price Unit: thousand yen	**285.0**	**299.4**	+14.4	+5.1%	**279.1**	**294.2**	+15.0	+5.4%	-	-
Open Seminars Business **1-3Q Revenue Composition 24.3%** **(1H FY25 22.6%)**	**Net sales** unit: million yen	**1,018**	**1,101**	+83	+8.2%	**2,595**	**2,812**	+217	+8.4%	4,040	69.6%
	Gross profit unit: million yen	**764**	**789**	+25	+3.3%	**1,942**	**2,023**	+81	+4.2%	2,920	69.3%
	Gross profit margin	**75.0%**	**71.7%**	-3.4pt	-	**74.8%**	**72.0%**	-2.9pt	-	72.3%	-
	Number of attendees Unit: persons	**42,541**	**42,878**	+337	+0.8%	**114,797**	**119,303**	+4,506	+3.9%	-	-
monthly disclosure	Online ratio	**52.7%**	**46.5%**	-6.3pt	-	**61.2%**	**56.4%**	-4.8pt	-	-	-
monthly disclosure	DX training	**5,575**	**6,327**	+752	+13.5%	**15,258**	**19,043**	+3,785	+24.8%	-	-
monthly disclosure	No. of training conducted Unit: times	**3,683**	**4,490**	+807	+21.9%	**11,371**	**13,123**	+1,752	+15.4%	-	-
	No. of attendee per training Unit: persons	**11.6**	**9.5**	-2.0	-17.3%	**10.1**	**9.1**	-1.0	-9.9%	-	-
	Average unit price Unit: thousand yen	**23.9**	**25.7**	+1.7	+7.3%	**22.6**	**23.5**	+1.0	+4.3%	-	-

* 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)

		3Q FY24 (Actual)	3Q FY25 (Actual)	YoY		1-3Q FY24 (Actual)	1-3Q FY25 (Actual)	YoY		FY25 Full-Year Forecasts	Progress rate (After revision)
IT Services Business	Net sales	357	403	+45	+12.9%	1,450	1,519	+69	+4.8%	2,010	75.6%
	Gross profit	262	290	+28	+10.9%	1,123	1,134	+11	+1.0%	1,500	75.6%
1-3Q Revenue Composition 13.1%	Gross profit margin	73.5%	72.2%	-1.3pt	-	77.5%	74.7%	-2.8pt	-	74.6%	-
	Leaf Recurring (monthly revenue)	329	356	+27	+8.5%	919	1,043	+123	+13.5%		
(1H FY25 14.7%)	Leaf customization sales	30	44	+13	+42.6%	284	228	-56	-20.0%		
	Stress checks	1	2	+0	+49.7%	252	247	-4	-1.7%		
	Leaf paid subscribers Unit: organizations	834	919	+85	+10.2%	834	919	+85	+10.2%		
	Leaf active users Unit: thousand persons	4,585	5,469	+884	+19.3%	4,585	5,469	+884	+19.3%		
Other Businesses	Net sales	323	341	+18	+5.7%	1,557	1,673	+115	+7.4%	2,220	76.0%
	Gross profit	214	248	+33	+15.5%	1,147	1,320	+172	+15.1%	1,780	74.2%
1-3Q Revenue Composition 14.5%	Gross profit margin	66.5%	72.6%	+6.1pt	-	73.7%	78.9%	+5.2pt	-	80.2%	-
	Video sales	86	78	-8	-9.2%	491	538	+47	+9.6%	-	-
(1H FY25 17.6%)	Video Production Solution	28	48	+20	+71.5%	146	199	+53	+36.3%	-	-
	Video rental	11	12	+1	+10.9%	37	38	+1	+4.6%	-	-
	Cloud-based e-Learning STUDIO	47	42	-4	-10.2%	142	133	-9	-6.5%	-	-
	Consulting and Assessment	81	75	-6	-7.9%	204	213	+8	+4.4%	-	-
	Online seminar support	50	47	-2	-5.2%	149	123	-25	-16.9%	-	-
	Regional Revitalization Service	0	0	+0	+700.0%	103	114	+11	+10.8%	-	-
	Web marketing	45	11	-34	-75.6%	158	174	+16	+10.5%	-	-

monthly disclosure

【Reference】

Leaf: Average Monthly Revenue per Client Organization
130 thousand yen (3Q FY25)

Leaf LTV (Revenue Basis)
6,690 thousand yen (cumulative)

Leaf Churn Rate
Approx. 2% (FY24 annual average)

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

Performance by Service Domain

(unit: million yen)

Major Domains	3Q FY24 (Actual)	3Q FY25 (Actual)	YoY		1-3Q FY24 (Actual)	1-3Q FY25 (Actual)	YoY		Full-Year Forecasts	Budget progress rate	1-3Q FY25 Revenue Composition	Budgeted Revenue Composition
HR support Leaf Series, seminar support service, evaluation system consulting, bulk contract for government agencies	645	702	+57	+8.9%	1,935	2,191	+256	+13.2%	3,000	73%	18.9%	19%
Level-specific education level-specific education, level-based assessment, consulting for building a training system	455	480	+25	+5.6%	1,570	1,605	+34	+2.2%	2,450	66%	13.9%	16%
DX Services DX-related training, DX Promotion consulting, DX assessment, consulting on generative AI utilization	420	535	+114	+27.2%	1,258	1,560	+301	+24.0%	2,400	65%	13.5%	14%
Business Skills Business skills-related training, workshop, manual creation consulting, online correspondence education	245	239	-6	-2.6%	978	1,049	+70	+7.2%	1,390	75%	9.1%	8%
Subordinate guidance and turnover prevention Subordinate guidance training, career design training course, engagement survey, interview support and individual coaching	214	220	+5	+2.7%	745	766	+21	+2.8%	1,000	77%	6.6%	7%
Communications Communication-related training, workshop, CS Survey	190	167	-23	-12.4%	795	754	-40	-5.1%	1,000	75%	6.5%	7%
Recruitment and training for new employees New employee training, giraffe, document correction, main 8 skill assessment for new employees, INTERN BUS	1,031	1,158	+126	+12.3%	1,283	1,409	+125	+9.8%	1,900	74%	12.2%	11%
Other (9 domains)*	413	494	+81	+19.6%	2,069	2,244	+175	+8.5%	2,860	78%	19.4%	18%

Others (9 domains): Risk & Compliance / Safety & Health / Management Talent 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 representative are calculated based on the average number of sales representatives during the period

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LE (Large Enterprise) MM (Medium Market Business) SMB (Growth Business)		3Q FY24 (Actual)	3Q FY25 (Actual)	YoY		1-3Q FY24 (Actual)	1-3Q FY25 (Actual)	YoY	
All segments total	Average sales per customer (thousand yen)	510	553	+43	+8.4%	874	919	+44	+5.1%
	Number of customers (organizations)	7,081	7,219	+138	+1.9%	12,157	12,594	+437	+3.6%
	Net sales (million yen)	3,616	3,998	+381	+10.5%	10,637	11,582	+945	+8.9%
LE 1-3Q FY25 Composition ratio 24.7%	Average sales per customer (thousand yen)	1,444	1,450	+6	0.4%	3,123	2,918	-204	-6.6%
	Number of customers (organizations)	620	619	-1	-0.2%	921	982	+61	+6.6%
	Net sales (million yen)	895	897	+2	+0.3%	2,876	2,866	-10	-0.4%
MM 1-3Q FY25 Composition ratio 34.6%	Average sales per customer (thousand yen)	605	675	+69	+11.5%	1,041	1,109	+67	+6.5%
	Number of customers (organizations)	2,164	2,227	+63	+2.9%	3,468	3,616	+148	+4.3%
	Net sales (million yen)	1,309	1,503	+193	+14.8%	3,613	4,012	+399	+11.1%
SMB 1-3Q FY25 Composition ratio 20.8%	Average sales per customer (thousand yen)	236	256	+19	+8.4%	359	388	+29	+8.1%
	Number of customers (organizations)	3,471	3,580	+109	+3.1%	5,965	6,205	+240	+4.0%
	Net sales (million yen)	820	917	+97	+11.9%	2,143	2,410	+267	+12.5%
Public Sector 1-3Q FY25 Composition ratio 19.8%	Average sales per customer (thousand yen)	716	857	+141	+19.7%	1,111	1,280	+168	+15.2%
	Number of customers (organizations)	826	793	-33	-4.0%	1,803	1,791	-12	-0.7%
	Net sales (million yen)	591	679	+88	+14.9%	2,004	2,293	+289	+14.4%
Number of Customers by Sales (organizations)	10 million yen or more	28	32	+4	+14.3%	110	124	+14	+12.7%
	5 million yen or more to less than 10 million yen	55	55	+0	+0.0%	258	271	+13	+5.0%
	1 million yen or more to less than 5 million yen	705	778	+73	+10.4%	1,878	2,034	+156	+8.3%
	100 thousand yen or more to less than 1 million yen	3,546	3,696	+150	+4.2%	5,710	5,960	+250	+4.4%
Net sales per sales representative (million yen)		12.6	13.0	+0.3	+3.2%	37.9	37.0	-0.9	-2.6%
Operating profit per sales representative (million yen)		4.7	4.8	+0.1	+3.6%	15.3	14.2	-1.1	-7.3%
Number of sales personnel at the end of the period (persons)		296	320	+24	+8.1%	296	320	+24	+8.1%

Performance by Industry (Total Business)

(unit: million yen)

	3Q FY24	3Q FY25	YoY		Composition ratio	1-3Q FY24 Actual	1-3Q FY25 Actual	YoY		Composition ratio
Manufacturing	907	955	+47	+5.3%	23.9%	2,290	2,475	+184	+8.1%	21.4%
Government/ Public administrations	541	625	+84	+15.7%	15.7%	1,806	2,089	+283	+15.7%	18.0%
Telecommunications / IT services	501	585	+84	+16.9%	14.7%	1,415	1,624	+209	+14.8%	14.0%
Construction/ Real estate	372	431	+58	+15.8%	10.8%	1,006	1,091	+85	+8.4%	9.4%
Services	290	331	+41	+14.3%	8.3%	879	936	+57	+6.5%	8.1%
Distribution/ Trading	193	228	+34	+17.7%	5.7%	498	597	+99	+19.9%	5.2%
Finance	178	215	+37	+21.1%	5.4%	687	641	-46	-6.8%	5.5%
Healthcare / Welfare	159	166	+6	+4.2%	4.2%	466	464	-2	-0.6%	4.0%
Transportation/ Warehouse	160	163	+2	+1.6%	4.1%	471	518	+46	+9.8%	4.5%
Educ. Services/ Academic institution	159	143	-16	-10.2%	3.6%	551	538	-12	-2.3%	4.7%
Electricity, water and gas	84	71	-12	-15.1%	1.8%	307	302	-4	-1.6%	2.6%
Others	67	78	+11	+17.0%	2.0%	254	301	+47	+18.5%	2.6%

Consolidated Balance Sheet (as of the end of June 2026)

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Consolidated Balance Sheet

(unit: million yen)

	FY24	FY25 End of 3Q	Change from End of		Comments
			Scale value	Rate of change	
Current assets	10,200	10,165	-35	-0.4%	• Fixed assets increased due to the construction of the Insource Utsunomiya Generative AI Research and Development Center
Cash and deposits	8,191	8,218	+27	+0.3%	
Fixed assets	5,948	6,441	+493	+8.3%	
Total assets	16,149	16,606	+457	+2.8%	
Current liabilities	3,592	3,001	-591	-16.5%	• Current liabilities decreased due to a decrease in accounts payable, income taxes payable
Advances received*	1,097	1,269	+172	+15.7%	
Non-current liabilities	69	99	+30	+43.5%	
Net assets	12,487	13,505	+1,018	+8.2%	
Liabilities and net assets	16,149	16,606	+457	+2.8%	

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

(unit: million yen)

	1Q FY25	End of 1H FY25	End of 3Q FY25	Comments
Advances received	1,055	1,070	1,269	Advances received increased by 51 million yen YoY
YoY	+170	+99	+51	
YoY (%)	+19.2%	+10.2%	+4.2%	

* 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 Mar., 2026	As of End of Jun., 2026	Changes
End of Sep., 2026	311	206	-105
End of Mar., 2027	-	431	-

*Includes unused amounts for applications submitted by the end of March 2026 for implementation from April 2026 onwards

Human Capital　Number of Consolidated Employees

- Accelerating operational efficiency through generative AI, we cut the period-end headcount forecast vs. the initial target by 45 employees
- In April 2026, 40 new graduates joined the Group. Mid-career hiring is focused on critical roles.

Trend in Number of Consolidated Employees (forecast revised)

Unit: persons

	End of Jun 2025 (Actual)	End of Jun 2026 (Actual)	End of Sep 2026 (Revised Forecast)	End of Sep 2026 (Initial Target)	vs. Initial Target
Employees	733	788	770	815	▲45
(vs. prior period-end)	(+49)	(+33)	(+15)	(+60)	

Cutting personnel costs via AI & hiring

1. **Raising productivity through in-house education**
   The company-wide "AI Agent Training" is under way; as of July 10, 665 employees had completed it. We are strengthening earnings power through operational efficiency.

2. **Selective hiring in anticipation of AI use**
   Since December 2025, mid-career hiring has been highly selective, curbing total personnel expenses, including recruitment-related costs

Total Personnel Expenses Forecast

Unit: ¥ million

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

※ Employee counts exclude directors, corporate auditors, and executive officers. Among employees, temporary staff include part-timers but exclude casual and dispatched workers.

Content IP Development Status

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■AI adoption for 100 million people

Continuing to develop training content while turning consulting and AI-related services into IP and expanding them

Training content: 5,149 types / Consulting **7 genres** / AI-related services **7 types** | Productized along a value chain: Educate ▸ Support ▸ Implement ▸ Embed

No. of developed training content items

Rank	3Q FY25		1-3Q FY25	
1	Digital skills	24	Digital skills	63
2	Business skills	14	Business skills	53
3	For managers	10	For managers	35
4	New / young staff	10	Communication / CS	32
5	Mid-level staff	7	New / young staff	24

Total content: **5,149 types** (end Jun 2026 / items)

No. of consulting services

Consulting genre	Count
DX consulting	7
HR & education planning	6
Executive & next-gen leader development	6
Management & operations consulting	5
HR & system design	3
Human capital management	3
HR & recruiting enhancement	1

AI-related services (7 types)

1. AI BOAT
2. AI-OJT
3. Web lead-generation consulting for the AI era
4. AI platform build-out support service
5. AI strategy adviser FIRA
6. Chat-response AI FastFlow
7. CEO AI Message

IP / Service	Overview & key features
3Q AI-service feature expansion and more generative AI-related training	
AI-OJT SaaS	Generates case materials from incident reports etc. in around 5 minutes/ references work manuals (added on June 8)
Case-study material production powered by AI-OJT	Produces & delivers slides, AI narration, and story videos
Business improvement and DX consulting	Support client-led business improvement through issue identification, DX and AI training, development of AI utilization platforms, integration of generative AI, and other initiatives.
AI training services	A learning ladder: Copilot Studio / Claude / Cowork / agent basics
Consulting services	Sales and web lead generation / Hands-on career development support / HR system design / Training framework development
New growth drivers from 4Q (released July 2026)	
AI BOAT	Auto-generates questions from internal docs, grades written answers, and provides a progress dashboard
Forward-Deployed consultant training	Systematizes five axes—from redefining needs to hands-on support to turning experience into assets (Open Seminars)

In 3Q we expanded our in-house AI apps. **In July we released AI BOAT and the Forward-Deployed consultant training. AI BOAT enables clients to provide affordable training tailored to their proprietary content. With vNext and WEBinsource, we now fully support clients' AI infrastructure, adoption, and business-skill building.**

Various KPIs

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■ Strong inquiry growth driven by transportation advertising and AI-generated recommendations. Immediate proposal delivery to increase conversion rates

monthly disclosure

	FY24 (Actual)	1H FY25 (Actual)	3Q FY25 (Actual)	FY25 YTD (Progress)	FY25 (Target)
No. of new content for On-Site Training Unit: Types (Total)	361 (4,883)	180 (5,063)	86 (5,149)	266 (Progress rate 73.9%)	360 (5,243)
No. of new content for Open Seminars Unit: Types (Total)	531 (4,932)	246 (5,178)	173 (5,351)	419 (Progress rate 104.8%)	400 (5,332)
Number of new content for video and e-Learning Unit: Types (Total)	276 (1,287)	117 (1,404)	64 (1,468)	181 (Progress rate 72.4%)	250 (1,537)
Proposal Amount Unit: Million yen	-	18,596	8,495	27,091 (Progress rate 54.2%)	50,000
Number of inquiries *1, 2 Unit: inquiries	6,186	3,143	1,673	4,816 (Progress rate 80.3%)	6,000
No. of new WEBinsource registrations*3 Unit: Organizations (Cumulative subscribers)	2,559 (26,993)	1,409 (28,402)	682 (29,084)	2,091 (Progress rate 87.1%)	2,400 (29,393)
Number of DX trainers *4 Unit: People (Contract trainer)	23 (135)	5 (140)	1 (141)	6 (Progress rate 24.0%)	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

3Q FY25 — Key News (as of July 21, 2026)

AI-related businesses expanded; strengthening DX & AX support services

Business area	News	Remarks
AI-related business	(Apr) Launched a generative AI-powered tool that drives sales innovation, "AI-Plants" — auto-collects & organizes client info to boost sales productivity	Generative AI use
	(May) Launched a new service in which AI auto-generates case-study videos from incident reports — greatly expanded "AI-OJT," with experiential-learning programs rolling out in phases	
	(Jul) Launched a service in which AI auto-generates self-study materials from manuals, "AI BOAT"	
On-Site Training business	(Jul) Developed a program to cultivate "neo-generalists" who lead the AI era — cultivating uniquely human vision and cross-disciplinary strength to create value in the next era	AI-era talent development
Open Seminar business	(Jul) Launched the "Forward-Deployed Consultant Training" — applying a business model now spreading in the SE field more practically across many industries	Practical consultant training
IT services business	(May) Greatly expanded new videos in the content-included "Leaf" series — added courses on generative AI-driven operational improvement, DX and more; added 600 courses produced by training professionals	Improved convenience
Other businesses	(Apr) Launched "Career Empowerment Consulting" — a new service visualizing gaps between employees' career goals and the organization to drive growth	Consulting
	(Apr) Started an "on-demand streaming" service for Open Seminars — delivering video materials recorded & edited from actual Open Seminars	e-Learning
	(May) Signed a sales-agency agreement for "OfferBox," an offer-type new-graduate recruiting service for proactive hiring	Recruiting enhancement
Other	(Jun) Greatly expanded transit advertising on major lines in the Tokyo, Nagoya & Osaka areas — with "AI use for 100 million people" as the main message, strongly promoting AI-adoption support for operations	Greater awareness
	(Jul) Announced publication of the "Insource Group Integrated Report 2025" — explaining our AI-era growth strategy from various angles	IR information

Market Environment

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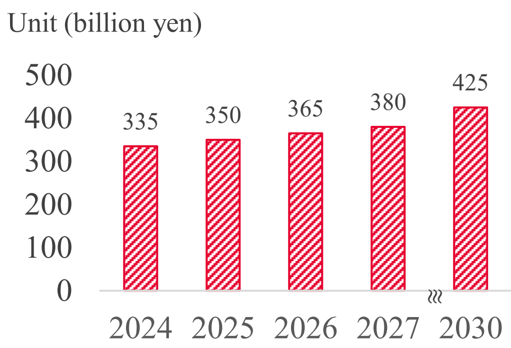
■ Career training market is expected to grow at around 4% annually, while the domestic AI systems market is expected to grow at around 47.2% annually.

Expansion of career training market

In 2030
Career training market
(Estimate)

425 billion *1

CAGR (2024-2030)
4.0%

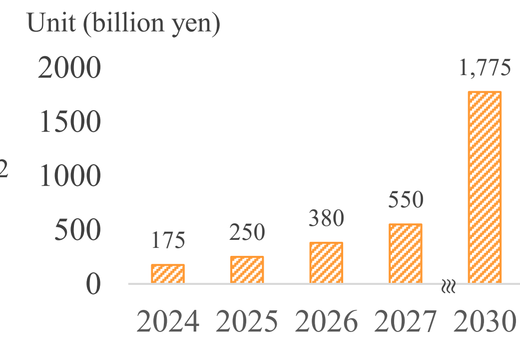


Expansion of the domestic AI systems market

In 2030
AI systems market
(Estimate)

1,775 billion *2

CAGR (2024-2030)
47.2%

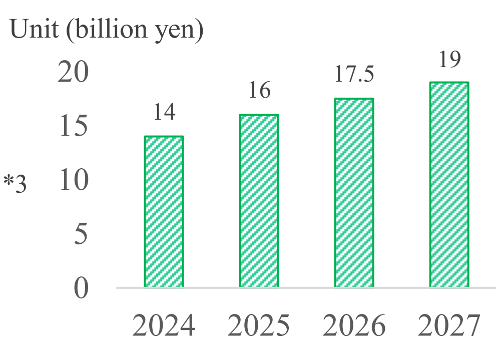


Advancement of HR development and streamlining of HR business through data utilization

In 2027
HR digitalization (LMS) market
(Estimate)

19 billion *3

CAGR (2024-2027)
10.7%

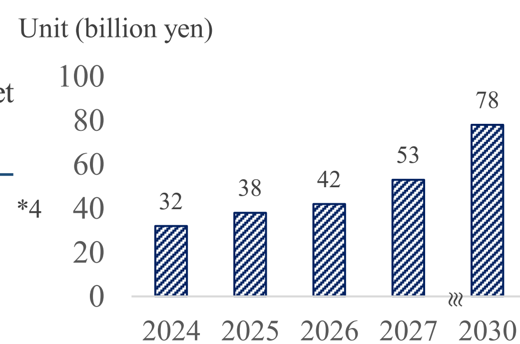


DX (digital) training market

In 2030
DX (digital) training market
(Estimate)

78 billion *4

CAGR (2024-2030)
16.0%



*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 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 Material ①

Insource's Generative AI Strategy

Generative AI Strategy Overview
– A productivity-infrastructure company built on education

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■Beyond a "training company," we support corporate AI adoption with "education" at its core, aiming to become a productivity-infrastructure provider

①Talent development (education)	②Hands-on support & consulting for business improvement	③Foundation for AI-driven business execution

Connecting these seamlessly, end to end, is our unique strength

Three Steps of Our Generative AI Strategy

01
Become a company that raises customer productivity with AI

- Support AI adoption with education at its core to raise customer productivity
- Provide an end-to-end platform (vNext) from talent development to business execution

02
Grow on two engines: educational consulting and AI apps

- Streamline customers' internal operations with education and AI
- Strengthen the education & consulting business
- Grow recurring-revenue in the AI app business

03
**Talent investment & M&A for
the next leap forward**

- Continue investing in sales, consulting & AI talent
- Make Kyushu & Utsunomiya AI development hubs
- Also explore & execute M&A to acquire capabilities

Step 01　Becoming a company that raises customer productivity with AI – Insource's strengths

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■Foundational capabilities & client track record

1.　Insource is a "multi-skilled" company

Combining the four capabilities needed for corporate transformation in the generative AI era

■ Content development capability

Continuously develops educational content and AI apps optimized for the times and customers

■ SaaS foundation

Widely adopted in-house SaaS products, e.g. Leaf (approximately 1,000 organizations) and WEBinsource (29,000 organizations)

■AI development capability (DX)

Technical strength as a DX company able to develop AI applications in-house

■Consulting capability

The ability to transform organizations cheaply and quickly by combining education and consulting

2.　Client base & track record — the source of competitive advantage

The accumulated foundation and track record create an advantage that is hard to imitate

■ Client base

A broad, cross-industry client base

Cumulative client organizations
52,000 organizations

■ Educational content

A rich content library ready for the generative AI era

On-Site Training content
5,100 types

Open Seminar content
5,300 types

Video & e-Learning content
1,400 types

■Business-improvement track record

A track record of improving our own productivity through education and AI

In-house AI agent training attendees
665 people (as of July 10)

■Generative AI-utilization platform (vNext)

– Accelerate internal generative-AI use via AI-agent adoption and a security & governance foundation

Promote AI-agent use & sharing

Internal web tools
In-house AI tools
In-house AI agents

AI management, security & governance

User auth & access control / MCP integration
Agent approval & execution / security & governance

Internal generative-AI management

Copilot / Teams / ChatGPT / Claude　etc.

Connect to information assets & business systems

Training-text RAG search platform
Data utilization platform (Snowflake)
Training management system (Leaf)
WEBinsource HR management
Internal business systems

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■Using the "education × IT/development" strengths built over 20+ years, we will become a company that turns customers' internal operations into a "concrete, sustainable, AI-enabled" form (operational-DX support)

■Project-Based Revenue | Education & consulting

〇**In-house DX development with generative AI will become common**

An era is arriving in which users themselves harness generative AI to build apps in Japanese

⇒ Operational-DX development cost drops to 1/10 or less

■ **Business improvement and DX consulting (from Sep 2026)**

Develop people who can carry out AI-powered operational DX through education;
provide side-by-side consulting support and the operational-DX foundation

[Steps]

① Support companies in formulating their AI utilization strategy
② Develop talent through training (on-site & Open Seminars)
③ Organize improvement issues via consulting
④ Move improvements forward with hands-on support
⑤ Accelerate AI use with the generative AI-utilization platform (vNext)

– Deliver self-sustaining internal DX cheaply and quickly

■ Recurring Revenue | AI apps (IT services)

〇**More sophisticated AI apps will be needed**

Demand keeps rising for AI applications that perform work in people's place at an advanced, refined level

⇒ AI "doing the work" instead of people becomes the norm

■**Early monetization of AI apps (from Sep 2027)**

Leveraging educational know-how and AI development strength to build & provide advanced AI-powered apps

In addition to Leaf, grow subscription revenue by developing & boosting sales of proprietary AI services such as AI-BOAT

■**Providing "AI workers" is the long-term goal (from Sep 2030)**

Strengthening R&D to advance "AI workers"
that run autonomously and perform work such as HR on people's behalf
– toward services that underpin organizational productivity

Strengthen both engines: education & consulting (profect-based) and AI apps (recurring)
Turn support for organizations' productivity gains into Insource's business growth

Step 02　AI apps that capture recurring (stock) revenue

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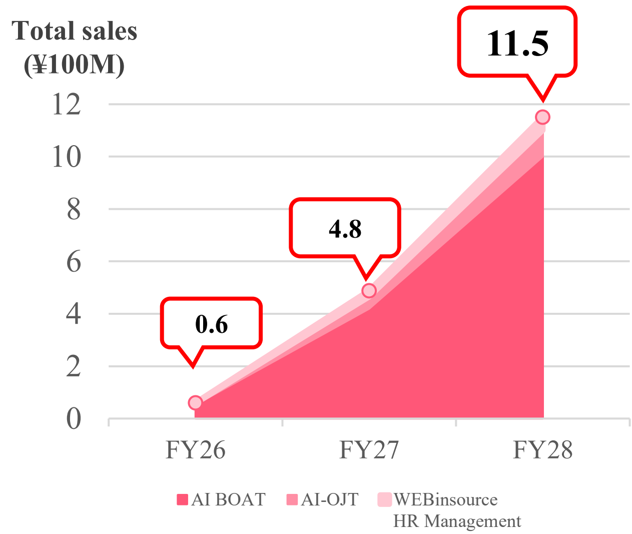
Service name	Service features & overview
AI BOAT(*)	Target: HR & training staff A platform for all in-house education. AI provides hands-on support for what staff and senior colleagues once taught at great effort, so attendees learn through self-study.
AI-OJT(*)	Target: Safety & risk-management departments A platform specialized in in-house preventive education. Past incidents are fed into the AI and turned into teaching materials.
AI-WEBinsource HR Management(*)	Target: HR-management department A system that centralizes scattered HR information. It accumulates HR data and enables AI-powered talent discovery and utilization.
AI-Plants	Target: Sales department A sales-support system equipped with AI features for gathering information and creating proposals.
AI HR Policy Support Service	Target: HR department Based on past appraisal comments, it reports on evaluation criteria and discrepancies in ratings.
Generative AI-utilization platform "vNext"	Target: IT systems & AI-promotion departments An AI-utilization platform. It uses generative AI safely and links with data assets such as internal documents and business systems.

■Market size & projected results for flagship services (*)

2026 market size: ¥198.5 billion

e-Learning / LMS, GRC & talent-management market

Projected results for the three main services



オートで教材作成。情報の海を渡る、学びの相棒

伴走型学習支援ツール

AI BOAT

Feed in documents such as manuals and training materials; it **automatically** creates **training materials**.
A learning-support tool that guides you through key knowledge and procedures and **promotes knowledge retention**.

◆ Service features

- **Feed in documents to auto-generate many questions**
- **High-performance AI that sets & grades written questions**
- **Sustains motivation for reliable knowledge retention**
- **Progress tracking & learning that ease HR's burden**

To sustain growth, we keep investing in people and acquire capabilities through M&A

M&A promotion

Explore and execute acquisitions in the following areas

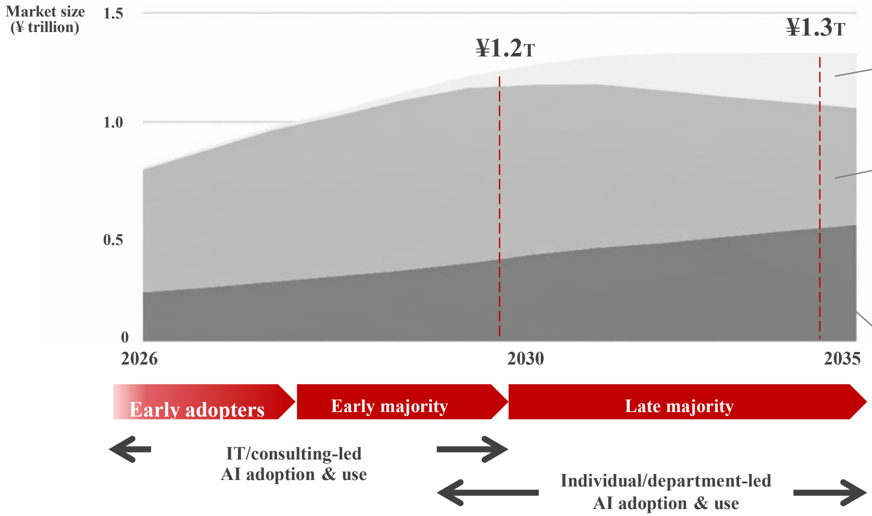
- **Consulting firms**
  Reinforce execution power for on-the-ground transformation
- **AI-related companies**
  Acquire AI development & technical capabilities
- **SaaS companies**
  Expand the foundation for recurring-type products

Talent investment

Continuously invest in growth areas

- **Continue investing in sales, consulting & AI talent**
  Recruit & develop people to drive business expansion
- **Make Kyushu & Utsunomiya AI development hubs**
  Expand AI-app development at regional bases

Generative-AI-driven internal DX will reach a ¥1.2 trillion market by 2030



AI applications (recurring)
Provide AI-embedded services such as AI-OJT and AI-Plants

DX consulting (project-based)

Hands-on support
Hands-on support to build & implement agents, from workflow design to embedding AI in existing operations

Generative AI platform building & embedding SI
Embed generative AI into existing systems, from platform building onward

AI education services for working adults (project-based)
AI-skills education led by AI-agent training, delivered in step with trends

Reference Material ②

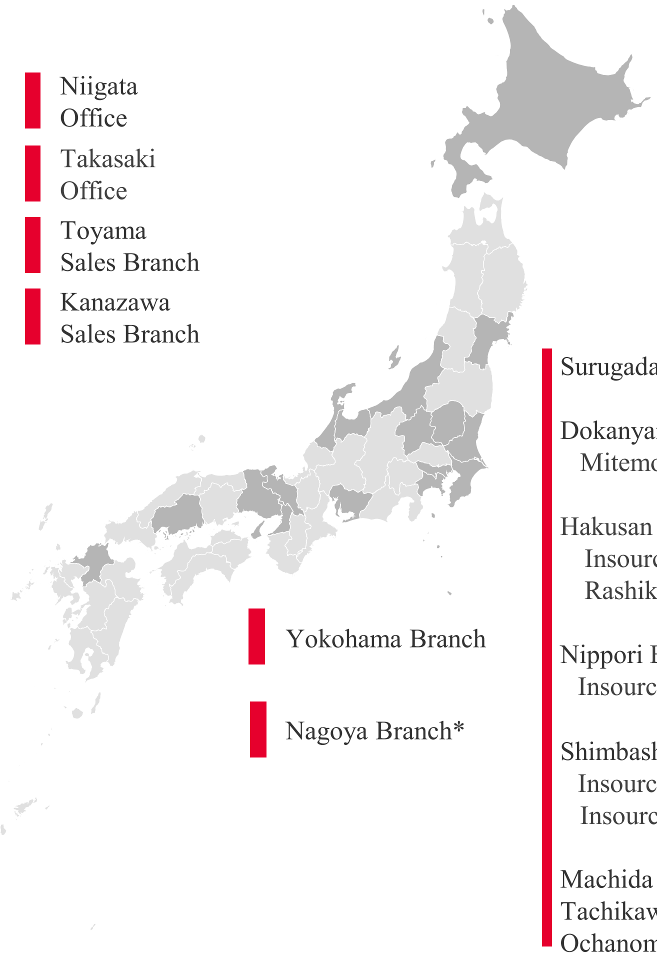
Company Overview and Insource's Advantages

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)

Number of business locations: 28 * As of the end of June 2026

- Group companies 7
- No. of seminar classrooms 62 in 6 cities
  (* Branches with Seminar Rooms: 10)
- Online Training Booths 87



Niigata Office
Takasaki Office
Toyama Sales Branch
Kanazawa Sales Branch

Kyoto Office
Osaka Branch*
Kobe Office
Chu-Shikoku Branch

Kyushu Building* (Kyushu Branch)
Insource Creative Solutions Corporation

Kitakyushu Office

Yokohama Branch

Nagoya Branch*

Hokkaido Branch*
Tohoku Branch*
Utsunomiya Office
Tsuchiura Office
Chiba Office

Surugadai Headquarters *

Dokanyama Building
Mitemo Co., Ltd

Hakusan Building*
Insource Digital Academy Corporation
Rashiku Corporation

Nippori Building*
Insource Business Rep Corporation

Shimbashi Office
Insource Research Institute Corporation
Insource Consulting Corporation

Machida Office
Tachikawa Office
Ochanomizu Studio
Shinjuku Office*
Yurakucho Classroom*
IT Media Laboratory

- The programs emphasize exercises and activities so participants can apply what they learn as early as the next day, whether delivered in person or online.
- Integrated IT into the entire training operation process. Achieve high quality and frequency
- High attendee satisfaction ··· Content 96.2% / Trainers 94.3% ※ As of the end of June 2026

On-Site Training Business

Sales ratio 1-3Q FY25 48.1%
FY24 47.4%

- Offer On-Site Training programs tailored to organizations' needs

Providing content that matches attendee concerns
- Develop 360 new pieces of content per year in line with the times
- Able to tailor customization to the actual workplace based on prior assignments
- 60% workshops and 40% lectures - centered on discussion and activities

No. of annual training conducted and attendee
25,579 times/802 thousand attendees
Of which, no. of online trainings and attendees
4,179 times /149 thousand attendees

オーダーメイド研修
講師派遣
INSOURCE CUSTOM MADE SEMINAR

*July 2025 - June 2026

Open Seminars Business

Sales ratio 1-3Q FY25 24.3%
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
17,626 times/163 thousand attendees
Of which, no of online trainings and attendees
9,763 times/ 95 thousand attendees

１名さまから参加できる
公開講座
INSOURCE OPEN SEMINAR

※July 2025 - June 2026

IT Services

Sales ratio 1-3Q FY25 13.1%
FY24 13.3%

- Leaf Series (HR support system, LMS)

Total number of paid subscribers (organizations) / Active Users
919 organizations/5.46 million people *As of the end of June 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

Other Businesses

Sales ratio 1-3Q FY25 14.5%
FY24 14.4%

- Video and e-Learning sales and video production

(Sales composition in 1-3Q FY25 7.9%)
Number of video sales and custom video production
2,615 titles/ 626 titles
* July 2025 - June 2026

- Consulting/Assessment Services
- Online Seminar Support Service
- Regional Revitalization Service
- Web Marketing Service
- training operation management service

What is Insource Training? - An Interactive Program That Cannot Be Replaced by AI

Insource's training is designed to achieve behavioral change. While knowledge transfer can be replaced by generative AI, activities and role-playing that simulate real workplace situations, 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 repetitive activities and role-playing.

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

Can't be replaced by generative AI

3. Knowledge Transfer — Starting with Classroom Instruction 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

Can't be replaced by generative AI

6. Conducting Interviews - Aligning Common Understanding with Subordinates

(1) Have time to talk with each individual

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

②Value one-on-one communication

(2) Gain trust by listening to subordinates

[Role-playing] Interview exercise - Listen closely to subordinates

Can't be replaced by generative AI

7. Summary

Organize what to practice based on this training

Difference between Insource Training and Generative AI Training

The difference between Insource's behavioral change education and knowledge 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 A DX company since its founding

- Founder Takayuki Funahashi is a former SE. Thoroughly standardized career development education and improved productivity to an operating profit margin of 40%
- 120 IT engineers* are employed. Monetized education management SaaS 'Leaf', with over 5.4 million* Leaf active users

② Services and content development company

- Content development is our strength. Since our founding, we have developed 5,000* types of content and continue to add 30 new pieces of content each month.
- A cumulative total of 119 generative AI-related training programs have been developed.

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

* As of the end of June 2026

Evolving Management Foundations of the Insource Group

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

*As of the end of June 2026

Content 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 content
5,149 types

Number of Open Seminars content
5,351 types

Number of video and e-Learning content
1,468 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

DX/ AI specialists
125

IT engineers
120

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
28,192 pages

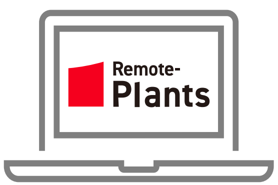
Sales representatives
320

Digital marketers
60

Annual number of inquiries
6,350

Domestic Business locations
28

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 content 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 trainer selection systems

Employee Composition and Stakeholders

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

	FY24 (Actual)	3Q FY25 (Actual)	vs. FY-End
Total Number of Employees *1	755	788	+33
Of which, women (percentage)	420 (55.6%)	433 (54.9%)	+13
Managerial personnel	233	267	+34
Of which, Female (Ratio) *2	93 (39.9%)	103 (38.6%)	+10
Senior (Over 60)	64	59	-5
Foreign nationals*3	5	5	±0
LGBT	4	5	+1
People with Disabilities (Employment Rate) *4	12 (2.89%)	12 (2.33%)	±0
Trainer	500	522	+22
No. of trainers by cumulative no. of trainings			
2,000 times or more	20	24	+4
1,000 to 1,999 times	67	72	+5
500 to 999 times	87	93	+6

*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 nationals include persons who currently hold foreign nationality and persons who have acquired Japanese nationality after previously holding foreign nationality
*4 Insource non-consolidated

	FY24 (Actual)	3Q FY25 (Actual)	vs. FY-End
Cumulative Number of Clients	49,561 organizations	52,118 organizations	+2,557 organizations
No. of Clients that used our services in the Past Year	16,063 organizations	16,488 organizations	+425 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 54.9%, female ratio among managerial personnel is 38.6%, many seniors are also active

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

2023年認定 くるみん
子育てサポートしています
女性が活躍しています！
2025 健康経営優良法人
KENKO Investment for Health
大規模法人部門

Reference Materials③

Three-year Business Plan “Road to Next 2028”

Three-year Business Plan "Road to Next 2028" - Targets and Policies

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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	Operating 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	**Compared to FY24**	**Compared to FY24**	**Compared to FY24**
+8,890	**+3,642**	**+2,690**	**+ 1.8 pt**

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. Shareholder Returns Policy

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

Reference Materials④
Human Capital and ESG Activities

Expanding Human Capital — Metrics for Sustained Growth

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■Selected human-capital disclosure items Insource prioritizes

- We place top priority on net sales and operating profit per employee—directly tied to earnings growth—and keep balancing growth with improvement
- We keep building an organization where diverse talent thrives and, to secure top talent steadily, promote D,E&I
- We are increasing the number of employee shareholders to build motivation for stronger results, raise engagement, and encourage a management mindset

Category	Item	FY22	FY23	FY24	Notes
Performance	Net sales per employee (¥ thousand)	25,225	27,148	28,286	Avg. no. of employees during the period (excl. temporary staff)
Performance	Operating profit per employee (¥ thousand)	9,220	10,661	11,654	Avg. no. of employees during the period (excl. temporary staff)
Performance	"Energy" average score	3.24 pts	3.26 pts	3.27 pts	"Energy" is the strength to keep acting through hardship with firm resolve; max 5 pts. Measured with our "giraffe"
Performance	Training hours per employee	22h 30m	28h 30m	24h 51m	Total hours of training and e-Learning attended (excl. study groups)
Performance	DX training — total attendees	248	1,064	60	Total attendees in each fiscal year
Performance	Employees who have used our own services	100%	100%	100%	Leaf usage, Open Seminars, and e-Learning attendance considered
D,E&I	No. of managers (female ratio)	211 (37.4%)	221 (40.3%)	233 (39.9%)	
D,E&I	Managers newly promoted (female ratio)	29 (48.3%)	25 (56.0%)	21 (38.1%)	Number promoted from non-manager to manager during the period
D,E&I	Female childcare-leave take-up Male childcare-leave take-up	100% 86.0%	100% 53.0%	100% 62.5%	Take-up rate = actual takers as a share of those eligible during the period
Engagement	Percentage of employees holding Company shares ※	60.3%	59.5%	49.1%	Members of the ESOP and holders of RS (restricted stock)

※ From FY24, we changed the method for calculating employee share ownership and restated prior figures on the same basis

ESG Highlights for 3Q FY25

■ Policy: Under its ESG+P (Performance) management policy, the Group aims to advance ESG initiatives while sustainably improving business performance.

■Initiative: Participation in the United Nations Global Compact.

＜Main Initiatives＞

■ Published “Insource Group Integrated Report 2025”

＜Point＞

- **Provide a deeper look into the Company's core training services business and highlight its competitive advantages**
- **Provide specific descriptions of our initiatives and strategies for growth by leveraging the rapidly evolving generative AI**
- **Introduce our initiatives and future measures in sustainability and health and productivity management**

“Insource Group Integrated Report 2025 (FY24)” ＜Full PDF＞
https://www.insource.co.jp/resource/pdf/ir/integratedreport2025.pdf
*English version scheduled for publication in August

■ Social (Talent)

▼Main internal training conducted in 3Q FY25

All employee will participate in the AI agent training.
665 employees (approximately 85%) have already attended*

Name	Period	Target
AI Agent Training (online)	From May 2026	All employees
Personal information protection/information security (e-Learning)	From May 2026	All employees
Copyright law (e-Learning)	From June 2026	Previous non-attendees
Harassment prevention (e-Learning)	From June 2026	Previous non-attendees
New manager training (face-to-face)	From May 2026	New managers

(* as of July 10)

Materiality and Long-Term Indicators

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■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 content	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】 Empowering diverse talent	Create a workplace where diverse human resources can thrive	Percentage of female executive officers Percentage of female managers	10.5% 40.3%	11.1% 39.9%	50% 50%
	【S】 Community Relations	Solve community issues	No. of Regional Revitalization projects No. of local governments supporting period poverty	54 15	39 31	100 100
	【G】 Strengthening governance	Ensuring diversity in management	Increasing the percentage of women on 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.