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August 4, 2025

To Whom It May Concern,

Company Name: Insource Co., Ltd.
Representative: Takayuki Funahashi
Representative Director, President and CEO
(Code number: 6200, Prime Market of the
Tokyo Stock Exchange)
Contact: Shigeo Fujimoto
Director, Executive Officer, CFO
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3Q FY24 Consolidated Financial Results [JGAAP]
(Completion of the review from the certified public accountants or an audit firm)

Insource Co., Ltd. hereby announces that our quarterly consolidated financial statements, which we disclosed on July 22, 2025, "3Q FY24 Consolidated Financial Results [JGAAP]", has been reviewed by our certified public accountants and others.

There are no changes to the quarterly consolidated financial statements announced on July 22, 2025.

END

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3Q FY24 Consolidated Financial Results (Nine Months Ended June 30, 2025) [JGAAP]

August 4, 2025

Company Name: Insource Co., Ltd.

Stock Exchange Listing: Tokyo

Code number: 6200

URL: <https://www.insource.co.jp/index.html>

Representative: Takayuki Funahashi, Representative Director, President and CEO

Contact: Shigeo Fujimoto, Director, Executive Officer and CFO

TEL. +81-3-5577-2283

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Not scheduled

(Amounts are rounded down to the nearest million yen)

1. 3Q FY24 Consolidated Financial Results (October 1, 2024 – June 30, 2025)

(1) Consolidated Financial Results

(% indicates changes from the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	mil yen	%	mil yen	%	mil yen	%	mil yen	%
3Q FY24	10,637	15.9	4,291	21.2	4,306	21.5	2,897	19.2
3Q FY23	9,174	16.1	3,540	26.1	3,544	26.4	2,429	27.6

(Note) Comprehensive income: 3Q FY24 2,933 million yen (20.8%) 3Q FY23 2,429 million yen (27.2%)

	Basic earnings per share	Diluted earnings per share
	yen sen	yen sen
3Q FY24	34.51	—
3Q FY23	28.94	28.93

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
	mil yen	mil yen	%
3Q Y24	14,254	11,266	79.0
FY23 Full-year	13,177	9,935	75.4

(Reference) Shareholders' equity: 3Q FY24 11,266 million yen FY23 Full-year 9,935 million yen

2. Dividends

	Annual cash dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	yen sen	yen sen	yen sen	yen sen	yen sen
FY23 Full-year	—	0.00	—	20.00	20.00
FY24 Full-year	—	0.00	—		
FY24 (forecast)			—	23.50	23.50

(Note) Revisions of dividend forecast from recently announced figures: None

3. Consolidated Financial Forecast for FY24 (October 1, 2024 – September 30, 2025)

(% indicates changes from the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	mil yen	%	mil yen	%	mil yen	%	mil yen	%	yen sen
FY24 Full-year	14,600	17.0	6,000	21.5	6,000	21.4	4,050	20.7	48.25

(Note) Revisions of forecast of financial results from recently announced figures: No

* Notes

- (1) Significant changes in the scope of consolidation during 3Q FY24 : None
- (2) Specific accounting methods for Quarterly consolidated financial statements : Yes
- (3) Changes in accounting policies, estimates and restatements
- (i) Changes in accounting policies due to the revision of accounting standards : None
 - (ii) Changes in accounting policies other than (3)-(i) : None
 - (iii) Changes in accounting estimates : None
 - (iv) Restatements : None

(4) Total number of issued shares (common stocks)

(i) Total number of issued shares at the end of the period (including treasury shares)	3Q FY24	85,243,000 shares	FY23	85,243,000 shares
(ii) Total number of treasury shares the end of the period	3Q FY24	1,267,669 shares	FY23	1,332,369 shares
(iii) Average number of shares during the period (cumulative)	3Q FY24	83,938,269 shares	3Q FY23	83,950,251 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statement certified public accountants or an audit firm: Yes (voluntary)

* Explanation for the appropriate use of financial forecasts and other special notes:

(Cautionary note on forward-looking statement)

The statements regarding the forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ materially from forecast figures due to various factors.

For the suppositions that form the assumptions for financial forecasts and cautions concerning the use thereof, please refer to “1. Overview of Business Performance and Other Key Indicators (3) Consolidated Financial Forecasts” on page 3 of this report.

(How to obtain supplementary explanatory materials for financial results)

Supplementary materials for quarterly financial results are disclosed on the Company's website along with this financial report.

URL: https://www.insource.co.jp/en/ir/ir_ir_ibrary.html

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1. Overview of Business Performance and Other Key Indicators

(1) Overview of Business Results

The needs of the career training market are strong because of growing concerns for improving labor productivity and reskilling efforts, as well as human capital management that lead to higher corporate value, during the third quarter of the current fiscal year (From October 1, 2024 to June 30, 2025).

Amid this situation, in order to resolve various management issues our customers face, the Group developed new services and strengthened sales promotions in the fields of training and e-Learning content such as DX, reskilling and health and productivity management, as well as Leaf (LMS (*1) / HR support system). In May 2025, we launched our first customer loyalty initiative, the "Insource ENERGY Partner," to increase sales. We also conducted direct mailings and telephone calls to organizations eligible for special benefits. In addition, as a digital enhancement measure, we launched sales of DX literacy standard series and enhanced our digital training lineup for new employees. In order to enhance content, we were among the first to introduce new products, such as the heat stroke prevention program, and also strengthened our promotional activities.

Regarding the On-Site Training Business, the number of digital-related training conducted increased by 33.9% and the total number of training conducted increased by 19.8% YoY.

In the Open Seminars Business, we conducted an analysis for each genre before setting up training, adjusted them so that they could be implemented at the optimum timing, and set schedules. In addition, a company-wide sales promotion campaign mainly worked on by sales representatives resulted in a 16.9% YoY increase in the total number of attendees.

About IT Services, Leaf's total active users exceeded 4.58 million as of the end of June 2025 because progress was made in the implementation of large-scale projects for government agencies that were acquired last year. The number of paid subscribers increased to 834 organizations (+124, +17.5% YoY). Leaf's monthly subscription fees (MRR (*2)) increased steadily, and ARR (*3) grew 31.1% YoY to 1,414 million yen.

In Other Businesses, the number of high-profit video production solutions increased by 112.8% YoY. The number of video rental viewers also increased by 25.7%. Consulting and assessment services projects increased 32.2% YoY.

Although total personnel expenses increased by 11.3% YoY, resulting in higher selling, general and administrative expenses, operating profit rose by 21.2% due to increased sales, marking a record high.

As a result of the above, consolidated financial results for this third quarter are as follows; net sales were 10,637,332 thousand yen (+15.9% YoY), operating profit was 4,291,696 thousand yen (+21.2% YoY), ordinary profit was 4,306,326 thousand yen (+21.5% YoY), profit attributable to owners of parent was 2,897,156 thousand yen (+19.2% YoY).

*1:LMS (Learning Management System): A system necessary for implementing e-Learning.

*2:MRR: Monthly Recurring Revenue

*3:ARR: Annual Recurring Revenue. Calculated by multiplying the MRR of the last month of each term by 12.

■Net sales by business (cumulative) (unit: thousand yen)

Business	3Q FY24 (Oct.1, 2024 – Jun.30, 2025)	YoY (%)	3Q FY23 (Oct.1, 2023 – Jun.30, 2024)
On-Site Training	5,033,541	116.1	4,333,797
Open Seminars	2,595,253	118.1	2,197,842
IT Services	1,450,541	105.0	1,381,886
Other Businesses	1,557,995	123.6	1,260,978
Total	10,637,332	115.9	9,174,505

(2) Overview of Financial Position

(Assets)

Total assets at the end of the third quarter of the current fiscal year increased by 1,076,634 thousand yen compared to the end of the previous fiscal year to 14,254,483 thousand yen, mainly due to an increase of 1,115,532 thousand yen in cash and deposits.

(Liabilities)

Total liabilities decreased by 253,928 thousand yen compared to the end of the previous fiscal year to 2,988,440 thousand yen. This was mainly due to a decrease of 418,343 thousand yen in accounts payable - other.

(Net Assets)

Net assets increased by 1,330,563 thousand yen compared to the end of the previous fiscal year to 11,266,042 thousand yen. This was mainly due to an increase of 1,218,943 thousand yen in retained earnings.

(3) Consolidated Financial Forecasts

There are no changes to the full-year consolidated financial forecast for FY24 announced on April 24, 2025. Please note that this forecast is based on information currently available, and actual results may differ from the forecast due to various factors going forward.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

	(unit: thousand yen)	
	FY23 (As of Sep.30, 2024)	3Q FY24 (As of Jun.30, 2025)
Assets		
Current assets		
Cash and deposits	5,705,369	6,820,901
Notes receivable - trade	2,461	—
Accounts receivable - trade	1,540,922	1,371,031
Inventories	57,297	37,717
Other	100,925	181,323
Allowance for doubtful accounts	-1,333	-1,850
Total current assets	7,405,642	8,409,122
Non-current assets		
Property, plant and equipment		
Buildings, net	1,577,183	1,596,007
Land	1,974,413	1,974,413
Other, net	53,226	49,646
Total property, plant and equipment	3,604,822	3,620,067
Intangible assets		
Leasehold interests in land	769,778	769,778
Goodwill	13,631	7,789
Software	149,228	150,143
Other	346	346
Total intangible assets	932,984	928,058
Investments and other assets	1,234,398	1,297,234
Total non-current assets	5,772,205	5,845,360
Total assets	13,177,848	14,254,483
Liabilities		
Current liabilities		
Accounts payable - trade	206,445	221,097
Accounts payable - other	660,444	242,100
Income taxes payable	935,222	634,138
Advances received	948,134	1,218,729
Provision for bonuses	—	263,444
Provision for bonuses for directors (and other officers)	—	19,875
Other	449,083	319,687
Total current liabilities	3,199,330	2,919,073
Non-current liabilities		
Asset retirement obligations	43,037	69,366
Total non-current liabilities	43,037	69,366
Total liabilities	3,242,368	2,988,440
Net assets		
Shareholders' equity		
Share capital	800,623	800,623
Capital surplus	904,576	941,782
Retained earnings	8,927,868	10,146,811
Treasury shares	-708,300	-670,710
Total shareholders' equity	9,924,767	11,218,506
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,712	47,536
Total accumulated other comprehensive income	10,712	47,536
Total net assets	9,935,479	11,266,042
Total liabilities and net assets	13,177,848	14,254,483

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(Quarterly Consolidated Statements of Income)

(For the nine months ended June 30, 2025)

(unit: thousand yen)

	3Q FY23 (Oct.1, 2023- Jun.30, 2024)	3Q FY24 (Oct.1, 2024- Jun.30, 2025)
Net sales	9,174,505	10,637,332
Cost of sales	2,134,178	2,466,290
Gross profit	7,040,327	8,171,041
Selling, general and administrative expenses	3,499,821	3,879,345
Operating profit	3,540,505	4,291,696
Non-operating income		
Interest income	36	2,609
Dividend income	693	835
Foreign exchange gains	530	—
Subsidies for employment adjustment	1,449	1,218
Income from base station installation	1,557	1,557
Surrender value of insurance policies	1,447	548
Gain on sale of investment securities	14	10,419
Other	1,665	1,369
Total non-operating income	7,394	18,558
Non-operating expenses		
Foreign exchange losses	—	204
Loss on extinguishment of stock-based compensation expenses	2,624	3,724
Commission for purchase of treasury shares	899	—
Total non-operating expenses	3,524	3,928
Ordinary profit	3,544,374	4,306,326
Extraordinary losses		
Loss on valuation of investment securities	153,554	108,591
Total extraordinary losses	153,554	108,591
Profit before income taxes	3,390,820	4,197,735
Income taxes	961,261	1,300,579
Profit	2,429,559	2,897,156
Profit attributable to owners of parent	2,429,559	2,897,156

(Quarterly Consolidated Statements of Comprehensive Income)
(For the nine months ended June 30, 2025)

	(unit: thousand yen)	
	3Q FY23 (Oct.1, 2023- Jun.30, 2024)	3Q FY24 (Oct.1, 2024- Jun.30, 2025)
Profit	2,429,559	2,897,156
Other comprehensive income		
Valuation difference on available-for-sale securities	236	36,823
Total other comprehensive income	236	36,823
Comprehensive income	2,429,795	2,933,980
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,429,795	2,933,980
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes to Quarterly Consolidated Financial Statements

(Application of Special Accounting Methods for the Preparation of Quarterly Consolidated Financial Statement)

(Calculating Tax Expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to income before income taxes for the consolidated fiscal year, including the current third consolidated accounting period, and multiplying the quarterly net income before taxes by the effective tax rate.

(Notes to the Segment Information)

This information is omitted because the Group operates in a single segment of the education service business.

(Notes to the Significant Change in the Amount of Shareholders' Equity)

Not applicable

(Notes to the Going Concern Assumption)

Not applicable

(Notes to the Statement of Cash Flows)

The quarterly consolidated statement of cash flows for the nine months ended June 30, 2025 has not been prepared. However, depreciation expenses for the 3Q FY24 (including amortization of intangible assets excluding goodwill) and the amount of amortization of goodwill are as follows.

	(unit: thousand yen)	
	3Q FY23 (Oct.1, 2023- Jun.30, 2024)	3Q FY24 (Oct.1, 2024- Jun.30, 2025)
Depreciation	128,702	132,094
Amortization of goodwill	5,841	5,841