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July 22, 2024

To Whom It May Concern,

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Notice: Revision of Consolidated Financial Forecasts and Dividend Forecast for FY23

Insource Co., Ltd. (hereafter referred to the Company) has reviewed current trends in its performance and revised its consolidated financial forecasts and the dividend forecast for the fiscal year ending September 30, 2024, which was announced on November 6, 2023.

1.Revision of Consolidated Financial Forecasts

(1) For the fiscal year ending September 30, 2024

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net profit per share
Previous forecast (A)	mill yen 12,530	mill yen 4,590	mill yen 4,585	mill yen 3,105	mill yen 36.43
Revised forecast (B)	12,470	4,850	4,770	3,250	38.71
Change (B-A)	(60)	260	185	145	
Percentage change (%)	(0.5)	5.7	4.0	4.7	
(Reference) FY22 Consolidated Financial Results	10,783	3,941	3,937	2,676	31.79

(2) Reasons for Revision

For the consolidated financial result for FY23, net sales of IT Services and Open Seminars for public offices and institutions, as well as the Video/e-Learning businesses for private companies, are expected to exceed the forecasts and SG&A expenses rate is expected to decline. As a result, operating profit and ordinary profit are expected to exceed the forecasts of 260 million and 185 million, respectively. On the other hand, sales for On-Site training did not meet expectations and are expected to fall short of the plan by 60 million yen.

Due to these circumstances, we have revised our forecasts for net sales, operating profit, ordinary profit, and profit attributable to owners of parent.

2. Revision of Dividend Forecast

(1) Details of Revision of Dividend Forecast for the Fiscal Year Ending September 30, 2024

	Annual Dividends (yen)		
	End of Q2	Year-end	Total
Previous forecast (November 6, 2023)	—	15.00	15.00
Revised forecast	—	19.50	19.50
Actual result	0.00	—	—
※Reference Result for FY22	0.00	13.00	13.00

(2) Reasons for Revision

The Company's basic dividend policy has been that we will continue to pay dividends linked to business performance with a target payout ratio of 40%, but the Company has changed this policy to a target dividend payout ratio of 50% and a target dividend on equity ratio of 18%, taking capital efficiency into consideration.

In consideration of the revised consolidated financial forecast for the fiscal year ending September 30, 2024, the Company has revised its dividend for the fiscal year ending September 30, 2024, from 15.00 yen to 19.50 yen per share (payout ratio: 50.4%).

The year-end dividend will be officially determined and implemented upon resolution at the General Meeting of Shareholders to be held in December 2024.

(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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