

June 1, 2020

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Insource Co., Ltd.
Representative Director and CEO
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(Code number: 6200, The First Section of the Tokyo Stock Exchange)

KPI (Key Performance Indicators) Progress Report in May 2020
“The number of WEBinsource subscribers and Leaf monthly paying subscribers rose to 12,831 and 210 organizations respectively”

Insource today announced that the number of On-Site Training conducted in May, 2020 was 265 times (24.4% YOY), among which 192 times was carried out online (72.5%), due to self-imposed restrictions followed by the declaration of state of emergency. Also, the number of attendees at Open Seminars was 1,992 (42.0% YOY), among which 1,971 attended online (98.9%).

The numbers of both trainings conducted and attendees decreased drastically compared with those of previous year, but they were the levels we had announced on May 14.

On the other hand, as for LMS (Learning Management System) and e-Learning, the numbers of both organizations and users have continued to grow as they were introduced as measures against coronavirus pandemic. The number of paid subscribers for Leaf (HR support system) reached 210 organizations and that of subscription IDs for STUDIO (e-learning) increased to 871 (+3.9% MOM).

Now that the state of emergency was lifted, Insource has restarted Open Seminars where attendees physically attend in nine sites nationwide including Tokyo since June 1 (Monday) with thorough hygienic measures implemented. It is estimated that more and more workers return to their offices this month, we will do our very best to restore our sales performance.

1. Monthly number of On-Site Training conducted

(Unit: times)

| | FY2019 | | | | | |
|-------------------------------------|-------------------|-------------------|-------------------|----------------|----------------|----------------|
| | December | January | February | March | April | May |
| Number of trainings conducted (YOY) | 1,114 (115.8%) | 1,043 (109.7%) | 1,135 (103.9%) | 298 (40.5%) | 703 (44.2%) | 265 (24.4%) |
| include online trainings | - | - | - | 3 | 172 | 192 |
| (composition ratio) | - | - | - | (1.0%) | (24.5%) | (72.5%) |

*Consolidated subsidiaries are included.

2. Monthly number of attendees at Open Seminars

(Unit: attendees)

| | FY2019 | | | | | |
|------------------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|
| | December | January | February | March | April | May |
| Number of attendees (YOY) | 7,017 (153.7%) | 5,642 (135.3%) | 6,096 (113.6%) | 1,979 (35.7%) | 5,396 (66.0%) | 1,992 (42.0%) |
| include online trainings | - | - | - | - | 4,642 | 1,971 |
| (composition ratio) | - | - | - | - | (86.0%) | (98.9%) |

*Consolidated subsidiaries are included.

3. WEBinsource: Total number of subscribers (organizations)

(Unit: organizations)

| | FY2019 | | | | | |
|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | December | January | February | March | April | May |
| Total | 11,974 | 12,185 | 12,419 | 12,642 | 12,711 | 12,831 |
| (changes from FY18) | (+639) | (+850) | (+1,084) | (+1,307) | (+1,376) | (+1,496) |
| (rate of change: %) | (+105.6%) | (+107.5%) | (+109.6%) | (+111.5%) | (+112.1%) | (+113.2%) |

*Figures above are calculated at the end of each month.

4. “Leaf (HR support system)”: Total number of paid subscribers (organizations)

(Unit: organizations)

| | FY2019 | | | | | |
|--|----------|---------|----------|---------|-----------|-----------|
| | December | January | February | March | April | May |
| HR support system, “Leaf” (Full-service) | 175 | 177 | 179 | 190 | 202 | 210 |
| (MOM) | (+5) | (+2) | (+2) | (+11) | (+12) | (+8) |
| (changes from FY18) | (+13) | (+15) | (+17) | (+28) | (+40) | (+48) |
| (No. of customization) | - | - | - | - | - | 6 |
| (users) | - | - | - | 917,561 | 1,027,804 | 1,045,005 |
| Web conversion service for appraisal forms | 58 | 59 | 60 | 67 | 72 | 74 |
| (MOM) | (+3) | (+1) | (+1) | (+7) | (+5) | (+2) |

* The number of customization shows the number of organizations which add their own functions when implementing Leaf.

* We have calculated the number since May, 2020.

5. “STUDIO (e-learning)”: Total numbers of subscription IDs per month

(Unit: IDs)

| | FY2019 | | | | | |
|---------------------|----------|---------|----------|--------|--------|--------|
| | December | January | February | March | April | May |
| STUDIO (e-Learning) | 16,400 | 17,285 | 19,289 | 17,806 | 22,188 | 23,059 |

6. Stress Check Support Service: Number of orders and status of progress

(Unit: organizations)

| | FY2019 | | | | | | |
|---|-------------|-------------|-------------|--------------|--------------|--------------|--------------------|
| | December | January | February | March | April | May | June (Estimate) |
| No. of orders received (MOM) | 17 (+3) | 20 (+0) | 14 (+4) | 17 (+10) | 8 (-1) | 9 (-1) | - - |
| No. of orders delivered (by month) | 13 | 43 | 39 | 119 | 6 | 5 | 3 |
| Cumulative No. of orders delivered (YOY) | 24 (-13) | 67 (+10) | 106 (+5) | 225 (+53) | 231 (+52) | 236 (+56) | 239 (+55) |
| No. of orders to be delivered (end of month) | 174 | 151 | 126 | 24 | 26 | 30 | - |

*From January 2019, we have disclosed the number of orders and status of progress for Stress Check Support Service.

*Note that after clients' inspection, the actual sales will be counted.

■ **WEBinsource**

With WEBinsource, clients can sign up online for Open Seminars at discounted prices, and apply for HRD SmartPack (discounted package deal), our affiliated companies' training programs and books, etc. More and more clients are implementing WEBinsource as an employee training infrastructure, which has increased the number of attendees at Open Seminars.

- WEBinsource: <https://www.insource.co.jp/webins/index.html>
- HRD SmartPack: https://www.insource.co.jp/bup/bup_smartpack.html

■ **Leaf (HR support system)**

Leaf is our in-house platform to assist clients to improve business productivity and streamline HR-related operations (e.g.: training management, operation to personnel appraisal, skill management, conducting stress check).

- Leaf: https://www.insource.co.jp/it-tool/kenkanrisys_top.html

■ **STUDIO**

STUDIO: A user-friendly e-learning courseware. Upon registration, users can always access over 321 contents(87 subjects) on STUDIO. * *As of December 31, 2019

- STUDIO: <https://www.mitemo.co.jp/studio/>

■ **Web appraisal form service**

Web conversion service for appraisal forms assists clients to realize streamlined operations by converting paper-/Excel-based performance appraisal forms into digital formats available online. For example, members can easily input their self-evaluation onto the digital appraisal forms. Also, Leaf allows administrators to easily contact and remind members to submit their forms.

- Web conversion service for appraisal forms: https://www.insource.co.jp/it-tool/service-each/value_web.html

■ **Stress Check Support Service**

Stress Check Support Service (outsourcing service) powered by Leaf is available at a very reasonable price (220 yen per person, including tax)*. Upon clients' requests, we also provide the service coupled with paper-based appraisal sheets.

*Initial costs are excluded

- Stress Check Support Service: https://www.insource.co.jp/it-tool/leaf_other_usage_stresscheck.html

We will further expand business by assisting clients to improve work productivity and offering clients reasonable training programs, IT solutions and various services.

The preliminary figures above may differ from the upcoming financial statements. This information is created with utmost caution, but we do not fully guarantee the accuracy.

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