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1Q FY25 Consolidated Financial Results [JGAAP]

January 26, 2026

Company Name: Insource Co., Ltd.

Stock Exchange Listing: Tokyo

Code number: 6200

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

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Scheduled date to commence dividend payments: -

Availability of supplementary briefing material on quarterly results: Yes

Scheduled date of Financial Results Briefing: Not scheduled

(Amounts are rounded down to the nearest million yen)

1. 1Q FY25 Consolidated Financial Results (October 1, 2025 – December 31, 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	%
1Q FY25	3,764	7.2	1,401	-4.0	1,403	-4.0	962	3.1
1Q FY24	3,510	22.3	1,459	37.5	1,461	37.6	933	28.5

(Note) Comprehensive income: 1Q FY25 954 million yen (2.3%) 1Q FY24 932 million yen (28.0%)

	Earnings per share	Fully diluted earnings per share
	yen sen	yen sen
1Q FY25	11.46	—
1Q FY24	11.12	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	mil yen	mil yen	%
1Q FY25	14,298	11,341	79.3
FY24 Full-year	16,149	12,487	77.3

(Reference) Shareholders' equity: 1Q FY25 11,341 million yen FY24 Full-year 12,487 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
FY24 Full-year	—	0.00	—	25.00	25.00
FY25 Full-year	—				
FY25 (forecast)		0.00	—	29.50	29.50

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

3. Consolidated Financial Forecast for FY25 (October 1, 2025 – September 30, 2026)

(% 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
2Q FY25 (Cumulative)	8,010	14.1	3,180	8.1	3,180	7.5	2,170	10.3	25.85
FY25 Full-year	16,800	15.8	6,800	13.7	6,800	13.4	4,630	12.1	55.15

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

* Notes

(1) Significant changes in the scope of consolidation during 1Q FY25: 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 stocks)	1Q FY25	85,243,000 shares	FY24	85,243,000 shares
(ii) Total number of treasury stocks at the end of the period	1Q FY25	1,271,371 shares	FY24	1,269,169 shares
(iii) Average number of shares during the period (cumulative)	1Q FY25	83,972,333 shares	1Q FY24	83,909,777 shares

* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants and audit firms

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

(Cautionary note on forward-looking statement)

The statements regarding 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. Qualitative Information on Quarterly Financial Results (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.

※ Available for download from January 26, 2026, 21:00 (Japan time).

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

(Regarding the review by certified public accountants or audit corporations)

The Company is scheduled to undergo a review by an audit firm, and after the review is completed (scheduled for February 4, 2026), the Company will disclose the quarterly financial results report with the review report attached.

Table of Contents

1. Overview of Business Performance and Other Key Indicators	- 2 -
(1) Overview of Consolidated Business Results for the Cumulative Quarterly Period	- 2 -
(2) Overview of Consolidated Financial Position for the Cumulative Quarterly Period	- 3 -
(3) Consolidated Financial Forecasts	- 3 -
2. Quarterly Consolidated Financial Statements and Notes	- 4 -
(1) Quarterly Consolidated Balance Sheets	- 4 -
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	- 5 -
(Quarterly Consolidated Statements of Income)	- 5 -
(Cumulative Consolidated Period for the 1Q)	- 5 -
(Quarterly Consolidated Statements of Comprehensive Income)	- 6 -
(Cumulative Consolidated Period for the 1Q)	- 6 -
(3) Notes to Quarterly Consolidated Financial Statements	- 7 -
(Application of Special Accounting Methods for the Preparation of Quarterly Consolidated Financial Statement)	- 7 -
(Notes to the Segment Information)	- 7 -
(Notes to Significant Change in the Amount of Shareholders' Equity)	- 7 -
(Notes related to the Going Concern Assumption)	- 7 -
(Notes to the Cash Flow Statement)	- 7 -

1. Overview of Business Performance and Other Key Indicators

(1) Overview of Consolidated Business Results for the Cumulative Quarterly Period

During the current consolidated fiscal year (from October 1, 2025, to December 31, 2025), the needs of career training market are strong because of growing momentum for enhancing corporate value through human capital management. Furthermore, in the DX education market, the advancement of talent development through data utilization was observed, leading to market expansion not only among Large Enterprise but also in Medium Market Business and Small Medium Business.

In this business environment, we initiated internal training to strengthen our proposal capabilities and began operating a tool that streamlines proposal preparation using Generative AI, resulting in proposal amounts increasing approximately 1.8 times YoY. Additionally, we intensified promotional activities for AI-related services, including the AI application "AI-OJT."

In the On-Site Training Business, the average unit price per organization increased by 10,000 yen YoY due to price revisions in response to educational themes and market trends, as well as an increased ratio of DX training. The number of trainings conducted grew by 7.3% YoY.

In the Open Seminars Business, the number of attendees for high-priced DX-related seminars increased by 32.6% YoY, while the average unit price per attendee rose by 500 yen. Despite this, the total number of attendees saw a modest increase of 0.7% YoY due to a shortage in the number of seminars offered.

In the IT Services, the total number of active "Leaf" (HR support system, LMS *1) increased by 19.9% YoY, surpassing 5.2 million. The number of paid subscribers reached 873 organizations(+95,+12.2%,QoQ). As a result, Leaf's monthly subscription fee (MRR (*2)) increased steadily, and ARR (*3) grew 16.6% YoY to 1,418 million yen, compensating for the shortage of customization orders.

In Other Businesses, e-Learning's Video Production Solutions performed well, while Online seminar Support Service and Web marketing lagged behind.

Consequently, net sales increased by 7.2% YoY, and gross profit rose by 5.6%. Sales and general administrative expenses increased by 16.7% due to higher personnel expenses resulting from an increase in recruitment in the previous fiscal year. As a result, operating profit decreased by 4.0% 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 for the first quarter of FY25

(Unit: thousand yen)

Business	1Q FY25 (Oct. 1, 2025 – Dec. 31, 2025)	YoY (%)	1Q FY24 (Oct. 1, 2024 – Dec. 31, 2024)
On-Site Training	2,038,408	111.3	1,831,832
Open Seminars	891,303	103.3	862,745
IT Services	429,790	107.3	400,455
Other Businesses	404,919	97.5	415,149
Total	3,764,422	107.2	3,510,182

(2) Overview of Consolidated Financial Position for the Cumulative Quarterly Period

(Assets)

Total assets at the end of the first quarter of the current fiscal year decreased by 1,851,206 thousand yen compared to the end of the previous fiscal year to 14,298,234 thousand yen, mainly due to a decrease of 2,139,478 thousand yen in cash and deposits.

(Liabilities)

Total liabilities at the end of the first quarter of the current fiscal year decreased by 705,993 thousand yen compared to the end of the previous fiscal year to 2,956,374 thousand yen, mainly due to a decrease of 668,843 thousand yen in income taxes payable.

(Net Assets)

Net assets at the end of the first quarter of the current fiscal year decreased by 1,145,213 thousand yen compared to the end of the previous fiscal year to 11,341,860 thousand yen. This was mainly due to a decrease of 1,136,563 thousand yen in retained earnings.

(3) Consolidated Financial Forecasts

There is no change to the full-year consolidated financial forecast for FY25 from the forecast announced on November 4, 2025. The forecasts are based on information available at the time of preparation and actual results may differ from these forecasts due to various factors in the future.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Unit: thousand yen)

	FY24 (As of Sep.30, 2025)	1Q FY25 (As of Dec.31, 2025)
Assets		
Current assets		
Cash and deposits	8,191,258	6,051,780
Accounts receivable - trade	1,877,534	2,003,484
Inventories	40,334	71,880
Other	93,209	94,752
Allowance for doubtful accounts	△1,497	△1,609
Total current assets	10,200,841	8,220,288
Non-current assets		
Property, plant and equipment		
Buildings, net	1,574,497	1,623,715
Land	1,974,413	1,974,413
Other, net	45,729	106,142
Total property, plant and equipment	3,594,640	3,704,272
Intangible assets		
Leasehold interests in land	769,778	769,778
Goodwill	5,841	3,894
Software	161,198	170,338
Other	3,183	346
Total intangible assets	940,002	944,358
Investments and other assets	1,413,957	1,429,315
Total non-current assets	5,948,819	6,077,946
Total assets	16,149,660	14,298,234
Liabilities		
Current liabilities		
Accounts payable - trade	217,941	169,818
Accounts payable - other	681,408	463,288
Income taxes payable	1,162,924	494,081
Advances received	1,097,267	1,055,806
Provision for bonuses	—	241,661
Provision for bonuses for directors (and other officers)	—	14,724
Other	433,158	435,101
Total current liabilities	3,592,701	2,874,482
Non-current liabilities		
Asset retirement obligations	69,666	81,892
Total non-current liabilities	69,666	81,892
Total liabilities	3,662,367	2,956,374
Net assets		
Shareholders' equity		
Share capital	800,623	800,623
Capital surplus	941,782	941,782
Retained earnings	11,379,746	10,243,183
Treasury shares	△670,710	△670,712
Total shareholders' equity	12,451,441	11,314,876
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35,632	26,983
Total accumulated other comprehensive income	35,632	26,983
Total net assets	12,487,074	11,341,860
Total liabilities and net assets	16,149,441	14,298,234

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Cumulative Consolidated Period for the 1Q)

(Unit: thousand yen)

	1Q FY24 (Oct. 1, 2024- Dec. 31, 2024)	1Q FY25 (Oct. 1, 2025 Dec. 31, 2025)
Net sales	3,510,182	3,764,422
Cost of sales	789,992	891,560
Gross profit	2,720,189	2,872,862
Selling, general and administrative expenses	1,260,866	1,471,717
Operating profit	1,459,322	1,401,144
Non-operating income		
Interest income	109	231
Dividend income	303	383
Foreign exchange gains	450	371
Subsidies for employment adjustment	1,218	—
Income from base station installation	451	451
Surrender value of insurance policies	545	1,424
Other	92	446
Total non-operating income	3,171	3,309
Non-operating expenses		
Loss on extinguishment of stock-based compensation expenses	997	1,132
Total non-operating expenses	997	1,132
Ordinary profit	1,461,497	1,403,322
Extraordinary losses		
Loss on valuation of investment securities	108,591	—
Total extraordinary losses	108,591	—
Profit before income taxes	1,352,905	1,403,322
Income taxes	419,246	440,539
Profit	933,659	962,782
Profit attributable to owners of parent	933,659	962,782

(Quarterly Consolidated Statements of Comprehensive Income)
(Cumulative Consolidated Period for the 1Q)

(Unit: thousand yen)

	1Q FY24 (Oct. 1, 2024- Dec. 31, 2024)	1Q FY25 (Oct. 1, 2025- Dec. 31, 2025)
Profit	933,659	962,782
Other comprehensive income		
Valuation difference on available-for-sale securities	△1,286	△8,648
Total other comprehensive income	△1,286	△8,648
Comprehensive income	932,373	954,133
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	932,373	954,133
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 Expense)

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

(Notes to the Segment Information)

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

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

Not applicable

(Notes related to the Going Concern Assumption)

Not applicable

(Notes to the Cash Flow Statement)

The quarterly consolidated statement of cash flows for the first quarter of the current fiscal year has not been prepared. The depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the first quarter of the consolidated fiscal year are as follows:

	1Q FY24 (Oct. 1, 2024 – Dec. 31, 2024)	1Q FY25 (Oct. 1, 2025 – Dec. 31, 2025)
Depreciation	41,172thousand yen	44,430thousand yen
Amortization of goodwill	1,947thousand yen	1,947thousand yen