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November 2, 2026

To Whom It May Concern,

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Representative Director, President and CEO
(Code number: 6200, Prime Market of the Tokyo Stock Exchange)
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Notice: Announcement of Three-Year Business Plan "Road to Next 2029"

Insource Co., Ltd. (hereafter referred to the "Company") hereby announces that at the Board of Directors meeting held today, the Company has formulated a rolling-style Three-Year Business Plan covering the three fiscal years from FY26 to FY28.

1. Three-Year Business Plan Earnings Forecasts and Targets

unit: million yen	FY26 (Forecast)	FY27 (Target)	FY28 (Target)	Reference : FY25 (Actual)
Net sales	17,110	18,900	21,000	15,556
(YoY)	(+10.0%)	(+10.5%)	(+11.1%)	(+7.2%)
Operating profit	6,850	7,900	9,500	6,161
(YoY)	(+11.2%)	(+15.3%)	(+20.3%)	(+3.1%)
Ordinary profit	6,850	7,900	9,500	6,226
(YoY)	(+10.0%)	(+15.3%)	(+20.3%)	(+3.8%)
Net profit	4,800	5,500	6,500	4,374
(YoY)	(+9.7%)	(+14.6%)	(+18.2%)	(+5.9%)

2. Priority Measures in FY26

The Company aims to achieve its financial forecasts through the following six initiatives.

1. Designate MM and SMB as our primary sales targets and prioritize the allocation of sales representatives to these segments. Integrate IDA and ICO, the Group's consulting companies, to strengthen our capabilities in addressing a wide range of management challenges, including AI-related needs
2. Establish client-specific teams of content developers to address the sophisticated needs of LE clients, enhancing proposal capabilities and the added value of services
3. Shift management indicators from service-based sales targets to client segment-based profit targets. Strengthen profitability management based on PPL (Performance Profit) and shift sales performance evaluations toward a results-based approach

4. Review the conventional siloed sales strategy organized by product and service and strengthen sales of high-margin products. Promote cross-selling through Smart Pack to increase operating profit per client
5. Scale back unprofitable businesses, including the recruitment and regional revitalization businesses, to improve operating profit
6. Promote the adoption of generative AI training by offering Open Seminars and other programs at affordable prices to MM and SMB clients, where demand is increasing. In addition, expand the number of companies adopting AI BOAT and enhance its functionality as an educational platform

(NOTE) The above financial forecast for FY26 and financial targets for FY27 and FY28 have been prepared based on information available as of the date of this material. Actual financial results may differ from these forecasts and targets due to various factors.

END

Insource Co., Ltd.

FY25 Consolidated Financial Results

&

Three-Year Business Plan
“Road to Next 2029”

Monday, November 2, 2026

Bringing AI utilization

to 100 million people

insource

Automatically Create Training Materials
Your Learning Companion
for Navigating a Sea of Information
A Learning Support Tool
Stays with You Every Step of the Way

AI BOAT



Disclaimer Regarding Forward-Looking Statements

- This material contains forward-looking statements regarding the Company's future outlook, management targets, and other matters. These statements are based on current assumptions concerning future events and trends, and there can be no assurance that such assumptions will prove accurate. Actual financial results may differ materially from those described in this document due to various factors.

- Unless otherwise stated, the financial data presented in this document have been prepared in accordance with accounting principles generally accepted in Japan.

- The Company does not necessarily undertake to update or revise previously announced forward-looking statements, regardless of the occurrence of future events or developments, except as required by applicable disclosure regulations.

- Information regarding companies other than the Company is based on publicly available information.

- This material does not constitute, nor is it intended to constitute, a solicitation of offers to acquire securities, an offer to sell securities, or a solicitation of offers to purchase securities (hereinafter collectively referred to as "solicitation activities"). Furthermore, this material is not intended to be used for any solicitation activities or to serve as the basis for any contract or obligation.

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Contents

Executive Summary	P. 4
Financial Highlights: Consolidated Financial Results for FY25	P. 5
Measures to Improve Business Performance for FY26	P. 8
Shareholder Return Policy and Capital Policy	P.13
Three-Year Business Plan “Road to Next 2029”	P.14
Reference Materials ① Consolidated Financial Results for FY25	P.17
Reference Materials ② Insource’s Generative AI Strategy	P.26
Reference Materials ③ Company Overview and Insource’s Advantages	P.29
Reference Materials ④ Human Capital and ESG Activities	P.36

Please download the supplementary data for FY25 financial results (Excel format) from the “IR Library” on the “IR Information” of our website.
***Available from 9:00 PM (JST) on Monday, November 2, 2026**
https://www.insource.co.jp/en/ir/ir_ir_ibrary.html

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Executive Summary: Consolidated Financial Results for FY25

- Full-year net sales increased by 1,045 million yen (7.2%) YoY to 15,556 million yen, while operating profit increased by 183 million yen (3.1%) YoY to 6,161 million yen
- 4Q net sales increased by 100 million yen (2.6%) YoY to 3,974 million yen, while operating profit increased by 26 million yen (1.6%) YoY to 1,713 million yen
- To commemorate the 10th anniversary of the Company's stock market listing, a commemorative dividend of 5.5 yen per share will be paid. The year-end dividend is forecast at 35.0 yen per share

Full-year Results

(unit: million yen)

Net sales	Gross profit	Operating profit	Net profit	Year-end dividend (forecast)
15,556	11,887	6,161	4,374	35.0 yen (Ordinary: 29.5 yen) (Commemorative: 5.5 yen)
YoY +7.2%	YoY +6.5%	YoY +3.1%	YoY +5.9%	YoY +10.0 yen (YoY +4.5 yen, excluding the commemorative dividend)

4Q Results

(unit: million yen)

Net sales	Gross profit	Operating profit	Net profit
3,974	3,049	1,713	1,297
YoY +2.6%	YoY +2.1%	YoY +1.6%	YoY +5.2%

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Financial Highlights:
Consolidated Financial Results for FY25

■Definition of Customer Segments in This Material
Clients are classified primarily based on the number of employees, with additional criteria independently established by the Company
- LE（Large Enterprise）：2,000 or more employees
- MM（Medium Market Business）：300-1,999 employees
- SMB（Small Medium Business）：299 or fewer employees

■ Net sales

<Overall>

- Full-year net sales increased by 1,045 million yen (7.2%) year on year to 15,556 million yen. Net sales grew 11.2% year on year in the MM segment and 12.7% in the SMB segment, while declining 2.8% in the LE segment.

<By business>

- Net sales in the On-Site Training Business increased 617 million yen (8.9%) YoY to 7,532 million yen.
- Net sales in the Open Seminars Business increased 264 million yen (7.4%) YoY to 3,843 million yen.
- Net sales in the IT Services Business increased 75 million yen (3.9%) YoY to 2,004 million yen.
- Net sales in Other Businesses increased 88 million yen (4.3%) YoY to 2,175 million yen. The Video and e-Learning Business grew steadily, increasing by 136 million yen (13.4%) YoY.

■ Operating Profit

- Full-year operating profit increased by 183 million yen (3.1%) YoY to 6,161 million yen, while the operating profit margin was 39.6%, down 1.6 pt YoY
- In the second half, SG&A expenses were controlled through operational efficiency improvements driven by AI utilization and the optimization of personnel allocation across the Group.

■ Summary of Growth Strategies for FY26

- In FY26, the Company will strengthen sales activities targeting MM and SMB, which offer significant growth potential. We will also integrate the Group's consulting company to deepen client relationships through specialized support. For LE, we will enhance added value by forming client-specific teams involving content developers
- The Company will implement sales management focused on profit growth to improve sales productivity. In addition, we will improve the product mix and scale back unprofitable businesses. We aim to achieve operating profit of 6,850 million yen, up 11.2%YoY, and an operating profit margin of 40.0%, up 0.4 pt YoY
- The Company will strengthen AI training programs for MM and SMB, expand sales of AI BOAT, and promote sales of training programs, videos, and other products utilizing AI BOAT's capabilities

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Consolidated Profit and Loss Statement　Overall

(unit: million yen)

	4Q FY24 (Actual)	4Q FY25 (Actual)	YoY		FY24 Full-year (Actual)	FY25 Full-year (Actual)	YoY	
Net sales	3,873	3,974	+100	+2.6%	14,510	15,556	+1,045	+7.2%
Gross profit	2,987	3,049	+61	+2.1%	11,158	11,887	+728	+6.5%
Gross profit margin	77.1%	76.7%	-0.4pt	-	76.9%	76.4%	-0.5pt	-
SG&A expenses	1,300	1,336	+35	+2.7%	5,180	5,725	+545	+10.5%
SG&A ratio	33.6%	33.6%	＋0.0pt	-	35.7%	36.8%	+1.1pt	-
Total personnel expenses *1	1,078	1,087	＋9	＋0.9%	4,199	4,586	+387	+9.2%
Office-related expenses *2	44	49	+5	+11.8%	166	187	+20	+12.4%
Office & communication expenses	66	76	+10	+15.1%	255	290	+34	+13.6%
Other costs	111	122	+10	+9.5%	558	661	+102	+18.4%
Operating profit	1,686	1,713	+26	+1.6%	5,978	6,161	+183	+3.1%
Operating profit margin	43.5%	43.1%	-0.4pt	-	41.2%	39.6%	-1.6pt	-
Ordinary profit	1,691	1,723	+32	+1.9%	5,997	6,226	+228	+3.8%
Net profit	1,232	1,297	+64	+5.2%	4,130	4,374	+244	+5.9%

*1 Personnel expenses, 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 4Q FY25 is 45 million yen (+15.5% 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

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

Consolidated Balance Sheet

(unit: million yen)

	FY24	FY25	Change from previous fiscal year-end		Comments
			Amount	Percentage	
Current assets	10,200	9,792	-408	-4.0%	• Cash and deposits, as well as current assets, decreased mainly due to the repurchase of treasury shares totaling 2 billion yen.
Cash and deposits	8,191	7,663	-527	-6.4%	
Fixed assets	5,948	6,472	+523	+8.8%	• Non-current assets increased mainly due to the construction of the Insource Utsunomiya AI Research and Development Center.
Total assets	16,149	16,265	+115	+0.7%	
Current liabilities	3,592	3,360	-231	-6.5%	• Current liabilities decreased due to a reduction in taxes payable and other liabilities, despite an increase in advance payments received for HR Smart Pack.
Advances received*	1,097	1,135	+38	+3.5%	
Non-current liabilities	69	100	+31	+44.7%	
Net assets	12,487	12,803	+316	+2.5%	
Liabilities and net assets	16,149	16,265	+115	+0.7%	

Changes in Advance Received (mainly unused HR Smart Pack points)

(unit: million yen)

	FY24	FY25	Comments
Advances received	1,097	1,135	Advances received increased by 38 million yen YoY
YoY	+149	+38	
YoY (%)	+15.7%	+3.5%	

* 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 September 2026
End of Mar., 2027	277
End of Sep., 2027	895

*Includes unused amounts for applications submitted by the end of September 2026 for implementation from October 2026 onwards

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Measures to Improve Business Performance for FY26

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FY26 Growth Strategy

FY26 Plan

(unit: million yen)

Net Sales	Operating Profit	Operating Profit Margin	Increase in Profit
15,556 → 17,110	6,161 → 6,850	39.6% → 40.0%	+689
+10.0%	+11.2%	+0.4pt	3.8x

* FY26 Operating Profit Increase Bridge (Approx.)

FY25 Operating Profit 6,161 million yen → Revenue Growth Margin Improvement → FY26 Operating Profit 6,850 million yen

We expect to generate approx. 300 million yen in additional operating profit through sales growth driven by increased resource allocation to MM and SMB and improvements in the product mix (expanded sales of videos, Open Seminars, and subscription services), approx. 200 million yen through higher unit prices, and approx. 190 million yen by scaling back unprofitable businesses (estimates)

Growth Strategies

1. Prioritize resources for MM / SMB

- Both achieved double-digit sales growth in FY25. Intensify MM/SMB sales to generate 80% of total operating profit growth and accelerate expansion
- Merge Group consultancies IDA and ICO to establish ICD. Strengthening client relationships through specialist advice on AI use, management issues, and training systems

2. Add more value for LE through teams and content development

- Form dedicated client teams of content developers to meet LE's sophisticated needs and deliver higher-value solutions

3. Shift to profit-focused management (PPL)

- Replace sales targets by service with profit targets by client segment
- Adopt PPL (Performance Profit) as a sales metric to strengthen profitability management and performance evaluation.
- Target sales of JPY 53m (+6.5%) and operating profit of JPY 21m (+7.7%) per salesperson

4. Improve the product mix

- Move away from separate sales strategies by product and service
- Increase sales of high-margin offerings
- Use SmartPack to drive cross-selling and raise operating profit per client
- Target SmartPack sales of 3,230 million yen (+15% YoY)

5. Scale Back Loss-Making Businesses

- Reduce unprofitable businesses, including recruitment and regional revitalization, during FY26, for an estimated JPY 190m improvement in operating profit

6. Grow Through Generative AI

- Demand for generative AI training is also increasing among MM and SMB. Offer affordable Open Seminars to spread adoption and grow sales
- AI BOAT trials now exceed 400 companies; accelerate adoption this fiscal year
- Leverage AI-BOAT functions to enhance training and video offerings

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FY26 Financial Forecast

Consolidated Financial Results

(unit: million yen)

	FY25 Actual	FY26 Forecast	YoY Change	YoY %
Net sales	15,556	17,110	+1,554	+10.0%
Gross profit	11,887	13,180	+1,293	+10.9%
Gross profit margin	76.4%	77.0%	+0.6pt	–
SG&A expenses	5,725	6,330	+605	+10.6%
SG&A ratio	36.8%	37.0%	+0.2pt	–
Total personnel cost*1	4,586	5,001	+415	+9.0%
Operating profit	6,161	6,850	+689	+11.2%
Operating margin	39.6%	40.0%	+0.4pt	–

Net Sales by Business

(unit: million yen)

	FY25 Actual	FY26 Forecast	YoY Change	YoY %
On-Site Training	7,532	8,280	+748	+9.9%
Open Seminars	3,843	4,380	+537	+14.0%
IT Services	2,004	2,100	+96	+4.8%
Other Businesses	2,175	2,350	+175	+8.0%

Revenue and Operating Profit by Client Segment

(unit: million yen)

		FY24 Actual	FY25 Actual	YoY Change	YoY %	FY26 Forecast	YoY Change	YoY %
LE	Net sales	3,922	3,813	−109	−2.8%	4,080	+266	+7.0%
	Operating profit	1,690	1,583	−107	−6.4%	1,710	+126	+8.0%
	Operating profit margin	43.1%	41.5%	−1.6pt		41.9%	+0.4pt	
MM	Net sales	4,879	5,427	+548	+11.2%	6,220	+792	+14.6%
	Operating profit	2,068	2,207	+139	+6.7%	2,560	+352	+16.0%
	Operating profit margin	42.4%	40.7%	−1.7pt		41.2%	+0.5pt	
SMB	Net sales	2,875	3,241	+365	+12.7%	3,710	+468	+14.5%
	Operating profit	1,197	1,302	+105	+8.8%	1,500	+197	+15.2%
	Operating profit margin	41.6%	40.2%	−1.4pt		40.4%	+0.2pt	
Public Sector	Net sales	2,833	3,074	+241	+8.5%	3,100	+25	+0.8%
	Operating profit	1,022	1,068	+45	+4.5%	1,080	+11	+1.1%
	Operating profit margin	36.1%	34.8%	−1.3pt		34.8%	+0.1pt	

Consolidated Financial Results

- Improve per-sales representative productivity through profit-focused sales management, a better product mix, and reduced unprofitable operations. Target operating profit of JPY 6,850m (+11.2% YoY) and a 40.0% operating margin (+0.4 pt).

Net Sales and Operating Profit by Client Segment

- Prioritize high-growth MM/GB and target at least 14% YoY growth in both net sales and operating profit for each segment.

Net Sales by Business

- Expect Open Seminars sales to rise 14.0% YoY. Target +15% Smart Pack acquisitions, 10 attendees per event, an average fee of JPY 23,000, and 19,000 events

*1 Total personnel cost includes payroll, recruiting, training and benefits, outsourcing, and share-based compensation (including restricted stock).

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1. Segment Strategy - Accelerate Growth with MM and SMB

Shift Growth Focus to MM and SMB

- In FY25, LE's net sales decreased by 109 million yen (2.8%) YoY, and operating profit decreased by 107 million yen (6.4%) YoY. In contrast, MM and SMB performed strongly, with net sales increasing by 913 million yen (11.8%) YoY and operating profit rising by 244 million yen (7.5%) YoY. In FY26, the Company plans to concentrate sales resources on MM and SMB, projecting an increase in net sales of 1,261 million yen (14.6%) YoY and an increase in operating profit of 549 million yen (15.7%) YoY
- In FY26, ICD will provide consulting support to leverage the strong client relationships established by sales representatives, thereby increasing net sales and operating profit per client

Launch ICD in November to Meet Consulting Needs and Strengthen Group-wide Sales

Insource Consulting & Digital (ICD)

Insource Digital Academy will change its name to Insource Consulting & Digital (ICD) in November 2026 and absorb Insource Consulting in January 2027.

Expand AI Implementation Support

AI adoption shifts to MM/SMB. Provide expert support at low cost

One-stop Management Solutions

Support organization, talent development, process improvement (AI implementation) and risk management

Leverage Group Capabilities

Experts jointly address complex deals from an early stage, supporting younger sales representatives

Response Model by Customer Size (FY26)

Market	Needs / Deal Profile	Client Contact	Expert Support	Core Offerings	Growth Objective	FY26 Growth	FY26 Sales Increase
MM / SMB	AI adoption takes off; management consulting demand Easier to standardize, quicker decisions	Younger sales reps/ website and advertising	ICD accompanies and supports junior sales reps on difficult deals	Open Seminars by level (HR Smart Pack) Original On-Site Training Low-cost AI education Consulting (HR / training/ AI) Video subscriptions, Leaf, AI BOAT	Grow revenue per customer and customer count	+14.6%	+1.26 billion yen
LE	AI implementation largely complete Client-specific training is complex Advanced design and customization is required	Content development specialists	Content development experts; new LE unit manages projects	Customized On-Site Training Self-development Open Seminars (HR Smart Pack) Advanced AI education One-off video sales Leaf, AI BOAT	Increase added value and repeat business	+7.0%	+260 million yen

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2. Improve Product Mix - Maximize Profit per Client

FY26: Open Seminars first, On-Site Training focuses on premium-priced, customized programs and strengthen subscription sales

Previously: Sales plans and targets by service
Separated targets for On-Site Training, Open Seminars and IT (Leaf)
Prioritized the Scale of Single-Year Revenue

→

This fiscal year: Total profit target per customer
Assess all offerings against a single PPL target; choose the optimum sales approach based on PPL and LTV

1. Open Seminars: First Choice

FY26 Policy

Choose Open Seminars / videos first for small groups and standard topics

Secure operating margin of at least 45%

- Flexible timing and greater customer convenience
- Affordable standard offerings such as AI education
- Low marginal cost of additional sales

Previously

Sales per deal appeared relatively small, leading to lower sales priority and weak motivation to promote sales throughout the year

2. Focus On-Site Training on Premium Deals

FY26 Policy

Sales teams focus on high-value, large-group, individually designed projects

Operating profit margin of 43% or higher

- Raise price through customized support for high-value projects
- Reduce costs by handling low-margin deals centrally

Previously

- Sales that could be generated in the short term were prioritized, even when unit prices were low
- Separate costs for training material development and operational work were incurred for each project, resulting in low profitability on an operating profit basis

3. Increase Subscription Sales

FY26 Policy

Expand multi-year sales of Leaf, AI BOAT and AI-OJT

Leaf: approx. 2% churn / LTV 6,816 thousand yen

- Expand AI BOAT sales alongside Leaf to grow subscription revenue From this fiscal year onward
- Value multi-year contracts and recurring benefits using PPL + LTV

Previously

Small one-year sales reduced motivation to win deals; long-term profitability was not fully reflected in evaluation

4. Drive HR Smart Pack Sales - Offer All Three Policies Together

→

Use Smart Pack's bundled purchasing advantage to encourage purchases of Open Seminars, videos, Leaf and AI BOAT
Optimize each client's product mix to grow profit per account, LTV and recurring sales simultaneously
FY26 targets: Smart Pack sales of 3,230 million yen (+15% YoY) across 2,900 companies (+3% YoY)
Target sales per company: 1,100 thousand yen (+11%)

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Shareholder Return Policy and Capital Strategy

FY26 Capital Strategy and Shareholder Returns (Policy)

- We regard shareholder returns as a key management priority for stable distributions and better capital efficiency, targeting a dividend payout ratio of 50% and dividend on equity (DOE) of 18%
- In line with this policy, the FY26 dividend is forecast at 36.0 yen per share

FY26 Share Repurchases

- We will continue to flexibly consider and implement shareholder returns, primarily share repurchases using surplus cash, while prioritizing investment for future growth and overall capital efficiency

FY25 Dividends (Commemorative Dividend)

- To mark the 10th anniversary of our listing on July 21, 2026, we will pay a commemorative dividend of 5.5 yen per share to thank shareholders
  Record date: September 30, 2026, Effective date: December 21, 2026
- The FY25 year-end dividend is forecast at 35.0 yen per share, comprising an ordinary dividend of 29.5 yen (forecast) and a commemorative dividend of 5.5 yen

FY25 Share Repurchase Results

- In FY25, the Company repurchased 2.69 million treasury shares (2 billion yen) and cancelled 3.69 million treasury shares

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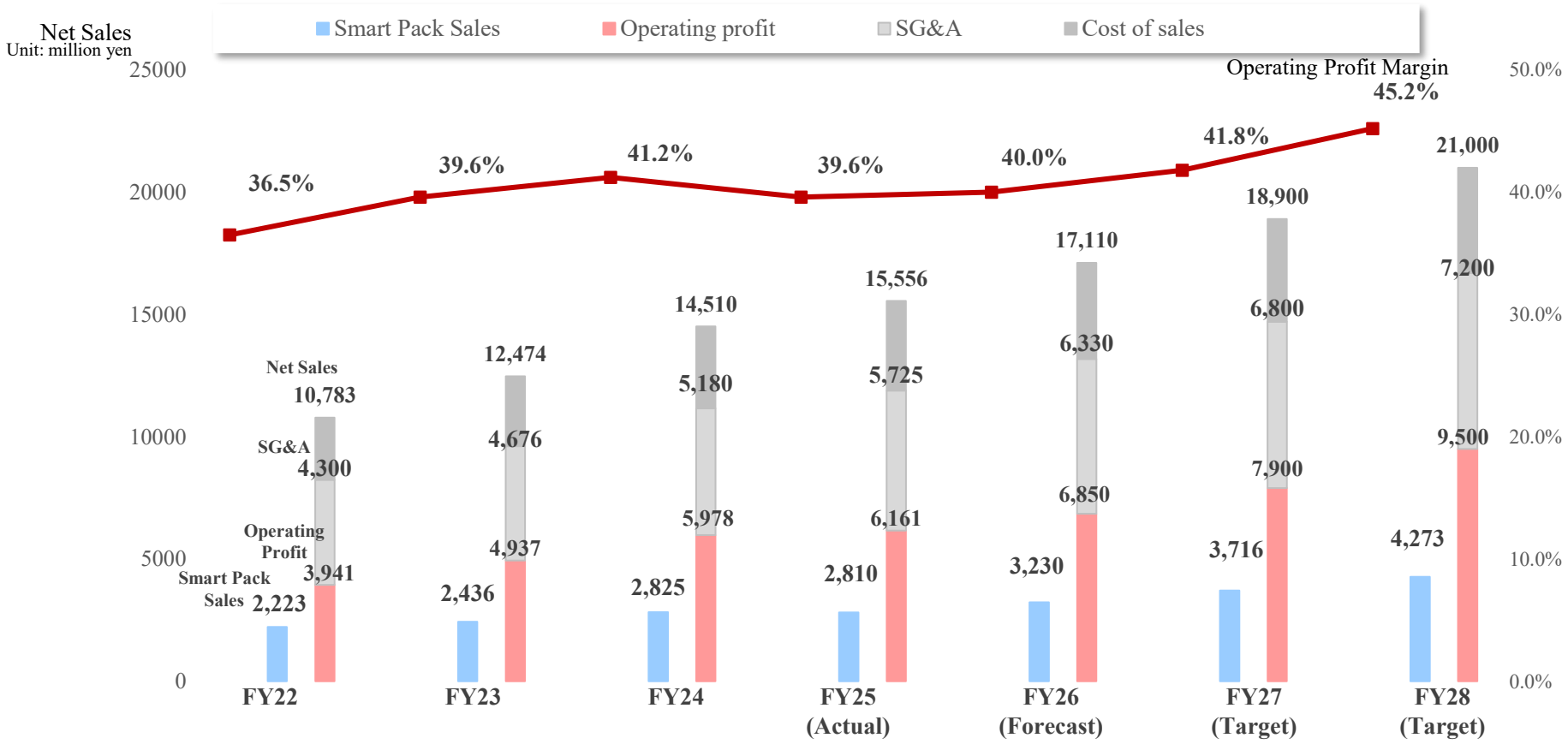
Three-Year Business Plan “Road to Next 2029”

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Medium-Term Management Plan: Road to Next 2029 – Consolidated Results

■Improve profitability and achieve an operating profit margin of 45% in FY28

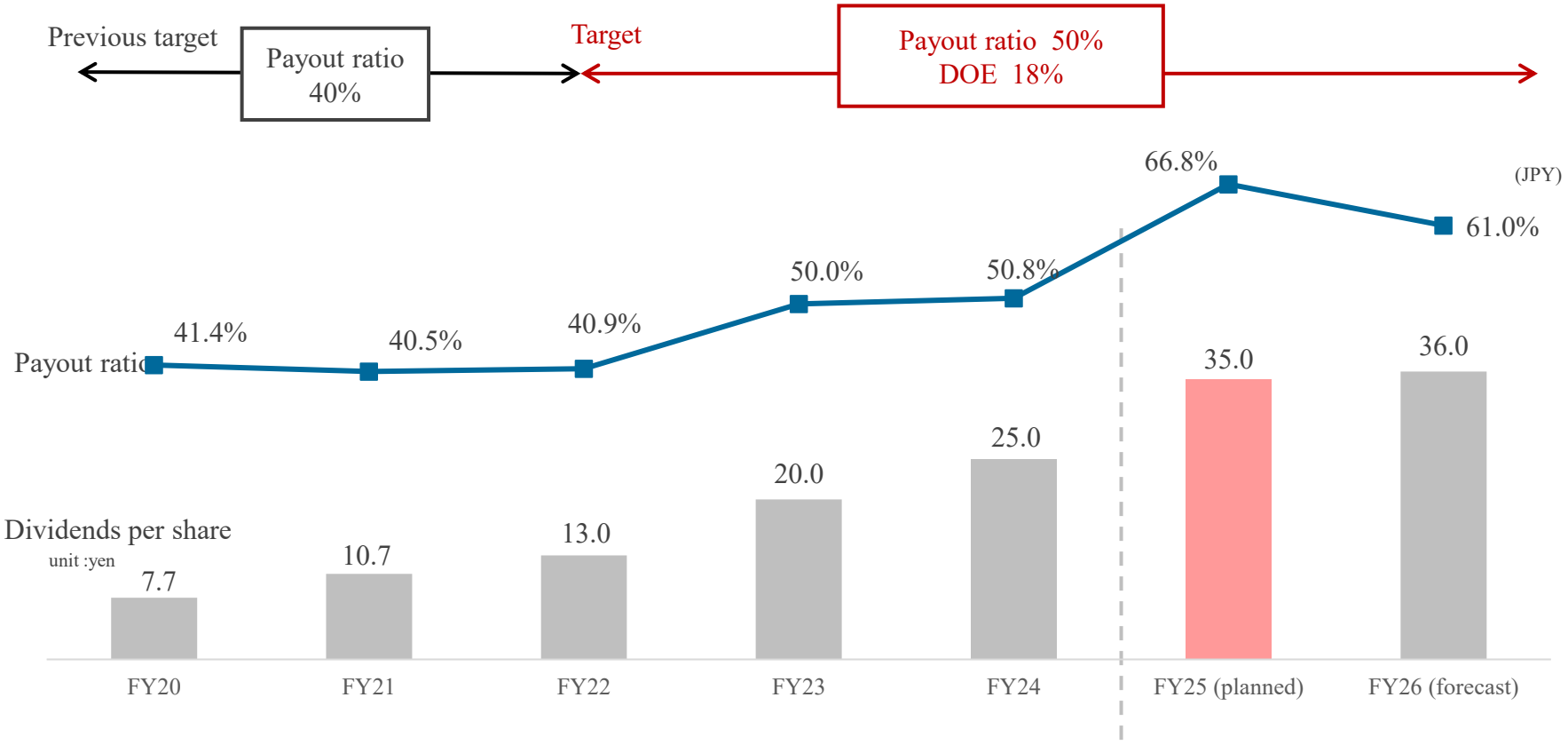
- **FY26:** Restore growth momentum by focusing on MM and SMB, and return to double-digit operating profit growth through improvements in the product mix
- **FY27:** Further increase operating profit by continuing to expand SmartPack sales and achieving full-scale revenue generation from new AI products
- **FY28:** Aim to achieve an operating profit margin of 45.2% by enhancing the capabilities of employees developed since joining the company as new graduates and expanding sales of new AI-powered services



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Proactive Shareholder Returns in Line with Profit Growth

- Continue to pay dividends targeting a dividend payout ratio of 50% and a dividend on equity (DOE) ratio of 18%
- Increase shareholder returns while continuing growth investments, without holding cash and cash equivalents beyond the amount necessary to maintain a sound financial foundation
- The annual dividend for FY26 is forecast at 36.0 yen per share (dividend payout ratio of 61%), taking capital policy considerations into account



* Dividends per share are adjusted for stock splits.

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Reference Materials ①

Consolidated Financial Results for FY25

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

		4Q FY24 (Actual)	4Q FY25 (Actual)	YoY		FY24 Full-year (Actual)	FY25 Full-year (Actual)	YoY		Comments (full-year)
On-Site Training Business Revenue Composition 48.4%	**Net sales** unit: million yen	**1,881**	**1,955**	+74	+4.0%	**6,914**	**7,532**	+617	+8.9%	[Net sales] • Net sales increased by 8.9% YoY, driven by a higher proportion of high-priced DX-related training programs, the acquisition of large-scale projects from government agencies, and the effects of price revisions [Gross profit] • Gross profit rose 8.6% YoY on higher sales, while the gross profit margin fell 0.2 pt YoY due to a change in sales mix from larger government projects
	Gross profit unit: million yen	**1,460**	**1,525**	+65	+4.5%	**5,417**	**5,884**	+466	+8.6%	
	Gross profit margin	**77.6%**	**78.0%**	+0.4pt	-	**78.3%**	**78.1%**	-0.2pt	-	
	No. of training conducted Unit :times	**6,625**	**6,531**	-94	-1.4%	**24,654**	**25,485**	+831	+3.4%	
monthly disclosure	Online ratio	**18.6%**	**17.2%**	-1.3pt	-	**16.9%**	**16.0%**	-0.9pt	-	
monthly disclosure	DX training	**603**	**662**	+59	+9.8%	**2,226**	**2,556**	+330	+14.8%	
	Average unit price Unit: thousand yen	**283.9**	**299.4**	+15.5	+5.5%	**280.4**	**295.5**	+15.1	+5.4%	
Open Seminars Business Revenue Composition 24.7%	**Net sales** unit: million yen	**984**	**1,030**	+46	+4.7%	**3,579**	**3,843**	+264	+7.4%	[Net sales] • Net sales increased 7.4% YoY, driven by an increase in the number of courses offered, particularly higher-priced DX-related training programs, and an increase in the number of Insource's classroom-based attendees [Gross profit] • Gross profit margin decreased by 3.2 pt, as the increase in the number of participants was insufficient to offset the expansion of seminar classroom space in February 2026 and rising trainer fees
	Gross profit unit: million yen	**758**	**753**	-5	-0.7%	**2,700**	**2,777**	+76	+2.8%	
	Gross profit margin	**77.1%**	**73.1%**	-4.0pt	-	**75.4%**	**72.2%**	-3.2pt	-	
	Number of attendees Unit: persons	**44,531**	**43,196**	-1,335	-3.0%	**159,328**	**162,499**	+3,171	+2.0%	
monthly disclosure	Online ratio	**62.8%**	**61.9%**	-0.8pt	-	**61.6%**	**57.9%**	-3.8pt	-	
monthly disclosure	DX training	**6,459**	**6,918**	+459	+7.1%	**21,597**	**25,961**	+4,364	+20.2%	
	No. of training conducted Unit: times	**4,503**	**5,450**	+947	+21.0%	**15,874**	**18,573**	+2,699	+17.0%	
	No. of attendee per training Unit: persons	**9.9**	**7.9**	-2.0	-19.9%	**10.0**	**8.7**	-1.3	-12.8%	
	Average unit price Unit: thousand yen	**22.1**	**23.8**	+1.7	+7.9%	**22.4**	**23.6**	+1.2	+5.3%	

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

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

(unit: million yen)

		4Q FY24 (Actual)	4Q FY25 (Actual)	YoY		FY24 Full-year (Actual)	FY25 Full-year (Actual)	YoY		Comments (Full-year)
IT Services Business	Net sales	479	485	+6	+1.3%	1,929	2,004	+75	+3.9%	[Net sales] • Active users increased by 500,000, and recurring revenue grew 12.4% YoY, resulting in a 3.9% YoY increase in net sales
Revenue Composition 12.9%	Gross profit	359	371	+12	+3.4%	1,483	1,506	+23	+1.6%	
	Gross profit margin	75.0%	76.6%	+1.6pt	-	76.9%	75.1%	-1.7pt	-	
	Leaf Recurring (monthly revenue)	355	389	+34	+9.6%	1,274	1,432	+157	+12.4%	【Reference】 **Leaf: Average Monthly Revenue per Client Organization** 132 thousand yen (4Q FY25) **Leaf LTV (Revenue Basis)** 6,816 thousand yen (cumulative) **Leaf Churn Rate** Approx. 2.1% (FY25 annual average)
	Leaf customization sales	91	59	-31	-35.0%	375	287	-88	-23.6%	
	Stress checks	32	36	+3	+11.4%	282	284	+1	+0.5%	
monthly disclosure	Leaf paid subscribers Unit: organizations	860	936	+76	+8.8%	860	936	+76	+8.8%	
	Leaf active users Unit: thousand persons	5,018	5,523	+504	+10.1%	5,018	5,523	+504	+10.1%	
Other Businesses	Net sales	528	502	-26	-5.0%	2,086	2,175	+88	+4.3%	[Net sales] • Video sales increased 13.0% YoY, and video production solutions grew 35.3%. Meanwhile, online seminar support services and regional revitalization services recorded YoY declines. As a result, net sales for the Other Businesses segment increased 4.3% YoY [Gross Profit] • Gross profit increased 10.4% YoY, driven by the impact of price revisions in video sales. The gross profit margin also improved by 4.4 pt YoY reflecting a higher proportion of sales from the highly profitable video e-Learning Business • The Company plans to withdraw from or scale down unprofitable businesses in FY26
Revenue Composition 14.0%	Gross profit	409	399	-10	-2.5%	1,557	1,719	+162	+10.4%	
	Gross profit margin	77.4%	79.5%	+2.1pt	-	74.6%	79.1%	+4.4pt	-	
	Video sales	112	143	+30	+27.5%	603	682	+78	+13.0%	
	Video Production Solution	43	56	+13	+31.6%	189	256	+66	+35.3%	
	Video rental	11	14	+2	+18.9%	49	52	+3	+8.1%	
	Cloud-based e-Learning STUDIO	32	29	-3	-9.5%	175	162	-12	-7.0%	
	Consulting and Assessment	71	52	-19	-26.9%	275	265	-10	-3.7%	
	Online seminar support	60	44	-16	-26.5%	209	168	-41	-19.7%	
	Regional Revitalization Service	105	72	-33	-31.6%	209	187	-22	-10.6%	
	Web marketing	50	45	-4	-9.8%	208	246	+37	+18.1%	

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Performance by Service Domain

(unit: million yen)

Major Domains	4Q FY24 (Actual)	4Q FY25 (Actual)	YoY		FY24 (Actual)	FY25 (Actual)	YoY		FY25 Revenue Composition
HR support Leaf Series, seminar support service, evaluation system consulting, bulk contract for government agencies	780	**753**	-27	-3.5%	2,716	**2,945**	+228	+8.4%	18.9%
Level-specific education level-specific education, level-based assessment, consulting for building a training system	668	**716**	+47	+7.1%	2,239	**2,322**	+82	+3.7%	14.9%
DX Services DX-related training, DX Promotion consulting, DX assessment, Consulting on generative AI utilization	541	**600**	+59	+10.9%	1,799	**2,160**	+361	+20.1%	13.9%
Business Skills Business skills-related training, workshop, manual creation consulting, online correspondence education	427	**432**	+4	+1.0%	1,406	**1,481**	+75	+5.4%	9.5%
Subordinate guidance and turnover prevention Subordinate guidance training, career design training course, engagement survey, interview support and individual coaching	301	**283**	-18	-6.1%	1,047	**1,050**	+2	+0.3%	6.8%
Communications Communication-related training, workshop, CS Survey	288	**258**	-29	-10.1%	1,083	**1,013**	-70	-6.5%	6.5%
Recruitment and training for new employees New employee training, giraffe, document correction, main 8 skill assessment for new employees, INTERN BUS	105	**114**	+8	+8.3%	1,389	**1,524**	+134	+9.7%	9.8%
Other (9 domains)*	759	**815**	+55	+7.3%	2,828	**3,059**	+230	+8.1%	19.7%

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

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Results by Client Segment (All Businesses Total)

* 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

LE (Large Enterprise) MM (Medium Market Business) SMB (Small and Growing Business)		4Q FY24 (Actual)	4Q FY25 (Actual)	YoY		FY24 Full-year (Actual)	FY25 Full-year (Actual)	YoY	
All segments total	Average sales per customer (thousand yen)	551	564	+12	+2.2%	1,048	1,093	+44	+4.3%
	Number of customers (organizations)	7,018	7,042	+24	+0.3%	13,838	14,230	+392	+2.8%
	Net sales (million yen)	3,873	3,974	+100	+2.6%	14,510	15,556	+1,045	+7.2%
	Operating profit margin (%)	43.5%	43.1%	-0.4pt	-	41.2%	39.6%	-1.6pt	-
LE Composition ratio 24.5%	Average sales per customer (thousand yen)	1,525	1,383	-141	-9.3%	3,911	3,563	-347	-8.9%
	Number of customers (organizations)	686	684	-2	-0.3%	1,003	1,070	+67	+6.7%
	Net sales (million yen)	1,046	946	-99	-9.5%	3,922	3,813	-109	-2.8%
	Operating profit margin (%)	45.4%	45.1%	-0.3pt	-	43.1%	41.5%	-1.6pt	-
MM Composition ratio 34.9%	Average sales per customer (thousand yen)	569	643	+74	+13.1%	1,263	1,365	+102	+8.1%
	Number of customers (organizations)	2,223	2,199	-24	-1.1%	3,862	3,975	+113	+2.9%
	Net sales (million yen)	1,265	1,414	+149	+11.8%	4,879	5,427	+548	+11.2%
	Operating profit margin (%)	45.0%	44.5%	-0.5pt	-	42.4%	40.7%	-1.7pt	-
SMB Composition ratio 20.8%	Average sales per customer (thousand yen)	230	253	+22	+9.9%	413	449	+36	+8.8%
	Number of customers (organizations)	3,172	3,270	+98	+3.1%	6,958	7,208	+250	+3.6%
	Net sales (million yen)	731	829	+97	+13.3%	2,875	3,241	+365	+12.7%
	Operating profit margin (%)	44.7%	43.7%	-1.0pt	-	41.6%	40.2%	-1.4pt	-
Public Sector Composition ratio 19.8%	Average sales per customer (thousand yen)	885	881	-4	-0.5%	1,406	1,555	+149	+10.6%
	Number of customers (organizations)	937	889	-48	-5.1%	2,015	1,977	-38	-1.9%
	Net sales (million yen)	830	783	-46	-5.6%	2,833	3,074	+241	+8.5%
	Operating profit margin (%)	38.0%	37.6%	-0.4pt	-	36.1%	34.8%	-1.3pt	-
Net sales per sales representative (million yen)		12	12	-0	-2.6%	50	50	-0	-1.4%
Operating profit per sales representative (million yen)		5	5	-0	-3.6%	20	19	-1	-5.2%
Number of sales personnel at the end of the period (persons)		306	314	+8	+2.6%	306	314	+8	+2.6%

Comments

[All Segments]
- Although net sales in LE decreased by 2.8% YoY, overall net sales increased by 1,045 million yen YoY to 15,556 million yen, driven by sales growth in MM, SMB, and the public sector
- The number of clients increased across all private-sector segments due to advertising initiatives

[LE]
- Net sales decreased by 2.8% YoY due to the absence of large-scale projects recorded in the previous year

[MM/SMB]
- Average sales per client improved as a result of price revisions
- Driven by higher average sales per client, net sales increased by 11.2% YoY in MM and 12.7% YoY in SMB

[Public Sector]
- Average sales per client increased by 10.6% YoY due to the acquisition of large-scale projects, resulting in an 8.5% YoY increase in net sales
- Net sales and operating profit per salesperson are calculated based on the average number of sales personnel during the period (310 employees).
- In FY26, net sales per sales rep. are projected to reach 53 million yen (+ 6.5% YoY), and operating profit per sales rep. 21 million yen (+ 7.7% YoY), with an average sales headcount of 320 during the fiscal year

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Performance by Industry (Total Business)

(unit: million yen)

	4Q FY24 (Actual)	4Q FY25 (Actual)	YoY		FY24 Full-year Actual	FY25 Full-year Actual	YoY		Composition ratio
Manufacturing	784	889	+104	+13.4%	3,058	3,359	+301	+9.9%	21.6%
Government/ Public administrations	766	735	-31	-4.1%	2,572	2,822	+250	+9.7%	18.1%
Telecommunications / IT services	581	533	-48	-8.3%	2,010	2,161	+150	+7.5%	13.9%
Construction/ Real estate	351	362	+11	+3.1%	1,361	1,456	+94	+7.0%	9.4%
Services	294	325	+30	+10.3%	1,174	1,261	+86	+7.4%	8.1%
Finance	213	197	-16	-7.5%	902	841	-61	-6.8%	5.4%
Distribution/ Trading	173	202	+29	+16.9%	671	800	+128	+19.1%	5.1%
Educ. Services/ Academic institution	218	200	-17	-8.1%	770	739	-30	-4.0%	4.8%
Transportation/ Warehouse	149	157	+8	+5.5%	621	675	+54	+8.8%	4.3%
Healthcare / Welfare	163	166	+3	+2.2%	630	631	＋1	＋0.2%	4.1%
Electricity, water and gas	83	97	＋13	＋16.5%	390	399	＋8	＋2.3%	2.6%
Others	93	106	+13	+14.0%	347	407	+60	+17.3%	2.6%

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Content IP Development Status

Expand our content lineup around two pillars - customer feedback and practical AI/digital training—to create more training opportunities and increase average sales per customer

Development Based on Customer Feedback

- Passion and Commitment Mindset Series
- Business Skills for the AI Era Series
- Training for Essential Workers
- Forward-Deployed Consultant Training
- Neo-Generalist Training for the AI Era
- Thorough Error Reporting to Prevent Risks
- Work-Life Balance for Parents of Children Experiencing School Refusal

Practical AI Training

- AI Agent Fundamentals Training
- Claude Cowork Training
- Business Automation with Copilot Studio Series
- Risk Management in Generative AI Use
- Strengthening Operational Skills for More Accurate Evaluations Using Generative AI

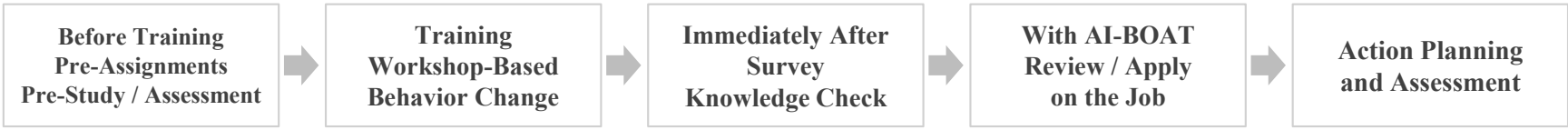
New Training Programs Developed

Rank	3Q FY25		4Q FY25	
1	Digital Skills	24	Digital Skills	31
2	Business Skills	14	Business Skills	22
3	For Managers	10	For Managers	15
4	New / Young Staff	10	Communication / CS	7
5	Mid-Career Staff	7	Sales / Marketing	7

Total Content: **5,246 titles** (as of Sep. 2026 / unit: programs)

Dramatically Enhancing Learning Outcomes - Pre-Assignments, Continuous-Learning Organizations, and AI-BOAT

- Provide integrated services, from identifying learner challenges before training to post-training AI-BOAT follow-up, to improve training effectiveness, embed learning within organizations, and expand customer LTV
- For April 2027 new-hire training, sell AI-BOAT follow-up programs for both Open Seminars and On-Site Training to increase unit prices.



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Various KPIs

FY25 targets achieved for content creation, inquiries and new WEBinsource registrations

	4Q FY24 (Actual)	4Q FY25 (Actual)	FY24 (Actual)	FY25 Cumulative (YoY)	FY26 (Target)
No. of new content for On-Site Training Unit: Types (Total)	90 (4,883)	97 (5,246)	361 (4,883)	363 (YoY 100.5%)	360 (5,606)
No. of new content for Open Seminars Unit: Types (Total)	109 (4,932)	95 (5,446)	531 (4,932)	514 (YoY 96.7%)	400 (5,846)
Number of new content for video and e-Learning Unit: Types (Total)	66 (1,287)	79 (1,547)	276 (1,287)	260 (YoY 94.2%)	250 (1,797)
Proposal Amount Unit: Million yen	-	8,909 (36,000)	-	36,000 (-)	-
Number of inquiries *1, 2 Unit: inquiries	1,533 (6,186)	1,880 (6,696)	6,186	6,696 (YoY 108.2%)	6,000
No. of new WEBinsource registrations*3 Unit: Organizations (Cumulative subscribers)	625 (26,993)	630 (29,714)	2,559 (26,993)	2,721 (YoY 106.3%)	-

*1 Each inquiry generated 364 thousand yen in incremental revenue (FY24 actual).
*2 Each new WEBinsource registration generated 192 thousand yen in Open Seminars revenue (FY24 actual).

In FY26, the Company plans to establish KPIs more closely linked to financial performance

HR Smart Pack | Contracts and sales amount
Leaf | Subscribers, users and churn rate

New content | Sales amount
AI BOAT | Number of users

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Major News in FY25 (as of November 2, 2026)

■ Expand AI-related businesses and strengthen DX/AX support services

Business Area	News	Remarks
AI-related Business	(July) Launched AI BOAT, a service that automatically generates self-study materials from internal manuals using AI.	Generative AI use
On-Site Training	(August) Supported SAIBU GAS HOLDINGS CO., LTD. in developing selected DX talent, providing training for DX project leaders on planning and implementing DX projects.	DX talent development
	(September) Supported basic ICT specialist training for the Tokyo Metropolitan Government, helping newly hired ICT staff and municipal employees develop practical DX knowledge.	
	(September) Supported DX talent development at Shizuoka Financial Group, Inc.; selected as partner for its FY2026 Digital Talent Development Program.	
Open Seminars	(July) Launched Forward-Deployed Consultant Training, applying the model emerging in systems engineering to a broader range of sectors.	Practical consultant training
Other Businesses	(September) Launched the Generative AI Utilization Test to assess company-wide AI adoption, identifying strengths and challenges across five areas.	Assessment
	(August) Launched 50 Video Learning Package Plans, offering a cost-effective range of topics, including generative AI and legal knowledge.	e-Learning
Other	(June) Significantly expanded transit advertising on major routes in Tokyo, Nagoya and Osaka, promoting the message “AI Utilization for 100 Million People.”	Brand awareness
	(August) Released survey results on Support for Balancing Work and Childcare Among Parents of Children with School Refusal	Survey
	(October) Announced the opening of the Insource Utsunomiya AI Research and Development Center and relocation of the Utsunomiya office	Facility opening and relocation
	(November) The Company's consolidated subsidiary, Insource Digital Academy Corporation, changed its name to Insource Consulting & Digital Corporation and plans to absorb Insource Consulting Corporation in January 2027	Corporate name change and merger
	(November) Business Alliance with Kinjiro Co., Ltd. - Strengthening Human Resource Development Support with integrated HRM Solution and an LMS -	Business Alliance

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Reference Materials ②

Insource’s Generative AI Strategy

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Generative AI Strategy: Becoming an Infrastructure Provider for AI Utilization

■ **Beyond the traditional "training company," we aim to support corporate AI adoption through "education" and provide infrastructure for productivity improvement**

1. Talent Development (Education)	2. Support Customers' AI Utilization	3. AI-Based Business Execution Platform

Integrating all three end to end is a distinctive strength of Insource

■ **Generative AI Strategy: Three Steps**

01

Capture the AI education market with affordable Open Seminars and videos

- Support AI adoption through education to boost customer productivity
- Overcome persistent barriers to AI utilization through education

02

Support customer education through consulting and AI applications

- Support customers' AI utilization through education
- Expand education and consulting services
- Grow recurring revenue with AI BOAT

03

Accelerate growth through talent investment and M&A

- Continue investing in sales, consulting and AI talent
- Make Kyushu and Utsunomiya AI development hubs
- Explore and execute capability-building M&A

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Growth Strategy Centered on AI BOAT

Accelerate Growth with New Services Leveraging Generative AI

Key Features of AI BOAT



Number of Customer Trial Environments Created More than **400** (End of Oct.)

FEATURE 01

Automatically generates large volumes of learning content

AI creates multiple-choice and written questions from manuals, training texts, and work instructions. It also grades written answers, substantially reducing preparation and grading work.

FEATURE 02

Sustains motivation and improves knowledge retention

Learners can compare progress with peers and compete in rankings. These features encourage continuous, self-directed study and healthy competition.

FEATURE 03

Makes progress visible so no learner is left behind

Visualizes each learner's progress and comprehension, identifies areas of difficulty, and enables timely, individual follow-up.

Four AI BOAT-Powered Service Offerings

Extend AI BOAT to other services, driving growth in training comprehension, video learning, and exam preparation.

Automated In-House Education

Generate original training materials from internal manuals and policies to enable ongoing education.

Certification Exam Support

Combine exam prep content with personalized AI learning support to help learners pass.

AI BOAT Standard in All Videos

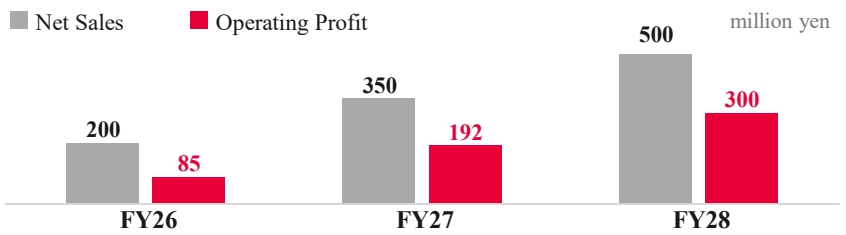
Add AI BOAT as standard to existing videos to enhance understanding and learning outcomes.

Open Seminars × AI Support

Pair new-hire Open Seminars with individual AI follow-up to accelerate workplace readiness.

Net Sales and Operating Profit Plan

(Generative AI-Related Services)



Breakdown of Net Sales for FY26
AI BOAT standalone: 115 million yen
Training programs, video sales, and other services incorporating AI BOAT features: 85 million yen

FY25: Promote adoption → FY26: Monetize AI BOAT → FY28: Expand sales

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Reference Materials ③

Company Overview and Insource's Advantages

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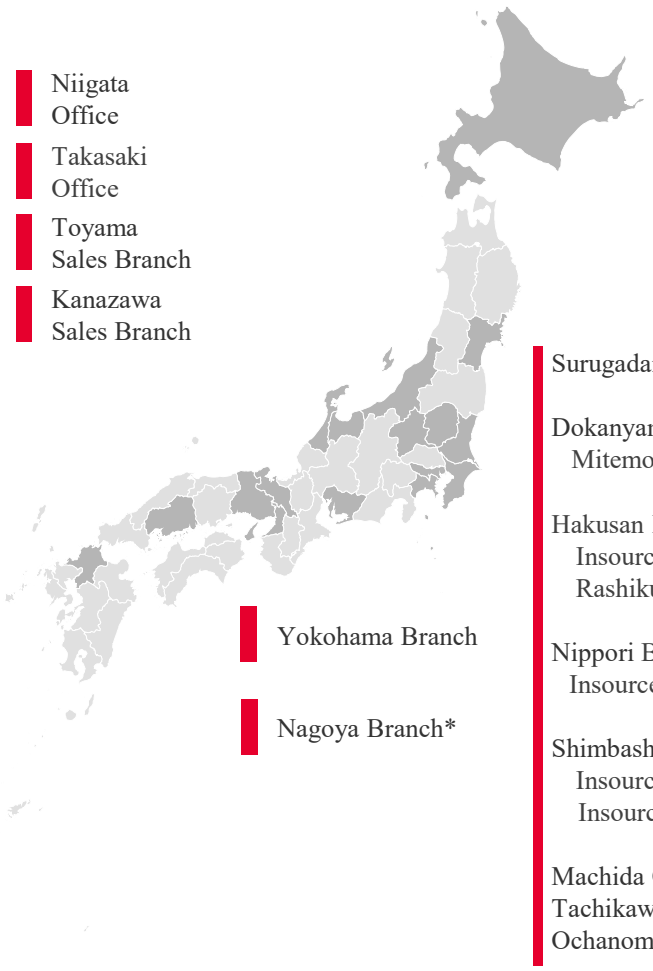
Insource Co., Ltd. (Code number: 6200)

- 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 November 1, 2026

- Group companies　7
- No. of seminar classrooms　62 in 6 cities
  (* Branches with Seminar Rooms: 10)
- Online Training Booths 86



Hokkaido Branch*
Tohoku Branch*
Utsunomiya Office
Tsuchiura Office
Chiba Office
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*
Surugadai Headquarters *
Dokanyama Building
Mitemo Co., Ltd
Hakusan Building*
Insource Consulting & Digital Corporation
Rashiku Corporation
Nippori Building*
Insource Business Rep Corporation
Shimbashi Office
Insource Consulting Corporation
Insource Research Institute Corporation
Machida Office
Tachikawa Office
Ochanomizu Studio
Shinjuku Office*
Yurakucho Classroom*
IT Media Laboratory

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Insource Group Business

- 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 96.3% ／ Trainers 94.5% ※ As of the end of September 2026

On-Site Training Business

Sales ratio FY25 48.4%
FY24 47.7%

- 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
25,485 times/796 thousand attendees
Of which, no. of online trainings and attendees
4,074 times /150 thousand attendees

オーダーメイド研修
講師派遣
INSOURCE CUSTOM MADE SEMINAR
*October 2025 - September 2026

Open Seminars Business

Sales ratio FY25 24.7%
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% off with HR Smart Pack
- From startups to large enterprises expanding nationwide

No. of annual training conducted and attendees
18,573 times/162 thousand attendees
Of which, no of online trainings and attendees
10,362 times/ 94 thousand attendees

１名さまから参加できる
公開講座
INSOURCE OPEN SEMINAR
※October 2025 - September 2026

IT Services

Sales ratio FY25 12.9%
FY24 13.3%

- Leaf Series (HR support system, LMS)
  Total number of paid subscribers (organizations) / Active Users
  936 organizations/5.52 million people *As of the end of September 2026

- Stress Check Support Service
  Cumulative number of organizations and examinees
  More than 4,350 organizations/ 5.3 million people
  *As of the end of September 2026

Other Businesses

Sales ratio FY25 14.0%
FY24 14.4%

- Video and e-Learning sales and video production
  (Sales composition in FY25 7.4%)
  Number of video sales and custom video production
  2,666 titles/ 630 titles * October 2025 - September 2026
- Consulting/Assessment Services
- Online Seminar Support Service
- Regional Revitalization Service
- Web Marketing Service
- Training operation management service

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

Insource

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

	Insource Training	Knowledge Education (e.g., schools)
Objective	**Behavioral change** (how to think and act)	**Knowledge acquisition**
Learning methods	**Hands-on experience** (exercises, group work, etc.)	**Classroom learning** (books, e-learning, GenAI)
Replaceable by GenAI?	**No** (requires person-to-person dialogue)	**Yes** (independent learning via PC)

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
Can't be replaced by generative AI
[Role-playing] Interview exercise - Listen closely to subordinates

7. Summary
Organize what to practice based on this training

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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 September 2026

Content Dev. Strength

- 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
5,246 types

Number of Open Seminars content
5,446 types

Number of video and e-Learning content
1,547 types

System Dev. Strength

- 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
107

IT engineers
127

Sales Expertise

- 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
29,732 pages

Sales representatives
314

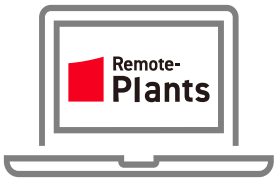
Annual number of inquiries
6,696

Digital marketers
40

Domestic Business locations
28

* The calculation methodology is scheduled to be revised starting from FY26

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

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Employee Composition and Stakeholders

- Employees are steadily increasing, strengthening recruitment and development of DX and generative AI personnel
- The number of employees is projected to reach 765 by the end of FY26, with a focus on recruiting necessary talent, optimizing personnel allocation, and improving productivity

	FY24 (Actual)	FY25 (Actual)	YoY change
Total Number of Employees *1	755	766	+11
Of which, women (percentage)	420 (55.6%)	417 (54.4%)	-3
Managerial personnel	233	266	+33
Of which, Female (Ratio) *2	93 (39.9%)	101 (38.0%)	+8
Senior (Over 60)	64	57	-7
Employees of foreign origin*3	5	6	+1
LGBT	4	5	+1
People with Disabilities (Employment Rate) *4	12 (2.89%)	12 (2.38%)	±0
Trainer	500	533	+33
No. of trainers by cumulative no. of trainings			
2,000 times or more	20	28	+8
1,000 to 1,999 times	67	71	+4
500 to 999 times	87	98	+11

*1 Excluding directors, corporate auditors, and executive officers. Among employees, temporary employees include part-time workers but exclude casual workers and dispatched employees
*2 "Administrative and managerial workers" include board members, corporate section managers and above, administrative civil servants, etc. among employed persons
*3 Employees of foreign origin include both foreign nationals and individuals who acquired Japanese nationality after previously holding foreign nationality
*4 Insource non-consolidated

	FY24 (Actual)	FY25 (Actual)	YoY change
Cumulative Number of Clients	49,561 organizations	52,926 organizations	+3,365 organizations
No. of Clients that used our services in the Past Year	16,063 organizations	16,460 organizations	+397 organizations
Number of shareholders	9,192	22,169	+12,977
Proportion of Shares			
Foreign investor	26.2%	21.8%	-4.4pt
Domestic investor	17.8%	11.0%	-6.8pt
Domestic corporation	34.8%	36.9%	+2.1pt
Individuals/Others	19.8%	30.1%	+10.3pt
Number of IR Meetings Held	185	114 (through 3Q)	-
Of which, with overseas Investors	60	41 (through 3Q)	-

- Female ratio among employees is 54.4%, female ratio among managerial personnel is 38.0%, many seniors are also active

- Obtained 2-star "Eruboshi" certification and "Kurumin" certification, certified as Certified Health & Productivity Management Organization 2026

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Market Environment

Training market for working professionals: About 4% annual growth
Japan's AI systems market: About 41% annual growth expected

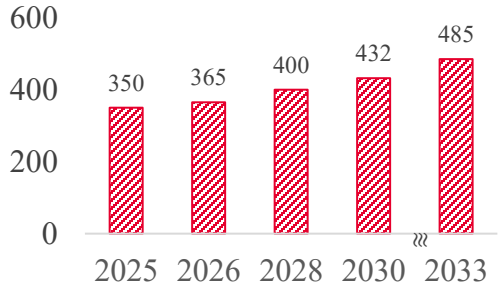
Expansion of career training market

In 2033
Career training market
(Estimate)

485 billion *1

CAGR (2025-2033)
4.2%

Unit (billion yen)



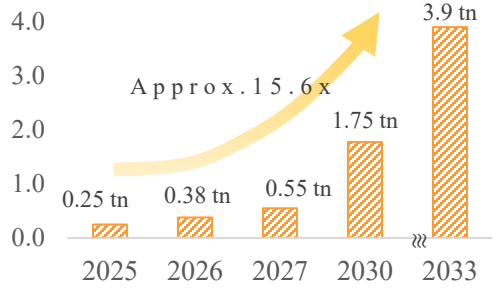
Expansion of the domestic AI systems market

In 2033
AI systems market
(Estimate)

3.9 trillion *2

CAGR (2025-2033)
41.0%

Unit (trillion yen)



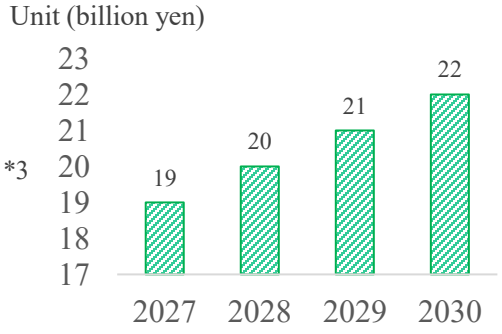
Advancement of HR development and streamlining of HR business through data utilization

In 2030
HR digitalization (LMS)
market
(Estimate)

22 billion *3

CAGR (2027-2030)
5.0%

Unit (billion yen)



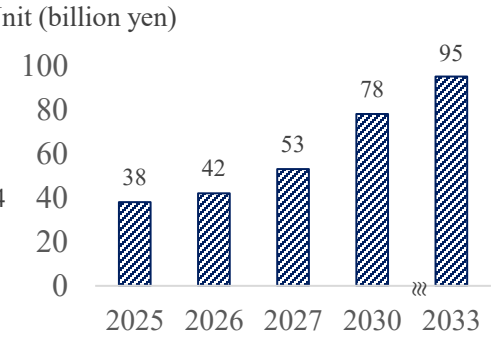
DX (digital) training market

In 2033
DX (digital) training market
(Estimate)

95 billion *4

CAGR (2025-2033)
12.1%

Unit (billion yen)



*1 Calculated based on the Ministry of Health, Labour and Welfare (MHLW)'s "Basic Survey on HR Development" and Ministry of Internal Affairs and Communications (MIC)' "Labor Force Survey".
*2 Calculated based on the MIC's "Information and Communications White Paper," and the Japan Fair Trade Commission's "Survey on Trends in Generative AI"
*3 Estimated by the Company based on previously disclosed market sizes and publicly available information.
*4 Estimated by the Company based on MHLW and IPA DX Trends publications, considering demand for DX and AI talent development.

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Reference Materials ④
Human Capital and ESG Activities

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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	FY23	FY24	FY25	Notes
Performance	Net sales per employee (¥ thousand)	27,148	26,528	25,799	Avg. no. of employees during the period (excl. temporary staff)
Performance	Operating profit per employee (¥ thousand)	10,661	10,930	10,219	Avg. no. of employees during the period (excl. temporary staff)
Performance	Training hours per employee	28h 30m	24h 51m	24h13m	Total hours of training and e-Learning attended (excl. study groups)
Performance	DX training — total attendees	1,064	60	1,088	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)	221 (40.3%)	233 (39.9%)	266 (38.0%)	
D,E&I	Managers newly promoted (female ratio)	25 (56.0%)	21 (38.1%)	33 (42.4%)	Number promoted from non-manager to manager during the period
D,E&I	Female childcare-leave take-up Male childcare-leave take-up	100% 53.0%	100% 62.5%	100% 88.2%	Take-up rate = actual takers as a share of those eligible during the period
Engagement	Percentage of employees holding Company shares*	66.9%	66.3%	70.2%	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

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FY25 ESG Highlights

■ **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.

■Environment

CO_2 Reduction Through Renewable Energy

Renewable energy use continued at all six company-owned buildings. However, Scope 1 CO_2 emissions began in FY25 following the introduction of company vehicles

Although Scope 1 + 2 CO_2 emissions rose from 83.8 t in the previous year to 130.1 t,

we achieved the long-term 2030 environmental target of 140.0 t (50% below 2020 levels)

■Social

Major In-House Training Results

More effective in-house training using AI-BOAT planned for FY26

Training Program	Participation Rate	Training Program	Participation Rate
AI Agent Training (online)	Ongoing	Copyright Law (e-Learning)	100%
Prevention of Insider Trading (e-Learning)	100%	Harassment Prevention (e-Learning / online)	100%
Labor Management (e-Learning)	100%	SME Transactions Act (e-Learning)	100%
Fundamentals of Business and Human Rights (e-Learning)	100%	Training for Newly Appointed Managers (face-to-face)	100%
Personal Information Protection and Information Security (e-Learning)	100%	Mid-Career Training (face-to-face)	83.0%

■Governance

Established a Basic Policy on Occupational Safety and Health

Building on our Health and Productivity Management initiatives, we will strengthen efforts to prevent workplace accidents and create safe workplaces. By safeguarding employees and business partners, we aim to enhance business continuity and maximize human capital value.



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Materiality and Long-Term Indicators

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

	Materiality	Actions	KPI	FY24	FY25	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	872,000	959,000	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)	21,000	25,000	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	4,883	5,246	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	1,287 15,000 5,018,000	1,547 18,000 5,523,000	1,500 15,000 7 million
ESG	【E】 Responding to climate change	Carbon neutral emissions from business	Scope1+2 (t-CO2)	83.8	130.1	140
	【S】 Empowering diverse talent	Create a workplace where diverse human resources can thrive	Percentage of female executive officers Percentage of female managers	11.1% 39.9%	15.8% 38.0%	50% 50%
	【S】 Community Relations	Solve community issues	No. of Regional Revitalization projects No. of local governments supporting period poverty	39 31	37 19	100 100
	【G】 Strengthening governance	Ensuring diversity in management	Increasing the percentage of women on the Board of Directors	25.0%	28.5%	50.0%

*Targets for 2030 are subject to change as business conditions and management plans are revised or changed in the future.
*The percentage of female executive officers excludes those who also concurrently serve as directors.

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