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July 25, 2022

To Whom It May Concern,

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Notice: Revision of Consolidated Financial Forecasts for Full FY21

Insource Co. has reviewed current trends in its performance and revised its consolidated financial forecasts for full fiscal year ending September 30, 2022, which was announced on November 4, 2021.

1. Revision of Consolidated Financial Forecasts for full fiscal year ending September 30, 2022
 (October 1, 2021 - September 30, 2022)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net profit per share
	mill yen	mill yen	mill yen	mill yen	yen sen
Previous forecast (A)	8,900	2,600	2,600	1,770	41.53
Revised forecast (B)	9,300	3,220	3,190	2,200	52.26
Change (B-A)	400	620	590	430	-
Percentage change (%)	4.5	23.8	22.7	24.3	-
(Reference) FY20 Consolidated Financial Results	7,501	2,404	2,416	1,571	37.43

(2) Reasons for Revision

The number of high-unit-price trainings conducted for private sector and DX trainings increased in the On-Site Training business, in line with the spread of online training and DX (Digital Transformation). The e-Learning and video sales business is also performing well, which has led to steady sales growth.

In the third quarter, the ratio of online training has declined as expected. On the other hand, more high-unit-price trainings for private sector and DX trainings were conducted, and the ratio of fixed costs of production declined as textbooks were created more efficiently. As a result, the gross profit margin, which was expected to deteriorate due to the decline in the online training ratio, has improved and is expected to remain at the same level as the previous year, and gross profit is expected to increase due to the increase in sales. The operating profit is also expected to increase due to the lower personnel expenses than expected.

Therefore, net sales, operating profit, ordinary profit, and profit attributable to owners of parent are all expected to exceed the previously announced forecasts.

However, the number of COVID-19 infections has been rapidly increasing since July in Japan. Although the impact has been taken into account in the revised forecast, it may change largely due to external factors such as the issuance of a state of emergency declaration. We will promptly announce any events that may affect our group's business performance.

(Note) This document contains projections of performance based on information available at the time of preparation, and actual results may differ from these projections due to various factors.

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