



【 Artist 】 Mitsuko Yoshizawa
 【 Title 】 在る "Aru"

Insource supports promising young artists and researchers from Tokyo University of the Arts. Each year, we select outstanding works of art and support them with school funds, etc. The winning works of the "Art Encouragement Award," "Sogyo Award," and "Asakaze Award" are exhibited in our company and seminar rooms to provide an opportunity for people to view the works of young artists.

【 Brief Biography 】

2017 Completed Master's Program in Japanese Painting, Graduate School of Fine Arts, Tokyo University of the Arts
 Won Insource Art Encouragement Award
 Accepted for or the Spring Exhibition of the Japan Art Institute(2016/2017/2018/2019/2020/2021/2022/2023)
 Accepted for the Saikoin Exhibition of the Japan Art Institute (2017/2018/2019/2022)
 Currently, entitled as "Inyu" of the Japan Art Institute



"Aru" by Mitsuko Yoshizawa

Insource Group Integrated Report 2023

Insource Overview

- One-stop solution for various management issues faced by organizations

We provide trainings on practical work skills (HOW). School education provides various basic knowledge and literacy. However, it is not enough because work requires different skills. What is important in work is how to use the obtained knowledge (HOW). Working adults need to learn these practical skills in a short time through multiple training means. We offer "the latest knowledge" such as IT skills

and "work methods (HOW)" for working adults. We also provide a wide range of learning infrastructure services. In addition, we are expanding our services to include web marketing support and recruiting, with the goal of providing one-stop solutions to the various management issues and concerns that organizations face.

Insource's Basic Policy for Offering Services

Concrete contents of "HOW"

Tailor to customers' needs

Simple and easy to learn

Multiple learning methods

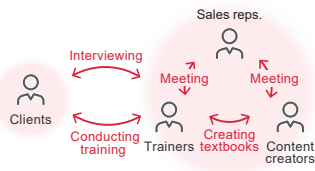
Competitive price

Insource Group's Four Businesses

On-Site Training

Dispatch trainers to the organization to provide customized training

- Separate and digitalize the roles of trainers and content-creators



Annual total no. of trainings conducted / attendees
18,858 times / 605 thousand attendees
Of which, no. of online trainings
5,198 times / 229 thousand attendees

*Oct., 2022- Sep., 2023

Sales ratio
1H FY23 45.2%
FY22 48.9%

Open Seminars

Open Seminars - It is possible even for one person to participate

- Seminars are held online and nationwide frequently

- More than 4,200 types of courses, including those offered by business partners, are available
- New courses introduced timely
- Up to 50% discount with "HRD Smart Pack"(our unique point service)
- Used by many enterprises including startups and large companies nationwide



Annual total no. of trainings conducted / attendees
10,518 times / 120 thousand attendees
Of which, no. of online trainings
6,574 times / 89 thousand attendees

*Oct., 2022- Sep., 2023

Sales ratio
1H FY23 22.2%
FY22 24.3%

IT Services

Educational support system with unlimited video content, unlimited viewing, and flexible customization

- Leaf Series (HR support system, LMS)
No. of Leaf paid subscribers/ active users
710 organizations / 3.82 million people

*As of the end of Jun., 2024

- Stress Check Support Service
Cumulative no. of organizations / examinees
Over 2,200 organizations, Over 2.2 million employees

*As of the end of Feb., 2024



Other Businesses

New businesses being developed and growing to address all management issues

- Rising Next (New Areas of Growth)
 - e-Learning/Videos sales and production
 - Consulting, Assessment Services
 - Online Seminar Support Service
 - Regional Revitalization Service
 - Web Marketing Service
 - Support Service for Training Management

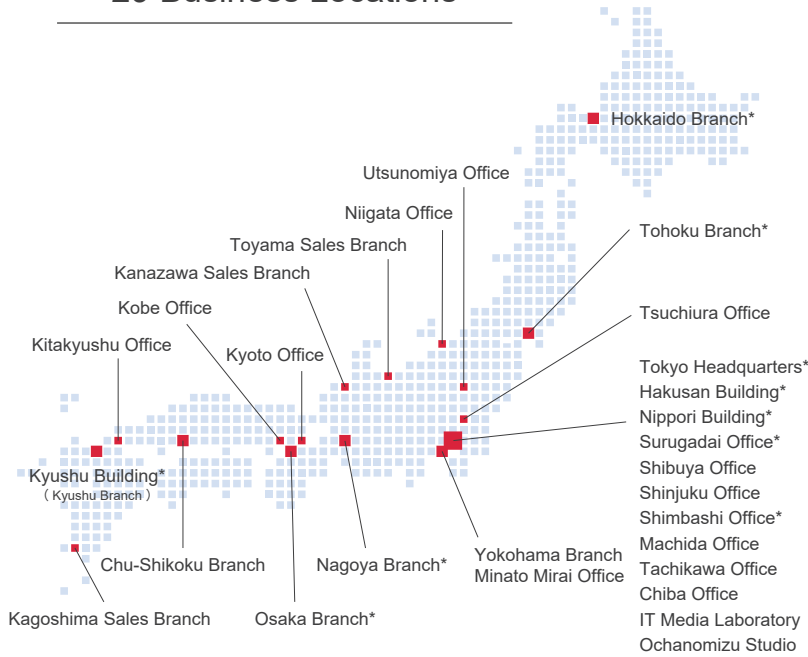


Indicators for Insource Groups

Total number of clients	Market share	Number of employees
43,468 organizations	2.8 %	647 people
Market capitalization	P/E ratio of	ROE
871 billion yen	32.56 times	38.1 %
Equity Ratio	Dividend yield	Number of shareholders
73.5 %	1.26 %	8,741 people

*As of the end of Sep., 2023

29 Business Locations



Seminar Rooms

46 in **6** Cities

Online Training Booths

112

*As of the end of June, 2024 *Branches with Seminar Rooms

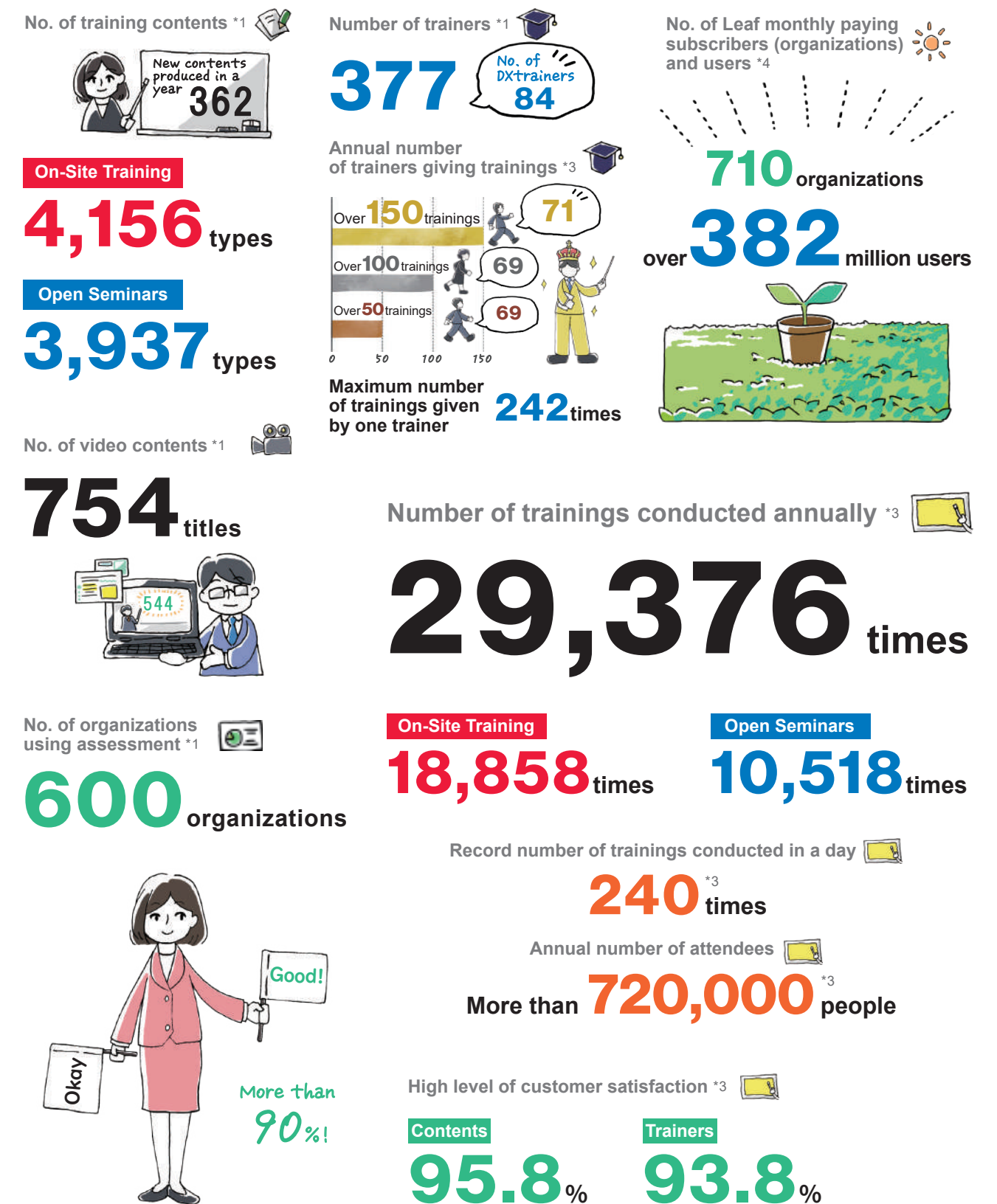
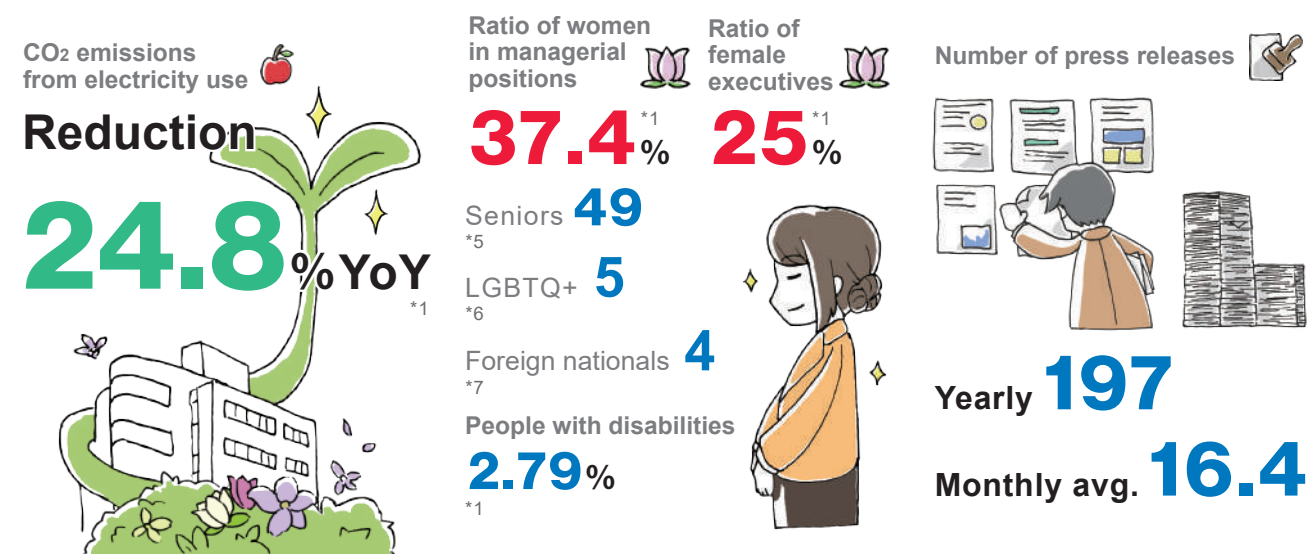
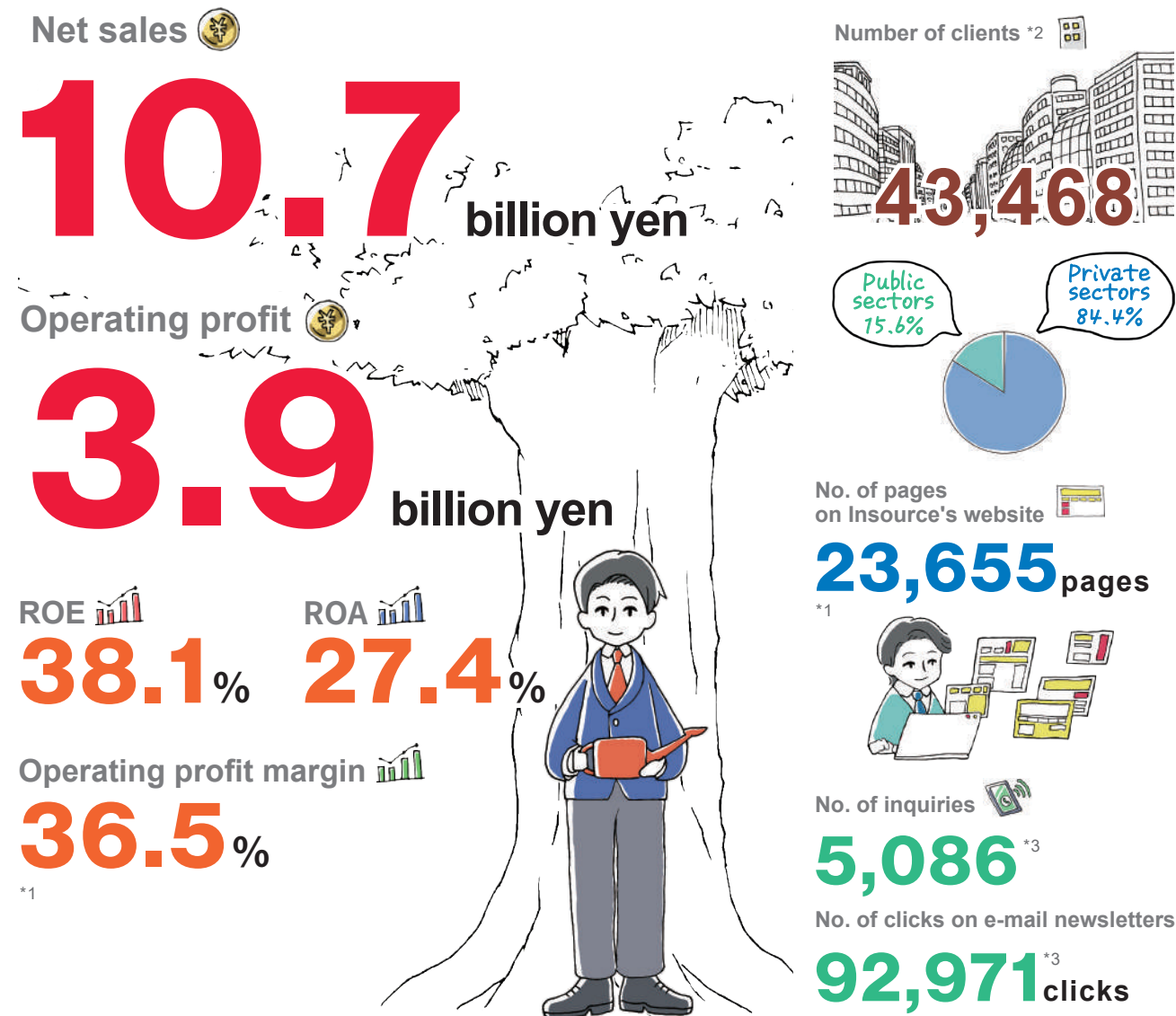
7 Affiliated Companies

Mitemo Co., Ltd	Regional Revitalization Business	Workshops	Consulting
Rashiku Corporation	Recruitment Support Business		
Insource Digital Academy Corporation	Training Business of HR with Digital Skills		
Insource Marketing Design Corporation	Website Promotion, Web page Creation, System Development		
Insource Business Rep Corporation	Support Service for Training Management, Help Desks and Call Centers		
Insource Consulting Corporation	HR strategy, Consulting, Professional development		
Insource Creative Solutions Corporation	Training content and video production, website production, consulting		



Insource by Numbers

Insource evolves with the times and changes



*1 As of the end of September, 2023 *2 Cumulative total from June, 2003 to the end of September, 2023 *3 The period from October, 2022 to September, 2023 *4 As of the end of June, 2023 *5 Number of employees aged over 60 *6 Number of employees who agreed to disclose externally as LGBTQ+ *7 "Foreign nationals" refers to employees with foreign nationalities. This includes foreign nationals who have acquired Japanese citizenship.

Corporate philosophy

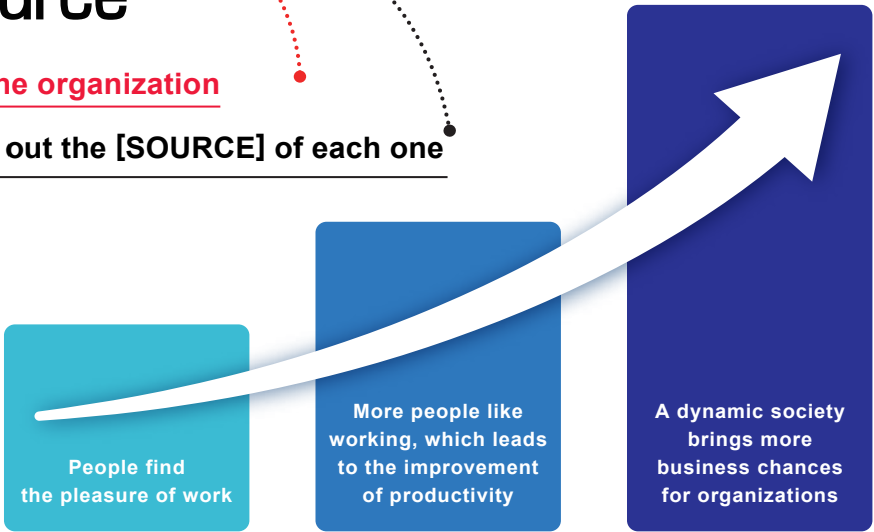
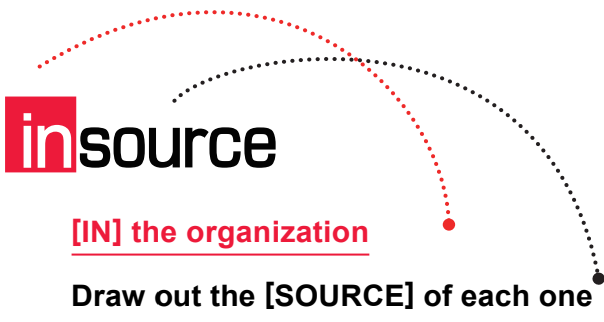
Our mission is to make a society that all people can enjoy working and feel fulfilled



Management policy

- Develop latest services that match social needs
- Provide best services tailored to each customer
- Pursue most efficiency of people and IT to be reasonable
- Realize a diverse society that everyone can give full play

Origin of Company's Name - INSOURCE



Insource's Management Goals - Never stop moving and keep creating

Continuously changing ourselves to meet customer needs in a changing environment

Change on its own

- Provided the best services that meet "all client needs" "quickly", "with our expertise", "at reasonable prices"
- Develop our services by ourselves, and also make efforts to improve quality and reduce costs
- Never build services for "our dreams"

It is very simple and not fancy at all, but this is how Insource works. Since our founding, we have developed a great number of services as a result of our commitment to meeting the needs of our clients. The aggregation of these services has become our strength and has led to our business performance.

There are no limits to these methods. As the environment changes and client needs change, we quickly develop services and continue to provide new value to our clients. Even after the pandemic, we will continue to develop new services with speed and grow significantly.

"We continue to act thoroughly and grow through destruction and creativity"

Destruction & Creation

- What we must break down is our own sense of limitation caused by being complacent
- Acting thoroughly leads to the next "creation"

We are not content with stable growth

We are not satisfied with stable growth. It is said that an artist can make a living as a professional painter as long as he or she establishes his or her style (a style or atmosphere that is recognizable to anyone who sees the artist's painting). However, even though the top painters have acquired their own style that is appreciated and praised by others, they do not hesitate to abandon old styles and still work hard every day to acquire new and better ones.

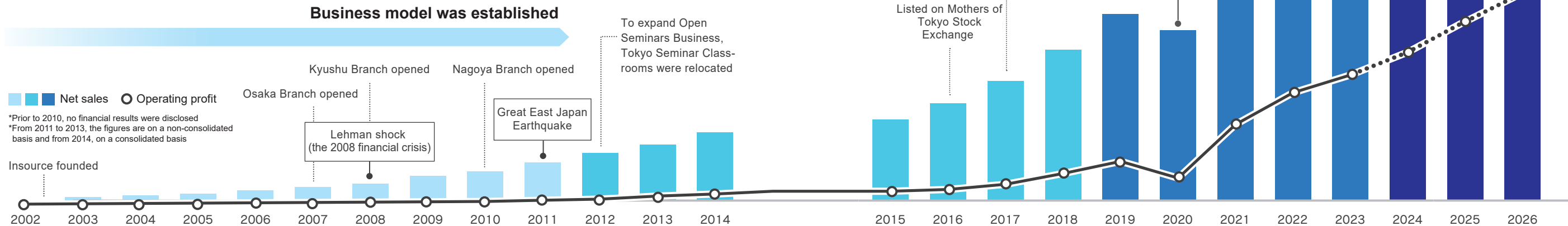
We create new Insource as we act thoroughly

Picasso, the greatest artist of the 20th century, changed his style five times, changing even society's concept of beauty. Our company is in a situation where we have finally settled on our style. Of course, we should not be satisfied with it. We want to create a new style by making all-out efforts, just like an artist makes dozens of sketches every day instead of just dreaming about it.

Insource's History

We believe that our mission is to realize a society that everyone can enjoy working and feel fulfilled. Under this mission, we have grown by constantly recognizing changes in society as opportunities. We will continue to challenge ourselves to create value for the Insource Group with "a sense of speed" and "flexibility."

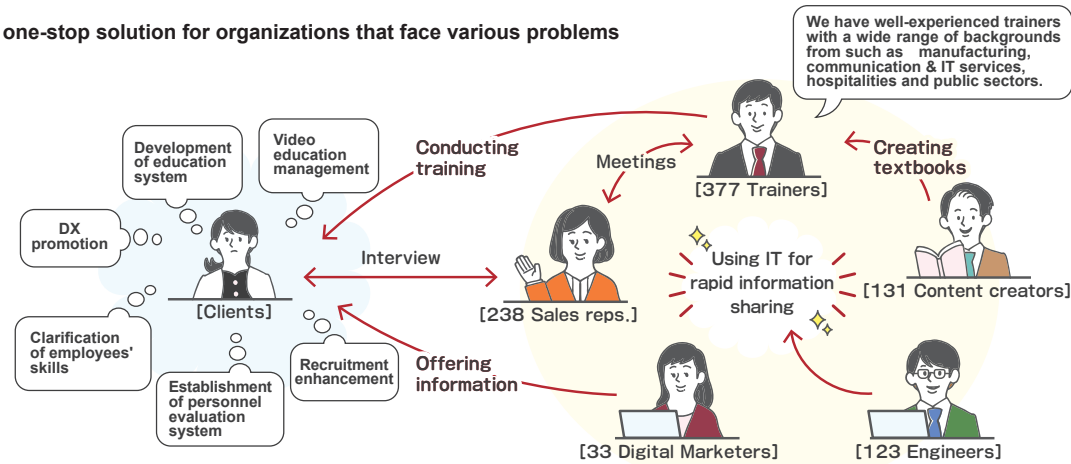
	▲ Establishment of offices	● New services	■ Subsidiary business started
2002	▲ Established Insource Co., Ltd.		
2007	▲ Opened Osaka Branch		
2008	▲ Opened Kyushu Branch in Fukuoka City		
2010	● Started special discount package for Open Seminars (which is now called HRD Smart Pack)		
	▲ Opened Nagoya Branch		
2011		● Started video production and e-Learning business by "Mitemo Co., Ltd."	
2012	▲ Increased more seminar classrooms in Tokyo in order to expand Open Seminars business		
2014	● Launched sales of "Leaf"		
2018		■ Started placement business by Rashiku Corporation / Acquired all the shares of "MIRAI SOUZOU & COMPANY, Inc."	
2019		■ Started IT training business by Insource Digital Academy Corporation	
2020	● Opened a website "Video Department Store" run by Insource		
2021	▲ Acquired Insource Dokanyama Building in Arakawa-ku, Tokyo and relocated part of the headquarters functions		
2021		■ Established Insource Marketing Design Corporation through acquisition	
2022		■ Established Insource Business Rep Corporation through acquisition	
2023		■ Established wholly-owned subsidiaries Insource Consulting Corporation and Insource Creative Solutions Corporation	
2024	▲ Achieved 29 business locations nationwide		



Division of work of trainers and content creators

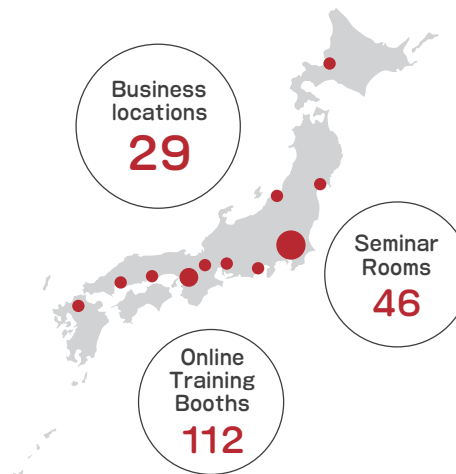
- In-house creators develop contents while trainers do training
- Create contents rapidly based on the company's database

We offer one-stop solution for organizations that face various problems



*As of the end of Sep., 2023

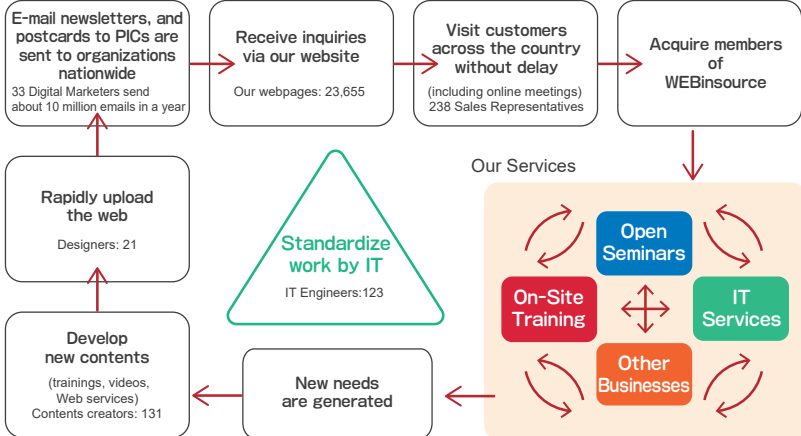
We provide good, reasonable services for companies and municipalities across the country



*As of the end of June, 2024

Business process was digitally transformed (DX), and product development and sales activities were integrated

- Received approximately 5,000 via our website in FY22
- Around 300 training contents are developed every year



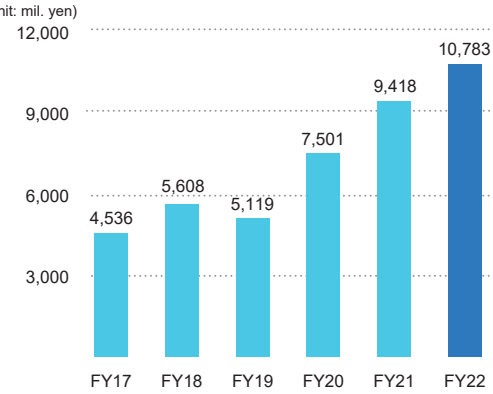
*As of the end of September 2023

Performance Trends

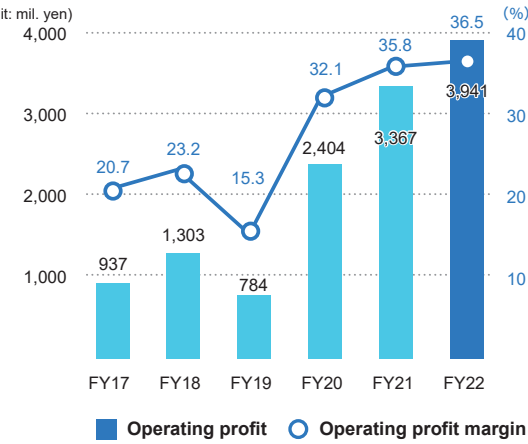
(Unit: million yen)						
Fiscal Year Ended September 30	FY17	FY18	FY19	FY20	FY21	FY22
Financial Reports:						
Net sales	4,536	5,608	5,119	7,501	9,418	10,783
On-Site Training	2,827	3,279	2,724	3,797	4,665	5,275
Open Seminars	1,166	1,527	1,267	1,827	2,218	2,617
IT Services			655	1,022	1,197	1,304
Other Businesses	541	801	472	853	1,337	1,586
Gross profit	3,096	3,959	3,643	5,721	7,214	8,242
SG&A	2,158	2,655	2,859	3,317	3,846	4,300
Personal expenses	1,662	2,047	2,260	2,615	3,107	3,445
Office-related expenses	131	142	169	182	162	170
Office & communication expenses	119	164	139	156	181	194
Others	245	301	287	363	395	491
Operating profit	937	1,303	784	2,404	3,367	4,063
Ordinary profit	933	1,298	795	2,416	3,346	3,937
Profit attributable to owners of parent	635	835	445	1,571	2,233	2,676
Financial Position:						
Total assets	2,889	3,082	2,883	4,500	6,125	7,929
Total liabilities	1,070	1,875	1,461	2,266	2,604	2,865
Net assets	3,959	4,957	4,344	6,766	8,729	10,795
Cash Flows:						
Cash flow from operating activities	751	1,345	191	2,356	2,544	2,902
Cash flow from investing activities	△147	△236	△624	△1,544	△687	△2,304
Cash flow from financing activities	804	△642	△639	△408	△655	△909
Free cash flow	604	1,109	△433	812	1,857	598
Per Share Information (yen):						
Earnings per share	7.68	9.93	5.30	18.71	26.53	31.79
Dividends	2.4	4.0	4.6	7.7	10.7	13.0
Payout ratio	31.3	40.3	86.7	41.4	40.5	40.9
Net assets per share	34.32	36.64	34.44	53.46	72.75	94.19
Major Indicators:						
Operating profit margin (%)	20.7	23.2	15.3	32.1	35.8	36.5
Equity ratio (%)	73.0	62.2	66.4	66.5	70.2	73.5
ROE (%)	29.4	28.0	14.9	42.6	42.0	38.1
Net profit margin (%)	14.0	14.9	8.7	20.9	23.7	24.8
Total assets turnover (times)	1.44	1.26	1.10	1.35	1.22	1.10
Financial leverage (times)	1.46	1.49	1.56	1.50	1.46	1.39
No. of employees	379	443	470	527	592	647

**Personnel expenses", "Wages, recruitment, training, and benefit expenses", "Outsourcing Expenses", and "Restricted Transfer of Shares (Restricted Stock)" are collectively referred to as "Total personnel expenses"
 ***Office-related expenses" includes "rent expenses," "fixed assets tax on company buildings," "real estate acquisition tax," and "depreciation related to tangible fixed assets."
 *Per share information reflects the stock split.
 *Number of employees does not include directors, corporate auditors and executive officers.

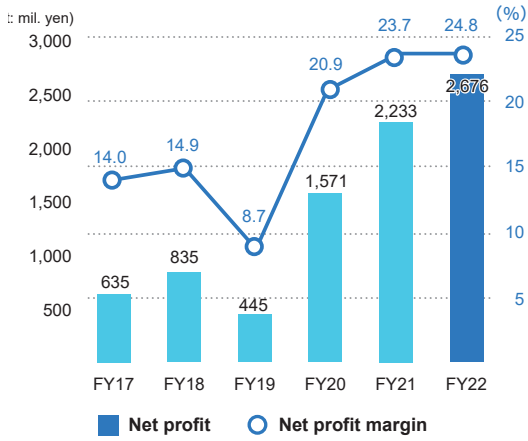
Net sales



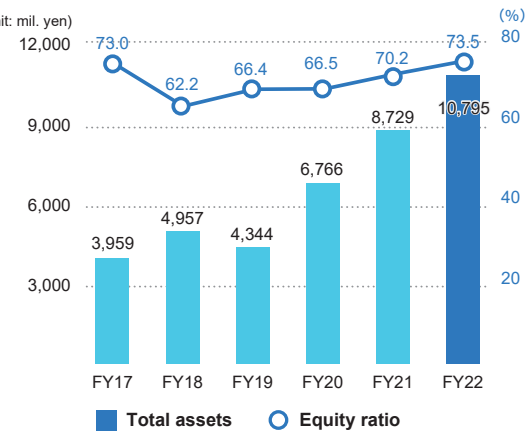
Operating profit/Operating profit margin



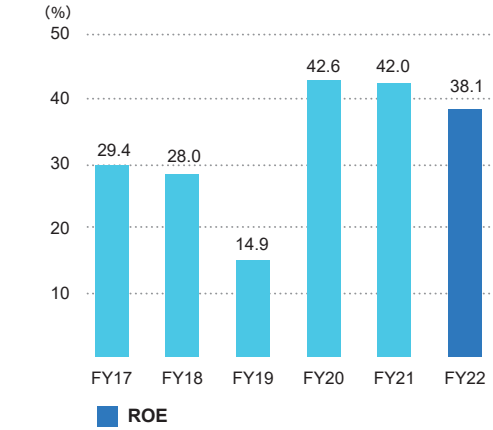
Net profit/Net profit margin



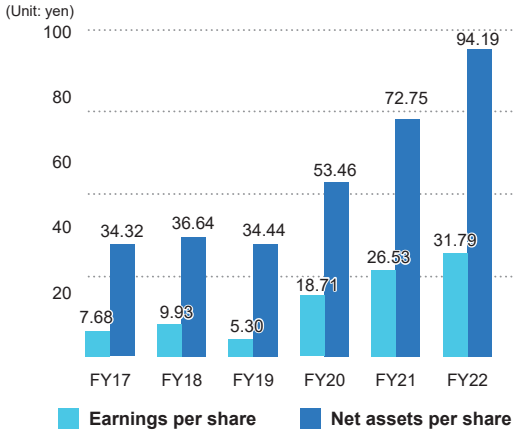
Total assets/Equity ratio



ROE



Earnings per share/Net assets per share



Contents

1 Introduction

- What kind of company is Insource? 02
- Insource by Numbers 04
- Corporate Philosophy 06
- Insource's History 08
- Performance Trends 10

2 Insource from now on
- CEO Message

- CEO Message 14



3 Insource from now on
- Business Growth and Corporate Brand Enhancement

- Three-year Business Plan 20
- Market Environment and Sales Strategy 22
- Future Content Development Capability 26
- Future Growth Strategies for the Open Seminars Business 28
- Future Growth Strategy for "Leaf" Series 30
- New Areas of Growth
 - DX Training 32
 - e-Learning/ Videos 33
 - Regional Revitalization 34
 - Online Business 35
 - Consulting Business 36
 - Other Businesses 37

Point

The Integrated Report 2023 includes new interviews with the project managers about Open Seminars, and content development growth policy

4 Toward Sustainable Growth

- CFO Message - Financial Policies 38
- Sustainability and Growth Policy 40
- S Initiatives for Health Management 44
- S Contributing to Society through Business 46
- E Actions on Climate Change 48
- S Human Capital 50
- S Contributing to Society Beyond Business 52
- G Governance that Supports Value Creation 54
 - Outside Directors' Interview
- G Corporate Governance 57
- G Risk Management 61
- G Dialogue with Shareholders and Investors 63

Point

This chapter introduces our approach to sustainability as well as specific initiatives that we are undertaking.

5 Value Creation

- Value Creation Process 64
- Management Base Content Development Capability 66
- Management Base Culture 68
- Management Base System Development Capability 70
- Management Base Sales Force 72

6 Data Section

- Board of Directors 74
- Consolidated Financial Data
 - Consolidated Balance Sheet 78
 - Consolidated Statements of Income 79
 - Consolidated Statements of Cash Flows 79
- How to Read Insource KPIs (Key Performance Indicators) 80
- Summary of Business Performance Trends and KPI 82
- ESG Data 88
- Company Information/ Stock Information 90

We have published this report to encourage dialogue with a wide range of our stakeholders. We are doing our best to provide information on our approach and efforts to "solve social issues," which is the purpose of our Group.

- Organizations covered in this report**
In principle, this report covers the eight Insource Group companies. In this report, "Insource", "the Company" and "We" refer to the Insource Group unless otherwise noted.
- Period covered in this report**
FY23 ending September 30, 2023 (October 1, 2022 to September 30, 2023) *Some of the information is outside the period covered
- Disclaimer Regarding Forward-Looking Statements**
Statements in this report regarding current plans, forecasts, strategies, and outlooks are based on information currently available. Please note that actual results may differ due to various factors in the future.
*This report has not been audited by an auditing firm

Related Websites (English)

- IR Information**
<https://www.insource.co.jp/en/ir/index.html>
- Monthly Key Performance Indicator (KPI)**
<https://www.insource.co.jp/en/ir/insmthdata.html>
- Sustainability**
https://www.insource.co.jp/en/ir/sustainable_index.html
- Q&A (answers to questions from investors)**
<https://www.insource.co.jp/en/ir/faq/index.html>

"ENERGY" - A booklet that introduces "Solutions for Japan"
<https://www.insource.co.jp/energy/index.html>

"ENERGY" is a promotional booklet that Insource publishes three to four times a year, providing up-to-date information on human resource development and original insights. It is well received by our clients for its easy-to-understand explanations of issues facing Japanese companies, such as Reskilling, DX, and regional revitalization, as well as our approach to these issues and the services we provide. Please take a look! (Please be noted that "ENERGY" is available in Japanese)

ENERGY Vol.13
Today's Reskilling

ENERGY Vol.14
Useful Assessments

CEO Message



Representative Director,
President and Chief Executive Officer

Takayuki Funahashi

Insource Group will aggressively and boldly promote all its businesses, aiming for sales of 17 billion yen by 2026.

Q What are the reasons for Insource's sustained growth? What are the advantages of Insource?

A ① The division of work in the service, ② The redefinition of the training business as contents business, ③ The improvement of productivity through IT, ④ Ability to take on new challenges and resilience to changes

Established a division of work in training services to provide high-quality training services at affordable prices

In FY22, we achieved an operating profit margin of 36.5%. The first reason for our strengths in achieving this profit margin is the division of work in training services.

Traditionally, On-site Training services sent trainers to companies. In general, the onsite trainers would meet with the customer and take the time to develop the training textbooks and conduct the training themselves.

We broke down the process of providing training services into "negotiation and coordination with customers," "textbook development," and "giving training," each of which is a collaborative effort based on the division of work among sales representatives, content creators, and trainers through the use of IT.

Specifically, our sales representatives interview clients about their needs and propose the most appropriate training programs from our database.

After receiving an order, the content creators develop original textbooks based on the program in a short period

of time, taking into account the individual needs of the clients.

The style is that trainers with high lecture skills can focus on delivering trainings using these textbooks.

As a result, many of our training programs are delivered by highly regarded trainers, and we are able to provide high-quality content at a reasonable price. This makes our training services highly competitive.

Define training services as a "content business" and create a database of developed content for further use

The second reason is that we have defined our training services as a "content business." All training contents we have developed are stored in the database. And the same content can be used for On-Site Training, Open Seminars, e-Learning and videos, which contributes to higher gross profit margin and operating profit margin. Although training services are often categorized as a HR business, we consider ourselves more like contents business. We develop more than 300 types of new content every year to maintain our competitive edge.

Realize productivity improvement and sustainable growth by streamlining business processes through IT

The third reason is the digitization of the entire business process. We have standardized every detail of our business processes so that even inexperienced young employees can do their jobs without mistakes. In the past, training services were considered to require veteran sales representatives with a deep understanding of the business to carry out their duties without mistakes. However, under the self-developed system for our business operation, employees who joined the company three years ago can now perform as well as veterans. This has greatly contributed to the productivity improvement.

Overcome the crisis with the ability to take on challenges and be resilient to change

The fourth is the ability to take on challenges and be resilient to change. When growth slowed after the COVID-19 pandemic, we overcame difficulties by making

bold changes in the way it approached its work, including speedy organizational changes and the development of new services.

In times of crisis, career training services often face cost-cutting. If we do not take action, sales will decline.

Our strength lies in our ability to be resilient to change, enabling us to rapidly develop new services and acquire new customers while enduring the pain of changing our mission and organization.

The reason for our sustained growth is that we continue to refine our four strengths in our daily operations

We believe that increasing sales and profits every year is the most important aspect of business management. To achieve this, we have continued to develop our four strengths in our daily operations since our founding. As a result, we have continued to grow in response to the COVID-19 pandemic and subsequent changes in the environment. While this approach is not flamboyant, we believe it is the reason for our sustained growth.

Q How do you compare with your competitors?

A Our three key strengths are "our ability to offer a wide variety of products", "our ability to provide products that perfectly meet our clients' needs at reasonable prices", and "the speed with which we can develop new products."

Our challenge for the future is to improve our skills to build relationships and proposal capabilities.

There are more than 2,000 companies in the career training business, including individual consultants, each with a strong customer base. It is difficult to survive in this industry simply by offering good prices and content. Compared to other companies, we are proud of our strengths in three areas: "our ability to offer a wide variety of products", "our ability to provide products that perfectly meet our clients' needs at reasonable prices", and "the speed with which we can develop new products." In terms of products, we aim to solve all HR-related problems, especially by means of education. We continue to expand our service areas by developing 300 new training courses per year and partnering with other companies.

We are able to customize our products to meet the needs of our customers and accelerate the development of new products by systematizing all processes and creating content databases.

We also have in-house systems development and an advantage in helping HR departments make the transition to DX.

On the other hand, many of our employees are young, and we have not been able to communicate our potential to handle all kinds of personnel issues. Therefore, in October 2023, we established Insource Consulting Corporation, led by veteran employees of Insource. This enables us to be deeply involved from the planning stage of employee training, and to have our clients recognize Insource's ability to provide high quality training by job level, assessment /consulting, and other services. We believe this will contribute to strengthening our competitiveness in the future.

Q What kind of management is Insource aiming for?

A We will continue to grow through content development, delivery improvements, and spin-offs.

Grow through content development - Respond to customer needs in the most up-to-date, and fastest way

We have been committed to producing “everything our customers need” “quickly” and “in the best possible way” by “ourselves” and providing it at a reasonable price. As a result, we have been able to provide a vast number of services that have been born from customer needs. The aggregate of these services has led to our services and sales. In addition, we have been thoroughly committed to developing services in-house, which is the source of our competitiveness in the content business, and we continue to seek ways to improve quality and cut costs on a daily basis. It is very simple, but it is our way of doing business.

Grow by strengthening delivery - Leverage competitive content

We have one of the largest collections of content in the field of career training in Japan. We believe that the key to growth is how quickly and widely we can deliver this content. Our market share is about 3%, so there is still 97% of the market. Therefore, we would like to increase our current 29 (as of the end of June 2024) business locations to about 40 as soon as possible, and secure sales through a region-based delivery system.

In addition, the EC site “Video Department Store,” launched in 2020 during COVID-19 pandemic, has continued to grow. We will further strengthen web-based sales of educational services following this with our DX capabilities. We will also promote alliances and expand sales through agents.

Success through spin-offs - Grow through group management

As organizations grow larger, they operate more slowly and their growth slows down. To break through this, we believe that the solution is for the motivated leaders and management-minded members of each spun-off organization to work independently and quickly. Insource Digital Academy, which promotes DX training, was established in April 2019 through a spin-off. Unlike Insource, this company has a large number of senior members, but it has been growing steadily, catching the wave of the DX revolution. Since the members and culture of the company are different from us, we believe that if it had been a part of our company, we would not have been able to achieve rapid growth. We intend to continue to promote spin-offs by educational genre and function so that each becomes stronger, leading to growth of the group as a whole.

Q What are your thoughts on the next generation of management personnel?

A We develop the next generation of management personnel through “tough assignments” regardless of when they join the company or how long they have been with the company.

One of the purposes of the spin-off is to increase the number of management personnel through experience in managing group companies. Rather than a pyramid-shaped organization with gradual steps up the ladder to the management level, we would like to divide the organization into smaller sections and increase the opportunities for each individual to take on challenges. Specifically, we will actively promote executive officers in their 30s and 40s, have them work on management issues, and increase the amount of experience they have in taking on the front line, in other words, “tough assignments”. This is a tough challenge in a harsh environment, but we believe that management of group companies is a great learning experience. This is because, rather than working as part of the main

Insource body, which has over 500 employees and a stable financial base, one must think independently about cutting costs, developing new products, securing human resources, compliance and risk management, etc., in a considerably more serious manner. While we will continue to proceed with “tough assignments,” the most important thing is to improve the performance of the group as a whole. We will raise the overall performance of the group as a whole by having group companies compete with each other. Of course, the next generation of management personnel will initially lack experience, so we will further focus on training them by establishing a support system.

Q What are your current challenges?

A We are not able to respond to a wide range of corporate issues, and there is room to increase sales per client.

Since our foundation, we have grown by developing our own training content to meet the needs of our clients. Today, we are not only engaged in the training business, but have also expanded our business beyond the education field to include assessment and video, as well as recruitment support, web production, and BPO support. However, sales representatives tend to propose training to personnel in charge of HR education departments that is completed in a one-time and one-year period, resulting in low sales per client. In order to solve the problems of entire corporate organizations, governments, and individuals, it is necessary to propose comprehensive solutions.

To overcome this challenge, we have begun training to change the mindset of our sales representatives and also to improve their proposal skills. For example, this includes training for multiple levels over a period of two to three years and strengthening consulting skills to prepare large proposals. Gradually, the awareness of sales representatives has changed, and internal knowledge has been accumulated. We will continue training to strengthen our proposal capabilities in FY23 and beyond.

Q Please tell us about your three-year business plan "Road to Next 2026".

A We will continue to grow with content IP as the core of our growth strategy. At the same time, we will accelerate the development of new businesses to add to the Rising Next.

The Three-year Business Plan aims for sales of 17 billion yen and operating profit of 6.5 billion yen in FY25

In order to increase sales per client, we will develop content targeted at sectors other than the human resource education department to enable us to address various management issues. In addition, we will secure the number of business sites and alliance channels to maximize the value of our content IP, which is one of our strengths, and improve the delivery. At the same time, we will aggressively pursue new areas of growth, such as overseas expansion through multiple utilization and multilingualization, and the development of new services that contribute to health management and the provision of services for individuals.

To realize Three-year Business Plan, strengthen management base on marketing, consulting, recruitment and education

We will realize the Three-year Business Plan by investing in our management foundations, such as our content development capabilities, sales capabilities, and system development capabilities, as well as in our human capital.

Then, we will first implement measures on the themes of “marketing,” “consulting,” and “recruitment and education.” In marketing, we believe that “segmentation of segments” is the key. We already have more than 4,000 broad content lineups, but we will further develop our product lineup. We will develop more “perfect-fit” services based on more detailed targeting, such as the number of client employees, industries, and characteristics of corporate culture, and conduct appropriate sales promotions for each target. We believe that consulting is an essential element in expanding sales per client. We aim to move away from a sales style of selling one-off training, and to provide medium-to-long-term, comprehensive support for management issues such as “human capital management” and “next-generation leader development” by working closely with our customers. In terms of recruitment and training, we will develop human resources who can continue to improve business performance by providing thorough training in the four areas of marketing and consulting, as well as project management and digital applications. We will also strengthen area-specific recruitment.

Q What is Insource's growth strategy for future?

A Insource will continue trying to sustain high growth in the future. To achieve this, we are considering growth strategies from short-, medium-, and long-term perspectives.

<Short-term Perspective>

We will accelerate the measures we have been working on since FY22, and aim to expand sales in the short term.

① Continue segment sales and direct marketing

We divided our customer segments into four segments: LE (Large Enterprise Business), MM (Medium Market Business), SMB (Small Medium Business), and public sector and local governments. Then, measures (setting goals and identifying issues, developing products, and sales activities) are implemented accordingly, and combined with direct marketing, and we will improve sales per sales representative.

② Expand Business Sites

We have abundant educational content, including a training curriculum. We believe we can expand sales by increasing delivery channels. Therefore, we will promote the improvement of sales per client and increase the number of clients for sales promotion by strengthening client relationships through community-based activities.

③ Expand the number of Open Seminars to be Conducted

In response to the growing demand for reskilling, we will increase the number of trainings held on weekday evenings and holidays, which are more easily accessible, in addition to the previous weekday daytime trainings. For example, the Open Seminars “Night Seminars” is a 2- to 3-hour online training that starts at 6:30 p.m. and offers content that can be learned effectively in a short period of time. We will continue to increase both the lineup and the number of trainings to be conducted to provide reskilling opportunities.

④ Strengthen sales promotion of LMS “Leaf” to local governments nationwide

With the introduction of “Leaf” by the central government, the public sector is increasingly eager to adopt educational management systems. We have developed Japan's only e-Learning service that allows local governments to implement unlimited access to their own content within the LGWAN (*). We have achieved complete security, and we will leverage this capability to strengthen “Leaf” sales promotion to local governments nationwide.

<Medium-term Perspective>

By boldly pursuing spin-offs and improving our client database, we aim to achieve sales of 17 billion yen and an operating profit margin of 38% by 2026

① Make changes to the organizational structure

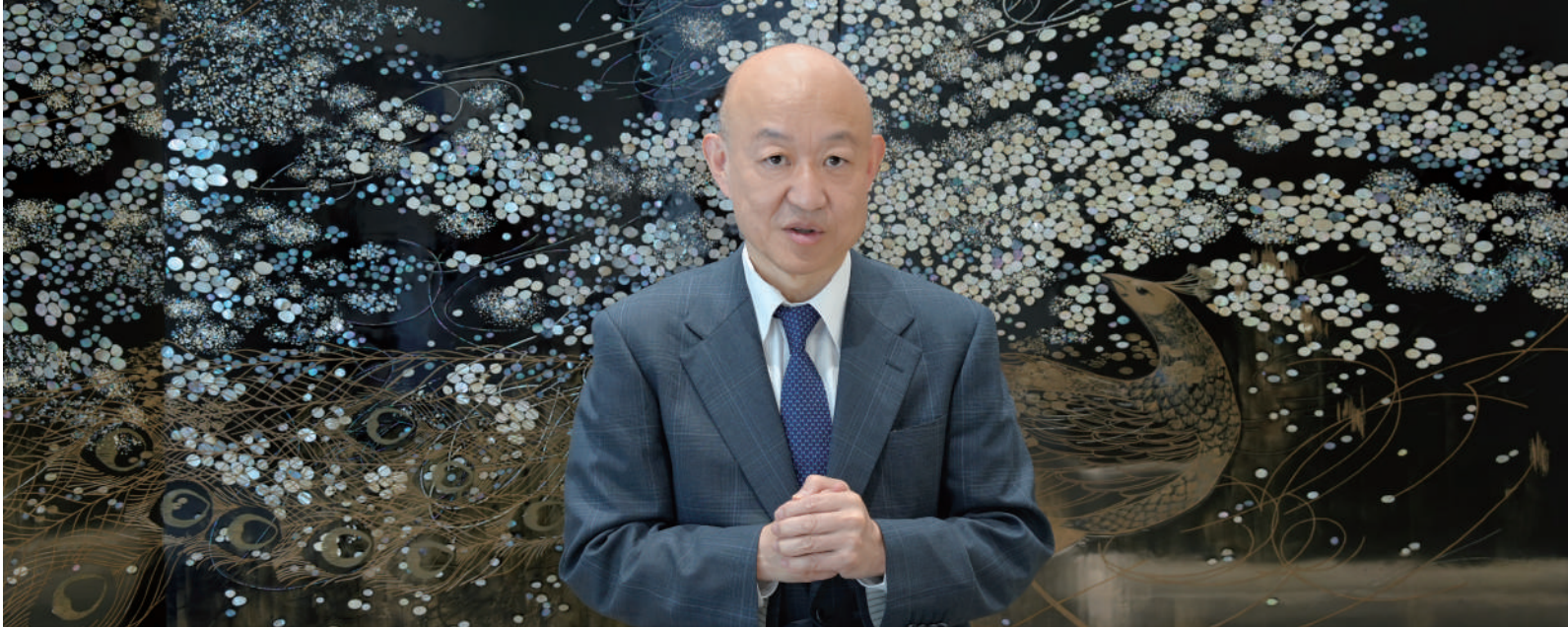
In FY22, Insource Consulting Corporation(ICO) and Insource Creative Solutions Corporation (ICS) were established, and we will continue to pursue further spin-offs. By making the organization smaller, we will be able to make decisions faster, move more quickly, and strengthen recruitment. We also believe that, like the Recruit Group, we can accelerate the expansion of our business performance by intensifying internal competition. We will continue to aggressively implement spin-offs.

② Improve client database

We developed our own client management system, “Plants,” and are expanding the data of target clients by product and service in order to promote more accurate digital marketing and to make sales activities more efficient.

③ Strengthen consulting services

We will strengthen our consulting services not only for human resource development, but also for comprehensive solutions to corporate, government, and individual issues. Insource Consulting Corporation is composed mainly of Insource's executive officers, which allows us to approach management issues more deeply. In particular, we will proactively respond to strong client needs with regard to next-generation management development and succession planning.



<Long-term Perspective>

Our goal is to achieve a market share of 10% and operating profit of 10 billion yen by 2030
Demand for career training continues due to trends in strengthening human capital and reskilling

Five Social Backgrounds for Continued Demand for Career Training

- 1 Increased reskilling needs due to human capital management
- 2 Lack of human resources who can utilize Generative AI in “Fourth Industrial Revolution”
- 3 The need for a multi-pronged approach to prevent turnover
- 4 Increased awareness of health management and increased need for employee education
- 5 Master the management techniques for the VUCA era

Expectations for Insource are growing

The role expected of career training is growing every year. Similarly, we feel that expectations for us are also increasing. We have grown as a “content manufacturer.” We believe that we can sustain our growth if we can strengthen our delivery services to ensure that our services are delivered to our clients. There are still many social issues that will help us grow. We believe that solving these issues is the key to growth.

① Actions to address future social issues

There remain unexplored areas of social issues for us to solve through education and IT, for example, training of technical personnel to maintain aging social infrastructure, measures to address the shortage of medical and welfare personnel, and improving the health of employees. In our “Correspondence Education Department Store,” which was launched in March 2023, we have greatly expanded our menu of training programs for technical personnel. We will aggressively take up the challenge in these fields as well.

② Strengthen the workforce through both recruitment and human resource development

Our mid-term strategy is to increase the number of business locations in the regions, hire determined women who live close to each location, and speedily deliver our high-quality content and trainers to our clients in a locally-based manner. In terms of human resource development, we will promote the spin-off of the company as part of our medium-term strategy, and in the long term, we would like to develop the next generation of managers, including the executives of our subsidiaries. We will continue to thoroughly educate our younger employees in the four areas of marketing, consulting, project management, and digital utilization.

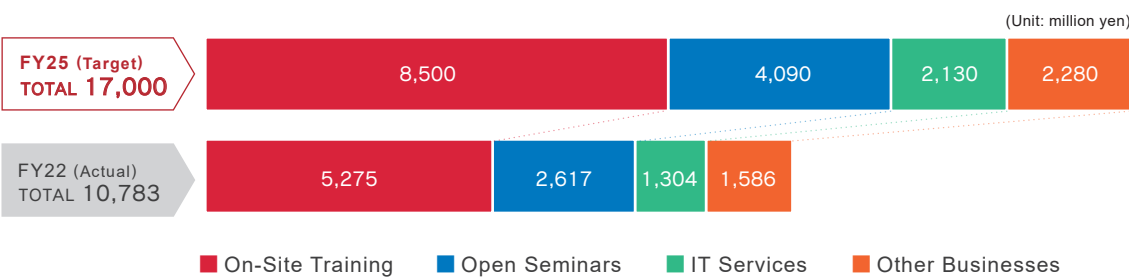
Three-year business plan ROAD TO NEXT 2026

In FY25, we aim for net sales of 17 billion yen and operating profit of 6.5 billion yen

Numerical target

	FY23 (Forecast)	FY24 (Target)	FY25 (Target)	(Unit: million yen)
				CAGR
Net sales	12,470	14,650	17,000	+ 16.4 %
Operating profit	4,850	5,520	6,500	+ 18.2 %
Operating profit margin	38.9 %	37.7 %	38.2 %	-

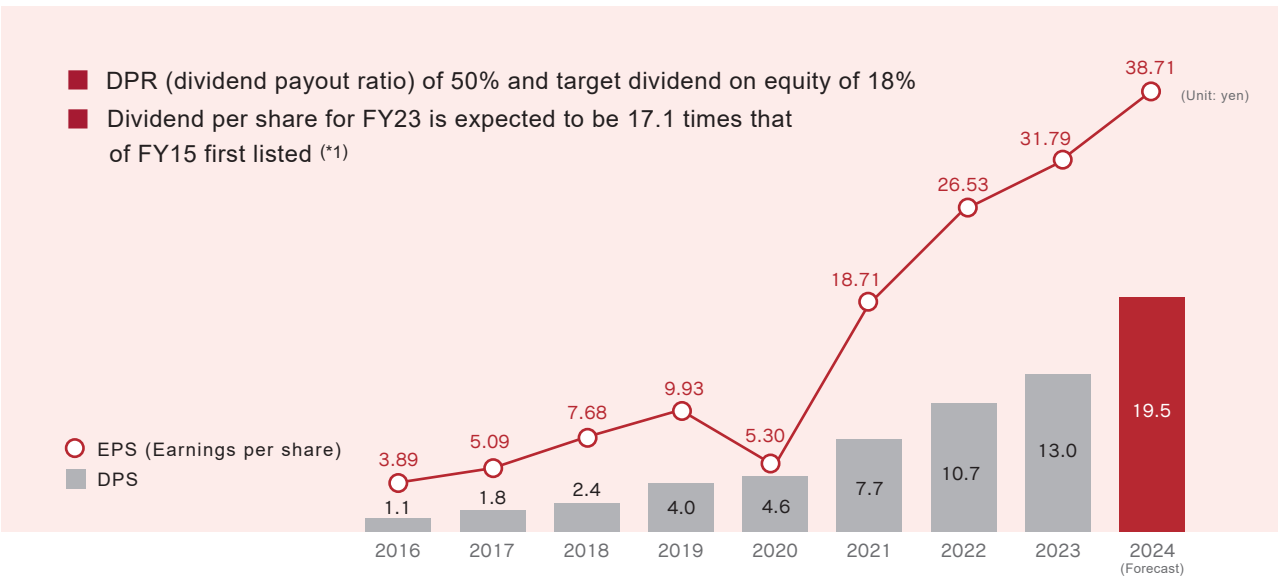
Performance Targets by Business



Key measures

- Expand sales per client by responding to a wide range of corporate management issues**
Strengthen content IP development and sales activities to target non-human resource education departments such as human capital management, strengthening recruitment, promoting DX, strengthening sales, strengthening management (support for listing on the stock exchange)
- Increase the number of clients by strengthening multiple utilization and delivery to maximize the value of content IP**
 - Accelerate securing alliance channels in addition to our own to enhance delivery to clients
 - Expanding overseas operations through multiple utilization and multilingualization
- Continue development and sales promotion of new growth area "Rising Next"**
 - Promote existing services and develop further new growth areas
 - Provide full services to individuals, including responding to reskilling needs

Shareholder Return Policy



(*1)We conducted stock splits on May 1, 2018, September 1, 2019, January 1, 2021, and January 1, 2023. Earnings per share and dividends per share reflect this stock split.

Scenario for future business expansion

- Expand clients to provide services and further enhance content IP development
Expand the range of target clients to include the entire corporate organization, government, and individuals outside of HR's education department, and expand the range of content IP development beyond human resource development

Target	Corporate HR department				Corporate planning and sales planning departments			Government administration	Individual
Issues	HR development	Personnel/evaluation	Labor/Benefits	Employment	DX promotion	Sales force strengthening	Management capabilities strengthening	Regional revitalization	Reskilling
Services provided by Insource Group	① Training/ e-Learning/ Assessment • Tiered • Communication • Productivity improvement • Career	① Training/ e-Learning/ Assessment • For assessors • MBO • Personal interviews	① Training/ e-Learning/ Assessment • Harassment • Health and productivity management • Labor management	① Training/ e-Learning/ Assessment • For new graduates	① Training/ e-Learning/ Assessment • Excel, PPT • Python • DX • Project management	① Training/ e-Learning/ Assessment • Sales • Marketing • CS improvement	① Training/ e-Learning/ Assessment • Training for management • Promotion of female employees activities	② Regional Revitalization	③ Learning support/ Career support • OA skills • ChatGPT • Programming
	① HR Tech • Leaf • Leaf corporate university • STUDIO	① HR Tech • Evaluation sheet to Web • Leaf Eva	① HR Tech • Stress check support • Leaf wellness	② Recruitment site Production ② Placement/ Recruiting	② Consulting DX Promotion, Sales Strategy, Management Strategy (Mid-term Management Plan)				
	② Consulting Comprehensive support for realizing human capital management (value enhancement and information disclosure)					② Web Marketing Support • EC website • Digital sales	③ Listing support/ IR support		
	② Consulting • Building education system	② Consulting • Building evaluation system			① Current main business	② "Rising Next"	③ Planned to be developed and offered in the future		

Strengthen the management base
(Contents Development/Sales Force/System Development + Internal human capital)

Market Environment and Sales Strategy



Director, Executive Officer
Manager of Group Sales Management Office
Daisuke Kanai

Q Please tell us about the market situation.

A The market for career training is expected to reach 440 billion yen in 2026, and our current market share is 2.8%. We believe there is still significant room for growth.

We will continue to grow, riding the tailwinds of labor shortages, reskilling, DX promotion, and other factors

We estimate that the market for career training, our primary market, will be worth 360 billion yen in 2023 and more than 440 billion yen in 2026 (including 35 billion yen in 2023 and 40 billion yen in 2026 for the DX training market). Our share of the career training market is currently 2.8%, and we believe that we can still grow, given the need to improve productivity per employee against the backdrop of labor shortages and the government's push to promote reskilling, career autonomy, and DX training.

■ Comparison of Business Size by Training Provider in 2023 *Incorporated associations and independent companies (except system integrators and information and telecommunications manufacturers)
◎=sales (big) ○= sales (medium) △=sales (small) ×=no sales

Rank	Name	Category	Business Size (Millions of yen)	Area of entry						
				Management/Business Skill		IT/DX-related	Organizational and human resources consulting	e-Learning	Assessment	Correspondence/Correction Service
				Private	Public					
1	A	HR development	21,000	◎	×	△	○	○	◎	△
2	B	Public Interest Corporation	13,500	◎	△	△	◎	○	△	◎
3	Insource	Independent	10,000	◎	◎	◎	○	◎	○	△
4	C	Independent	7,500	◎	◎	△	◎	△	△	×
5	D	Public Interest Corporation	6,000	◎	△	△	◎	△	×	×

This data has been analyzed by our research and we do not guarantee the accuracy, completeness, reliability, suitability, or validity of the data.

■ Changes in the career training market and Insource's market share over the past five years

	Market related factors						Market size		
	Training fee per person	Percentage of organizations conducting training *1	No. of employees *2	No. of employees in the private sector *3	No. of employees in the public sector *3		Estimated market size *4	Insource's share	
2026 (Forecast) *5	17	50.0%	4,500	4,000	525		4,400	3.5%	
2025 (Forecast) *5	17	50.0%	4,450	3,950	520		4,200	3.1%	
2024 (Forecast) *5	15	50.0%	4,420	3,900	520		3,750	3.0%	
2023	15	49.2%	4,369	3,851	518		3,600	2.8%	
2022	13	46.3%	4,313	3,799	514		3,400	2.6%	
2021	12	45.9%	4,268	3,754	514		2,600	2.8%	
2020	15	45.7%	4,216	3,710	506		1,550	3.2%	

*1: From "Basic Survey on HR (2023)," Ministry of Health, Labour and Welfare

*2: From the 2023 Labor Force Survey by the Ministry of Internal Affairs and Communications, Total number of companies and government agencies with 30 or more employees

*3: Organizations with 30 or more employees

*4: Calculated based on *1 and *2

*5: Finalized by Insource

Q What is your business strategy for FY23 and beyond?

A We will re-strengthen the opening of new business locations in regional areas and strengthen proposals to increase sales per client. We are actively working to grow net sales by 20%

Promote nationwide hiring and revive community-based sales

While we had refrained from opening small regional offices since the COVID-19 pandemic, we have re-strengthened our efforts to open new offices since FY23 in response to the increase in face-to-face training and face-to-face visits. We are approaching job seekers who “want to work without leaving their hometowns” by promoting local hiring. We intend to build and maintain uninterrupted relationships with clients through community-based sales and marketing .

The challenge is to maximize the use of the largest volume of content in Japan

One of the Group's major strengths is the abundant number of over 4,000 types of content and the variety of course styles, including On-Site Training, Open Seminars, and video materials. The Group also has more than 25,000 web pages containing information on these products.

Our challenge is to maximize the value of our latest and unique content, which we continue to develop more than 30 titles per month and keep updating to meet the needs of the times, and make the most of it to generate sales.

Increase sales per client by working with them to solve their business issues

Our future challenge is not to be satisfied with “just responding to clients' requests by providing one- time training and considering it done.” We are planning to increase the number of sales representatives who have the consulting skills to go deeper into the client's business issues and work with them over a period of six months, a year, or longer. As a result, we aim to increase the number of large-scale projects that support clients in a multifaceted and complex manner, including services other than training.

Define proposal amount as a key KPI for sales frontlines and provide training

To this end, we first set target sales per client by client size segment, and added the amount of proposals to the KPIs that are emphasized in the sales frontlines. In addition, once a week for 30 minutes, sales representatives share examples of orders received and lost for large proposals with each other, and their supervisors provide them with feedback.

Although there are still some issues to be solved in order to spread the concept to all of the more than 200 sales representatives, we are getting the feeling that the awareness of “moving away from one-time training” is gradually becoming more widespread.

Q How do you plan to develop sales by client segment in the future?

A Develop measures for each of the three segments plus the public sector segment. We will strengthen proposals, direct marketing, and content development.

Change to a sales structure matched to client segments

As the company grows, it is becoming increasingly difficult to cover all segments in total and maximize sales. We will conduct effective and efficient sales activities by matching our approach to client characteristics.

Large Enterprise (LE) (1,000 or more employees)

We will approach not only the HR department but also each business department as a continued measure from the previous fiscal year and aim to increase sales per client.

We will provide suitable content to each department that has a budget for training, such as the DX training promotion department, sales department, diversity promotion department, compliance department, and so on.The Large Enterprise business group of companies is also the most compatible with "Leaf Lightning," which will become the future signature product in the Leaf series (HR support system/ LMS). We will promote proposals to clients who have used only our training to switch to “Leaf Lightning” from other provider's LMS.

3. Insource from now on - Business Growth and Corporate Brand Enhancement

Medium Market Business (MM)
(300-999 employees)

We conduct sales activities with an emphasis on meeting with management, who have the authority to make decisions within the client's organization. MM-scale companies are characterized by the speedy implementation of various measures, including training, based on the judgment of management according to the internal and external conditions of the organization. If the content of the proposal fits the management issue, it is possible to win a large order within a few weeks after the proposal is made.

Our veteran sales consultants are able to think about solutions to management issues from the same perspective as management, and will put their consulting skills to work for the management of MM companies.

Small Medium Business (SMB)
(Less than 299 employees)

SMB clients are using Open Seminars by far the most,

accounting for 60% of the total number of organizations using the Open Seminars Business (*FY22). We will provide SMB clients with the latest information and build relationships with them through direct marketing such as direct mail and e-mail. In particular, we have been strengthening DM since 2H FY22, and this has contributed to an increase in the number of inquiries in 1H FY23.

Public sector and local governments

For public sector and local governments, the unit price per project is lower than that of private sectors, and for the past several years, we have not been able to focus on developing content and educating our sales department.In FY23, we are working to change the structure of our sales organization for public sector and local governments, provide training on how to make proposals that meet client needs, and develop specialized content based on the current situation of public sector and local governments.

Q Which of the four business and client segments do you plan to focus on in the future?

A Each business will have a segment to be strengthened. Overall, we aim to achieve growth in all businesses and a well-balanced structure so that we can maximize sales in all segments.

Maintain ability to respond to changes in the environment and continue to grow in each business

Since each business segment has its own strong segments, we intend to further develop the segments in which we are strong while reinforcing our weak points. In On-Site Training Business, we aim to increase sales per client, which is a current issue, by strengthening our ability to make proposals, aiming to obtain large proposals at LE and from multiple departments. In addition to the number of contents and prices, Open Seminars will promote the convenience of the WEBinsource function and the convenience of selecting dates by holding approximately 10,000 trainings per

year, which will contribute to expanding the number of clients, especially in SMB, as a product that can meet their specific needs.In IT Services Business, for the time being, the Company aims to maximize sales in the public sector and local governments, which commissioned a number of LMS “Leaf” series in FY22. In the medium- to long-term, we will expand sales by using the richness and affordability of the Leaf series lineup to strengthen our acquisition of private companies, especially in the LE.In Other Businesses, the ratio of LE is high due to the strong performance of the video and e-Learning business, which is the core of our sales. In MM and SMB, we will promote video rental plans to increase video and e-Learning sales.

FY23 Forecast (announced on July 22, 2024) (Unit: million yen)

		On-Site Training	Open Seminars	IT Services	Other Businesses	Total
LE	Net sales	2,447	896	831	651	4,818
	Composition ratio to total business	41.7%	28.9%	46.7%	38.0%	38.6%
MM	Net sales	994	666	193	217	2,078
	Composition ratio to total business	16.9%	21.5%	10.9%	12.7%	16.7%
SMB	Net sales	1,152	1,344	175	340	3,022
	Composition ratio to total business	19.6%	43.4%	9.9%	19.8%	24.2%
Public sector and local governments	Net sales	1,280	191	579	506	2,549
	Composition ratio to total business	21.8%	6.2%	32.5%	29.5%	20.4%
Net sales of overall business		5,875	3,100	1,780	1,715	12,470
Composition by business		47.1%	24.9%	14.3%	13.8%	100.0%

Q What is the status of recruitment and training of sales representatives?

A We will strengthen recruitment in the regions as we open new offices there, and we are looking for highly motivated experienced women to play an active role.

In education, we focus on new hires and younger employees in a practical manner.

Promote a system that allows employees to remain in business despite restrictions

It is true that, like other companies, we are struggling with recruitment. However, we are not pessimistic. We go out to recruit people that other companies are not interested in, but who can play an active role in the Company. We already have many experienced female employees who are working in sales while raising children and caring for family members, and they are able to listen to the concerns of our clients without hesitation, even if they are in management positions, and link their concerns to the results they want. We will continue to strengthen our recruitment of experienced women.

Thoroughly strengthen skills through practical education, focusing on new and young employees

Practical meetings and study sessions based on actual cases are held once a week, for example, a study session on PowerPoint skills for proposal preparation is held for new and young employees, lost order cases are shared, and large proposals are corrected.These meetings are held in the morning or in the evening.In fact, new and younger employees are highly absorbent and have the ability to learn from the know-how of management and veterans and immediately put it into action. We have high expectations for them as the future sales leaders of our company and area managers, and we will continue to provide them with generous training and experience.

■ Sales targets per client, sales, number of clients by segment

Segment		FY19	FY20		FY21		FY22	
Target per company		Actual	Actual	YoY	Actual	YoY	Actual	YoY
LE (1,000 or more employees)	Average sales per client (thou. yen)	941	1,454	+ 513	1,616	+ 162	1,614	△ 2
	Clients Reaching Sales Target(organization)	1,916	2,055	+ 139	2,305	+ 250	2,540	+ 235
	Sales Composition	35.3%	39.8%	+ 4.5pt	39.6%	△ 0.2pt	38.0%	△ 1.6pt
10,000 thou. yen or more	Clients Reaching Sales Target (organization)	23	42	+ 19	67	+ 25	70	+ 3
MM (300-999 employees)	Average sales per client (thou. yen)	504	673	+ 169	821	+ 148	878	+ 57
	Number of clients (organization)	1,635	1,635	± 0	1,835	+ 200	2,045	+ 210
	Sales Composition	16.1%	14.7%	△ 1.4pt	16.0%	+ 1.3pt	16.7%	+ 0.7pt
5,000 thou. yen or more	Clients Reaching Sales Target (organization)	16	25	+ 9	35	+ 10	51	+ 16
SMB (Less than 299 employees)	Average sales per client (thou. yen)	275	376	+ 101	383	+ 7	388	+ 5
	Number of clients (organization)	4,890	5,090	+ 200	5,970	+ 880	6,830	+ 860
	Sales Composition	26.3%	25.5%	△ 0.8pt	24.3%	△ 1.2pt	24.6%	+ 0.3pt
1,000 thou. yen or more	Clients Reaching Sales Target (organization)	321	487	+ 166	608	+ 121	738	+ 130
Public sector and local governments	Average sales per client (thou. yen)	487	643	+ 156	714	+ 71	742	+ 28
	Number of clients (organization)	2,345	2,328	△ 17	2,650	+ 322	3,005	+ 355
	Sales Composition	22.3%	20.0%	△ 2.3pt	20.1%	+ 0.1pt	20.7%	+ 0.6pt
100 thou. yen or more	Clients Reaching Sales Target (organization)	1,776	1,925	+ 149	2,173	+ 2,024	2,436	+ 412

Future Content Development Capability

Executive Officer
Manager of
Group Content Development Department
Yoshio Ohata

Q What is your strategy for future content development?

A In addition to the development of new content focusing on management and digital content, we will contribute to the overall performance of the Group by expanding the service of video viewing system convenience, consulting, and assessment.

Training content focuses on management and digital

We plan to place particular efforts in the development of programs for managers, with a large growth potential for our company and a high unit price per training. In the “digital field” and “non-digital reskilling field,” which are in high demand regardless of industry or company size, we are increasing the ratio of the number of programs developed by increasing the number of personnel from this fiscal year.

Video and e-Learning have the advantage of convenience and the number of contents

As with our training, we strive to improve the functionality of our services so that they are easy for administrators to use and easy for students to understand, taking advantage of the in-house developed viewing system “Rental Plan” as well as the extensive lineup of training programs.

Consulting and assessment is also our specialty

We have also increased the number of consultants for the establishment of education systems and assessments, which are mainly managed by Insource Consulting, established in October 2023, and are now ready to provide services to a large number of clients. We are confident that the Group as a whole will be able to leverage our content development capabilities in a multifaceted way.

Strengthen programs for individuals timely

More and more organizations are giving individual employees the authority to choose their own programs, and training needs are shifting from “training that the organization wants you to take” to “training that the individual wants to take”.In Open Seminars, many trainings are being developed and offered as “Night Seminars” during the evening hours after work, with a focus on improving individual skills, such as Chat GPT utilization, Excel, etc. In addition to an increasing number of applications for digital skills such as Chat GPT utilization and Excel, we have also found that there is a need for anti-harassment and compliance-related programs among managers who are busy during the daytime.In response to the reskilling trend, we expect to see the launch of business-to-consumer (B2C) type of business skill provision services. Naturally, we, too, will be quick to tap into this new market.

Improve skills of team members

In order to continue developing high quality content, we are also working to strengthen the digital skills of our employees and part-time staff. In-house study sessions are held weekly for the purpose of developing digital fields and improving work within the department.

Q What products will you offer to each segment?

A Work on improving the lineup of level-specific trainings for SMB and MM, and renewing content for the public sector.

**Large Enterprise (LE)
(1,000 or more employees)**

For large companies with which we have already offered new employee training and skills training, we will expand our lineup for next-generation leaders and senior managers to meet their needs for leader and executive development as well. In addition, we will also support the penetration of corporate philosophies, diversity management, Health and Productivity Management.

**Medium Market Business (MM)
(300-999 employees)**

Same as LE, we will expand our lineup of level-specific trainings to broaden the scope of our proposals. In skill improvement training, OA and IT-related training needs are high, and we believe that there are opportunities for DX promotion personnel training needs. In addition, training is increasingly being used to prevent turnover of new and younger employees, and we will focus on assessment services for younger employees and consulting services for career development and organizational retention.

**Small Medium Business (SMB)
(Less than 299 employees)**

Many SMB clients use our Open Seminars, and we are reviewing our level-specific training lineup for Open Seminars. We also have high needs for reskilling from attendees, and OA/IT skill training for seniors is particularly popular, so we intend to expand the contents. In addition, we are also expanding e-Learning and video contents, which can be used more easily, to meet the needs of those who find it difficult to allocate the budget and time for training.

Public sector and local governments

During the COVID-19 pandemic, as our clients' in-house trainings were suspended, updates to our programs for public sectors also delayed.Now that the pandemic has calmed down, the environment around local governments has changed significantly. Currently, we are reviewing our programs as a whole, focusing on popular policy formation, operational improvement, and OA skills. We are also receiving many inquiries about local co-creation consulting, such as support for small and medium-sized enterprises and promotion of tourism, and we will continue to enhance our offerings.

Continue to develop more than 300 programs per year to meet the needs of the times

Fiscal year	FY19	FY20	FY21	FY22	FY23 onwards
Social situation	Spread of COVID-19	Restricted activities due to the COVID-19	Accelerating the Promotion of Human Capital Management through "Basic Policies 2022"	• Emergence of the generating AI • Full-scale launch of Regional Revitalization • COVID-19 slowed down	• Further development of digital utilization • Diversification of working styles and mobility of human resources • Progress in health and productivity management
Themes for development	• Correspondence to telework • Crisis management	• DX promotion • Expansion of video content	• Development by corporate size • Career development by generation	• Return to workplace • Reinforcing face-to-face sales	• Respond to full-fledged demand for reskilling (especially DX) • Developed training by segment • Renewed training for public sector and local governments
Total number of new contents	319	321	333	362	More than 360 programs per year
Example of program	• Instructional training for subordinates in telework • Webinar for new graduates	• Series for system engineers • Office® Series-Learning from Videos	• Training for enterprises • Training for growth companies • Trainings to overcome difficulties (by generation)	• ChatGPT utilization • Character Education series • Series for a shy person	• ChatGPT Utilization • Use of Excel • Programs to prevent employee turnover • Health and Productivity Management Program

Top 5 of contents genre in each fiscal year

Rank	FY19	FY20	FY21	FY22	1H FY23
1	Telework COVID-19 measures 42	Digital skills 47	Business skills 43	Communication 40	Digital skills 68
2	For managers 33	For sales representatives 44	Communication 38	Digital skills 32	Business skills 33
3	Communication 31	For managers 32	Career/Motivation 36	Business skills 32	For managers 31
4	Digital skills 23	Subordinate guidance and OJT 22	For managers 32	For managers 27	Sales/ Marketing 12
5	For new graduates 23	Compliance 19	Digital skills 30	Subordinate guidance and OJT 23	For mew and younger employees 8

Future Growth Strategies for the Open Seminars Business



Executive Officer
Manager of Open Seminars Department
Hideaki Fujita

Q What is your growth strategy for the future?

A In addition to strengthening product development, convenience, and sales, we will control the number of trainings, which is the key to success, in a precise and aggressive manner.

Product 1. Respond immediately to the society's needs, such as reskilling

We believe it is important to immediately reflect the needs of the society in order to sustain growth in both the short and long term. For this reason, we are expanding our product lineup, focusing on those that support reskilling. For example, in response to customer needs, we began attracting customers for ChatGPT-related training as soon as we started developing it; it was so popular that the first session in July 2023 was fully booked, and as of June 2024, it is still contributing to increased sales. In addition, approximately 57% of the attendees for all trainings applied individually through Open Direct (*), which is a significant contribution to the acquisition of reskilling needs.

Product 2. Lineup consists of products that are easy to select

We have released the “Newly Promoted Series” and the “Training Series.” We have released in this style so that clients can easily select the right one for them! In the future, we are also considering strengthening training for senior managers and directors.

Enhanced Convenience Develop WEBinsource functions and expand services

We are also focusing on improving convenience and increasing the number of educational options within client organizations through the development and modification of the “WEBinsource”, an easy application system. Regarding Open Direct (*), we have released a number of new features, such as a “supervisor approval function” that enables on-site training applications to be completed without the need for HR personnel, and a “Open Seminars application ranking function” that allows members to check the popularity of courses within their own organizations, thereby encouraging organizations to pursue reskilling. In June 2024, we also released a new “HR SmartPack Purchase Function” that allows HR personnels to purchase new points for the HR SmartPack. In the future, we intend to build a system that can provide more time-independent educational opportunities, including the distribution of missed trainings.

*Open Direct Function of “WEBinsource”
Free optional function of WEBinsource that allows attendees, not the training administrator, to register for training on their own

Sales Activity 1. Strengthen independent sales and direct marketing to acquire and nurture new clients

Since FY23, we have established a new team within the Open Seminars Department to conduct independent sales activities. By increasing contact with clients through business meetings and phone calls, the team will be able to pick up on detailed needs that have not been fully approached in the past and link this to product development and system development/upgrades. In direct marketing, we will build a system to provide individualized training recommendations, such as “If you have received this training, we will offer this training next,” to encourage continuous attendance.

Sales Activity 2. Expand sales channels through agents

We plan to continue to expand our agent sales channels, led by Plus Alpha Consulting Co., Ltd, with whom we began a partnership in November 2023. We will further raise our top line by delivering our products to previously unreachable target groups.

Expand the number of venues and precisely control the number of trainings conducted

We are expanding the number of Seminar Classrooms as the need for face-to-face training has returned to pre-COVID-19 pandemic levels from FY22. In order to secure sales and profit margins, it is necessary to both strengthen the training where attendees actually visit our Seminar Rooms and maintain the online training. To this end, we have calculated the optimal number of settings and trainings to be held for each training program, and are setting them up on a large scale without falling into a state of shrinking equilibrium. We have also analyzed daily application data in detail and made additional settings to meet the needs at the same time. We will continue to provide the best educational services for every need and realize “for you.”

Excerpts from news (press releases) related to Open Seminars (FY22 to 1H FY23)

Year	Month	News	Category
22	11	Held "Insource Open Seminars Textbook Exhibition" where visitors could take a look at the actual training textbooks	Product
	11	Released “ENERGY SESSION series” (Half-day training course in which videos can be viewed in advance)	Product
23	1	Released "Mindset for Veterans Series"	Product
	3	Released Open Direct, a free function on WEBinsource that allows users to sign up directly with the training	Convenience
	3	Opened Insource Nippori Building - 8 seminar classrooms where attendees can visit to attend Open Seminars	Classroom expansion
	4	Developed new content related to ChatGPT, an interactive AI	Product
	5	Developed 5 “Newly Promoted Series” for promoted employees	Product
	9	Updated “Open Seminars Request” service, now possible for one person to apply for a training	Convenience
	11	Signed a business alliance with Plus Alpha Consulting Co., Ltd.	Sales Activity
	11	Released a Webinsource's new function "Open Seminars application ranking function"	Convenience
	12	Released “Night Seminar” - Strengthening individual reskilling	Product

Future Growth Strategy for “Leaf” Series



Executive Officer
Manager of IT Service Department
Shun Tanaka

Q What is Leaf’s strength?

A While it comes with more than 176 full-featured functions and rock-solid security, adding options at a reasonable price is also possible.

LMS can be implemented for a basic fee of 75 yen per ID (ex.tax)

The basic fee for the “Leaf” series is reasonable. For example, as for “Leaf Lightning,” the monthly fee for 3000 IDs is 225,000 yen without tax, making it possible to implement an LMS for only 75 yen per ID. In addition, the initial cost, data storage capacity, number of simultaneous accesses, and help desk fees are waived for a perpetual period, and since the usage fee remains the same, users can continue to use the service at a stable running cost.

Multifunctional LMS for all types of education

“Leaf Lightning” is an LMS with a vast number of functions tailored to Japan’s detailed educational management system, as many as 176 functions. In particular, “Leaf Lightning” provides basic functions such as both appointing and raising hands type projects, which are essential for education in Japanese organizations, implementing flows that require supervisor approval, and checking assignment questionnaires with supervisor checks. In addition, with security that is recognized by central government agencies and major financial institutions, unlimited simultaneous access, and unlimited content storage capacity, “Leaf Lightning” is competitive in terms of security, availability, and redundancy, as well as in terms of functions and price.

- Basic functions initially included in “Leaf Lightning” (example)
- Test function that allows shuffling and time limitation
 - Automatic multilingual subtitle generation (70 languages)
 - Automatic and manual reminders for training and e-Learning
 - Webinar function (available via Zoom or Teams)
 - Private training (appointed training)
 - Fully responsive (including administrator functions)

Stable operation

“Leaf’s” greatest technological strengths include its robustness to withstand mass access and its high level of security. “Leaf” uses Microsoft Azure, a cloud service provided by Microsoft Corporation, to withstand large scale accesses and to build a high level of security. Moreover, in system development, as the scale of development increases, the experience and knowledge of hardware, such as servers and networks, as well as software development capabilities, become more important. Although it is very difficult to build and operate a system for “Leaf,” which simultaneously distributes large volumes of data to a large number of users, our engineers have been able to ensure stable operation. As a result, the system is being used by a growing number of large companies that are switching from on-premise server systems to cloud systems.

*Microsoft Azure is a trademark or registered trademark of Microsoft Corporation.

Q How do you look back on your most recent business?

A Received orders from the Ministry of Education, Culture, Sports, Science and Technology (MEXT) and the Ministry of Health, Labour and Welfare (MHLW). The Company achieved a 29.9% YoY increase in monthly revenue to 429 million yen and a 90.5% YoY increase in customized sales in 2Q FY23 (cumulative total).

Started providing a platform for 900,000 teachers and approximately 490,000 care managers

We were entrusted by the Ministry of Education, Culture, Sports, Science and Technology(MEXT) in April 2023 with the development of an educational training platform for 900,000 teachers nationwide. Also in April 2023, we were selected as a contractor for the “Project to Promote Online Training for Care Support Specialists in 2023” implemented by the Ministry of Health, Labour, and Welfare (MHLW) .This platform is used by approximately 490,000 care managers throughout Japan.

We expect further expansion of use of the platform in the future by raising its name recognition among government agencies.

- Public Sector Contracts in FY22 (in order of press release)
- April 2023 MEXT(for 900,000 teachers nationwide)
 - April 2023 MHLW(for 490,000 care support specialists nationwide)
 - July 2023 Yokohama City (for approximately 25,000 officials)
 - August 2023 Yamanashi Prefecture (reskiing for approximately 3,750 officials)
 - August 2023 Nara Prefecture (for workers in companies located in the Prefecture)
 - September 2023 Japanese Nursing Association (for nursing professionals nationwide)

Q What are your future growth strategies and challenges?

A By thoroughly responding to changes in the external environment, we aim to achieve sales of 2.1 billion yen in FY25. To achieve this, we need to accelerate “Leaf’s” replacements from other companies systems in the private sector, in addition to expanding the number of public sector implementations.

Be an essential partner in human capital management

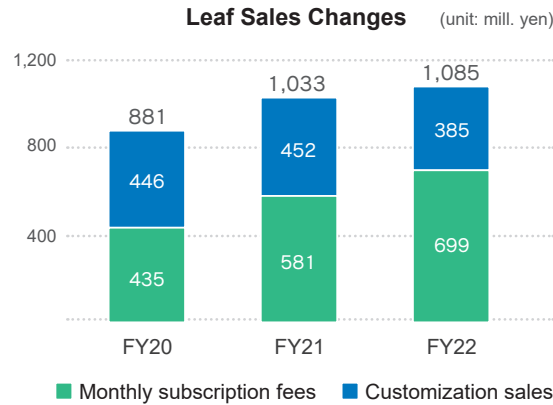
Currently, there are a total of 11 “Leaf Series” systems, which can address all kinds of organizational issues. As an important partner for accelerating human capital management, we would like to provide not only systems but also consulting services to solve our clients’ management issues. To this end, we will mobilize specialists in each field, work together, and flexibly combine our services, we will naturally be able to improve the cost per client by introducing them.

Must acquire new clients in the private sector

The “Leaf” series currently has more than 3.82 million active users (as of the end of June 2024), thanks to the detailed functions, reasonable prices, and strong security that we, a company with extensive knowledge of training, can provide. In addition, we have been able to win large contracts with government agencies, and the name recognition of our company and “Leaf” has been increasing. However, for further growth, it is still necessary to increase the number of projects in the private sector. There are two reasons for this: first, public projects are spot-based and sales are temporary; second, public projects are often fixed-term contracts and do not lead to continuous growth.

Aim at large companies to replace their existing systems with “low-cost, multi-functional, and high-security “Leaf”


In FY22, monthly sales to the private sector totaled approximately 580 million yen, up 120.0% YoY, while customized sales were only about 247 million yen, up 67.6% YoY. We will continue to actively participate in public bidding projects, but in addition, we need to accelerate the pace of system replacements in the private sector. We will promote the LMS as a “low-cost but multifunctional, high-security, and the one you can add options” and expand.



New Areas of Growth
"Rising Next" 1

DX Training
Busines

Provided by


insource
デジタルアカデミー

- OA training/video (such as Excel, Powerpoint)
- IT training/videos (such as network, database)
- Programming language training and videos (such as Python, PHP)
- DX literacy assessment
- PRA implementation support
- DX realization consulting



Aim for sales of 2.3 billion yen in FY25, given growing interest in Generative AI and reskilling

DX training market size is expected to grow to 40 billion yen by 2025 (*)

As Generative AI such as Chat GPT attracts attention and DX becomes more familiar, DX in the corporate world is moving from the “initiation” phase to the “implementation” phase. The development of DX human resources is becoming an increasingly urgent issue for both private companies and public institutions, and there is a growing demand to strengthen DX skills and expand human capital. At the same time, however, we are seeing many companies that are not promoting DX because their employees are often concurrently engaged in their own business activities. In light of this situation, we developed 32 new digital-related trainings in FY22, to help reskilling DX personnel. The DX-related business recorded 920 million yen (+34.5% YoY) in FY22. We will continue to support our clients' DX promotion by developing content tailored to their needs.

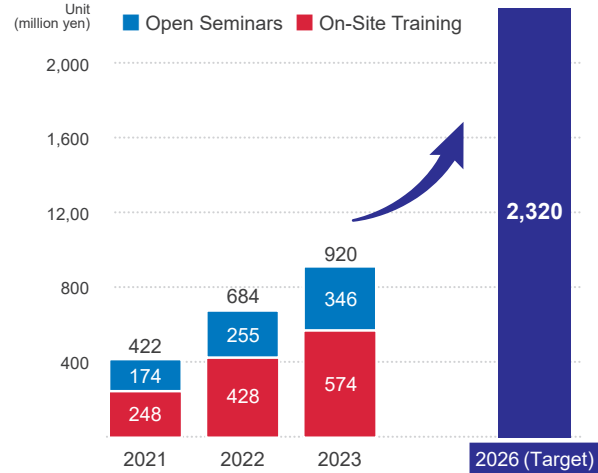
*Calculated based on Information-technology Promotion Agency, Japan (IPA), "Survey of Enterprises and IT Human Resources for Digital Transformation (DX) Promotion" report and Ministry of Internal Affairs and Communications, "Economic Census - Activity Survey."

New Approaches
Expand services for
individuals
- Responding to reskilling needs



A new brand “Insource Riskilling” was launched to provide full-scale riskilling support. In addition to the expansion of Open Seminars held in the evenings and on weekends, clients can choose from a variety of learning methods, including video and correspondence education.

Net sales - DX training




Orders received between FY22 and 1H FY23
(in the order of the press releases, excerpts)

1. The Bank of Yokohama (Finance industry)
2. DKS Co. Ltd. (Petrochemical industry)
3. Mizuho Securities Co., Ltd. (Securities industry)
4. Yokogawa Bridge Holdings Corp.
(Advanced technology and engineering business)
5. FUJI KYUKO CO.,LTD
(Transportation and leisure industry)
6. Resonac Corporation (Electronics industry)
7. ZENHOREN CO., LTD. (real estate industry)
8. Ryuseki Front Line Co., Ltd. (Information and telecommunications, temporary staffing, etc.)

New Areas of Growth
"Rising Next" 2

e-Learning/
Videos

Provided by


insource

- Outright Purchase
- Rental
- Video monthly subscription (STUDIO)



Market size is expected to be 114 billion yen, and sales are targeted at 1.2 billion yen in 2026

Deeply penetrate a market of 114 billion yen (*)

The e-Learning and Video Business recorded 664million yen (+13.4% YoY) in FY22, and the business has continued to expand. While the COVID-19 pandemic has calmed down and face-to-face training has gained popularity again, there is a growing need for video-based education for knowledge-intensive training. We are also developing content that enables effective learning in a short period of time, for example, by combining it with preparatory assignments for Open Seminars. The e-Learning service is characterized by the fact that, in addition to the flat-rate unlimited viewing service offered by other companies, clients can select videos by theme, level, style on the “Video Department Store” (EC site) and “easily and immediately purchase the videos they want”, which matches the needs of our clients and is growing rapidly.

Three ways we provide video contents

Plan	Price (incl.tax)	Features
Outright Purchase	198,000 yen or more/ title	Great value plan for companies that already have their own video viewing system and wish to have a large number of employees watch the videos repeatedly such as for compliance training
Rental	1,870 yen or more/ person	Plans that minimize the time and cost for HR personnel when the target trainees are limited, such as a few promoted managers, or when one-off training is required
Monthly Subscription	11D 385 yen or more/ month	Great value plan if the client wants the employees to view multiple topics repeatedly over a period of time

*Source: Yano Research Institute (2024) "e-Learning Market in Japan: Key Research Findings 2024"
https://www.yano.co.jp/press-release/show/press_id/3512

Future Issues ① Expand product lineup

In FY22, we released 210 new titles, for a total of 754. We have set an annual development KPI of 210 titles and aim to have a lineup of over 1,300 titles by FY25. In addition to quickly converting popular training programs into videos, we are expanding the fields covered by our alliances, such as the “Health Management Series” and “Asset Formation and Financial Literacy Improvement”.

Future Issues ② Expand video production business

The “Easy Order” service, which we began offering in FY21, is a new and innovative service not offered by any other company. We customize our existing content to match the needs of each company at a low cost. We are able to realize the detailed customization in which we excel, and we will continue to support our clients in resolving their issues.

Sales trend for e-Learning/videos

Unit: million yen, %

Plan	FY21	FY22	YoY
Outright Purchase	403	471	+17.0%
Rental	27	39	+41.6%
Monthly Subscription	155	153	-1.0%
Total	586	664	+13.4%

New Areas of Growth
"Rising Next" 3

Regional Revitalization Business

Provided by



- Management support for small and medium-sized companies (innovation support/new business development/recruitment support)
- Support for tourism promotion (inbound tourism/acceptance/development of domestic tourism)
- Support for business startups and fostering entrepreneurial spirit
- Cross-boundary learning and recurrent/ reskilling education through public-private collaboration

Sales in FY22
151
million yen



National budget is 1.7 trillion yen in 2023 (*) We aim for sales of 800 million yen by 2026

New regional development projects are needed in response to changes in industrial and social structures

The changes in the industrial structure due to globalization and digitalization, and the accelerating aging of society and concentration in Tokyo are reshaping the social structure of local regions, requiring local small and medium-sized businesses to break away from their dependence on the existing industrial structure and take on the challenge of new types of business. However, due to a shortage of labor, it is not possible to maintain existing businesses or even to shift from one generation to the next. 1.7 trillion yen is expected to be spent on Regional Revitalization in 2023, and in order to break through this current situation, support for the development of next-generation industries is required.

Examples of Regional Co-creation Project Achievements LOCAL CRAFT JAPAN - Craft Tourism as a Starting Point Passing on "Japan's Local Crafts" to the Future

◆ Project Contents

- Support the creation of sustainable tourism programs in five producing regions in Japan (as of Dec. 2022) and promote collaboration among regions
- Formation of craft tourism teams in each region and provision of know-how
- Support for the use of websites, videos, online tools, VR technology, and other digital tools to tell the story of production areas.
- SNS, marketing support, and PR events

◆ Areas where tours have been organized (traditional crafts/culture as a starting point)

- ① Sado City, Niigata (Mumyoi ware)
- ② Shiojiri City, Nagano (Kiso lacquerware)
- ③ Uji City, Kyoto (Orin bell)
- ④ Yoshino, Nara (Yoshino cedar)
- ⑤ Bingo, Hiroshima (denim)



LOCAL
CRAFT
JAPAN
Craft & Journey
工芸だけが知る、
まだ知らない日本へ

Three Steps to Co-Creation

By following the three steps below, a standard procedure is established and local small and medium-sized businesses can take on next challenges.

STEP 1 Raising the Perspective

Organize seminars and symposiums. There, we will share the vision and potential of the project, share the practical knowledge of pioneers, and build momentum. We will also draw out the commitment of the government to the project.

STEP 2 Create a common language

Workshops will be held to jointly learn business transformation and business creation methodologies in a practical manner and to create a common language. We may also match small and medium enterprises (SMEs) with external human resources.

STEP 3 Become self-driven

Through the successful experience of the accompanying support of our experts, we will establish a business plan and implementation system that will allow the business to continue even after the support ends.

Focus on solutions to strengthen "the region's ability to make money on its own" and aim for ¥800 million by 2026

Specific support and human resource development will continuously be required to create a sustainable and developmental economic cycle in the region, such as management support for SMEs, support for tourism promotion, and promotion of entrepreneurship. We aim to reach 800 million yen by 2026 by actively restructuring the businesses SMEs and supporting the recruitment of government and local development enterprises.

*Calculated by the Company based on the "Regional Revitalization Budget" on the website of the Secretariat for the Promotion of Regional Revitalization, Cabinet Office, Government of Japan

New Areas of Growth
"Rising Next" 4

Online Seminar Support Business

Provided by



- Online seminar/training management services
- Operator dispatch
- Rental of seminar rooms
- Rental of distribution equipment

Sales in FY22
203
million yen



Support for administration, management, and follow-up of face-to-face events to further expand business



Follow-up services after in-face-to-face training

Since the COVID-19 pandemic, the online holding of training and seminars has become more common, and the number of face-to-face seminars being held simultaneously is also increasing. In addition to the management of these online seminars, we also provide follow-up services for those who were unable to attend face-to-face training

<Example 1>

- Company : Telecommunications equipment business with more than 900 employees
- Overview : Conducted three types of training for managers over a four-month period online.
- Content : Questionnaire collection, attendance management, and follow-up distribution
- Features : By setting a 4-month period so that all trainees can take the training even during their busy work schedules, we made it possible for all trainees to participate in the same training program.

We are also able to organize award ceremonies

<Example 2>

- Company : Consulting business with more than 400 employees
- Overview : Operation of award ceremony for excellent companies sponsored by the central government
- Content : Creation of necessary materials for the ceremony, stage management, and shooting
- Features : Design of award plaques, guidebooks, pamphlets, and posters are all produced by the Company

Detailed administrative support is available for face-to-face training

As we have a thorough understanding of the entire training process and the associated HR issues, we are

able to provide full support from the planning stage to after the training takes place.

For example, we can effectively handle complicated administrative tasks such as contacting attendees, responding to inquiries, collecting assignments, and tabulating questionnaires, by utilizing our system on behalf of our clients. We can also provide full support for auditing training, confirming attendance, and adjusting training schedules.

<Example 3>

- Company : Chemical manufacturer with more than 7,000 employees
- Overview : Management support for level-specific training for employees in their second to fifth year with the
- Content : company
- Features : Handling of schedule changes to prevent unattended training and management of face-to-face training on the day
Reduced costs for personnel in charge of education by providing management services for 150 trainees

Future Issues

- Expand services and strengthen sales promotion for further business growth

We will respond flexibly to changes in the external environment and client needs, and focus on the following issues.

- Strengthen sales promotion to private companies, particularly large corporations, and expand support
- Strengthening the system to provide various administrative, operational, and follow-up services including face-to-face events

New Areas of Growth
"Rising Next" 5

Consulting
Business



Provided by

- Build an education system
- Enhance management capabilities and develop leaders
- Improve engagement
- Penetrate corporate philosophy

Contribute to the sustainable development of our clients through the maximum utilization and maximization of human capital - Insource Consulting Corporation

Since its foundation, Insource Group has worked with more than 40,000 organizations and has sincerely addressed the issues faced by our clients, particularly those in the human resources department. Human capital management, engagement improvement, and the development of next-generation management cannot be achieved overnight. In October 2023, Insource Consulting Corporation was established as a business partner that identifies and addresses the challenges that have not yet become apparent to our clients and accompanies them over the medium to long term. The features of the new company are the following two.

Feature ① Consulting close to the client

The members consist mainly of the founding members of Insource. By combining the knowledge we have accumulated over the years, we are now able to propose solutions to more complex and difficult issues. In addition, because we provide client-centered support, each client can proceed steadily with a sense of understanding and satisfaction. As a result, clients can expect continued effectiveness even after our assistance has ended.

Feature ② Total coordination with diverse solutions

We provide total support by utilizing all of Insource Group's services, from system design and review to implementation and operation of educational programs. For example, we propose educational programs such as training and videos based on the skill map from the establishment and review of the educational system. We also provide operational support with our education

platform "Leaf" so that clients can continue to use the platform on their own after the support is over.

Case Study ①
-Support for Establishing an Education System-
(Energy and infrastructure industry, approx. 8,000 employees)



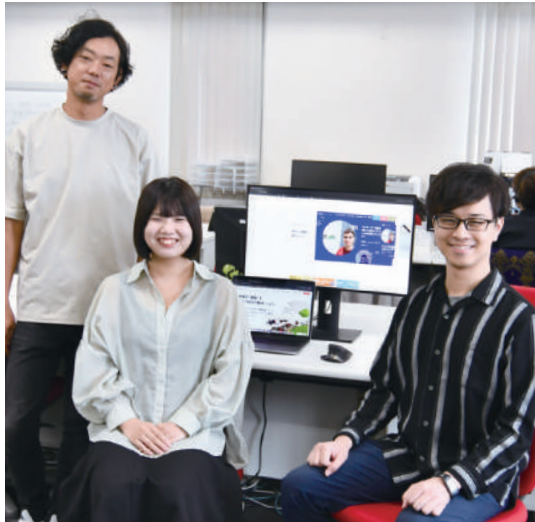
- Complete training system and career roadmap
Once again, our sales issues (how to deal with new products and derivative businesses, and focus too much on the immediate future) were identified.
- Current Initiatives
Based on the training system we have established, we conduct 3 to 6 On-Site Training per year

Future Issues

In FY22, Insource Consulting Corporation is still small, with only 30 employees. Although it is a group company, as a venture company, it needs to expand its services by listening more deeply to clients' issues and staying close to them. To this end, branding and securing personnel are also needed at the same time.

New Areas of Growth
"Rising Next" - Others

Other
Businesses



Provided by

- Web Marketing Business
- Staffing Business
- Support for helpdesk and call center operations

1. Web Marketing Business Insource Marketing Design Corporation insource -MARKETING DESIGN-

The Web Marketing Business provides a one-stop service for all web-related services, including website creation, web promotion, system development, and making online stores.

Solve Issues with the Web

The Web Marketing Business is characterized by our ability to help customers solve their problems through the Web by combining the Web marketing know-how of Insource with the Web production capabilities of our group company, Insource Marketing Design (IMD). Since our founding, we have continued to grow through web-based sales and marketing. By leveraging this knowhow, we are able to support our clients' issues, such as improving business performance and sales,

preventing job turnover, and recruiting personnel, through web production and digital marketing

Future Issues - Expand services and strengthen sales

We will continue to develop new affordable package services for small and medium-sized clients, who are IMD's main target. In addition, we will enhance our approach to clients by expanding services that IMD can only provide, which has been focusing on full-order customized website production.

2. Recruitment Support Business Rashiku CorporationDesign らしくD

In the Recruitment Support Business, we assist candidates (job seekers) with unique abilities to change jobs so that they can work in their own way, and we provide recruitment support for corporate personnel who want to hire people with abilities that will help solve their company's problems and promote its growth. The two features of Rashiku's recruitment services are as follows.

We specialize in high-class recruiting

In FY22, we conducted industry research targeting high earners, and as a result, we were able to deepen the relationship of trust with several companies. Based on a deep understanding of the company's future vision, specific duties, and required mission, we introduce executives for key management positions based on the concept of "introducing only those who are in line with the company's growth strategy".

candidate (job seeker) and the hiring company. Rashiku focuses on "quality rather than quantity" in recruitment support service.

Future Issues - Improve the quality of job postings and increase the order rate

Without changing our policy of "quality rather than quantity", we will further optimize the matching of candidates (job seekers) and companies based on a deep understanding of the business nature and human resource needs of the department.

Recruitment focused on quality rather than quantity

Changing jobs is an important event for both the

Financial Policies

Director, Executive Officer, CFO
Shigeo Fujimoto



Growth strategies and return on capital to enhance corporate value over the medium to long term

Q What are your strategies for increasing corporate value?

A We will take various measures to maximize the value of content IP.

We believe that our measure to increase corporate value is to maximize the value of our content IP. We develop our own content and own the intellectual property rights (hereafter referred to as “content IP”). By owning our own content IP, we are able to customize the content to meet our clients' needs and provide training and other services optimized to solve their issues quickly and at reasonable prices. We believe this is one of the sources of our competitiveness.

To maximize the value of content IP, we will strengthen our ability to create content IP by increasing and training our development personnel, expand sales through our own channels and those of our business alliances, and acquire content IP through mergers and acquisitions. While cash on hand and operating cash flow will be the basic source of funds for investment in growth, we will take the most appropriate financing method at the time of investment based on the size of the investment, financing costs, expected profitability, financial condition.

Q What are your thoughts on return on capital?

A We believe it is important to focus on spreads, improving return on sales, capital turnover, and recognizing the cost of capital issues.

Emphasis on spreads

In order to increase corporate value, return on invested capital (ROIC) and return on equity (ROE), which are indicators of return on capital, must exceed the corresponding cost of capital. However, we emphasize the spread, which is the difference between ROIC and ROE. We will maintain and increase the level of the spread by improving return on capital and reducing the

cost of capital. ROIC and ROE were 34.1% and 38.1%, respectively, for FY22 (both on a consolidated basis), and we assume that the cost of capital (WACC) will be about 13% at the end of FY22, resulting in a ROIC spread of 21 points. The cost of equity is based on the Cost of Capital Probable Value Model (CAPM).

Increase in profit margin on sales

Next, for return on sales, a component of return on capital, we focus on gross profit margin, which represents the intrinsic competitiveness of a business or service. We focus on improving added value at the individual service level, improving the service mix and customer mix at the business level, and improving the gross profit margin through optimizing the business portfolio at the company-wide level. For example, at the individual service level of the On-Site Training Business, we are expanding our high-value-added DX training to meet the growing demand for digital human resource development. In addition, from a mixed perspective, the Company has been working to improve its profit margin by increasing the ratio of sales to private-sector companies. After the COVID-19 pandemic has calmed down, we offset the deterioration in profit margin caused by the decline in the ratio of online training by increasing the ratio of sales to the private sector and the ratio of DX training.

Capital turnover

Capital turnover, another component of return on capital, is related to capital allocation. However, the Company strives to allocate capital based on the medium- to long-term enhancement of corporate value, taking into account the business environment, without being extremely biased toward either investment in growth, shareholder returns, or financial soundness. With regard to dividends, the Company has a policy of paying dividends with a target payout ratio of 50% and a dividend on equity ratio of 18% (July 22, 2024).

Recognize issues regarding cost of capital

One of our specific cost of capital issues is the high level of beta (β), a measure of the volatility of our stock relative to the overall market. Therefore, we are taking concrete measures to reduce business risk, which is a factor affecting β .

Q Please tell us about specific measures to reduce business risks and shareholder returns.

A We are taking initiatives in terms of our business portfolio and investor relations activities, and shareholder returns are centered on dividends.

Business Portfolio Diversification

We believe that, despite the different characteristics of our business portfolios, synergies can be expected and that diversification through manageable businesses and services will enhance our ability to respond to changes in the environment and reduce business risks. For example, we are creating content IP in a wide range of fields to meet the needs of our clients without being focused on specific clients and industries. The number of active users of “Leaf,” a recurring business (subscription payment) in IT Services, increased 40% YoY to 3.82 million as of June 30, 2024, and annual recurring revenue (ARR) increased 51% YoY to 1,079 million yen. Our core training business, which is mainly spot-based, has contributed to the stable expansion of our business performance. We will continue to diversify our business to take advantage of our strengths.

Mitigate information asymmetry in IR activities

In IR activities, it is generally believed that information asymmetry between companies and the capital markets increases the cost of capital. Therefore, we have adopted “mitigation of information asymmetry” as a basic policy in our IR activities. In accordance with this policy, in addition to financial results presentation materials, we proactively

disclose financial and non-financial information, such as “Monthly KPI (performance indicator) progress” disclosed on the first business day of each month, releases of new services and business/capital alliances, and revisions of earnings forecasts as voluntary disclosure. We also place importance on dialogue with the capital market, and hold financial results briefings twice a year, once at the end of the second quarter and once at the end of the fiscal year, as well as 216 individual meetings with institutional investors, which are held every quarter, in FY22. At financial results briefings and individual meetings, President Funahashi and I explain the current situation and future equity story in our own words, and we also use the feedback we receive from investors as a reference to improve the management of the Company.

Shareholder returns

We primarily focus on shareholder returns through dividends. In addition, shareholder return is a component of capital allocation as well as investment for growth and ensuring financial soundness, and we consider return on capital as one of the important financial metrics in determining allocation. Based on these considerations, we will determine the most appropriate shareholder return indicators and their levels from the perspective of increasing corporate value over the medium to long term.

Sustainability and Growth Policy



Director,
Managing Executive Officer
Kumiko Kawabata

Q What is your approach to sustainability?

A Based on ESG + P Management, we will achieve sustainable improvement in Performance while expanding businesses and initiatives that provide social value.

Based on our management philosophy of “Creating a society where all people can enjoy working and feel fulfilled,” we are working to solve social issues related to working professionals through our business activities. In addition, we aim to achieve sustainable growth and increase our corporate value over the medium to long term while expanding our sustainability initiatives under the management philosophy of “ESG + P” (Performance).

- We have set forth the following three action agenda.
- Contribute to society and environment through business activities
 - Co-create with all stakeholders
 - Build a sound and transparent governance structure

Q What are your current challenges in sustainability?

A We need to strengthen our response to environmental and governance issues.

In terms of ESG, we consider strengthening our response to environmental issues to be a particularly important issue. We believe this is important not only in terms of proactively addressing social issues, but also as a measure to improve our stock price. Currently, we maintain the MSCI ESG rating of AA following FY21.

While our education business and data security are highly evaluated, we have yet to obtain the highest rating due to issues with our environmental and governance scores. We are now working to achieve AAA and are taking urgent measures such as strengthening disclosure in accordance with global standards.

External evaluation

JPX-NIKKEI Mid Small

MSCI ESG RATINGS
AAA

2024
健康経営優良法人
Health and productivity

2023年認定
しるみん
女性が活躍しています
子育てサポートしています

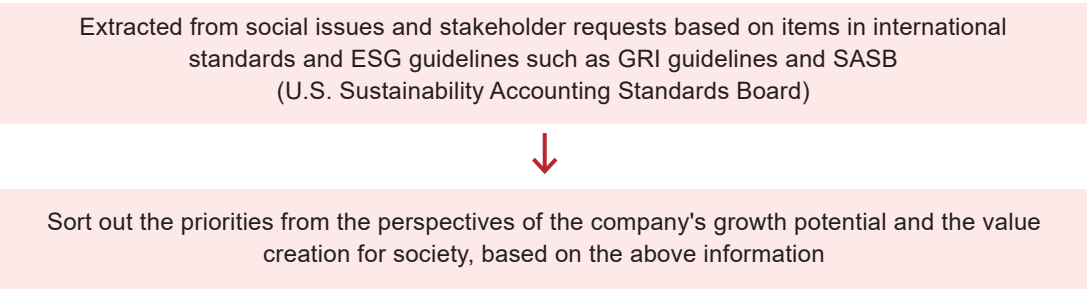
Q What are your goals and strategies for the future?

A To solve social issues through our business and further promote ESG+P Management, we have established eight materiality items based on international standards.



















The Group has established eight materiality items related to resolving social issues through business and ESG as specific indicators of ESG+P (Performance) Management. In formulating the materialities, we extracted them from social issues and stakeholder requirements based on the GRI Guidelines, SASB (U.S. Sustainability Accounting Standards Board), and other

international standards and ESG guidelines. In addition to contributing to the achievement of the Sustainable Development Goals (SDGs), the Group as a whole has established long-term targets for 2030, and will work toward achieving these targets. Please see below for the eight materialities and long-term targets.

Process for formulating materiality



Materiality and Long-Term Targets for FY29

	Materiality	Action	KPI	FY21	FY22	FY29	Related SDGs
Solving Social Issues through Business Activities	① Increase productivity through career development education (Strengthening the organization)	To acquire knowledge and skills, solve problems, and improve productivity of organizations and individuals through training	Training Business Annual number of attendees	640,000	720,000	2,000,000	    
	② Acquisition of basic skills to play an active role in diverse environments (Strengthening individuals)	Expand what individuals can do with IT by offering reskilling and DX training	Number of OA/IT/DX training attendees (Open Seminars)	11,000	13,000	50,000	
	③ Development of learning content tailored to each individual and organization	Develop and accumulate content in accordance with social issues and needs	Total number of contents	3,794	4,156	5,000	
	④ Provision of educational infrastructure	Increase productivity by providing IT systems and fair educational opportunities	Total number of video contents Number of Open Seminars conducted annually Number of Leaf active users	544 8,000 2,112,000	754 10,000 2,895,000	1,500 15,000 7 million	
ESG	E Responding to climate change	Carbon neutral emissions from business	Scope1 + 2	283t-CO2	237t-CO2	140t-CO2	 
	S Excellent performances of diverse employees	Create a workplace where diverse human resources can thrive	Ratio of Female Executive Officer Female Manager Ratio	0% 37.8%	0% 37.4%	50% 50%	 
	S Community Relations	Solve community issues	No. of Regional Revitalization projects No. of public sector supporting period poverty	24 46	36 62	100 100	       
	G Strengthening governance	Ensuring diversity in management	Ratio of female in the Board of Directors	25%	25%	50%	

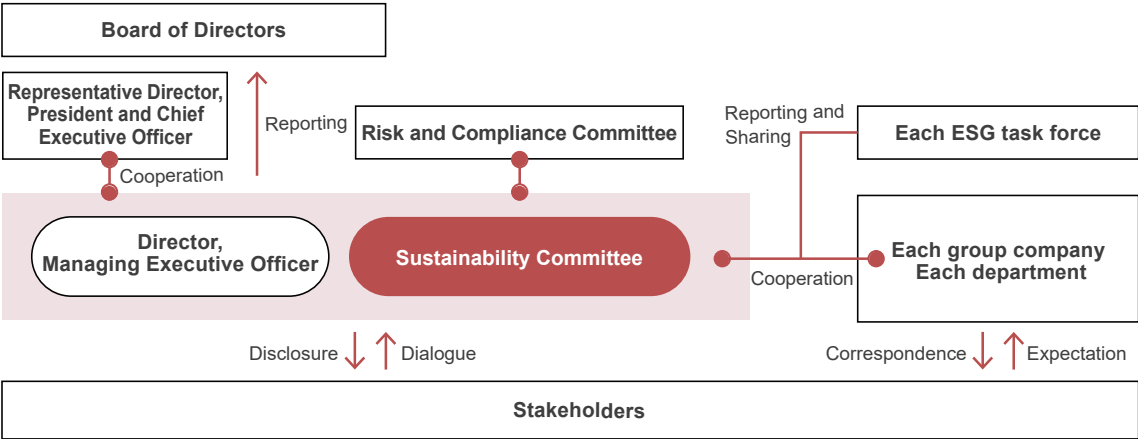
*The percentage of female executive officers excludes companies where females serve concurrently as directors.

Q What is your sustainability promotion system?

A The Sustainability Committee has been established to plan and implement each initiative in cooperation with each Group company and business department.

The Sustainability Committee, chaired by the Director, Managing Executive Officer, promotes management from an ESG perspective with agility, and is responsible for overall sustainability risk management and strategy implementation.

Sustainability risks are evaluated at least once a year in cooperation with the Risk and Compliance Committee, chaired by the Representative Director, President and CEO, and integrated into the Group's overall risk management process, and managed centrally.



Governance

- ◆ Established Sustainability Committee, chaired by the Director, Managing Executive Officer, which is responsible for overall sustainability risk management and strategy implementation
- ◆ Quarterly reports to the Board of Directors on the activities of the Sustainability Committee

Risk management

- ◆ Cooperation with the Risk and Compliance Committee chaired by Representative Director, President and Chief Executive Officer
- ◆ At least once a year, evaluate and integrate into the Group's overall risk management process, manage centrally, and report the details to the Board of Directors

Q Please tell us about your future initiatives.

A We will strengthen our measures and information disclosure at the same time so that we can meet global standards.

More than a year has passed since the establishment of the Sustainability Committee, and we have moved from the phase of developing the system to the phase of promoting full-scale measures and information disclosure. In FY23, we will formulate our Materiality + Long-term Goals, continue to switch to renewable energy at

our buildings, formulate a basic human rights policy and expand internal training, Health and Productivity Management, continue to support the Project to Eliminate Period Poverty, and formulate an anti-corruption policy. We will promote substantive measures while striving to improve our external evaluation so that we can continue to be a company that can be trusted by external parties.

Major Sustainability Initiatives

Introduced renewable energy at Insource Kyushu Building

With regard to E (Environment), we are switching to FSC-certified paper for internal use and introducing renewable energy to our buildings. Insource Kyushu Building, which opened in 2022, was built as a part of efforts to reduce the environmental impact of the building. It is powered 100% by renewable energy sources such as geothermal and hydroelectric energy. The building is an eco-friendly and open to public with seminar rooms for Open Seminars and an art exhibit on the first floor facing the street.



Establishment of Health Management Promotion Committee

In October 2023, we established the Health Management Promotion Committee and began Health and Productivity Management. By setting clear targets for the rate of health checkups and the rate of smoking among employees aged 40 and over, and by thoroughly enforcing these targets within the Company, we have seen improvements in the indicators. At the same time, we have developed a half-day workshop on smoking prevention and a half-day Health and Productivity Management training program based on the nudge theory, by utilizing our know-how, which we offer to our clients.



Timeline of Major Sustainability Initiatives

Year	Month	Initiative
2021	February	Endorsement of TCFD Recommendations
	April	Launched an electronic textbook service in the Training Business
	May	Started publishing the Integrated Report
	July	Established Sustainability Committee
	September	Opened Insource Kyushu Building to reduce environmental impact
2022	December	Released Sustainability Page on the Web
	February	Changed in-house paper to FSC-certified paper
	May	Signed the United Nations Global Compact
	July	Established basic policy on human rights
	August	Identified and assessed sustainability risks
2023	September	Introduced renewable energy at Insource Kyushu Building
	October	Established Health Management Promotion Committee
	December	Introduced renewable energy to three company-owned buildings in Tokyo (Dokoyama Building, Bunkyo Building, Hakusan Building)
	February	Implemented e-Learning training on human rights for all employees
2024		



S Initiatives for Health Management

Insource Group aims to improve the vitality and productivity of employees by creating a safe and secure work environment for them.

Received “Excellent Health and Productivity Management” for three consecutive years, and aim for further promotion

Q Why do you promote Health and Productivity Management?

A In order to support each organization's Health and Productivity Management, we must first embody Health Management.

As organizations become more aware of the importance of health management, the number of certified companies under “2024 Health & Productivity Management Outstanding Organizations Recognition Program” has grown to 2,988 large corporations and 16,733 small and medium-sized corporations. In addition to improving employee vitality and productivity, we are enhancing our health promotion services and strengthening support for each organization. Our proactive approach will help to promote the development of new services and content. We will provide systems, environment creation, and human resource development to

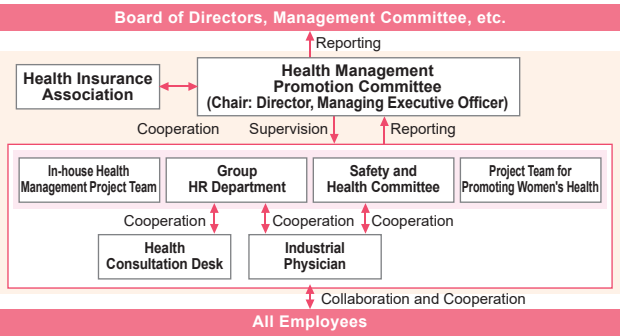
address the five key issues related to health management in Japanese companies.

Important issue	Insource Services
① Management of periodic medical checkups, collection of employee data, analysis of company issues	Health checkup result management system “Leafwellness”
② Improvement of the secondary health checkup uptake rate	
③ Reduction of the smoking rate	Smoking Prevention Workshop
④ Improvement of the exercise rate	Various workshops and training for developing healthy habits
⑤ Improvement of productivity and prevention of industry accidents	Productivity improvement training, workers' accident prevention training

Q Please tell us about your Health and Productivity Management system.

A “Health Management Promotion Committee” was established in FY22, and the Director, Managing Executive Officer herself is promoting the project.

The Health Management Promotion Committee was established in FY22. The committee is centered on the Group Human Resources and General Affairs Department, with leading members from each department and business location, and management has committed itself to promoting the committee throughout the company.



Q What measures did you implement in FY22?
What was the secret of your success in promoting them throughout the company in such a short period of time?

A We focused on company-wide introduction of radio calisthenics and improvement of the work environment.

In FY22, the Company focused on introducing radio calisthenics, holding sports events, and improving workplaces (introducing balance balls and height-adjustable desks). Although some employees were initially puzzled by the radio calisthenics, many have expressed a positive attitude, saying, “Actually, I feel good.” When the program first started, all Group employees performed the exercises simultaneously during the company-wide morning meeting, but now each office is continuing to implement the exercises while devising new ways of doing so. Radio calisthenics has also had the effect of encouraging more people to talk to each other in the workplace on a daily basis. The Committee's “project management skills” and “patience” are of utmost importance in the promotion of health measures. The Committee must be able to continue to implement a series of PDCA cycles, from understanding the current status of the company's figures, to analyzing problems, setting issues, involving relevant

parties, checking progress, and making corrections. The Committee must also continue to emphasize to employees that health measures are “work” to improve their performance.

Priority measures in FY22
1. Measures to prevent lifestyle-related diseases
(1) Exercise habits
① Conducting radio calisthenics for all employees
② Increased opportunities for exercise
③ Introduction of balance balls
④ Introduction of height-adjustable desks
(2) Smoking prevention
• No smoking during working hours
(3) Others
① "Eat until you're 80 percent full" - Promotion period was established
② Improve employees' health literacy
③ Subsidies for influenza vaccination expenses
2. Mental health measures
• Establishment of internal and external health consultation desk
3. Improve labor productivity and work engagement
(1) Implementation of stress checks
(2) Employee social events were held
(3) The vacant meeting rooms are available to employees to take a break

Q What measures will you take in FY23?

A We will focus on preventing smoking and improving the rate of follow-up medical check-ups.

In FY23, we are working to prevent smoking and improve the rate of employees receiving follow-up medical check-ups. With regard to smoking prevention measures, we have established a period from the beginning of the workday to 8:00 p.m. as the recommended time for non-smoking. In addition, we have developed a “Smoking Prevention Workshop” as a new content, and are implemented it in the Company immediately.

As a major challenge, we are also thoroughly reminding and checking with our employees repeatedly after medical checkups so that we can raise the “follow-up medical checkup rate” to 100% in the future. Furthermore, many of our employees tend to be obese, and we are creating opportunities for them to exercise and promote physical fitness.

Health Issues and Targets

Classification	Item	Unit	2020	2021	2022	2025 Target	
Medical checkups and examinations	Consultation rates for regular health checkups	%	100	100	100	100	*1 Percentage of employees who have submitted a leave of absence among all employees.
	Follow-up medical checkup rate	%	-	-	-	100	
	Percentage applicable to specific examinations	%	22.0	19.8	22.7	20.0	
Lifestyle habits	Smoking rate over 40 years old	%	16.5	16.0	14.8	5.0	*2 Deviations measured by original questionnaire using SPQ (Single-Item Presenteeism Question developed by the University of Tokyo Working Group).
	Percentage of people aged 40 or older with exercise habits	%	15.9	15.1	17.4	19.0	
	Ratio of people maintaining an appropriate weight(Persons Less Than BMI18.5~25)	%	-	66.4	63.8	67.0	
Mental health	Stress check acceptance rate	%	89.0	87.2	87.6	100	*3 Deviations measured by a Unique Questionnaire Using the Shortened Three Items of the Utrecht Work Engagement Scale.
	Percentage of employees with high stress checks	%	9.1	11.1	11.9	10.0	
Labor productivity	Absenteeism *1	Day	-	-	3.3	3.0	
	Presenteeism *2	%	-	-	81.9	85.0	
	Work Engagement *3	Point	-	-	3.3	3.5	



Contributing to Society through Business

We help organizations solve problems through education and IT Services. We aim to improve productivity and develop the Japanese economy by eliminating inequalities in educational opportunities and making all the people enjoy working and feel fulfilled.

Contribution to SDGs through various services

"To help solve social issues related to employees" is the very purpose of our business. In order to provide a wide range of high quality education, each of our services is directly related to the solution of issues "HOW", and we pursue inexpensive and diverse forms of providing such services.

With "Leaf," the Company helps strengthen the skills of teachers and nursing professionals across the country

We have been selected by the Ministry of Education, Culture, Sports, Science and Technology (MEXT) to implement the "Teacher Training Platform and Training History Recording System Construction Project" in 2023, and provide the "Leaf" educational platform to approximately 900,000 teachers at elementary, junior high, and senior high schools throughout Japan. In addition, we have been selected by the Japanese Nursing Association as a subcontractor for the "Construction Project to Deliver Online Training System and its Maintenance" to support lifelong learning and reskilling of nursing professionals throughout Japan.

Provide entrepreneurship experience programs for elementary, junior high, and high school students

In 2023, as part of its Regional Revitalization Service, Mitemo Co., Ltd implemented an entrepreneurship experience program in Nagoya City, Aichi, Okayama, and Wakayama Prefectures for elementary, junior high, and high school students who will be the next generation of entrepreneurs. The program aims to cultivate the ability to identify and solve familiar problems, feel closer to entrepreneurship through interactions with entrepreneurs, and learn what it takes to start a business. The program contributes to the development of the next generation of human resources who are ready to take on new challenges.

SDGs and Insource services

SDGs goal	Related topic
 	• "Construction of a training history recording system"
	• Compliance (personal information protection, labor management, Subcontract Law, Copyright Law, introduction to information security) • Risk management • Sustainability
 	• Promotion of women's activities • Senior workers • People with disabilities • Foreign nationals • Promote the success of a diverse range of people, including LGBT people
	• Mental Health • Stress Check • Promotion of Health and Productivity Management



<https://www.mitemo.co.jp/event/aichi-ass2023/>



https://www.mitemo.co.jp/event/cue_do_school_event0611/

Expansion of diverse content with partners in response to social changes

In order to develop content in areas where we are currently unable to develop alone, and to cultivate target audiences that are difficult to reach, we are strengthening cooperation with our partners and responding to the demands of society.



Expand IT-related, legal and language content

In recent years, we have expanded our content to include a wide range of topics related to DX, law, and language and cultural knowledge essential to a global society, in collaboration with our partners.

Expand courses in manufacturing and technical education

The Correspondence Education Department Store, newly opened in FY22, sells trainings in manufacturing and technical skills education, such as the third-class electrician's certificate and safety management at manufacturing sites, through a partnership with the Japan Technology Education (JTEX).

In addition, the Company also contributes to improving productivity and strengthening sales capabilities at manufacturing sites through means other than education, such as the production of manuals for manufacturing sites and the creation of recruiting websites. Until now, we have focused on content for white-collar workers, but in the future we plan to expand our content for blue-collar and essential workers as well.



Applying management knowledge through business to academia, and furthermore, challenging new businesses

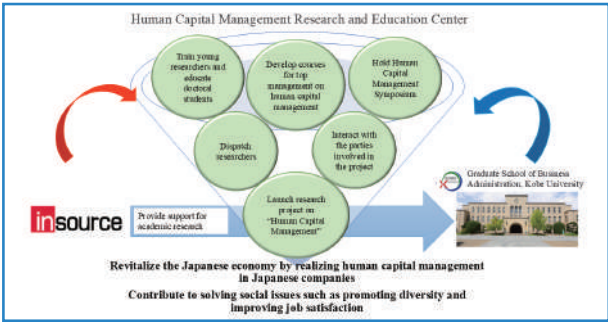
We will apply our expertise in organizational management, gained from working with 40,000 organizations, to academia and contribute to research and human resource development. Additionally, we will develop new businesses, like a series taught by Kobe University MBA professors, to produce more talent for society.



In 2023, Human Capital Management Research and Education Center was established

Human Capital Management Research and Education Center, affiliated to Graduate School of Business Administration, Kobe University, was established in order to accelerate cross-sectoral research and education through industry-academia collaboration and contribute to solving social problems. We will also widely present the importance of human capital management to academia and industry, and contribute to revitalizing the Japanese economy and solving social problems.

Human Capital Management Research and Education Center



In fall 2024, Business School with Kobe University will open

An increasing number of Japanese companies are systematically having their management candidates obtain MBAs to develop management talent. On the other hand, many playing managers are reluctant to attend graduate school because of the time and expense involved. In the "Learning Practical Management Knowledge from Kobe University MBA Professors", 8 MBA subjects, including organization theory, marketing, and financial accounting, will be studied in intensive lectures. Attendees will gain and update their knowledge of business administration from professors with cutting-

edge research achievements. The program is also designed to help attendees solve problems and generate ideas in the business field.

Learning Practical Management Knowledge from Kobe University MBA Professors





E Actions on Climate Change

In order to support sustainable development, we believe that activities to reduce environmental impacts based on a long-term perspective are essential, and we will continue to contribute to the entire business community not only through our own internal environmental impact reduction activities, but also through our business activities.

Long-term environmental goals

Achieve "net zero" CO₂ emissions (Scope 1+2) from business activities by 2050

Reduce Scope 2 (CO₂ emissions from electricity) by 50% from the 2020 level by 2030

Reduce CO₂ emissions from in-house paper use by 50% from 2020 levels by 2030

Initiatives on Climate Change

Introduction of renewable energy

In September 2023, Insource Kyushu Building (Fukuoka City, Fukuoka Prefecture) and in December 2023, Insource Dokoyama Building, Bunkyo Building, and Hakusan Building (all in Tokyo) converted their electricity use to 100% renewable energy-derived electricity using non-fossil certificates with tracking. The ratio of renewable energy is expected to reach approximately 55% in FY22.

Offering an electronic textbook service in the training business

In our training business, we have been offering electronic textbooks since April 2022. Depending on the style of the training, clients can choose between traditional paper textbooks and electronic textbooks. On-Site Training has seen an increase in the use of electronic textbooks for seminars, and approximately 40% of clients who take Open Seminars online have chosen to use electronic textbooks. In FY22, approximately 61,000 people used electronic textbooks, resulting in a CO₂ reduction of 8.4 tons compared to the use of paper textbooks.

When to start using renewable electricity	Name of Company building (Location)	Electricity Consumption in FY22	Details on renewable electricity
Sep., 2023	Insource Kyushu Building (Fukuoka)	104,575	Non-FIT power stations, Non-FIT Non-Fossil Certificate (renewable)
	Insource Dokanyama Building	108,496	Non-FIT power stations, FIT power stations, FIT Non-Fossil Certificate
Dec., 2023	Insource Bunkyo Building	101,789	
	Insource Hakusan Building (all in Tokyo)	94,321	

CO₂ reductions achieved through the use of electronic textbooks

	2H FY21	1H FY22	2H FY22	1H FY23
Electronic textbooks used (People)	19,668	28,790	32,345	36,348
On-Site Training	8,000	9,197	15,262	16,041
Open Seminars	11,668	19,593	17,083	20,307
CO ₂ reduction (t-CO ₂) *	2.92	4.08	4.39	5.38
Change from end of previous fiscal year (%)	—	+ 39.9%	+ 7.6%	+ 22.4%

*CO₂: reductions when comparing electronic textbooks to paper textbooks

Responses to TCFD Recommendations

In February 2021, Insource Group announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD*) and is committed to disclosure. For more information on the Group's governance and risk management, including climate change, please refer to page 61 onwards.

*Abbreviation for The Task Force on Climate-related Financial Disclosures. It was established in 2015 by the Financial Stability Board (FSB) at the request of the G20. It assesses the financial impact of climate change risks and opportunities on management and recommends disclosure of "Governance," "Strategy," "Risk Management," and "Indicators and Targets"

Strategies Scenario analysis of risks and opportunities posed by climate change

Recognizing the importance of limiting the temperature increase to less than 1.5 degrees C, the Group conducted a scenario analysis for all of its businesses, assuming a world with a temperature increase of 1.5 to 2 degrees C and 4 degrees C. As a result, the Group found that under the 1.5 degrees C scenario, there is a risk of transition in the market, reputation, and under the 4 degrees C scenario, the impact of physical risk is significant. To reduce risk, we will work with The Risk and

Compliance Committee to develop specific measures and consider their implementation.

In addition, we believe that the changing needs of our clients for physical and transitional risks, as well as the increasing demands from society, present opportunities for our Group. By developing and providing knowledge-enhancing content such as SDGs and ESG-related, as well as business- and behavior-change-oriented educational content such as organizational change and DX training, we will support the sustainability initiatives of both private and public sectors, and provide ongoing educational support to enhance their value.

Scenario Analysis

		Major risks	Impact when risks materialize	Financial impact	Countermeasures
4 degrees C Scenario	Physical risks	Acute <ul style="list-style-type: none">• Increase of natural disasters• Increase of extreme weather conditions	■ Decrease in sales / increase in volatility <ul style="list-style-type: none">• Changes in the learning environment, and an increase in the postponement and cancellation of training due to damage to clients' businesses• Damage to business locations, servers and submersion due to large-scale natural disasters such as flooding	medium	Start monitoring for damage or submersion of business locations and server locations, consider relocation to areas that do not exceed a certain risk level
		Chronic <ul style="list-style-type: none">• Rise in sea level and temperature• Change in weather• Depletion of resources	■ Decreased sales and increased volatility <ul style="list-style-type: none">• Increase in postponement and cancellation of training due to stagnation of industrial activities and spread of infectious diseases• Decreased priority and demand for education	medium	Develop content in response to client needs, provide multiple educational tools such as online training and e-Learning, and build a flexible conversion system
1.5 degrees C Scenario	Transition risks	Policy and Legal <ul style="list-style-type: none">• Tighter environmental regulations• Introduction of carbon tax• Increase in weather-related litigation	■ Rising costs <ul style="list-style-type: none">Rising costs due to stricter regulations on CO₂ emissions reduction obligations and compliance with carbon pricing systems	minor	Strengthen in-house power-saving measures Switch to renewable energy sources
		Technology <ul style="list-style-type: none">• Development of energy and IT• Advances in decarbonization technologies	■ Decreased productivity <ul style="list-style-type: none">Slower productivity growth due to delayed response to new technologies	minor	Regular monitoring of the external environment
		Market <ul style="list-style-type: none">• Changes of customer behavior• Increased demand for environmentally friendly services	■ Decreased sales and increased volatility <ul style="list-style-type: none">Decline in competitiveness and demand for training and education using the paper textbooks currently provided by the Company	medium	Provide electronic textbooks for training programs
		Reputation <ul style="list-style-type: none">• Growing demand from society and stakeholders for action on climate change	■ Decreased sales and increased volatility <ul style="list-style-type: none">Risk that delays in addressing climate change will impact social reputation, reduce corporate value, and make clients less likely to choose the Company	medium	Improve stakeholder engagement through the promotion and disclosure of sustainability activities

Indicators and Targets

We have set the targets shown on the previous page in order to address climate change risks and opportunities and to promote activities to reduce our environmental impact based on a long-term perspective.

CO₂ emissions from business operations

Unit: t-CO₂

Data Category	FY19 (Base year)	FY20	FY21	FY22	FY29 (Target year)
Scope1	0	0	0	0	0
Scope2	280.2	260.4	283.2	233.8	140.0
Total	280.2	260.4	283.2	233.8	140.0

*1 Scope 1 is set to 0 because we do not have our own production facilities and do not directly emit carbon dioxide or other GHGs due to fuel combustion or chemical reactions

*2 Scope2 is calculated based on market-based figures



S Human Capital

Our greatest asset is "our people," and "our people" are the greatest source of our corporate value. Our goal is to create a strong organization that responds quickly to social issues by maximizing the strengths of our diverse human resources.

Organizational Development Guidelines

We will realize organizational growth through the maximization of the individuality and abilities of all people and through the mutual respect and recognition

We will realize a highly satisfactory and transparent organization in which everyone has equal opportunities and is evaluated fairly

We are committed to creating a workplace free of discrimination and prejudice of race, nationality, religion, gender, sexual orientation or gender identity, disability, age, place of origin, values, lifestyle etc. and strive to achieve continuous growth

Recruitment and Training - In-house training of multi-skilled personnel who are resilient to change

Flexibility is important when hiring employees

The most important qualities we look for in our employees are those who are involved in the growth of "people" and those who find joy and satisfaction in contributing to the improvement of the productivity of the organization and our customers. As our organizational structure changes frequently, we also look for flexibility and a strong interest in learning new things. During the hiring process, we use our own document tests and assessment tools to visualize candidates' career aspirations, motivational factors, and characteristics of their thinking and behavior.

Respect for diversity and performance-based evaluation and compensation

We are an organization where women make up more than half of the workforce, and we have a large number of seniors, people with disabilities, and LGBTQ+ employees. Everyone is able to demonstrate their abilities in content development, system development, and other divisions where they can utilize their strengths.

Since the company's foundation, we have introduced working styles that match life events and have promoted women to management positions by emphasizing their

respective achievements. Now women account for 37% of management positions

Develop "multi-skilled" employees

Our Group is required to continue to flexibly change in response to the external environment with speed. To this end, we are promoting the development of DX human resources and multi-skilled human resources who not only have sales skills and service development skills, but also IT skills, by flexibly incorporating the necessary skills in response to changes in the external environment.

Raise awareness of management involvement

While respecting the diverse values of our employees, we have introduced three systems* to create an organization in which all employees share the common values of “liking the company they work for” and “wanting to contribute to the company’s performance”. By further sharing shareholder value with our shareholders, we believe that this will also contribute to improving the motivation of our employees.

* (1) Restricted stock compensation plan, (2) Defined contribution pension plan, (3) Employee stock ownership plan

Education that develops the individuality of a diverse range of employees

Company-wide training to strengthen communication and project management skills

We design our education system to match the changing times and the growth of the organization. In addition to compliance education, job-level training, and IT/DX training, we also provide training aimed at improving communication skills and strengthening project management skills, which we consider to be key areas.

Company-wide IT/DX training, including for graduates and new employees

In order to enable system development and improvement to be carried out quickly by having on-site employees themselves define requirements and communicate smoothly with the systems development department, we have been providing basic DX training to all employees since FY19. We also provide programming training to graduates and new employees, regardless of whether they are arts or science majors, offering them career options as DX professionals.

“Leaf Corporate University” makes individual skills visible and builds a system of education that is directly linked to work

We are using our own "Leaf Corporate University" service in-house. The managers of each department draw up a list of necessary skills and questions, and then each department conducts an assessment. Based on the results of this assessment, employees themselves acquire the necessary skills by attending our Open Seminars. We also use the results to create opportunities for employees to discuss their expectations from their managers and their future careers.

A “company-wide perspective” fostered through proactive job rotation

New graduates who join the Company work through a job rotation system based on the policy of “working in three different locations or departments during their 20s”. This is to help them develop a company-wide perspective by gaining experience in a variety of departments and job types. In addition, there is a culture of actively teaching each other at each workplace, and study sessions are held actively every day.

■ Training System

	Company-wide training							Each department				
	Basic	Level-specific	Career	IT/DX		Priority	Selected	Practical Skills				
Officer	Compliance education (Labor management, Copyright law, Subcontracting law Information Security, Harassment Prevention, Human Rights)	Assessor training	Attend MTG with Investors	Career training	System Understanding Training	OA/Python training	Project Management Training	Communication training and development	Basic Management Training	Concurrent service as a Group company director	Organizational Education Platform“Leaf Corporate University”	Study sessions held by each department and team
Manager												
Deputy Chief												
General manager		New Manager Training			Basic communication	OJT Leader Training	Mentor training					
Mid-level leader		New Leader Training										
Younger chief		Training for those being assessed	New employee training					New employee DX training				
New Employee			Follow-up training for new employees									
Graduate			Graduates training		Graduate DX training							
Staff			Staff training								OJT training	

【Initiatives other than the above training】

- Development of multiple skills through job rotation
- Mentor system

Leaf Corporate University - Providing the right content to the right people

In addition to the training management and administration functions and e-Learning viewing functions of "Leaf", it also comes with an assessment function to clarify the issues of individual employees (understanding the gap between "As is" and "To be") and more than 200 types of educational content pre-installed. Employees can also sign up for training or e-Learning that correspond to the results of their assessments.





S Contributing to Society Beyond Business

We believe that our mission is to realize a "society where people can enjoy their work" by enabling a diverse range of people to make the most of their abilities. We are committed to helping people who are working hard to expand their abilities. Our aim is to create a society in which a diverse range of people, including women, seniors, people with disabilities, and single-parent families, can play active roles. We will continuously support them based on our business and strengths. In recent years, in particular, we have strengthened our relationship with local communities

Project to Eliminate Period Poverty

Establish a new model to support donations in 2022

The COVID-19 pandemic has accelerated "period poverty," and according to a survey by the Ministry of Health, Labour and Welfare, one out of every 12 women has experienced difficulties in purchasing sanitary products. Therefore, we have launched a new support project by leveraging our relationships with 37,183 private companies and 1,258 local governments (cities, wards, towns, and villages). This project aims to end period poverty by collecting donations from companies and providing sanitary products to local governments.

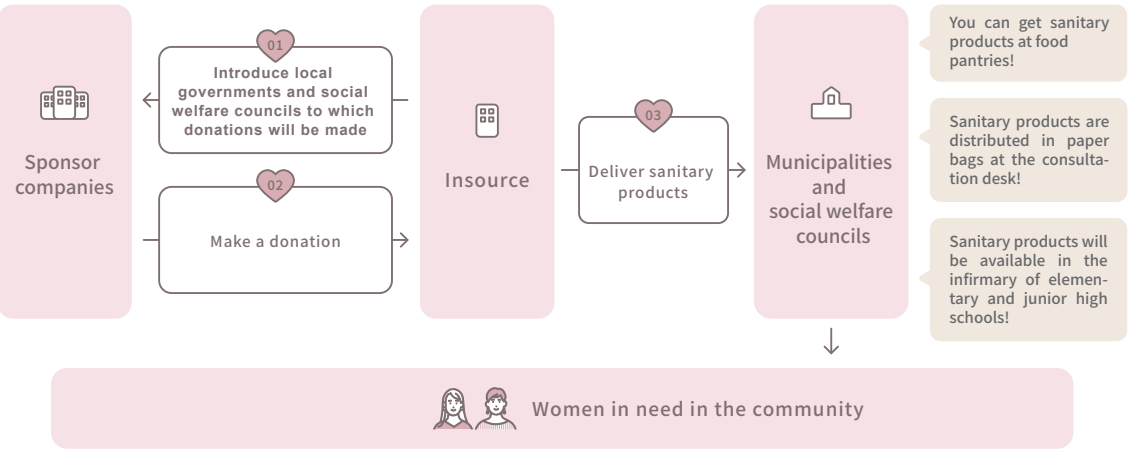
Helping those in need by building supportive relationships between companies and local governments

Through participation in this project, we will create opportunities for companies to engage in activities related to "S" (Society), which is one of the required ESG initiatives, and build a relationship of coexistence with the communities.

■ Status of the use of donations

- Placed sanitary napkins in restrooms at elementary and junior high schools
- Distributed at city and ward office counters
- Distributed at food pantries and "children's cafeterias" (places that offer meals to children for free, especially those from poor families)

■ Flow of the Project to Eliminate Period Poverty



Achievements

(Unit: thousand yen, unit, pack, organization)

	Donations (Total)	Number of donation units	Number of donation packs	Municipalities to which donations are made *
FY22	5,054	18	34,416	62
FY21	300	1	2,376	1

*Cities, wards, social welfare councils, boards of education, etc.

■ Sponsor companies (some)

- Mizuho Bank, Ltd
- OHKURAYA FUDOSAN
- Mizuho Securities Co., Ltd.
- Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
- SBI MONEYPLAZA Co., Ltd.
- PAL Co.,Ltd.
- Toda Bldg. Partners Co.,Ltd.
- TAKARA & COMPANY LTD.

■ Municipalities to which donations are made (some)

- Tokyo, Adachi Ward
- Tokyo, Toshima Ward
- Saitama, Saitama City
- Kanagawa, Zushi City
- Chiba, Matsudo City
- Ibaraki, Shimotsuma City
- Tochigi, Oyama City Board of Education
- Toyama, Himi City Council of Social Welfare
- Hiroshima City, Board of Education
- Fukuoka, Itoshima City



From left in the photo: Mr. AKUTSU Seiichiro, President and Representative Director of TAKARA & COMPANY LTD., Ms. TAKAGIWA Miyuki, Mayor of Toshima Ward

Various partnerships for respecting diversity

Cooperation with Arakawa Ward

Support for single-parent families and women entering the workforce

- With the relocation of our Tokyo Headquarter functions to Arakawa-ku in March, 2021, we signed an agreement on comprehensive cooperation
- Total donations of sanitary products : 7,076,408 yen



Sales promotion support for welfare organizations where people with disabilities work - e-commerce site "mon champ"

- Started e-commerce site "mon champ" in October, 2021
 - Speciality store featuring high quality products from welfare organizations
- As of June 2024, a total of 16 products from 4 organizations are currently on sale
 - Profits generated are returned to the manufacturer's welfare organization
- We aim to increase recognition of welfare organizations and provide a sales channel through mon champ





G Governance that Supports Value Creation

Interview with Outside Directors - Insource is moving on to the next stage

During FY22, the Nomination and Compensation Committee was held a total of six times. Of these, four meetings were held to discuss succession planning and the development of a successor. In addition, we asked the three Outside Directors, who had also held meetings to exchange opinions with the next generation of management, for their opinions on the future of Insource.

1. Looking Back at FY22

Fujioka

Training of successors and the establishment of a management cycle started

There were both good points and points that needed to be reflected on in this year's Nomination and Compensation Committee.

The biggest thing was that we were able to clearly establish a macro master schedule for training successors, a sense of direction for the medium to long term, and milestones, and we were also able to see the activity steps leading up to that. There are things that have been done and things that have not been done, but I think that this is a major achievement.

It was also good to hear the opinions and activities of senior management in the workplace at the exchange meeting.

Furthermore, there is a management policy, and there are regulations in line with that policy, and the system has been established, and the cycle of organizational management, in which the system is reviewed and confirmed, has been discussed repeatedly by the Nomination and Compensation Committee, and I now feel that everything is okay.

Up until now, the Company has been running while dealing with various contradictions and issues in order to promote its business, but as sales have exceeded 10

billion yen, the importance of reorganizing such systems and operations has probably increased.

I think that the Nomination and Compensation Committee has also been useful in such a challenging period.

Hirotomi

I felt the potential of the next generation. Now is the time to build up the Company's strength

FY22 was a year in which I really felt that Insource was about to change.

As Mr. Fujioka mentioned, the Nomination and Compensation Committee has been able to clearly see the milestones. While feeling that we cannot afford to be leisurely in our approach to the next management team nominations, we had the opportunity to hear from younger members, and we got the feeling that there are many promising future leaders.

On the other hand, I have a strong sense of responsibility to continue to consider whether the system for evaluating executives is one that everyone can agree on.

I think we need a system for human resource development. Even when I spoke to the heads of each sales location, it seemed that there was a lot of differences in their ideas and measures. I feel that the next five years is the time when we should develop a system and build up the strength of the organization.

Niwamoto

Attention to human resource development and employee engagement

I joined the company as an Outside Director in December 2023, and I strongly felt that the management team, not just the top management, needed to be considered as a set when thinking about successors, and that it was necessary to systematize things.

The succession plan shows that President Funahashi's forward-looking ideas and strong leadership, supported by an excellent management team, have led to rapid growth. However, as the organization grows, slight discrepancies between future strategy and current processes may arise, requiring correction.

I recently took part in an exchange of opinions and heard the voices of those working on the front line. I saw with my own eyes what kind of people were working there, and what kind of ideas and skills they had.

Being able to meet them and hear their thoughts in person was much easier to understand than reading about it in documents, and it helped me to better understand the nature of the business.

In addition, at the Pre-Board Meeting for Outside Directors, which is held every month, the meaning of the figures and the implications of the figures are explained, so I have gained a deeper understanding of each item on the agenda.

Human resource development and employee engagement are particularly interesting to me as a researcher in human resource management. Human resource development and issues with recruitment and job offer acceptance were raised at the Pre-Board Meeting, so I'm interested in how we will review our HR strategies.

Summary of the meeting for exchanging opinions between Outside Directors and the next generation of management members

■ **Purpose**
To strengthen the understanding and involvement of Outside Directors with the Company's business

■ **Target**
• Two people per session (60 minutes x 2 people) once a month
• Selected from among assistant general managers and above, including those from group companies, with a focus on younger employees

■ **Details**
• Each session will be led by a selected member who will give a presentation on the current situation and future challenges and initiatives in their department or the Company
• Question and answer session and discussion with Outside Directors

2. Looking to the future - Developing the next generation of management and middle management

Hirotomi

Personnel who can make decisions quickly while listening to the opinions of those around them

I don't think that the next president necessarily has to be someone with the kind of strong leadership that President Funahashi has.

The Nomination and Compensation Committee also feels a sense of responsibility in terms of what type of top leader should be selected. The President Funahashi, as the founder, has driven the Company with his unique ideas, leading to impressive results and significant growth.

From now on, I think we should choose personnel who can make decisions quickly while listening to the opinions of those around them.

Fujioka

Expectations for younger people with management skills

I think it is difficult to develop personnel like President Funahashi who can lead a company under a charismatic president. There is a tendency for charismatic leaders to be surrounded by people who are strong followers and have a high level of execution ability. There is probably a natural relationship of accelerator and brake between the

charismatic leader and the number two who is more of a manager.

In terms of the next leader at Insource, I think it would be better to choose someone who can manage the Company properly, as this is a move that will bring about real change. I feel that there are people with these qualities among the younger generation, so I would like to give this full consideration.

Niwamoto

Whether the life cycle of an organization and reality goes like theory or not

It is typical for a charismatic leader to have people supporting them in the background. Insource has also been successful in this way.

However, when you look at the life cycle of an organization as it grows, it will inevitably face obstacles. At that point, you have to create a system for the organization. If Insource is at that point, it would be better to have people who can manage the Company rather than people who are just good at coming up with ideas.

That's the theory, but what about in reality? There are also companies that have achieved even greater success under the same charismatic leaders.

Fujioka

Time to move on to the next stage. Develop management processes and systems to support further growth

As Ms. Niwamoto said, I think that Insource is now at a point where it needs to move on to the next stage. The ideal situation would be to create a solid process for organizational management, make effective use of assets, and create a management system that can continue to grow. It is time to systematize this, including the expansion of the evaluation system that is currently being discussed. The role of the Nomination and Compensation Committee is also important in this regard, and if we can create a proper system here, we will be able to make further progress in the next booster phase without worrying too much about the system.



Hirotomi

Star players don't always become great managers - Being aware of the problem of developing managers

What I am concerned about is that we need to properly train managers before the management teams. There are cases where younger employees are selected to become area managers, but they don't know how to manage. Even if they can achieve high sales performance as individuals, they have not yet acquired the skills to make use of that as organizational knowledge. If you select someone, you also need to train them as an area manager. A good sales manager is not necessarily someone who has achieved good sales results.



In the same way that a star baseball player does not necessarily make a good coach, I think that creating a system for training managers should be a priority issue.

Niwamoto

The large scale of the management level is also necessary In order to pass on skills and accept a diverse range of human resources

It is necessary to pass on the excellent skills possessed by experienced employees and management to the next generation. I would like to know how the passing on of skills is being considered, as I have not yet been able to get a clear picture of this, and if it is still in the development stage, I would like to contribute by joining the discussion. On the other hand, there may be younger employees with great ideas and high motivation who are willing to take on the challenge. It is also necessary to have a management and executive level that is open to such unique individuals. As organizations grow larger, it will become extremely difficult to manage a diverse workforce that includes not only different attributes but also different values. This is a situation that Insource has not faced until now. Although it is a different topic from the development of managers and executives, it is something that I am very concerned about.



Fujioka

The urgent need to develop each level along with the expansion of the scale of the business.

I completely agree with Ms. Niwamoto. I appreciate your comment. The number of sales representatives is increasing, and the Company is expanding, so it is important to think about how to train department managers. However, this will be the first time for the general managers and board members to manage an organization of this size, and the distance between the President and employees may gradually become greater. Therefore, it is necessary to institutionalize the process of organizational management and the way in which management is shared, as Ms. Hirotomi mentioned.

<Notes> Please also see page 59 for succession planning

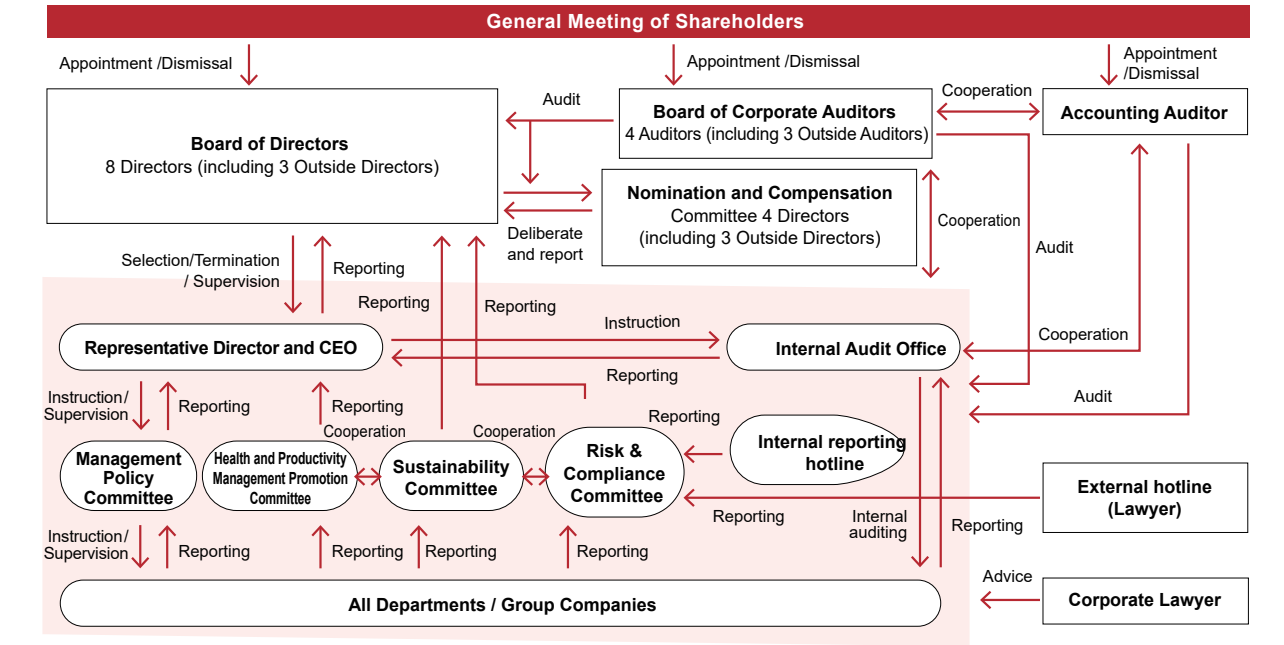
G Corporate Governance

We will also thoroughly implement corporate governance ahead of other companies in Japan. Currently, overseas investors hold approximately 20% of our shares (as of September 30, 2023), and we receive many opinions and suggestions regarding sustainability and ESG from overseas standards. We are also holding discussions within the Company and improving our internal situation. In addition, we believe that our ongoing process of strengthening governance will also contribute to solving the issues faced by domestic companies as a business, and will lead to an increase in the strength of Japanese

companies in the stock market. Therefore, based on our basic approach to corporate governance, we will continue to work towards (1) streamlining our management structure to enable speedy decision-making and business execution, (2) establishing a corporate governance structure that aims to conduct corporate activities based on sound ethical values in harmony with society, and (3) the establishment of an optimal management control system that will revitalize the Board of Directors and provide highly effective supervision of Directors.

For details, please refer to the "Basic Policy on Corporate Governance".
https://www.insource.co.jp/en/ir/ir_sustainable_governance.html

Corporate Governance Structure



Status of Corporate Governance

	Chair/Committee Chair	No. of members	Internal Director	Structure			(Reference) As of 2017 Total no. of employees (no. of women)
				Independent Outside Director	Auditor	Femal member	
Board of Directors	Takayuki Funahashi Representative Director, President and CEO	8	5	3	4 *Not included in the total	2 *Excluding auditors	6 (1)
Management Policy Committee	Takayuki Funahashi Representative Director, President and CEO	96	5	-	-	23	28 (4)
Nomination and Compensation Committee	Hidenori Fujioka Chief Outside Director	4	1	3	-	2	-
Sustainability Committee	Kumiko Kawabata Director, Managing Executive Officer	10	2	-	-	3	-
Risk & Compliance Committee	Takayuki Funahashi Representative Director, President and CEO	23	5	3	4	3	13 (2)

Functions in the Governance Structure (FY22)

Name	No. of members	Details	No. of meetings held in FY22
Board of Directors	• Chair: Takayuki Funahashi Representative Director, President and CEO • Members: Directors 8 including 3 Outside Directors/ 2 female Directors	As a management decision-making body, the Board of Directors makes resolutions on important matters in accordance with the Board of Directors Regulations and Rules on Administrative Authority, and outside directors provide advice and supervision to the Board of Directors from an outside third-party perspective. With regular monthly Board of Directors meetings, extraordinary meetings are held as necessary.	No. of meetings: 17 Attendance rate: Directors: 100% Auditors: 100%
Board of Corporate Auditors	• 4 Auditors including 3 Outside Auditors, including 1 full-time Auditor, including 1 female Auditor	With regular monthly meetings, the Board of Corporate Auditors holds extraordinary meetings to review the status of audits and audit results, and to share information among the corporate auditors. We conduct effective monitoring by exercising legal authority, such as attending important meetings and receiving reports from related parties at branch offices.	No. of meetings: 16 Attendance of auditors: 100%
Nomination and	• Chair: Hidenori Fujioka, Outside Director • Members: 4 Directors including 3 Outside Directors/ 2 female Directors	The Committee, an advisory body to the Board of Directors, is responsible for deliberating the selection and dismissal of directors and executive officers of the Company and its group companies, as well as their compensation and succession plans, from an objective and fair perspective.	No. of meetings: 6 Member attendance rate : 100%
Risk and Compliance Committee	• Chair: Takayuki Funahashi Representative Director, President and CEO	For risk management and compliance promotion, the committee is chaired by the Representative Director and implemented by directors, corporate auditors and persons appointed by the chair.	No. of meetings: 4 Member attendance rate : 100%
Sustainability Committee	• Chair: Kumiko Kawabata Director, Managing Executive Office	The Committee meets quarterly to promote sustainability, contribute to society and the global environment, and enhance corporate value over the medium to long term. We select themes and set targets for sustainability-related activities, confirm the progress of "task forces," which are cross-departmental teams under the Committee, to disclose information.	No. of meetings: 5 Member attendance rate : 100%
Health and Productivity Management Promotion Committee	• Committee Chair: Kumiko Kawabata Director, Managing Executive Office	In order to maintain and improve the physical and mental health of our employees, personnel in charge of health promotion from the Group's HR and General Affairs Department will take the lead in working with the Safety and Health Committee, corporate physicians, and others to select themes for health promotion activities, set goals, check the progress of individual activities, and promote the disclosure of information related to Health and Productivity Management.	Established on October 2, 2023
Internal Audit Office	• 1	The Internal Audit Office, under the jurisdiction of the Representative Director, prepares an audit plan for each fiscal year and conducts operational audits in accordance with that audit plan. Results are reported to the Representative Director promptly after the audit is conducted	—

Evaluation of the Effectiveness of the Board of Directors

The Board of Directors is composed of individuals with a variety of knowledge, experience and abilities, and we strive to ensure an appropriate level of diversity and size while also considering the overall balance.

In addition, in order to improve the function of the Board of Directors, we conduct a questionnaire on the effectiveness of the Board of Directors once a year for all Directors and Auditors.

In FY22, in addition to the highly evaluated “timely and accurate disclosure of information with high added value

for users, including not only financial statements but also non-financial information (such as monthly KPIs, etc.),” we also received high marks for the “system for obtaining appropriate involvement and advice from the Nomination and Compensation Committee regarding important matters”, which was an issue in the previous period. On the other hand, “communication between internal and external directors” - an issue in the two previous periods - has once again become an issue, and we will implement measures to improve this.

FY20	FY21	FY22
<Issue> • Enhancing the system that supports the Board of Directors • Further stimulating communication between executives	<Issue> • Active involvement and supervision in the formulation and operation of succession plans of the CEO and other executives	<Issue> • Enhancing communication between internal and external directors
<Response to the above issues> • Early provision of information necessary for resolutions and ensuring sufficient time for explanations (including advance explanations) • Setting up opportunities for ongoing dialogue between internal and external Directors	<Response to the above issues> • Further collaboration and enhanced discussions between the Board of Directors and the Nomination and Compensation Committee	<Response to the above issues> • Setting up and running Board meetings that lead to better communication between internal and external Board members

Success Plan

In October 2022, the Company decided on the terms of office for its directors. In line with this, the Company is deliberating and promoting the succession plan framework under the Nomination and Compensation Committee led by an Outside Director in order to ensure a smooth succession to the next Representative Director and management team.

Creation of management talent through proactive spin-offs

Our Company, which values “continuing to grow by constantly adapting to changes in society,” is considering the next generation of management from a variety of perspectives without being bound by stereotypes.

We will actively increase the number of group companies by clearly defining the terms of office of directors and increasing the number of executive officers throughout the Group, mainly in their late 30s to early 40s, and assigning them tough tasks. By spinning off companies, we aim to give our successor candidates and next-generation management candidates knowledge of management, hard experience, and determination.

Education that contributes to management decisions with the keyword “everyone is the president”

We provide education to the next generation of management candidates with the keyword “everyone is a president”.

Specifically, they are involved in activities such as creating and working on multiple short-term project teams that tackle company-wide issues across departments, and attending our Open Seminars “Learning Management Strategy from Classics” Series and exchanging opinions with attendees from other companies.

In addition to in-house human resource development, we are also continuing to search for suitable candidates from outside the Company with a view to five years from now.

FY22: Main deliberation items and activities of the Nomination and Compensation Committee regarding succession plans	
• Decision on the term of office of executives	The term of office for directors, auditors and executive officers of Insource and its group companies was drafted and resolved at a meeting of the Board of Directors
• Training plan for next-generation management	Discussions with the representative director regarding the qualities that successors should have and methods of training them, and the examination and implementation of training plans (OJT, Off-JT)
• Training of candidates for the next-generation management	In order for young managers to acquire a company-wide perspective, cross-departmental business improvement and sales contribution projects are being implemented
• Enhancing the framework of the executive compensation system	Deliberations and discussions to make the restricted stock compensation introduced in December 2021 and the performance-linked bonus more transparent, fair, and convincing.

Our next generation of management is also attending - Open Seminars “Learning Management Strategy from Classics” Series

Learning from Famous Classics strengthens management skills and leads to the ability to create new businesses and systems

Books that are considered classics are full of past examples and management theories that business owners and executives should know. By reading and understanding these examples and the thoughts of business owners, one can learn about the strong leadership and problem-solving abilities of their predecessors. Furthermore, by examining and contemplating these examples in the context of one's own organization, one can gain extremely valuable experience that is not usually possible to accumulate until one becomes a business owner.

Target

- Executive management and management candidates
- Core human resources and management candidates
- Managers and others who will play an increasingly active role in the organization

The “Learning Management Strategy from Classics” series currently being held and the textbooks used

Textbooks	Future-oriented Strategic thinking	Sense of mission Leadership	Vision-building skills Conceptual skills	Productivity improvement Problem solving
"New EditionStrategic Management and Competitive Advantage: Concept (Volume 1, 2, 3)" Jay B. Barney/William S. Hesterly (DIAMOND, INC.)	◎	○	○	△
"Toyota Production System: Beyond Large-Scale Production" Taiichi Ohno (DIAMOND, INC.)	△	◎	○	◎
Moments of Truth: New Strategies for Today's Customer-Driven Economy" Jan Carlzon (translated by Tsutsumi Yūji) (DIAMOND, INC.)	△	◎	◎	○

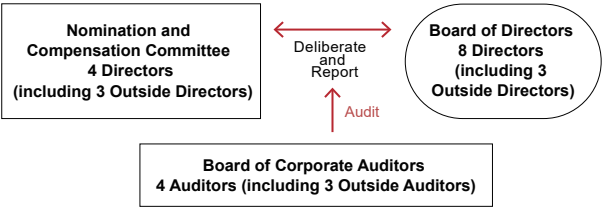
Compensation of Directors

Regarding directors' compensation, the Nomination and Compensation Committee, whose chairman and majority of its members are independent outside directors, deliberates on the appropriateness of the compensation, and the Board of Directors makes a decision on the compensation.

Basic Policy

- To link compensation to corporate performance in a manner that fully functions as an incentive to sustainably increase corporate value
- To set an appropriate level of compensation based on the roles and responsibilities of each director

Structure of the Nomination and Compensation Committee



Compensation Structure Ratio

Titles	Base compensation	Bonus	Share-based Compensation
Representative Director	30%	50%	20%
Directors (excluding Outside Directors)	60-70%	20-30%	10%
Outside Directors	100%	—	—
<Reference>Executive Officers Representative Director of Subsidiaries	60-80%	15-35%	5%

*In case of 100% achievement of performance indicators (KPI) to raise awareness of the need to improve performance for each fiscal year

Maximum Amount of Compensation for Directors and Auditors

- The maximum amount of compensation for Directors is 200 million yen per year (including 20 million yen for Outside Directors)
- The total amount of monetary compensation claims for transfer-restricted stock compensation for Directors (excluding Outside Directors) is 40 million yen per year, within the above limit
- The maximum amount of compensation for Auditors is 25 million yen per year.

FY22: Main deliberations and activities of the Nomination and Compensation Committee regarding executives' compensation

Deliberations on the process for evaluating executives and determining bonus amounts for 1H and 2H	Confirmation that transparency and fairness are ensured in the process of determining the amount of bonuses, which are performance-based compensation, based on self-evaluations and evaluations by superiors of each executive, as well as final evaluations.
Enhancing the Restricted Stock Remuneration System	Simulation of payment amounts and confirmation of calculation formulas for transfer-restricted stock compensation as non-monetary compensation, which was introduced from FY21, assuming various performance patterns.

In order to ensure objectivity and transparency in the amount of compensation for directors, the Nomination and Compensation Committee was established in FY21 as an advisory body to the Board of Directors to examine and deliberate on the nomination and compensation of directors.

Compensation and Eligibility

- The three parts of compensation are "base compensation," which is fixed compensation, "bonuses" as performance-linked compensation, and "stock-based compensation"
- Directors receive base compensation, bonuses, and stock-based compensation
- Outside Directors, who have supervisory duties, are paid a base salary in consideration of their duties

G Risk Management

In recent years, risks of unprecedented scale have emerged, including infectious disease pandemics, cyber attacks, international conflicts, and natural disasters. Our group regularly reviews risk, evaluation, and countermeasures. We are not afraid of risks, but our stance is to consider them statistically and make calm decisions. Our risk countermeasures (preventive measures) are as follows. When a crisis occurs (risk materialization), we respond immediately to minimize the damage.

Common risks in all business areas

Category	Item	Possible risk and effect	Countermeasures
Risks to the Business Environment	COVID-19 and Other Infectious Diseases	The spread of the infection may result in restrictions on business activities and the postponement or cancellation of training.	In light of the possibility of outbreaks of infectious diseases, we take 8 countermeasures including reducing the number of participants to half and installing droplet-proof sheet in the On-Site Training venues, or provide online training.
Risks to Our Group's Business	System Failures	If communication networks or servers become unavailable due to unforeseen problems, the Group may not be able to provide its services.	The services we provide and the internal operations make advanced use of computers and Internet technologies, and are highly dependent on telecommunications network services operated by telecommunications carriers. We use a highly reliable cloud service infrastructure for our services to customers, and for the main locations where our online seminar rooms are installed, we make available communication networks provided by multiple carriers.
	Security	There are the possibilities of erasure or unauthorized entry to important data, such as customer personal information due to criminal or unauthorized access and the possibility of claims for compensation for damages due to the above.	The Group has security measures in order to protect against hackers, computer viruses, and other threats. No problems have arisen at this time. However, we will continue to enhance security measures to deter future occurrences.
	In-house System Development System	If progress in system development is delayed due to inability to secure human resources, efficient promotion of internal operations may be hindered.	The Group will continue to hire and train engineers and actively promote the systemization of internal operations. In addition, as we expand our businesses, we will promote internal DX training for nonengineers and continue to improve our operations. ⇒ See "Management Base: System Development Capability" on page 70.
	Products and Services	If we are unable to maintain our competitive edge over other companies in the areas of HR and administrative support services, which is offered inexpensively, or create diverse new content, our group's business results could be affected.	In order to maintain our advantage over our competitors, we have divided our work between trainers and content creators, and we provide the latest and customized content at a high speed. In addition to content, we maintain our competitive advantage by providing comprehensive services related to the implementation and operation of education, including educational infrastructure and assessments. ⇒ See "Management Base: Content Development Capability" on page 66.
	Web-based Sales Activities	If the number of web page sessions were to decline due to unforeseen events, the effect of the Group's sales promotion could be reduced.	We will continue to expand and improve our web pages to enhance the sales promotion effect in our sales activities. ⇒ See "Management Base: Sales Force" on page 72.
	Intellectual Property Rights	If a malicious third party imitates our services for our original content, it may hinder our business development. If a third party's intellectual property rights or portrait rights are infringed, the Group may lose social credibility and incur losses due to compensation, our group's business performance may be affected.	The Group's business is based on the development of original content for training, and we believe it is important to secure intellectual property such as copyrights and trademarks. Our group is committed to protecting and preserving our trademark rights and clearly stating our copyrights, as well as the technologies and know-how we have developed. We take the utmost care to avoid infringing on trademarks, copyrights, and other intellectual property rights belonging to third parties, as well as portrait rights, by investigating rights relationships in advance. Although no problems have arisen at this time, we will continue to conduct internal training to prevent future occurrences. ⇒ See "S Human Capital" on page 50.
	Trainers Securing	If we are unable to secure trainers who have the skills, knowledge, and experience required by the Group to provide training under appropriate contract terms and conditions, there will be a serious problem in the implementation of training.	One of the most important factors in determining the success or failure of a training program is the quality of the trainer. To ensure quality training, it is essential to have trainers with the right skills, knowledge, and experience. The Group will continue its efforts to secure such trainers.
	M&A	If, after the M&A, problems that the Group is not aware of become apparent, or if for some reason the business development does not proceed as planned, the value of the target company's shares or the transferred assets may need to be written down, or the Group's performance and financial position may be affected.	The Group believes that it is possible to supplement and strengthen the Group's business by conducting M&A (such as acquisition of subsidiaries, acquisition of businesses, and capital participation), and actively promotes M&A. In doing so, we strive to avoid as much risk as possible by conducting detailed due diligence on the target company and its business conditions as well as financial, tax, legal, labor, and other factors, gathering information considered necessary and sufficient for decision-making, and carefully examining and considering investment efficiency.
	Entry by competitors	If a company in a field different from the training business establishes a business model that causes a paradigm shift in training and enters the market, the Group's sales activities may be hindered and the Group's business performance may be affected.	In order to achieve sustainable growth, we will maintain and enhance our competitiveness by maintaining a diversity that can flexibly respond to change and by continuing to refine our IT capabilities to improve operational efficiency, which is the essential element of our business model. ⇒ See "Value Creation Process" on P.64.

Sustainability-related risks

Our group has selected five items that are events that will have an impact from a medium- to long-term perspective and risks that should be recognized even though they occur infrequently. Please see the list on the right. We will conduct regular monitoring of these risks and work to avoid their occurrence and respond to them if they should occur.

Sustainability-related risks
Human rights violations
Damage to offices and servers due to large-scale natural disasters
Occurrence of bribery and corruption
Loss of training opportunities due to the spread of Generative AI
Cost increases due to changes in the external environment.

Risk Management System

In accordance with the various regulations concerning risk management, namely the “Risk and Compliance Regulations”, “Sexual Harassment and Power Harassment Prevention Regulations” and “Internal Reporting Regulations”, the Group is engaged in risk management activities across the entire Group, led by the Risk and Compliance Committee, chaired by the Representative Director, President and Chief Executive Officer, and the Internal Audit Office, controlled also by Representative Director, President and Chief Executive Officer. The Risk and Compliance Committee identifies and defines the various risks associated with business

operations, classifies them on a matrix, and then continuously checks and adds to the matrix for risks that are expected to arise due to new businesses and changes in the environment. In addition to conducting internal audits of the Group, the Internal Audit Office also serves as the secretariat for The Risk and Compliance Committee. In managing risk, we evaluate and categorize risks using a matrix table with two axes: frequency and importance. Based on this evaluation, we regularly review major risks and update the status of responses to each risk, and our Group currently identifies 10 major risks.

Development of a Risk Culture

While our Group is committed to developing new services and changing business processes on a daily basis in response to changes in society's needs, we also believe that it is essential to develop a thorough risk management mindset and acquire skills as a foundation for this. For this reason, the personnel evaluation system includes items related to risk management. In addition, we ensure that employees are well informed and instructed so that any risks that arise are promptly reported to the Internal Audit Office, and the events, causes and countermeasures are shared with managers throughout the Group.

Furthermore, we have a system in place that allows employees who detect and report risks to be evaluated based on the number of reports they make. Through these measures, we are working to prevent recurrences and develop a risk management mindset. With regard to education, the Group Human Resources and General Affairs Department regularly conducts knowledge and comprehension tests on risk management and compliance for all Group employees, and employees who fail the test are given supplementary education using e-Learning.

Compliance education for all employees

Compliance education is provided to all employees every year. They watch videos of our own products on Leaf, and then take a test to check their understanding. We have achieved a 100% course attendance rate every year.

- < Topics covered >
- Information security
 - Insider trading prevention
 - Harassment prevention (sexual harassment, power harassment)-
 - Copyright law
 - Subcontracting law
 - Labor management
 - Human rights (completed in September 2024)

Dialogue with Shareholders and Investors

We recognize that IR activities are one of the most important activities for sustainable growth and enhancement of corporate value over the medium to long term. In addition to appropriate information disclosure, we will promptly share evaluations and feedback from shareholders and investors within the company and reflect them in our management and IR activities.

We will promote thorough company-wide visualization to build firm trust

We are committed to proactive information disclosure. We believe that we can build trust with investors by continuing to thoroughly "visualize" our business activities. In the FY22, we published 197 news releases, including monthly performance indicators (KPIs) News releases are drafted not only by the PR and IR staff, but also by employees in various departments, such as the Content Development Department and Group Sales

Management Office, depending on the content of the release. Each and every employee is committed to pursuing accountability with a sense of ownership. We also disclose monthly performance indicators, frequently asked questions, and English translations. We will provide necessary information in a timely manner to enhance our information and dialogue with our shareholders and investors.

Activities

Holding Regular General Meeting of Shareholders

- Exercise of voting rights in writing and via the Internet
- Online shareholder meeting

Information Disclosure

- Voluntary disclosure of monthly KPI (performance indicator) progress (first business day of each month)
- News releases of new content and services, etc.
- English disclosure (financial results and related materials, monthly KPI, and other timely disclosure information)
- Disclosure of Q&A (answers to questions from investors)

Dialogue with domestic and foreign institutional investors and analysts

- Financial results briefings (2Q, 4Q) and conference calls
- IR meetings: Dialogue mainly online
- Analyst Coverage by 5 companies

Company	Analyst
SBI Investment Co., Ltd.	Norimasa Morimoto
Storm Research	Team coverage
Tokai Tokyo Intelligence Laboratory Co., Ltd.	Tatsuo Majima
Pelham Smithers Associates	Hiroyuki Terada
Morgan Stanley MUFG Securities Co., Ltd.	Katsumi Arai

Holding Regular General Meeting of Shareholders

- Dialogue with individual investors

No. of total small meetings and with overseas investors

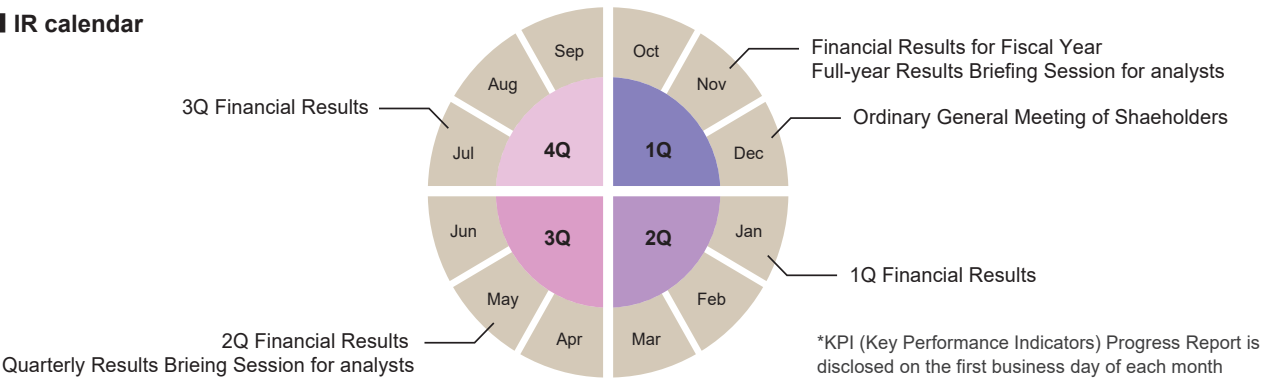
	FY18	FY19	FY20	FY21	FY22
Total	153	183	248	186	216
With overseas investors	72	94	87	67	53

Disclosure in English

We are enhancing disclosure in English

Material	Schedule	Disclosure status (April ,2024)
Financial results	Every quarter	○ (Same day)
Presentation material	Every quarter	○ (Same day)
Security report	Every quarter	×
Corporate information	Anytime	○ (Same day)
Press release	Anytime	△ (Partly)
Notice of annual general shareholders meeting	Before meeting (Dec.)	○ (Summary)
Corporate governance report	Every year (Dec.)	×
Integrated report	FY22 version: September 2024	○

IR calendar



Value Creation Process

Solving Social and Customer Issues Thoroughly

Management Resources for Creating Value

Business Model for Creating Value

Business Activities

Material Issues

Diverse Human Resources

Human Capital [P.50~](#)

Insource Culture "Speed and Focus"

Broad Client Base"

Stable Financial Resources

Database of Customer Issues



Medium-term Management Policy

Business Portfolio Diversification

CFO Message [P.38~](#)

1 Career Development Education Business

2 System Business

3 "Rising Next"
(DX/ Videos / Regional Revitalization)

Market Environment and Growth Strategy [P.22~](#)

IT Services Business Future Growth Policy [P.30~](#)

New Growth Areas [P.32~](#)

Medium-term Management Plan

ROAD TO NEXT 2026

1 We respond to a wide range of management issues faced by companies, and increase sales per company

Strengthen content IP development and sales for areas other than the human resources education department, such as human capital management, recruitment enhancement, DX promotion, sales enhancement, and management enhancement (support for listing) etc.

2 To maximize the value of content IP, we will strengthen multiple utilization and delivery to increase the number of clients

- ① In addition to our own sales channels, we are accelerating the securing of partnership channels to strengthen delivery to clients
- ② We will expand overseas through multiple uses and multilingualization

3 We continue to develop and promote sales of new growth areas "Rising Next"

- ① We will promote existing services and develop new growth areas
- ② In response to reskilling needs, we are now fully providing services for individuals.

ESG+Performance Management

Purpose

Solving Social and Customer Issues

Insource Group will contribute to solving issues faced by individuals, organizations, and society through its combined strengths. We will realize a society where all people are given equal opportunities and can maximize their individuality and abilities.

Philosophy

Make a society that all people can enjoy working and feel fulfilled



Management Base : Content Development Capability



- 1 Create best products based on the clients' needs
- 2 Deliver high-quality, affordable contents to society as quickly as possible
- 3 Provide a wide range of contents with various delivery methods

1. Create best products based on the clients' needs

Q What are the features of Insource's contents?

A We create a customized product based on the client's problems and the attendee's concerns.

We provide a practical framework necessary for work

Since our foundation, "always responding to clients' needs" has been our priority. We also consider the concept of content development to be "useful from tomorrow". For this reason, our training programs are not designed to unilaterally present our ideas and theories to attendees. Based on the problems and concerns of our clients, we have carefully selected frameworks and knowhow necessary for actual work, and designed mainly for exercises.

Analyze real "problems" attendees have and create training content

When preparing training materials, we ask attendees to fill out a questionnaire in advance to find out what they are struggling with and what they are trying to do to solve their problems. All of this questionnaire information is stored in our database, which currently contains more than one million data records.

Content creators use the result of this survey to create textbooks based on the content needed by the attendees. This information is truly our asset.

On-Site Training can be flexibly customized to fit any industry, job category, and type of attendees

As mentioned before, we emphasize "conveying content that can be immediately put into practice in the workplace" so that attendees can experience the "joy of working" through the training. Therefore, we offer flexible customization of the On-Site Training. For example, even in the same complaint handling training, each industry and its companies have different complaint situations. Parts are created on a case-by-case basis to suit the job and type of the attendees, such as for sales representatives at an electric power company or for station staff at a railroad company.

2. Deliver high-quality, affordable content to society as quickly as possible

Q What are the strengths of Insource's content?

A It is to be affordable, up-to-date and perfectly-fit.

Mass-producing content quickly using a "division of work method"

With regard to content, we place the greatest emphasis on "always being the first to offer something new." Educational themes have fads, and in order to sell, we have to develop content faster than our competitors. By adopting a "division of work method" between trainers and textbook development, we have achieved a system that allows us to mass produce content at high speed. All of the content we create is stored in a database, and content development creators can search for and use parts they have created in the past. By "standardizing" the process of creating textbooks, which tends to rely on individual ability and can easily be personalized, we have achieved a mass production system.

Spare no cost in R&D and sell on the long tail business strategy

No matter how niche the need is, we spare no expense in developing content. If we receive an inquiry that says, "We have a problem related to XXX," and there is no corresponding content, we will create content from scratch. As a result, the number of contents in the On-Site Training has led to a total of 4,156 titles. In addition, once the content is created, it is posted on a Web page so that it can be provided to other clients. Not only do we wait for clients' requests, but we are also constantly creating new content.

Existing contents are also updated daily based on questionnaire results

We believe the content business is entertainment, and it is important to keep our clients "never get bored". Therefore, we brush up the existing contents many times based on the results of feedback and questionnaires from the trainers and clients. The results of the questionnaires are shared with all employees on a daily basis via e-mail from the system, and a rule has been established that the person in charge must improve any low evaluations. In addition, we brush up our training to keep up with social trends. For example, our new employee training is revised every year to reflect the changing perspectives and work styles of the times. In 2024, We have added information about the importance of "what a person should be like" before considering how to be a member of society. We have also added information about LGBTQ+, which is necessary for those who will be the driving force in the SDGs era.

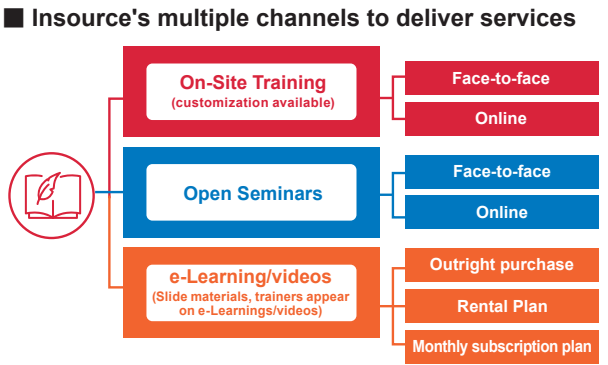
Education should be an affordable commodity

We also emphasize "affordable price" in order to deliver our content to more clients. No matter how specialized or advanced, education should not be an expensive service. We believe that our services should be as accessible as daily necessities, so to speak. Therefore, by fully utilizing IT and keeping development and supply costs down, we are able to offer affordable pricing.

3. Provide a wide range of contents with various delivery methods

Products are available through various delivery methods

Programs developed through On-Site Training are also used in our own Open Seminars, and are further developed into e-Learning and video materials. We use the same content in a variety of formats to keep development costs low. Also, amid the COVID-19 pandemic, we launched new online training and e-Learning/video rental plans. We use our multi-channel approach to meet the budgets and needs of our clients.





Management Base : Culture

INSOURCE CULTURE

Q Please tell us about the characteristics of Insource Group employees.

A We face social issues with sincerity and respond swiftly as a unified group.

To solve social issues

Insource has many members who have a strong desire to solve social issues related to "people". Regardless of each other's backgrounds and experience, we are a group of kind and friendly members who are "willing to talk to those in need" and "willing to teach".

Diverse people are working together and moving quickly

Members with diverse values share a common understanding that we can win if we all move quickly. We believe that this is a common understanding that has

arisen from the fact that the work of all departments is quantified as KPIs, making it easy to feel the relationship between one's own actions and business performance, company-wide events held regularly, and the experience of overcoming many crises with organizational strength.

- Inquiries are answered within half a day in principle. The proposal is shared with the entire company at the same time.
- Even if a request for training to be ready in three days is received, we will do our best to respond to it through cross-departmental cooperation.

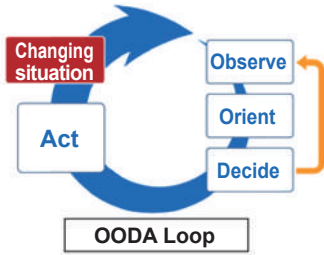
Q What specific ideas do Insource use as a code of conduct?

A We utilize the OODA model, the decision-making process of the U.S. Marine Corps.

We practice the "OODA model", which is an easy-to-understand theorization of the decision-making process of the U.S. Marine Corps. It is OK to fail, but we need to keep moving. If you do not get results, change course immediately. We believe that the OODA loop, which the entire organization and each individual rotates at high speed on a daily basis, leads to our ability to respond to change.

1. Observe - Accepting things "as they are" without preconception

Thinking from the client's perspective
Developing contents and offering service all start from the client's issues. To capture needs instantly and without missing anything, we record, collect, and analyze the trends of inquiries and the content of business negotiations. Client's issues are being collected in a database.



- Conduct weekly content development meetings to develop new content
- If we do not have suitable services needed by the client, all departments will put heads together to develop it from scratch

2. Orient - Oriented by "inspiration" from information

Share the information with the entire company
The source of inspiration is information. For example, information collected through questionnaires from attendees and interviews conducted by sales representatives is disseminated to the entire company on a daily basis, and social trends are also shared. At company-wide morning meetings held twice a week, each department presents KPI progress, good business cases, and kaizen (improvement) information.

- Younger employees introduce a useful tool to reduce time spent creating emails to the entire company
- At sales meetings, from first-year employees to executive officers fill in the "Information Sharing/Spread Information Horizontally (share information regardless of their job titles)" column and share it

3. Decide - The key to judgment is whether the content, quality, and price meet client's needs

Pursuit of quality without compromise
As client needs and social conditions continue to change, we brush up our services and content in response to these changes; therefore, we quantify all quality, and all feedback from clients and attendees is made public on the Website as well. We have established a system that does not allow "compromise" or "cheating" of services and contents by allowing people outside the company to view our website.

- Sales representatives, trainers, and content creators work together daily to find the best solutions
- Training evaluations are posted daily on the website, and individual program evaluations are disclosed to the public

Consider cost-effectiveness
We emphasize not only the content and quality of our services, but also the appropriate price and means to provide those services. To achieve this, the cost of providing services is reduced by automating simple, repetitive tasks and by immediately systematizing tasks that are found to be prone to error.

- Whenever a new project is launched, engineers are also invited to discuss "structuring," "standardization," and "automation"
- Mistakes and troubles are shared among managers as "seeds for improvement." Add or improve system functions that can be prevented by applying IT

4. Act - Act immediately. Return to "observation" state if the situation changes

Each employee acts proactively and promptly
Each department has KPIs for the amount of action. All of us are committed to building our business performance through each and every one of these steady actions. We flexibly change the priorities of KPIs as situations change.

- Share daily sales KPIs and progress towards targets with the entire company
- KPIs for the amount of action are set in each department
Example: 10 press release target per month
Example: Monthly target to develop 30 training (On-Site Training) content and 20 e-Learning courses

Culture to bring out the best in our employees

Diversity & Inclusion

We value inclusion as part of our culture. We see diversity as a source of competitiveness, and the proportion of female managers is 37.7%. It is said that 80% of people's problems are related to human relationships. We respect the existence of others, rather than clashing with their values, and provide an environment where people can work while having fun and feeling fulfilled.

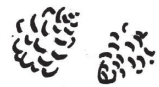
Opportunities to grow are provided

Younger employees with enthusiasm and ability are given one opportunity after another and the opportunity to participate in management meetings. In addition, new graduates are required to take Python training, regardless of their scientific or liberal arts background. This allows employees to grow and

discover new talents and aptitudes, and ultimately leads to increased productivity in the organization.

Energy and ability to act

We have the energy and ability to be the first in our industry to release services that solve social problems, and we are keenly aware of changes in the environment and the needs of the world by practicing the OODA model in the field. Our employees have a mindset that sees these changes as opportunities. In our company, failure is not a bad thing. The most problematic thing is to "do nothing" for fear of failure. Our culture is such that even in difficult times, we do not stand still, but keep moving forward in some way.





Management Base : System Development Capability



- 1 Achieve high productivity by self-developed systems
- 2 Develop a system with good profitability
- 3 Operate large scale systems with high reliability and security

1. Achieve high productivity by self-developed systems

Q Why do Insource strengthen its system development capabilities?

A To lower both production costs and SG&A expenses for its own services.

Preventing errors from occurring through "systematization"

We have been promoting the systemization of all our operations since our foundation. This is to enable inexperienced employees and members with limited working hours to perform their duties in a short period of time without making mistakes. The key to our growth has been the utilization and structuring of IT.

Training management systems that support Insource's business model

The business model of our training business, which is our competitive advantage, is based on the "Training Management System". In order to conduct training, sales representatives must coordinate detailed information (such as date, time, venue, attendees, training content, and trainers) with clients, trainers, and content creators. With these automation of routine tasks, we have achieved thorough cost reductions.

For example, before a training session, a reminder e-mail is automatically sent to both the clients and the trainer to prevent misunderstandings and lack of confirmation. With the use of IT, communication costs are reduced as much as possible, and mistakes of "misunderstanding, lack of confirmation, and forgetting" are prevented to a minimum.

In-house developed system improves productivity by about 100 times

By using systems developed in-house and tailored to your company's operations, you can achieve productivity that is approximately 100 times greater than that of off-the-shelf packages. If there are multiple users and the same process is performed more than 10 times a day, we believe you should consider developing your own system. Based on this idea, we have not only increased sales, but also thoroughly promoted a cost-conscious approach that has helped keep manufacturing costs and SG&A expenses low, resulting in a high profit margin for the Company.

2. Develop a system with good profitability

Q Why do you sell the system as a training company?

A Requests from clients led to the launch of "Leaf," (HR support system/LMS) for the IT Service Business.

"Leaf" was born from client requests



"Leaf"(HR support system/LMS) in IT Services used by 710 organizations (as of the end of June, 2024), was launched at the request of a client who wanted to "systemize training management". Large private companies conduct hundreds of training programs per year. The people in charge of education must communicate with trainees regarding training dates and times, venues, and trainee preparations, as well as receive applications, confirm attendance, and manage assignments. It is Leaf that makes these operations go smoothly. Subsequently, with the diversification of education, we have added various functions such as "video viewing" and "online training functions". In addition to education, the system also includes functions to support HR operations such as "stress checks" and "personnel evaluations".

Insource's EC sites: WEBInsource and Video Department Store



WEBInsource, a membership platform used by a cumulative total of 21,644 organizations (as of the end of September, 2023), was initially developed as a system for signing up for Open Seminars. However, as the service has expanded, it has evolved into a platform for purchasing a variety of services, including assessment services, e-Learning, videos, textbooks, and other affiliated products.

The "Video Department Store" was also launched in July, 2020 due to the growing demand for e-Learning education amid the COVID-19 pandemic.

As a result, video content worth more than 200,000 yen is now being purchased on the Internet, without the assistance of a sales representative. We can expand sales while maintaining a high profit margin by selling video content on our website and WEBInsource.

3. Operate large scale systems with high reliability and security

Q What are the characteristics of Insource's system?

A They are reliable, have high security, and can withstand large-scale operations.

Leaf has 3.82 million users (as of the end of June, 2024)

Our systems are large but highly reliable and secure. Leaf's servers use Microsoft Azure, a cloud service provided by Microsoft Corporation, and are operated on servers in Japan. It is also possible to quickly develop the latest functionality in line with updates to cloud services. Leaf is used by 3.82 million users, and the system can withstand simultaneous access by a large number of people*.

*Microsoft Azure is a trademark or registered trademark of Microsoft Corporation.

Providing a safe environment for clients

Also, Leaf offers its systems in a single-tenant architecture. In addition to encryption of communications and stored data, we provide our clients with a secure environment by installing intrusion detection and prevention systems and conducting annual third-party vulnerability inspections. As a result, there have been zero security incidents in the ten years since the service was launched, and the service uptime has been maintained at 100%.



Management Base : Sales Force

INSOURCE
SALES



- 1 Realize "company-wide sales" with the power of people and IT
- 2 Provide products that match client issues quickly using database strategy
- 3 Always focus on speedy action and vaule the process

1. Realize "company-wide sales" with the power of people and IT

Q What are the strengths of Insource's sales activities?

A We have a "company-wide sales" system that enables sustainable growth with the power of people and IT.

"Company-wide sales" system that utilized the power of people and IT

With the exception of the fiscal year ended September 2020, which was affected by the COVID-19 pandemic, we have continued to increase sales since our establishment. This is the result of our unique sales cycle that links the power of people and IT. This is achieved by linking sales activities by sales representatives, sales promotion activities via the Web and e-mail, and new product development. Specifically, information that arises in the business process, such as "details of negotiations between clients and sales representatives," "issues and problems of clients," and "inquiries from clients," is distributed throughout the company at high speed by utilizing IT. This allows the entire company to share client's issues at the same time, and to quickly coordinate product development, sales promotion and sales activities. It can be said that all employees, not just those who deal directly with clients, are involved in sales activities with a sales mindset.

Plants: Self-developed SFA specializing in the collection and sharing of client information

The sales cycle is operated by Plants, a self-developed SFA*. The system is designed so that necessary information is carefully selected and information can be registered in a minimum amount of time. Even busy sales representatives can use the system without missing any information. Plants records the history of negotiations and transactions between our company and clients since 2003, allowing for a smooth handover in the event of a sales representative change, maternity or paternity and child-care leave. Plants is also used outside of the sales department, where the sales promotion department analyzes negotiation history data to realize one-to-one marketing, selling the most appropriate product to each client. We are constantly improving the functionality of Plants, which contributes to increased sales productivity

*SFA: Sales Force Automation, which means sales support system.

2. Provide products that match client issues quickly using database strategy

Direct marketing and Web marketing

We use the "Platns" database to promote direct marketing and web marketing.Our company has 23,655 web pages. When we were founded in 2003, it was rare for companies in the career training industry to publish detailed information about their training programs on the web.Therefore, we have been publishing a lot of information on our website, including detailed program content and survey results, so that our clients can more easily visualize the content of our training programs.

Achieve early acquisition from inquiries

As a result, we receive over 5,000 inquiries a year, which contributes to the expansion of our client base. Furthermore, our sales representatives are able to make proposals that are close to solving the client's issue in a short amount of time, as they visit the client based on the content of the inquiry and make hypotheses. If there is no appropriate product, we promptly develop one and propose it. At the same time, we upload it to the web and quickly connect it to marketing.

3. Always focus on speedy action and vaule the process

Q What is the difference of sales representatives between Insource and competitors?

A Our sales are always proactive to approach clients and take speedy action.

Sales representatives act as directors to meet client needs

We have 238 sales representatives who are responsible for both developing new clients and strengthening relationships with existing clients. We offer a wide variety of content and educational methods to meet our clients' needs and budgets. Sales representatives propose optimal solutions to clients by combining them. In addition to making proposals, sales representatives also play the role of director in conducting training, connecting scriptwriters (content creators) and performers (trainers).

Act independently and respond to requests promptly

Sales representatives practice the OODA model* and work independently. They propose training content and services based on their own judgment after thinking through the client's requests and problems. This enables us to respond to client's requests at a speed that is not possible with a style of training in which trainers decide on the content and prepare the textbooks. It is also very common for our sales representatives themselves to plan and develop new training programs when the most appropriate content is not available.

*See p.68 for OODA model.

Emphasis on action and process leads to stable sales growth

Sales representatives make it a habit to approach a large number of clients and to conduct thorough information gathering. Educational needs are difficult to identify and services are not sold quickly. Human resource development is an important management issue, and it can take considerable time, sometimes several years, for clients to make decisions. In other words, our sales are the result of our continuous approach and acquisition of information from the past. The reason for the continuous and stable growth of our sales is based on the accumulation of sales activities from the past. Although we have sales targets for each of our sales representatives, we do not impose so-called sales quotas. We do not set huge incentives, either. Sales and "action process" are used as KPIs in the evaluation of sales representatives. Specific KPI items include the amount of action such as the number of daily meetings with clients and proposals, the proposed amount, the number of WEBinsource acquisitions, and the number of times information on client and proposals is shared. We value a good sales process and a positive attitude, as it will lead to future results. Our sales representatives are not motivated by immediate profit, but are made up of dedicated people who can act aggressively for the future.

Executives of the Company

Directors of Insource Co., Ltd.



Takayuki Funahashi
Representative Director, President and Chief Executive Officer
Representative Director of Insource Marketing Design Corporation
Representative Director of Insource Consulting Corporation
Representative Director of Insource Creative Solutions Corporation



Kumiko Kawabata
Director, Managing Executive Officer
Director of Rashiku Corporation
Director of Insource Consulting Corporation



Shigeo Fujimoto
Director, Executive Officer
Chief Financial Officer
Director of Insource Business Rep Corporation
Director of Insource Consulting Corporation
Visiting Professor, Graduate School of Business Administration, Kobe University (current position)



Tetsuya Sawada
Director Representative Director of Mitemo Co., Ltd



Daisuke Kanai
Director, Executive Officer
Director of Mitemo Co., Ltd
Director of Insource Digital Academy Corporation



Hidenori Fujioka
Outside Director



Katsuko Hiroto
Outside Director
【Significant concurrent positions】
Director and Executive Officer of Power Interactive Corp.



Yoshiko Niwamoto
Outside Director
【Significant concurrent positions】
Associate Professor, Graduate School of Business Administration, Kobe University

Auditors of Insource Co., Ltd.



Ayami Tabuchi
Full-time Auditor



Kazuo Iizuka
Auditor
【Significant concurrent positions】
President of Iizuka Law Office



Kunihiro Nakahara
Auditor
【Significant concurrent positions】
President of Nakahara Accounting Office
Representative Director of Lexicom Inc.

Executive Officers of Insource Co., Ltd.

Yoshio Ohata
Manager of Group Content Development Department
Executive officer of Insource Consulting Corporation
Director of Insource Creative Solutions Corporation

Hideaki Fujita
Manager of Open Seminars Department

Takeshi Imanishi
Manager of Group Human Resources and General Affairs Department
Manager of Group Trainers' Educational Department
Director of Insource Business Rep.

Shun Tanaka
Manager of IT Service Department
Chief of IT Support Office

Hideki Hara
Chief of Internal Audit Department

Aya Inoue
Manager of CEO Office
Manager of Business Promotion Office
Chief of Operation Department
Director of Insource Marketing Design

Akira Takahara
Chief of Group Corporate Planning Department
Assistant Manager of IT Support Office
Executive Officer of Insource Digital Academy Corporation

Masahiro Osawa
Vice Manager of Group Sales Management Office

Shin Kebukawa
Chief of Group Corporate Planning Department

Directors and Executive Officers of Insource Group

Insource Digital Academy Corporation

Shinichi Sugiyama
Representative Director, President, and Chief Executive

Toru Ando
Director

Go Uchiyama
Director

Yukari Yano
Executive Officer

Noriko Shingu
Director

Ryohei Akimoto
Executive Officer

Satoru Goto
Executive Officer

Insource Marketing Design Corporation

Masaki Ito
Managing Director

Jun Nagasawa
Director

Toshio Ishizuka
Executive Officer

Kosuke Kawasaki
Director

Mitemo Co., Ltd

Kazuhiro Iida
Director

Kazuya Sato
Director

Naoto Ito
Director

Rashiku Corporation

Motokazu Hirayasu
Representative Director, President

Takeshi Hijikuro
Director

Insource Consulting Corporation

Yosuke Kobayashi
Executive Officer

Tomoyuki Kaeriyama
Executive Officer

Daisuke Nishizawa
Executive Officer

Seiichi Tanimura
Executive Officer

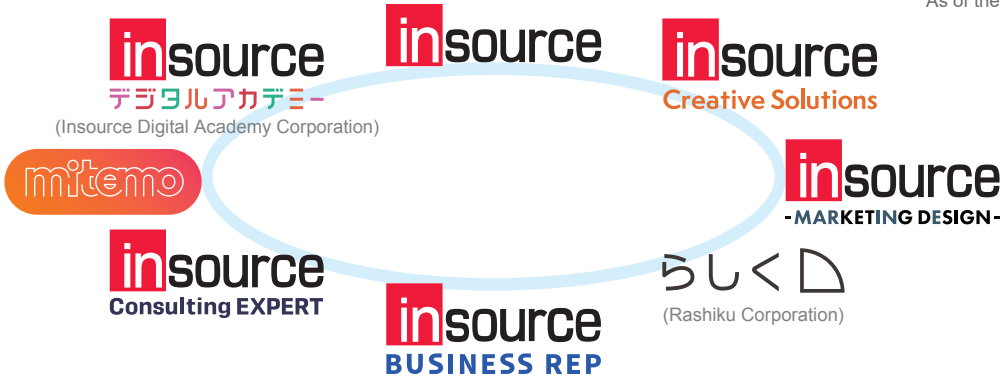
Hiroaki Matsuki
Executive Officer

Insource Business Rep Corporation

Yoshio Ochiai
Representative Director, President

Yasutsune Momose
Executive Officer

*As of the end of June, 2024



■ The expertise that the Group expects from its executives * The maximum 8 main skills possessed by each executive are marked with ●

Name	Takayuki Funahashi	Kumiko Kawabata	Shigeo Fujimoto	Tetsuya Sawada	Daisuke Kanai
Job Title	Representative Director, President and Chie Executive Officer	Director Managing Executive Officer	Director Executive Officer	Director	Director Executive Officer
Management decision-making	●	●	●	●	
Speedy Decision Making	●	●	●		●
Finance			●		
Expansion of Business Performance	●	●		●	●
New Business	●	●		●	
Cost Reduction		●			●
Risk Management		●	●		●
Organizational Management	●	●	●		●
Sales Expansion				●	●
Content Development	●		●	●	
Trainers	●		●	●	
Consulting				●	
IT, Technology	●				
Overseas Business Experience					

■ Reasons for selecting the expertise expected of executives by the Group

Management decision-making	It is essential for the formulation of strategies for the entire company and for making appropriate decisions at various situations
Speedy Decision Making	In order to respond to environmental changes and continue to grow through prompt decision-making
Finance	Sound financial management and investment are essential for business continuity
Expansion of Business Performance	It is essential for medium- to long-term growth in the future
New Business	It is necessary for innovation and market expansion
Cost Reduction	In order to ensure efficient allocation of management resources and profits
Risk Management	In order to ensure organizational stability and sustainability
Organizational Management	It is necessary for effective team management and human resource development
Sales Expansion	It is essential for increasing market share and improving sales
Content Development	It is one of our Group's management bases
Trainers	It is an important skill to deliver our content to clients
Consulting	It will be the key to winning large contracts and developing new services
IT, Technology	It is essential for development in the global market and multicultural understanding
Overseas Business Experience	It is essential for development in the global market and multicultural understanding

Hidenori Fujioka	Katsuko Hiroto mi	Yoshiko Niwa moto	Ayami Tabuchi	Kazuo Iizuka	Kunihiro Nakahara
Outside Director	Outside Director	Outside Director	Full-time Auditor	Auditor	Auditor
●	●				
	●				
●				●	●
●					
●			●		
●		●	●	●	●
●	●	●	●		
	●		●		
	●	●	●	●	●
	●	●	●	●	●
	●			●	●
		●			

■ Evaluation criteria for selecting the expertise expected of executives by the Group

Management decision-making	Experience and achievements in actual organizational management
Speedy Decision Making	Extensive knowledge and experience that enables one to make appropriate decisions quickly and disseminate them throughout the organization
Finance	Detailed financial knowledge and analytical skills, as well as practical experience in finance
Expansion of Business Performance	Achievements of a successful expansion strategy
New Business	Extensive experience in launching new businesses
Cost Reduction	Achievements in effective cost reduction
Risk Management	Specialized knowledge of risk management
Organizational Management	Management experience of diverse subordinates in multiple organizations
Sales Expansion	Experience in formulating sales strategies and actual sales results
Content Development	Ability to create high-quality content
Trainers	Abundant experience as trainer
Consulting	Consulting experience in a wide range of industries
IT, Technology	Advanced IT technology and practical experience
Overseas Business Experience	Abundant business experience in the international market

Consolidated Financial Statements and Notes

Consolidated Balance Sheets

(Unit: thousand yen)

	FY18 (As of Sep. 30, 2019)	FY19 (As of Sep. 30, 2020)	FY20 (As of Sep. 30, 2021)	FY21 (As of Sep. 30, 2022)	FY22 (As of Sep. 30, 2023)
Assets					
Current assets					
Cash and deposits	3,292,208	3,643,880	5,721,528	3,827,499	3,515,516
Other	858,636	△618,644	△1,961,841	1,433,317	1,620,206
Total current assets	4,150,844	3,025,236	3,759,687	5,260,816	5,135,722
Non-current assets					
Property, plant and equipment	139,487	725,171	1,879,678	2,427,011	3,409,970
Intangible assets	142,291	137,145	452,680	446,657	940,270
Total investments and other assets	524,441	457,011	674,658	595,304	1,309,271
Total non-current assets	806,220	1,319,328	3,007,017	3,468,974	5,659,513
Total assets	4,957,065	4,344,564	6,766,705	8,729,790	10,795,236

(Unit: thousand yen)

	FY18 (As of Sep. 30, 2019)	FY19 (As of Sep. 30, 2020)	FY20 (As of Sep. 30, 2021)	FY21 (As of Sep. 30, 2022)	FY22 (As of Sep. 30, 2023)
Liabilities					
Current liabilities	1,787,810	1,379,775	2,202,311	2,559,407	2,822,337
Non-current liabilities	86,861	81,531	63,969	44,945	43,397
Total liabilities	1,874,671	1,461,307	2,266,280	2,604,353	2,865,735
Net assets					
Total net assets	3,082,393	2,883,257	4,500,424	6,125,437	7,929,500
Total liabilities and net assets	4,957,065	4,344,564	6,766,705	8,729,790	10,795,236

Consolidated Statements of Income

(Unit: thousand yen)

	FY18 (As of Sep. 30, 2019)	FY19 (As of Sep. 30, 2020)	FY20 (As of Sep. 30, 2021)	FY21 (Oct. 1, 2021 - Sep. 30, 2022)	FY22 (Oct. 1, 2022 - Sep. 30, 2023)
Net sales	5,608,361	5,119,777	7,501,115	9,418,481	10,783,695
Cost of sales	1,649,228	1,475,896	1,779,586	2,204,368	2,541,472
Gross profit	3,959,133	3,643,880	5,721,528	7,214,112	8,242,223
Gross profit margin	70.6%	71.2%	76.3%	76.6%	76.4%
Selling, general and administrative expenses	2,655,606	2,859,521	3,317,264	3,846,729	4,300,848
SG&A ratio	47.4%	55.9%	44.2%	40.8%	39.9%
Operating profit	1,303,527	784,359	2,404,264	3,367,383	3,941,374
Operating profit margin	23.2%	15.3%	32.1%	35.8%	36.5%
Non-operating income	6,727	19,082	21,504	9,848	6,252
Non-operating expenses	11,913	7,901	9,130	30,891	10,314
Ordinary profit	1,298,340	795,540	2,416,638	3,346,340	3,937,312
Extraordinary income	—	—	1,222	—	—
Extraordinary losses	1,767	85,024	71,873	29,995	20,005
Profit before income taxes	1,296,573	710,515	2,345,987	3,316,344	3,917,306
Income taxes - current	559,255	270,180	855,077	1,166,523	1,320,472
Income taxes - deferred	△98,068	△5,116	△80,290	△83,794	△79,570
Total income taxes	461,186	265,063	774,786	1,082,729	1,240,902
Profit	835,387	445,452	1,571,200	2,233,615	2,676,403
Net profit margin	14.9%	8.7%	20.9%	23.7%	24.8%
Profit attributable to owners of parent	835,387	445,452	1,571,200	2,233,615	2,676,403

Consolidated Statements of Comprehensive Income

(Unit: thousand yen)

	FY18 (Oct. 1, 2018 - Sep. 30, 2019)	FY19 (Oct. 1, 2019 - Sep. 30, 2020)	FY20 (Oct. 1, 2020 - Sep. 30, 2021)	FY21 (Oct. 1, 2021 - Sep. 30, 2022)	FY22 (Oct. 1, 2022 - Sep. 30, 2023)
Profit	835,387	445,452	1,571,200	2,233,615	2,676,403
Other comprehensive income					
Total other comprehensive income	△1,215	△4,525	2,685	1,263	7,004
Comprehensive income	834,172	440,926	1,573,886	2,234,879	2,683,408
Comprehensive income attributable to					
Comprehensive income attributable to owners of parent	834,172	440,926	1,573,886	2,234,879	2,683,408
Comprehensive income attributable to non-controlling interests	—	—	—	—	—

Consolidated Statements of Cash Flows

(Unit: thousand yen)

	FY18 (Oct. 1, 2018 - Sep. 30, 2019)	FY19 (Oct. 1, 2019 - Sep. 30, 2020)	FY20 (Oct. 1, 2020 - Sep. 30, 2021)	FY21 (Oct. 1, 2021 - Sep. 30, 2022)	FY22 (Oct. 1, 2022 - Sep. 30, 2023)
Cash flows from operating activities	1,345,444	191,906	2,356,950	2,544,151	2,902,577
Cash flows from investing activities	△236,237	△624,254	△1,544,804	△687,153	△2,304,832
Cash flows from financing activities	△642,723	△639,930	408,168	△655,065	909,954

How to Read Insource KPIs (Key Performance Indicators)

Q What does each of Insource's KPIs (Key Performance Indicators) indicate?

A They are leading indicators of business performance for the immediate future and for the next several years. We disclose many figures so that we can be evaluated from a variety of perspectives.

Disclose the latest KPIs

We believe that quarterly disclosure of financial information is not sufficient for making appropriate investment decisions. Since we want our stakeholders to be able to make appropriate judgments about our company's situation from a variety of perspectives, we disclose the latest 5 non-financial items and 18 details of KPIs in both Japanese and English in a timely manner.

KPIs (Key Performance Indicators)

<https://www.insource.co.jp/en/ir/insmthdata.html>



Actively disclose news releases

We also actively issue news releases. We do this actively to show the high energy of our activities and our commitment to growth. In particular, we release information about new services and the expansion of our business partners.

Main topics of News Release

- New contents
- New services
- Tie-ups
- Media coverage
- Campaign information
- External
- Announcement of new business sites and relocation

Number of news releases disclosed

	Japanese	Monthly average	English
FY22	197	16.4	62
FY21	155	12.9	61
FY20	173	14.4	46
FY19	225	18.8	22
FY18	124	10.3	8

Monthly disclosure

1. On-Site Training
 - Monthly number of Training conducted (conducted online, DX-related training)

2. Open Seminars
 - Monthly number of attendees (conducted online, DX-related training)

3. Client Base
 - WEBinsource: Total numbers of subscribers (organizations)

4. IT Services Business
 - “Leaf (HR support system)”:
 - Total number of paid subscribers (organizations, users)
 - Number of customization
 - Stress Check Support Service
 - Number of orders delivered and orders to be delivered)

5. e-Learning/video Business
 - Number of outright purchase
 - Number of production/customization
 - Number of rental viewers
 - Number of monthly subscription (IDs) for STUDIO

6. Inquiries
 - Number of inquiries

7. Contents developed
 - Number of new contents for training
 - Number of new videos

How to Read Insource KPIs (Key Performance Indicators)

Most recent financial results

- Number of On-Site Training conducted, number of attendees of Open Seminars, number of organizations that have adopted the "Leaf" (LMS, HR support system), and number of e-Learning/ videos sold (monthly disclosure).

Monthly performance can be inferred from the number of On-Site Trainings conducted (50% of sales), the number of attendees of Open Seminars (24% of sales), the number of organizations and users of the "Leaf" (13% of sales), and the number of e-Learning sold (6% of sales).

Leading indicators of business performance in six months to next two or three years

- Number of contents developed (monthly disclosure), news releases (as needed)

The number of contents developed is a good indicator that showed the activities of contents creators. Contents of training or e-Learning do not immediately generate large sales. They do not contribute to business performance until six months or two to three years after they are developed. In addition, only about 3% of the contents are sold very well. Therefore, it is extremely important to ensure future performance by continuing to develop a large number of contents on a monthly basis. News releases on alliances and other activities are a good indicator of the Company's ambitions and activities. These also contribute to our business performance only after six months to two to three years.

Quarterly disclosure

- Number of new contents (On-Site Training, Open Seminars, e-Learning/videos)
- Number of web-sessions
- Number of employees and their breakdowns
- Number of business sites, seminar rooms
- Evaluations of training contents and trainers
- Number of trainers
- Number of shareholders
- Number of clients

Leading performance indicators in the next few months to six months

- Number of WEBinsource registrations

The number of new registrations for WEBinsource, a discount service for Open Seminars, is the Company's entry product for new customers and is a good indicator of sales activities. Therefore, it is a forward-looking indicator of our business performance in the next few months to six months.

Leading indicators of sales in the next 1-2 years, and the most recent SG&A indicators

- Number of employees (quarterly disclosure)

Selling training or IT services requires enough sales representatives to provide detailed explanations to meet the customer's needs. It takes workers to coordinate with customers on a variety of matters. In addition, personnel are also required for the development of new contents and new features of Leaf. Increasing the number of employees is essential for sales growth. However, an increase in the number of employees does not necessarily lead to an immediate increase in sales, because a reasonable amount of time is required for employees to become proficient in their work. This is a leading indicator for sales one to two years later. Naturally, labor costs are required immediately after hiring, which is a factor that raises SG&A expenses. Still, sales and profits per employee have been increasing every year as a result of continuous productivity improvement through the use of IT.

Performance Trends by Business/KPI Summary

■ On-Site Training

● Yearly

		FY18	FY19	FY20	FY21	FY22	FY23(Forecast)
Sales	Net sales(million yen)	3,279	2,724	3,797	4,665	5,275	5,875
	YOY(million yen)	452	△555	+1,073	+867	+611	—
	YOY(%)	+16.0%	△16.9%	+39.4%	+22.8%	+13.1%	—
	Gross profit(million yen)	2,341	2,045	2,963	3,691	4,148	4,650
	Gross profit margin(%)	71.4%	75.1%	78.0%	79.1%	78.6%	79.1%
	YOY(pt)	+0.2	+3.7	+2.9	+1.1	△0.5	—
	Sales composition ratio	58.5%	53.2%	50.6%	49.5%	48.9%	—
Clients	YOY(pt)	△3.9	△5.3	△2.6	△1.1	△0.6	—
	No. of clients(organization)	4,014	3,495	3,554	4,047	4,583	—
	YOY(organization)	+333	△519	+59	+1,153	+536	—
	Average net sales per organization(thousand yen)	786	747	1,030	1153	1,151	—
KPI	YOY(thousand yen)	+43	△38	+282	+123	△2	—
	No.of trainings conducted (times)	14,873	11,390	14,224	16,936	18,858	—
	YOY(%)	+10.5%	△23.4	+24.9%	+19.1%	+11.3%	—
	Of which,DX related trainings(times)	—	—	621	972	1,252	—
	YOY(%)	—	—	—	156.5%	128.8%	—
	Of which,Conducted Online(times)	—	1,561	6,988	7,338	5,198	—
Online ratio(%)		—	13.7%	49.1%	43.3%	27.6%	—

● Quarterly

		FY22 1Q	FY22 2Q	FY22 3Q	FY22 4Q	FY23 1Q	FY23 2Q
Sales	Net sales(million yen)	1,397	1,008	1,461	1,406	1,571	1,149
	YOY(million yen)	+149	+134	+181	+144	+173	+140
	YOY(%)	+11.9%	+15.3%	+14.2%	+11.5%	+12.4%	+14.0%
	Gross profit(million yen)	1,103	808	1,142	1,093	1,262	915
	Gross profit margin(%)	79.0%	80.2%	78.2%	77.7%	80.3%	79.7%
	YOY(pt)	△0.4	+0.3	△0.5	△1.2	+1.3	△0.5
KPI	No.of trainings conducted (times)	5,103	3,496	5,220	5,039	5,567	3,840
	Of which,private sectors (times)	3,211	2,316	3,465	3,019	3,582	2,664
	Online ratio(%)	35.1%	33.6%	17.6%	26.1%	26.2%	24.6%
	Of which,DX related trainings(times)	326	218	381	327	432	320
	Average unit price (thousand yen)	273.9	288.5	280.1	279.2	282.3	299.3

■ Open Seminars

● Yearly

		FY18	FY19	FY20	FY21	FY22	FY23(Forecast)
Sales	Net sales(million yen)	1,527	1,267	1,827	2,218	2,617	3,100
	YOY(million yen)	361	△260	560	391	399	—
	YOY(%)	+30.9%	△17.0%	+44.2%	+21.4%	+18.0%	—
	Gross profit(million yen)	1,011	785	1,372	1,709	2,029	2,455
	Gross profit margin(%)	66.2%	62.0%	75.1%	77.0%	77.5%	79.2%
	YOY(pt)	△0.1	△4.3	+13.1	+1.9	+0.5	—
	Sales composition ratio	27.2%	24.8%	24.4%	23.6%	24.3%	—
Clients	YOY(pt)	1.5	△2.5	△0.4	△0.8	0.7	—
	No. of clients(organization)	8,350	6,694	6,997	7,694	9,235	—
	YOY(organization)	+1,002	△1,656	+303	+697	+1,541	—
	Average net sales per organization(thousand yen)	183	192	272	288	283	—
KPI	YOY(thousand yen)	+24	+8	+80	+15	△5	—
	No.of trainings conducted (times)	72	58	84	288	120	—
	YOY(%)	+28.9%	△19.1%	+48.8%	+20.7%	+18.1%	—
	Of which,DX related trainings(times)	—	—	7	11	13	—
	YOY(%)	—	—	—	160.8%	115.3%	—
	Of which,Conducted Online(times)	—	16	65	84	89	—
Online ratio(%)		—	26.6%	77.0%	83.1%	74.8%	—

● Quarterly

		FY22 1Q	FY22 2Q	FY22 3Q	FY22 4Q	FY23 1Q	FY23 2Q
Sales	Net sales(million yen)	631	553	709	724	696	642
	YOY(million yen)	+124	+76	+98	+100	+64	+89
	YOY(%)	+24.5%	+15.9%	+16.1%	+16.2%	+10.3%	+16.2%
	Gross profit(million yen)	491	401	548	588	557	484
	Gross profit margin(%)	77.8%	72.6%	77.4%	81.3%	80.0%	75.4%
	YOY(pt)	+0.5	△3.4	+0.8	+3.2	+2.2	+2.7
Clients	No.of attendees(people)	29,954	25,818	31,008	33,550	32,907	29,366
	Online ratio	81.5%	83.3%	64.0%	72.2%	70.4%	74.4%
	Of which,DX related training atendees(people)	3,213	2,909	3,847	3,826	4,148	3,985
	No.of trainings conducted (times)	2,637	2,707	2,644	2,530	2,709	3,016
	Average no. of attendees (people)	11.4	9.5	11.7	13.3	12.1	9.7
	Average unit price (thousand yen)	21.0	21.4	22.8	21.5	21.1	21.8

IT Services

Yearly

		FY18	FY19	FY20	FY21	FY22	FY23(Forecast)
Sales	Net sales(million yen)	431	655	1,022	1,197	1,304	1,780
	YOY(million yen)	+192	+224	+367	+175	+106	—
	YOY(%)	+80.3%	+51.9%	+56.0%	+17.1%	+8.9%	—
	Gross profit(million yen)	327	478	789	948	1,030	1,370
	Gross profit margin(%)	76.0%	73.0%	77.2%	79.2%	79.0%	77.0%
	YOY(pt)	—	△3.0	+4.2	+1.9	△0.1	—
	Sales composition ratio	7.7%	12.8%	13.6%	12.7%	12.1%	—
	YOY(pt)	—	+5.1	+0.8	△0.9	△0.6	—
	Leaf recurring (Monthly rev.)(million yen)	—	266	435	581	699	—
	Leaf customization sales (million yen)	—	258	446	452	385	—
Clients	Stress check(million yen)	—	129	140	163	218	—
	Leaf paid subscribers	162	248	412	522	638	—
	YOY(organization)	+70	+86	+164	+110	+116	—
	Leaf Active Users (thousand people)	—	1,273	1,756	2,112	2,895	—
	YOY(%)	—	—	+37.9%	+20.3%	+37.1%	—
	Average net sales per organization(thousand yen)	1,877	2,120	2,140	1,981	1,701	—
	YOY(thousand yen)	—	+243	+20	△159	△280	—

Quarterly

		FY22 1Q	FY22 2Q	FY22 3Q	FY22 4Q	FY23 1Q	FY23 2Q
Sales	Net sales(million yen)	213	522	240	327	286	757
	YOY(million yen)	+10	+38	+43	+13	+72	+234
	YOY(%)	+5.0%	+8.1%	+22.4%	+4.1%	+33.8%	+45.0%
	Gross profit(million yen)	147	428	187	266	207	611
	Gross profit margin(%)	69.2%	82.0%	78.1%	81.5%	72.5%	80.8%
	YOY(pt)	△3.2	△0.6	+5.3	△0.8	+3.3	△1.1
	Leaf recurring (Monthly rev.)(million yen)	162	168	175	193	211	218
	Leaf customization sales (million yen)	22	194	61	106	27	385
	Stress check(million yen)	28	160	2	27	46	154

Other Businesses (Rising Next)

Yearly

		FY18	FY19	FY20	FY21	FY22	FY23(Forecast)
Sales	Net sales(million yen)	369	472	853	1,337	1,586	1,715
	YOY(million yen)	+67	+102	+381	+483	+249	—
	YOY(%)	+22.3%	+27.7%	+80.7%	+56.7%	+18.7%	—
	Gross profit(million yen)	277	333	595	865	1,032	1,120
	Gross profit margin(%)	75.0%	70.6%	69.7%	64.7%	65.1%	65.3%
	YOY(pt)	—	△4.3	△0.9	△5.0	+0.4	—
	Sales composition ratio	6.6%	9.2%	11.4%	14.2%	14.7%	—
	YOY(pt)	△0.1	+2.6	+2.2	+2.8	+0.5	—
Breakdown (Net sales)	Videosales (Outright Purchase)(million yen)	218	281	208	403	471	—
	Video production(million yen)	—	—	135	44	62	—
	Video rental(million yen)	—	—	8	27	39	—
	Video monthly subscription (STUDIO)(million yen)	—	—	149	155	153	—
	Consulting/ Assessment Service(million yen)	85	111	131	124	136	—
	Online Seminar Support Service(million yen)	—	—	109	135	203	—
	Regional Revitalization Service(million yen)	—	—	—	103	151	—
	Web Marketing(million yen)	—	—	—	203	221	—

※ Until FY19, video sales, rentals, and production were recorded as a single item.

Quarterly

		FY22 1Q	FY22 2Q	FY22 3Q	FY22 4Q	FY23 1Q	FY23 2Q
Sales	Net sales(million yen)	343	533	283	426	316	598
	YOY(million yen)	+110	+50	+7	+80	△27	+65
	YOY(%)	+47.5%	+10.5%	+2.8%	+23.3%	△8.0%	+12.3%
	Gross profit(million yen)	215	388	142	287	198	424
	Gross profit margin(%)	62.5%	72.8%	50.1%	67.5%	62.6%	71.0%
	YOY(pt)	△1.5	△1.5	△3.7	+7.0	+0.1	△1.8
Breakdown (Net sales)	Videosales (Outright Purchase)(million yen)	119	198	69	84	96	248
	Video production(million yen)	4	21	14	21	19	33
	Video rental(million yen)	12	10	6	9	8	9
	Video monthly subscription (STUDIO)(million yen)	39	35	41	37	39	41
	Consulting/ Assessment Service(million yen)	23	35	26	50	35	50
	Online Seminar Support Service(million yen)	45	54	45	58	51	56
	Regional Revitalization Service(million yen)	2	47	2	99	13	68
	Web Marketing(million yen)	39	56	70	55	46	49

KPIs showed contents expansion

Yearly

	FY18	FY19	FY20	FY21	FY22	FY23(Forecast)
No. of content creators(people)	118	166	172	170	131	—
Questionnaire feedback for trainings	95.3%	95.4%	94.5%	95.9%	95.8%	—
No. of contents for On-Site Training(total)(titles)	2,821	3,140	3,461	3,794	4,156	4,516
No. of contents for Open Seminars(total)(titles)	2,589	2,859	3,296	3,630	3,937	4,137
No. of new contents for e-Learning(total)(titles)	—	86	334	544	754	1004

Quarterly

	FY22 1Q	FY22 2Q	FY22 3Q	FY22 4Q	FY23 1Q	FY23 2Q
Questionnaire feedback for trainings	95.8%	96.1%	95.9%	95.8%	95.9%	95.9%
No. of contents for On-Site Training(total)(titles)	3,884	3,974	4,065	4,156	4,274	4,343
No. of contents for Open Seminars(total)(titles)	3,691	3,763	3,825	3,937	4,204	4,271
No. of new contents for e-Learning(total)(titles)	601	649	699	754	813	877

Sales composition ratio by training theme

Yearly

Training theme	FY18	FY19	FY20	FY21	FY22	FY23(Forecast)
For managers	21.7%	20.2%	22.4%	21.6%	21.8%	21.5%
Business skills	21.4%	19.7%	20.3%	19.8%	18.7%	18.1%
New/younger employees	13.1%	14.4%	14.2%	13.5%	13.3%	6.6%
DX/OA/IT	6.4%	6.9%	7.4%	10.1%	11.6%	13.5%
Communication/CS	12.0%	10.5%	9.0%	8.9%	9.1%	10.7%
Harassment/Compliance	7.5%	8.6%	7.7%	7.3%	7.9%	9.1%
Mid-career employees	4.6%	5.0%	5.0%	5.0%	4.8%	4.8%
Diversity	1.9%	2.0%	1.6%	1.8%	1.7%	3.2%
Others	11.5%	12.7%	12.4%	12.0%	10.9%	12.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

KPIs showed System Development Capability

Yearly

	FY18	FY19	FY20	FY21	FY22
No. of engineers (people)	62	82	114	114	123
No. of Leaf paid subscribers(organization)	162	248	412	522	638
No. of videos sold through EC sites(content)	—	45	1,422	1,889	1,840

Quarterly

	FY22 2Q	FY22 3Q	FY22 4Q	FY23 1Q	FY23 2Q
No. of Leaf paid subscribers(organization)	588	612	638	662	676
No. of videos sold through EC sites(content)	827	280	308	357	833

KPIs to focus on in sales activities

		FY18	FY19	FY20	FY21	FY22
Productivity	Net sales per employee (thousand yen)	21,325	17,152	22,193	24,181	25,225
	Operating profit per employee (thousand yen)	4,956	2,628	7,113	8,645	9,220
Client Base	No. of clients (annual) (organization)	11,633	10,786	11,108	12,760	14,420
	No. of clients (total) (organization)	29,402	32,938	36,221	39,699	43,468
	No. of WEBinsource subscribers (total)(organization)	11,335	13,492	15,798	18,669	21,644
	No. of inquiries	—	—	—	—	5,086
	No. of web pages	14,171	17,727	19,861	22,902	23,655
Number of people	No. of sales reps(people)	140	151	180	207	238
	No. of designers(people)	15	16	23	21	21
	No. of digital marketers(people)	21	26	31	32	33

Trends in Sales and Number of Clients by 4 segments

	FY18	FY19	FY20	FY21	FY22
Large Enterprise (1,000 or more employees)					
No. of clients(organization)	1,991	1,916	2,055	2,305	2,540
YOY(organization)	—	△75	+139	+250	+235
Average net sales per organization(thousand yen)	930	941	1,454	1,616	1,614
YOY(thousand yen)	—	+11	+513	+162	△2
Sales composition ratio	33.1%	35.3%	39.8%	39.6%	38.0%
Medium Market Business (300-999 employees)					
No. of clients(organization)	1,825	1,635	1,635	1,835	2,045
YOY(organization)	—	△190	±0	+200	+210
Average net sales per organization(thousand yen)	509	504	673	821	878
YOY(thousand yen)	—	△5	+169	+148	+57
Sales composition ratio	16.6%	16.1%	14.7%	16.0%	16.7%
Small Medium Business (Less than 299 employees)					
No. of clients(organization)	5,645	4,890	5,090	5,970	6,830
YOY(organization)	—	△755	+200	+880	+860
Average net sales per organization(thousand yen)	245	275	376	383	388
YOY(thousand yen)	—	+30	+101	+7	+5
Sales composition ratio	24.7%	26.3%	25.5%	24.3%	24.6%
Public sector and local governments					
No. of clients(organization)	2,777	2,345	2,328	2,650	3,005
YOY(organization)	—	△432	△17	+322	+355
Average net sales per organization(thousand yen)	518	487	643	714	742
YOY(thousand yen)	—	△31	+156	+71	+28
Sales composition ratio	25.7%	22.3%	20.0%	20.1%	20.7%

ESG Related Data

E — Environment —

Electricity consumption (Mwh)	Unit	FY20	FY21	FY22
Total power usage	thou.Kwh	590.6	642.2	754.3
Of which, percentage of renewable energy used	thou.Kwh	0	0	6.9
Renewable energy rate	%	0	0	0.9
purchased non-fossil fuel certificates	thou.Kwh	0	0	230
Hot/cold water	GJ	0	0	0
CO ₂ emission data (t-CO ₂)				
Total CO ₂ emissions (Scope1+2)	t	260.4	283.2	233.8
Scope1 *1	t	0	0	0
Scope2 *2	t	260.4	283.2	233.8
Supply-chain emissions(Scope1+2+3)	t	2777.8	3812.7	5479.8
Scope3 *3	t	2517.4	3529.5	5246
Caluculating *4	t	61.9	87.4	84.6
Resource Recycling (t)				
Amount of waste	t	16.6	14.5	20.97
Of which emissions recycled	t	8.3	5.8	8.87
Data coverage *5	%	14.4	14.7	13.8
Water resources (m ³)*5				
Water consumption	m ³	-	601	1,558
Data coverage *5	%	-	16.4	37.9

*1 Since we do not have our own production facilities and do not emit carbon dioxide or other GHG resources through fuel combustion or chemical reactions, Scope 1 is set to 0.

*2 Scope2 is calculated based on market-based figures.

*3 Calculated by referring to the emissions intensity in the "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain" of the Ministry of Economy, Trade and Industry and the Ministry of the Environment of Japan.

*4 Calculated with reference to "CO₂ emissions in the life cycle of paper and paperboard" by the LCA Subcommittee of the Japan Paper Association.

*5 Data coverage is calculated based on the number of employees currently working in offices where amount of waste and water usage are known.

G — Governance —

Corporate Governance Structure	Unit	FY20	FY21	FY22
Number of Directors	people	7	8	8
Outside Directors(ratio)	people(%)	2 (28.6)	3 (37.5)	3 (37.5)
Female Directors(ratio)	people(%)	2 (28.6)	2 (25.0)	2 (25.0)
Auditors	people	3	4	4
Outside Auditors(ratio)	people(%)	2 (66.7)	3 (75.0)	3 (75.0)
Board Meeting Attendance Rate	%	100	100	100
IR Activities				
No. of total small meetings	times	248	186	216
Of which,with overseas investors	times	87	67	53

S — Social —

Create with Society	Unit	FY20	FY21	FY22
Donations for the Project to Eliminate Period Poverty *1	thou. yen	-	300	5,054
Number of donation packs for the Project	pack	-	2,376	34,416
Municipalities*2 to which donations are made by the Project	organization	-	1	62
Number of clients on monchamp (e-commerce site selling products from welfare organizations)	organization	-	11	21
Donations for the community	thou. yen			
Educational support for the community	thou. yen			

*1 the Project to Eliminate Period Poverty has been underway since 2022.The donation amount is the sum contributed by supporting companies.

*2 Cities, wards, social welfare councils, boards of education, etc.

Human Capital

General Information	Unit	FY20	FY21	FY22
Number of personnel *1	people	527	592	647
Number of employees	people	382	430	443
Number of temporary employees(ratio)	people(%)	145 (27.5)	162 (27.4)	204 (31.5)
Average age of employees *2	year-old	31.4	36.5	31.8
Average working years of employees *2	year	4.1	4.4	4.9
Average annual salary *2	yen	4,726,398	4,797,650	5,539,505
New Employees				
New employees (number of employees hired within 1 year) *1	people	103	82	114
Percentage of total employees *1	%	19.5	13.9	17.6
Percentage of new female employees *1	%	49.5	61	55.3
Productivity				
Sales per Employee *1	thou. yen	21,371	24,264	25,225
Operating profit per employee *1	thou. yen	6,850	8,638	9,220
Management participation/Ability to Take on Challenges				
Ratio of employees who hold shares of Insource *3	%	66.6	69.6	72
Average point of "Energy" *4	point	3.23	3.24	3.24
HR Development				
Training cost per employee	yen	22,193	24,181	27,213
Training hours per employee	hours	15.44	10.43	22.30
Total no. of DX training attendees	people	201	681	248
Compliance training attendance rate	%	100	100	100
Diversity				
Ratio of female executives	%	25.0	25.0	27.3
Ratio of female managers	%	34.6	37.8	37.4
Percentage of women in management positions *6	%	44.2	52.6	48.3
Ratio of female employees	%	55.4	56.1	56.4
Gender Wage Gap(All employees) *7	%	-	71.3	80.4
Gender Wage Gap(Full-time employees) *7	%	-	84.3	90.1
Gender Wage Gap(Part-time employees) *7	%	-	87.5	93.1
Ratio of employees with disabilities	%	2.83	2.76	2.79
Number of seniors (over 60 years old)	people	21	26	49
Number of LGBTQ+ *8	people	6	4	5
Number of foreign-born people *9	people	3	3	4
Number of childcare leave takers(ratio)	people(%)	11 (63.2)	14 (96.9)	31 (90.0)
Number of childcare leave takers (female)(ratio)	people(%)	6 (100)	19 (100)	6 (100)
Number of childcare leave takers (male)(ratio)	people(%)	6 (46.2)	12 (92.3)	12 (85.7)
Health Issues and Targets				
Consultation rate for regular medical checkups	%	100	100	-
Percentage applicable to specific health guidance	%	19.8	22.7	-
Smoking rate over 40 years old	%	16	14.8	-
Percentage of people aged 40 or older with exercise habits	%	15.1	17.4	-
Ratio of people maintaining an appropriate weight *10	%	66.4	63.8	-
Stress check uptake rate	%	87.2	87.6	-
Percentage of employees with high stress levels	%	11.1	11.9	-
Absenteeism *11	day	-	3.3	-
Presenteeism *12	%	-	81.9	-
Work engagement *13	point	-	3.3	-

*1 Number of employees is the number of regular and contract employees.

*2 The average age, averageworking years of employee, and annual average salary are calculated based on Insource alone, not on a consolidated group basis. It includes bonuses and substandard wages.

*3 Ratio of employees who hold shares of Insource:calculated by aggregating the participants of the employee stock ownership plan and RS holders.

*4 "Energy" is the ability to have a strong will and to find value in continuing to work despite difficulties. Maximum 5 points. Calculated using the "giraffe" characteristic assessment of our service.

*6 The ratio of women promoted to managerial positions:those promoted from non-managerial roles in FY22.

*7 Wage differences are compared by converting the base salary to an hourly rate. Compensation for overtime and bonuses are not included.

*8 Number of employees who have agreed to be externally identified as LGBTQ+.

*9 Foreign-born means those who have foreign nationality. Foreign nationals include Japanese nationals from foreign countries.

*10 Persons with a BMI of 18.5 to less than 25

*11 Percentage of employees who have submitted a leave of absence report among all employees.

*12 Deviation values measured by an original questionnaire using the SPQ (Single-Item Presenteeism Questionnaire, University of Tokyo, 1-item version).

*13 Deviation measured by an original questionnaire using the shortened 3-item version of the Utrecht Work Engagement Scale.

Company's Profile/Stock information

Company's Profile (as of Dec.31, 2023)

Company Name	Insource Co., Ltd.
Date of Foundation	November, 2002
Date of Establishment	January, 2003
Headquarters	3-20, Kanda Ogawamachi, Chiyoda-ku, Tokyo 101-0052
Tokyo Headquarters	Insource Doukanyama Bldg.,4-19-20,Nishi Nippori, Arakawa-ku , Tokyo 116-0013
Capital	800.62315 million yen
The end of fiscal year	September
Number of employees	645 (Consolidated)
Group Company	Mitemo Co., Ltd.
	Rashiku Corporation
	Insource Digital Academy Corporation
	Insource Marketing Design Corporation
	Insource Business Rep Corporation
	Insource Consulting Corporation
	Insource Creative Solutions Corporation

Stock information (as of Sep.30, 2023)

Total number of shares authorized to be issued	300,000,000 shares*
Total number of shares issued	85,243,000 shares*
Number of shares per unit	100 shares
Number of shareholders	8,741
Fiscal year	From October 1 to September 30 of the following year
Ordinary general meeting of shareholders	December
Record date for dividends	September 30
Date of share offering	July 21, 2016
Administrator of shareholder registry	Mitsubishi UFJ Trust and Banking Corporation

*The Company conducted a stock split on January 1, 2023. The total number of shares authorized to be issued and the total number of shares issued and outstanding are those after the stock split.

Major Shareholders (as of Sep.30, 2023)

Name of shareholder	Number of stock (thousand shares)	Percentage (%)
Leplus Co.	25,359	30.12
The Master Trust Bank of Japan (Trust Account)	9,803	11.64
Custody Bank of Japan, Ltd.(Trust Account)	8,071	9.59
Takayuki Funahashi	5,252	6.24
Kumiko Kawabata	3,004	3.57
STATE STREET BANK AND TRUST COMPANY 505303	2,425	2.88
Blake Corporation	1,600	1.90
JP MORGAN CHANCE BANK 385174	1,411	1.68
STATE STREET BANK AND TRUST COMPANY 505019	1,240	1.47
SUMITOMO LIFE INSURANCE COMPANY	1,184	1.41

Shareholders description (as of Sep.30, 2023)

