

Insource Co., Ltd.

2Q FY22 Consolidated Cumulative Financial Results
(October 1, 2022 to March 31, 2023)

Monday, May 8, 2023

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Insource Co., Ltd.

(TSE: 6200)



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Chapter 2 2Q FY22 Details by Business

<Appendix 1> Expansion of Human Capital

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<Appendix 3> Three-year Business Plan “Road to Next 2025”

1H FY22 (Oct. 2022- Mar. 2023) Results

- Net Sales: 5,204 million yen (+15.4% YoY),
Gross profit: 3,984 million yen (+13.9% YoY), Gross profit margin: 76.6% (-1.0pt YoY)
Operating profit: 1,930 million yen (+15.2% YoY), Operating profit margin: 37.1% (-0.1pt YoY)
- Net sales reached a record high for the half year-to-date period, but behind the target of the On-Site Training for private sector and IT Service. Operating profit exceeded the target due to in-house production of DX training and reduction of SG&A expenses.
- Progress rate against the full-year sales forecast is 47.1%, gross profit progress rate is 46.4%, and operating profit progress rate is 51.7%.

Full Year Financial Forecast

- As planned at the beginning of the period, we forecast as following;
Net sales: 11,050 million yen (+17.3% YoY),
Gross profit: 8,580 million yen (+18.9% YoY)
Operating profit: 3,730 million yen (+10.8% YoY)
Operating profit margin: 33.8% (-2.0 pt YoY)

Chapter 1 1H FY22 Consolidated Financial Results

Consolidated Profit & Loss Statement (1) Overview

Unit: million yen

	1H FY20 (Actual)	1H FY21 (Actual)	1H FY22 (Actual)	YoY	FY22 (Forecast)	Progress rate
Net sales (YoY)	3,673 (+768)	4,510 (+836)	5,204 (+694)	+15.4%	11,050 (+1,631)	47.1%
Gross profit (YoY) (Gross profit margin)	2,825 (+752) (76.9%)	3,497 (+672) (77.6%)	3,984 (+486) (76.6%)	+13.9% (▲1.0t)	8,580 (+1,365) (77.6%)	46.4%
Operating profit (YoY) (Operating profit margin)	1,257 (+632) (34.2%)	1,674 (+417) (37.1%)	1,930 (+255) (37.1%)	+15.2% (▲0.1pt)	3,730 (+362) (33.8%)	51.7%
Ordinary profit (YoY) (Ordinary profit margin)	1,273 (+650) (34.7%)	1,658 (+384) (36.8%)	1,925 (+266) (37.0%)	+16.1% (+0.2pt)	3,720 (+373) (33.7%)	51.8%
Net profit (YoY) (Net profit margin)	823 (+402) (22.4%)	1,136 (+312) (25.2%)	1,318 (+182) (25.3%)	+16.0% (+0.1pt)	2,540 (+306) (23.0%)	51.9%

Consolidated Profit & Loss Statement (2) Net sales and gross profit by business

Unit: million yen

		1H FY20 (Actual)	1H FY21 (Actual)	1H FY22 (Actual)	YoY	FY22 (Forecast)	Progress rate
On-Site Training	Net sales (YoY)	1,838 (+250)	2,123 (+284)	2,406 (+283)	+13.3%	5,480 (+814)	43.9%
	Composition ratio: 46.2% (FY21 49.5%)	Gross profit (Gross profit margin)	1,430 (77.8%)	1,689 (79.6%)	1,912 (79.5%)	+13.2% (▲0.1pt)	4,410 (80.5%)
Open Seminars	Net sales (YoY)	850 (+141)	984 (+134)	1,184 (+200)	+20.3%	2,620 (+401)	45.2%
	Composition ratio: 22.8% (FY21 23.6%)	Gross profit (Gross profit margin)	642 (75.5%)	754 (76.6%)	892 (75.4%)	+18.3% (▲1.3pt)	2,060 (78.6%)
IT Services	Net sales (YoY)	549 (+210)	687 (+137)	736 (+49)	+7.2%	1,500 (+302)	49.1%
	Composition ratio: 14.1% (FY21 12.7%)	Gross profit (Gross profit margin)	436 (79.5%)	546 (79.5%)	576 (78.2%)	+5.4% (▲1.3pt)	1,240 (82.7%)
Other Businesses	Net sales (YoY)	435 (+165)	715 (+279)	877 (+161)	+22.6%	1,450 (+112)	60.5%
	Composition ratio: 16.9% (FY21 14.2%)	Gross profit (Gross profit margin)	316 (72.7%)	507 (71.0%)	603 (68.8%)	+18.8% (▲2.2pt)	870 (60.0%)

*Our gross profits by business were not audited by Ernst & Young ShinNihon LLC.

Consolidated Profit & Loss Statement (3) Breakdown of SG&A expenses

■ Total personnel expenses were up 13.3% YoY due to an increase in number of employees.

■ Office & communication expenses increased 14.6% YoY due to purchase of PCs for sales activities and online studios.

Unit: million yen

Breakdown of SG&A	1H FY20 (Actual)	1H FY21 (Actual)	1H FY22 (Actual)	Increase/ Decrease	YoY	FY22 (Forecast)
Personnel expenses*1	1,241	1,460	1,653	+193	+13.3%	3,925 (+818)
Of which, RS*2	0	59	61	+1	+2.8%	125 (+4)
Office-related expenses *3	88	81	85	+3	+4.8%	165 (+3)
Office & communication expenses	81	76	88	+11	+14.6%	210 (+29)
Others	157	204	226	+22	+10.9%	550 (+155)
Total SG&A	1,568	1,823	2,054	+231	+12.7%	4,850 (+1,006)
(SG&A ratio)	(42.7%)	(40.4%)	(39.5%)	(▲1.0pt)	-	(43.9%)

*1 Personnel expenses include wages, recruitment, training, benefit expenses, and outsourcing expenses.

*2 Restricted stock.

*3 Office-related expenses include ground rent, fixed asset tax of the company's buildings, real estate acquisition tax, and depreciation of property, plant and equipment.

Consolidated Balance Sheets

- Fixed assets increased due to a purchase of company-owned building (Insource Nippori Building).
- Current liabilities increased due to short-term borrowings (700 million yen).

Unit: million yen

	End of FY20 (Actual)	End of FY21 (Actual)	End of 1H FY22 (Actual)	Increase/ Decrease	YoY
Current assets	3,759	5,260	5,006	▲253	▲4.8%
Of which, cash and deposits	2,624	3,827	3,552	▲275	▲7.2%
Fixed assets	3,007	3,468	4,616	+1,147	+33.1%
Total assets	6,766	8,729	9,623	+893	+10.2%
Current liabilities	2,202	2,559	3,018	+458	+17.9%
Of which, Advances received *	599	730	644	▲86	▲11.9%
Fixed liabilities	63	44	43	▲1	▲2.6%
Net assets	4,500	6,125	6,561	+435	+7.1%
Total liabilities And net assets	6,766	8,729	9,623	+893	+10.2%

* Advances received are the unused amount of the “HRD Smart Pack”(our unique point service) that can be used for services such as Open Seminars and e-Learning/Videos

Consolidated Cash Flow

- Cash from operating activities increased due to increases in profit.
- Cash from investing activities decreased due to the purchase of a company-owned building.
- Cash from financing activities decreased due to an increase in dividends paid.

Unit: million yen

	1H FY21 (Actual)	1H FY22 (Actual)	YoY
Cash flow from operating activities (A)	892	1,149	+257
Cash flow from investing activities (B)	▲319	▲1,217	▲898
Free Cash Flow (A+B)	573	▲68	▲641
Cash flow from financing activities	▲153	▲206	▲52
Depreciation expense	66	76	+9
Amortization of goodwill	8	8	±0

2Q FY22 Development and Launch of New Services

- Created special website with the aim of increasing the share in the correspondence education market.
- Expand services for digital sales, use of AI chatbots, and support for corporate universities to keep up with the times.

※Large Enterprise: 1,000 or more employees, Medium Market Business :300-999 employees, SMB (Small Medium Business): Less than 299 employees

Name of New Service	Type of Service	Target client	Overview
Character Education	On-Site Training/ Open Seminars	All markets/ Government offices and local governments	To understand and address moral or ethical issues in the business world.
Correspondence Education Department Store	Correspondence Education (Website)	All markets	Over 150 correspondence education courses are available. (The correspondence market scale is about 45-billion-yen)
Total Package for Digital Sales	BtoB Support for digital advertising	SMB (Small Medium Business)	Provide website development, digital advertising, database building, sending e-mail newsletters, etc. to increase sales without additional staff.
ChatGPT Training (*Launched in 3Q FY22)	Open Seminars	All markets/ Government offices and local governments	How to use ChatGPT in business. It hit with 151 customers in just 10 days since the release.
Leaf Corporate University (*Launched in 3Q FY22)	IT Services	All markets	Assessment and educational evaluation functions are incorporated into the existing functions of our platform "Leaf". A new service to display and provide individual training and e-Learning recommendations based on evaluation results.

2Q FY22 New Service “Correspondence Education Department Store”

- Market size of correspondence education is expected to be 45 billion yen (*1)
- 151 courses are available (*2) and will be expanded in the future, ranging from DX-related certifications to technical training on the manufacturing sites.

<Market Size and Available Courses>

- Market size is expected to be 45 billion yen in 2022 and to remain at the same level in the future.
- Partnered with JTEX (Japan Technical Education Development Center) and U-CAN, INC
- Offer skills training for fields such as construction sites and manufacturing plants.
- Courses for IT and finance-related qualifications are also available. Offered to existing target clients as employee self-development support.

<Service Overview of Correspondence Education Department Store>

Name	Summary site of Correspondence Education “Correspondence Education Department Store” https://www.insource.co.jp/certification/index.html
Overview	A full-range site of correspondence education courses developed and offered by our group and partner companies
Target Client	All segments
Examples of Courses Offered	1. Financial Planner Course ¥64,000 (tax included) 2. Real Estate Agent Course ¥63,000 (tax included) 3. 2 nd class Qualified Electrician Course (exam set, published questions for skills test (with videos)) ¥49,500 (tax included)
Launched Date	Monday, March 13, 2023



*1 Calculated by the Company based on the Ministry of Health, Labour and Welfare's "Basic Survey on Skills Development (2021)," the Ministry of Internal Affairs and Communications' "Labor Force Survey," etc.
*2 As of the end of March, 2023

■ New hires and training of trainers have been steady, and hiring and training of DX trainers will continue to be strengthened.

	FY20 (Actual)	FY21 (Actual)	2Q FY22 (Actual)	1H FY22 (Actual & Progress rate)	FY22 (Target)
No. of new contracts of WEBinsource (Cumulative no. of organizations)	2,306 (15,798)	2,871 (18,669)	811 (20,088)	1,419 (59.1%)	2,400 (21,069)
No. of new contents for On-Site Training (Cumulative no.)	321 (3,461)	333 (3,794)	90 (3,974)	180 (51.4%)	350 (4,144)
No. of new contents for Open Seminars (Cumulative no.)	437 (3,296)	334 (3,630)	72 (3,763)	133 (66.5%)	200 (3,830)
No. of new contents for e-Learning/videos *1 (Cumulative no.)	248 (334)	210 (544)	48 (649)	105 (50.0%)	210 (654)
No. of core solution plans *2 (Cumulative no.)	60 (231)	36 (267)	11 (298)	21 (52.5%)	40 (307)
No. of web-sessions (Unit: thou. times)	2,010	1,804	413	831 (41.6%)	2,000
No. of clicks on email newsletters (Unit: click)	56,390	52,811	20,700	38,405 (64.0%)	60,000
No. of trainers *3 (Unit: people)	340	315	358 (+43)	358 (71.7%)	375 (+60)
No. of DX trainers *3 (Unit: people)	52	67	70 (+3)	70 (20.0%)	82 (+15)
No. of organizations using assessment (Unit: organizations)	-	260	133	262 (61.5%)	426
CO2 emissions per employee*4 (Unit: t-CO2)	0.74	0.73	0.21	0.38 (55.1%)	0.69

*1 No. of new contents for e-Learning/videos are those developed by the Company only (excluding partners).

*2 Core solution plan: A plan that combines multiple services to solve the various issues (issues by type, by industry, by job title, etc.) of each organization at the same time.

*3 The number of trainers is as of the end of each fiscal period.

*4 Calculated by dividing CO2 emissions from electricity use (Scope2) by the average number of employees during the fiscal year.

Chapter 2 2Q FY22 Details by Business

2Q FY22 (Jan.- Mar. 2023) Results

- Net Sales: 2,617 million yen (+12.9% YoY), Gross profit: 2,026 million yen (+11.4% YoY)
Gross profit margin: 77.4% (-1.1pt YoY), Operating profit: 1,036 million yen (+15.3% YoY)
Operating profit margin: 39.6% (+0.8pt YoY)
- Net sales reached a record high for the quarter, but On-Site Training for private sector and IT Services business fell short of the plan.
- Operating profit and operating profit margin exceeded the plan due to in-house production of DX training and reduction of SG&A expenses

2Q FY22 (Jan.- Mar. 2023) Details by Business

- On-Site Training (Net Sales: 1,008 million yen, +15.3% YoY, Progress rate: 43.9%)
Sales for public sector is performing well, but the number of trainings conducted at private sector is behind the target.
- Open Seminars (Net Sales: 553 million yen, +15.9% YoY, Progress rate : 45.2%)
Number of attendees increased as face to face and new trainings increased. On the other hand, attendees per seminar decreased.
- IT Services (Net Sales: 522 million yen, +8.1% YoY, Progress rate : 49.1%)
Leaf's annual recurring revenue (ARR) grew steadily, but new orders for customization decreased, resulting in a slight increase in sales.
- Other Businesses (Net Sales: 533million yen, +10.5% YoY, Progress rate : 60.5%)
Sales and gross profit increased slightly. Sales of highly profitable video and e-Learning were at the same level as the previous year.

■ Improve sales approach and agility by re-building sales structure. (From Jan. 2023)

1. Expand sales team for Tokyo metropolitan areas from 13 to 23 (From Jan. 2023)
 - Realign the sales force in central Tokyo into a small elite team with young leaders to approach medium-sized companies.
2. Build experienced sales team with strong sales skills (From Jan. 2023)
 - Transfer experienced sales executives to handle new customers and large company clients efficiently.
3. Launch online sales team of veteran work-at-home employees (From Feb. 2023)
 - Organize experienced employees to increase sales volume per company aimed at large companies and IT firms.

■ Improve sales agility to increase number of customer visits and WEBinsource subscribers

- Sales correlate with the amount of sales representative activity (number of customer visits)
- WEBinsource subscribers, as a leading performance indicator, are linked to the number of customer visits.
- New WEBinsource subscribers recovered YoY in 2Q.
- Strengthened visits to ensure growth in the number of new WEBinsource subscribers in 3Q

	4Q FY21 (2022.7-9)	1Q FY22 (2022.10-12)	2Q FY22 (2023.1-3)
WEBinsource Number of new subscribers (YoY)	695 (109.3%)	608 (88.2%)	810 (107.1%)

Consolidated Profit & Loss Statement - Overview

Unit: million yen

	2Q FY21 (Actual)	3Q (Actual)	4Q (Actual)	1Q FY22 (Actual)	2Q FY22 (Actual)	YoY	
Net sales (QoQ)	2,317 (+124)	2,362 (+45)	2,545 (+182)	2,586 (+41)	2,617 (+30)	+299	+12.9%
Gross profit (QoQ)	1,819 (+140)	1,765 (▲53)	1,950 (+184)	1,957 (+7)	2,026 (+68)	+207	+11.4%
(Gross profit margin)	(78.5%)	(74.7%)	(76.6%)	(75.7%)	(77.4%)	(▲1.1pt)	
Operating profit (QoQ)	899 (+123)	762 (▲136)	929 (+166)	893 (▲36)	1,036 (+143)	+137	+15.3%
(Operating profit margin)	(38.8%)	(32.3%)	(36.5%)	(34.5%)	(39.6%)	(+0.8pt)	
Ordinary profit (QoQ)	893 (+127)	755 (▲137)	931 (+176)	891 (▲40)	1,034 (+143)	+141	+15.8%
Net profit (QoQ)	613 (+90)	517 (▲95)	579 (+62)	610 (+30)	707 (+97)	+94	+15.4%

On-Site Training Business

- Sales increased by 15.3% YoY, with strong performance in the public sector, but trainings conducted in the private sector fell short of plan.
- Gross profit increased 15.7% despite a decline in the online ratio, as the gross profit margin was maintained due to an increase in the number of training conducted and in-house production of DX training.

Unit: million yen

	2Q FY21 (Actual)	3Q (Actual)	4Q (Actual)	1Q FY22 (Actual)	2Q FY22 (Actual)	YoY	
Net sales (QoQ)	874 (▲374)	1,280 (+405)	1,262 (▲18)	1,397 (+135)	1,008 (▲389)	+134	+15.3%
Gross profit (QoQ) (Gross profit margin)	698 (▲291) (79.9%)	1,006 (+307) (78.6%)	995 (▲11) (78.9%)	1,103 (+108) (79.0%)	808 (▲294) (80.2%)	+110 (+0.3pt)	+15.7%
No. of trainings conducted (times) (QoQ)	2,984 (▲1,823)	4,617 (+1,633)	4,528 (▲89)	5,103 (+575)	3,496 (▲1,607)	+512	+17.2%
Of which, no. of online training (composition ratio)	1,798 (60.3%)	1,390 (30.1%)	1,829 (40.4%)	1,791 (35.1%)	1,173 (33.6%)	▲625	▲34.8%
Average unit price (unit: thou.yen) (QoQ)	293.1 (+33.3)	277.2 (▲15.8)	278.7 (+1.5)	273.9 (▲4.8)	288.5 (+14.6)	▲4.5	▲1.6%

Open Seminars Business

- Sales increased by 15.9% YoY as the number of trainees increased due to more face-to-face trainings and new trainings.
- Gross profit increased by 10.7% YoY, while the number of attendees per training decreased.

Unit: million yen

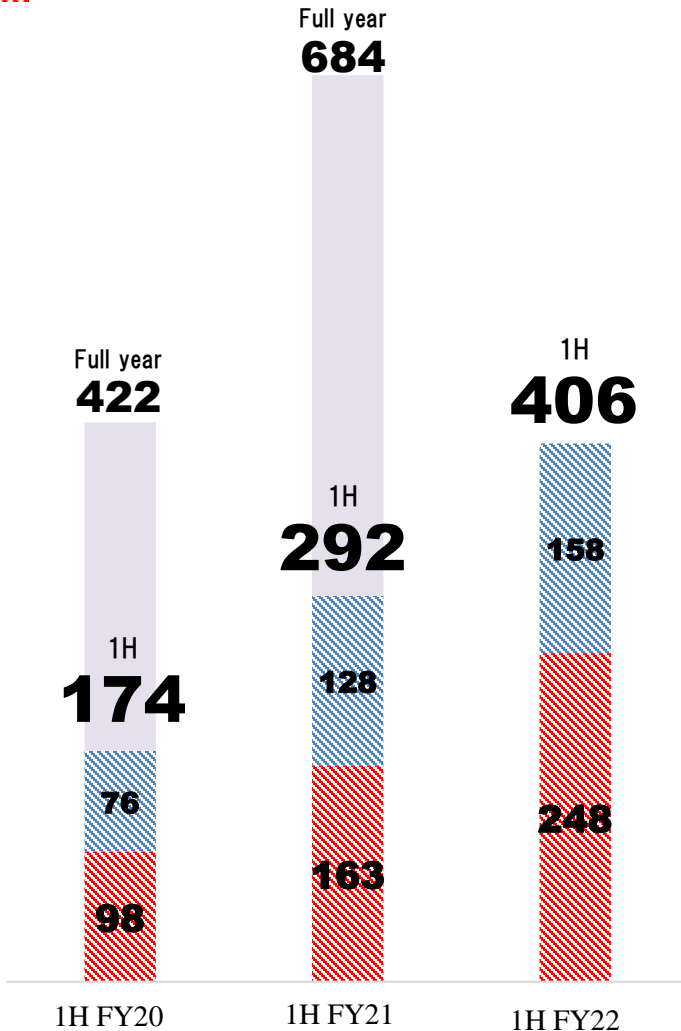
	2Q FY21 (Actual)	3Q (Actual)	4Q (Actual)	1Q FY22 (Actual)	2Q FY22 (Actual)	YoY	
Net sales (QoQ)	476 (▲30)	610 (+133)	623 (+12)	631 (+7)	553 (▲78)	+76	+15.9%
Gross profit (QoQ) (Gross profit margin)	362 (▲29) (76.0%)	468 (+105) (76.7%)	486 (+18) (78.1%)	491 (+4) (77.8%)	401 (▲89) (72.6%)	+38 (▲3.4pt)	+10.7%
No. of attendees (QoQ)	22,205 (▲2,235)	26,568 (+4,363)	28,713 (+2,145)	29,954 (+1,241)	25,818 (▲4,136)	+3,613	+16.3%
Among above, no. of online training (composition ratio)	20,047 (90.3%)	20,006 (75.3%)	23,563 (82.1%)	24,418 (81.5%)	21,496 (83.3%)	+1,449	+7.2%
No. of attendees per training (QoQ)	12.5 (▲0.2)	12.6 (+0.1)	11.6 (▲1.0)	11.4 (▲0.2)	9.5 (▲1.9)	▲3.0	▲24.0%
Average unit price per training (unit: thou.yen) (QoQ)	21.4 (+0.7)	22.9 (+1.5)	21.7 (▲1.3)	21.0 (▲0.6)	21.4 (+0.1)	▲0.0	▲0.3%

DX-related Training – Business Performance

DX-related sales

- Open Seminars
- On-Site Training

Unit: million yen



Sales increased by 39.2% YoY in 1H FY22

- On-Site Training- maintained an upward trend of more than 50% YoY due to an increase in large-scale projects for major private companies.
- Open Seminars- Trainings related to basic IT literacy and a series of seminars for project managers contributed to stable sales growth.
- 2H plans to increase sales activities and content targeting small and midsize companies.

DX-related training

	1H FY20	1H FY21	1H FY22
Sales (mill. yen)	174	292	406
YoY	+11.6%	+67.9%	+39.2%
On-Site Training	98	163	248
YoY	+31.3%	+66.6%	+51.6%
Open Seminars	76	128	158
YoY	▲6.5%	+69.5%	+23.5%
On-Site Training No. of training*	257	408	544
Open Seminars No. of attendees	3,114	5,518	6,122

New contents developed in 2Q

- Jan. For non-engineers
 - Training for project experts
- Feb. Basics of statistics
 - Training on analyzing business data
- Mar. For system users
 - Practice User Acceptance Test(UAT)

IT Services Business

- The number of Leaf paid subscribers was 588. Leaf users increased to 2.55 million users (+32.1% YoY). Annual recurring revenue (ARR*¹) increased to 672 million yen (+17.4% YoY).
- Customization sales decreased by 17.7% YoY due to decrease in new orders.
- Orders from public sector in FY22 including MEXT*₂ project (900,000 employees nationwide, 155 million yen) and MHLW*₃ project (490,000 employees nationwide, 53 million yen) .

Unit: million yen

	2Q FY21 (Actual)	3Q (Actual)	4Q (Actual)	1Q FY22 (Actual)	2Q FY22 (Actual)	YoY	
Net sales (QoQ)	483 (+280)	196 (▲287)	314 (+118)	213 (▲100)	522 (+308)	+38	+8.1%
<Breakdown>							
Leaf monthly subscription (QoQ)	141 (+3)	145 (+3)	157 (+12)	162 (+5)	168 (+5)	+26	+18.8%
Sales per month* ₄	47	49	53	55	56	+8	+17.4%
Average unit price /Organization (unit: thou. yen)	104.0	98.8	102.4	99.6	98.1	▲5.9	▲5.7%
Leaf customization	235	48	133	22	194	▲41	▲17.7%
Stress check	106	3	23	28	160	+53	+50.9%
Gross profit * ₅ (QoQ) (Gross profit margin)	399 (+251) (82.6%)	142 (▲256) (72.7%)	258 (+116) (82.4%)	147 (▲111) (69.2%)	428 (+280) (82.0%)	+29 (▲0.6pt)	+7.3%

*1 ARR: Annual Recurring Revenue. Calculated by multiplying the Monthly usage fees of the last month of each term by 12.

*2 MEXT : Ministry of Education Culture, Sports, Science and Technology Japan *3 MHLW: Ministry of Health, Labour and Welfare Japan

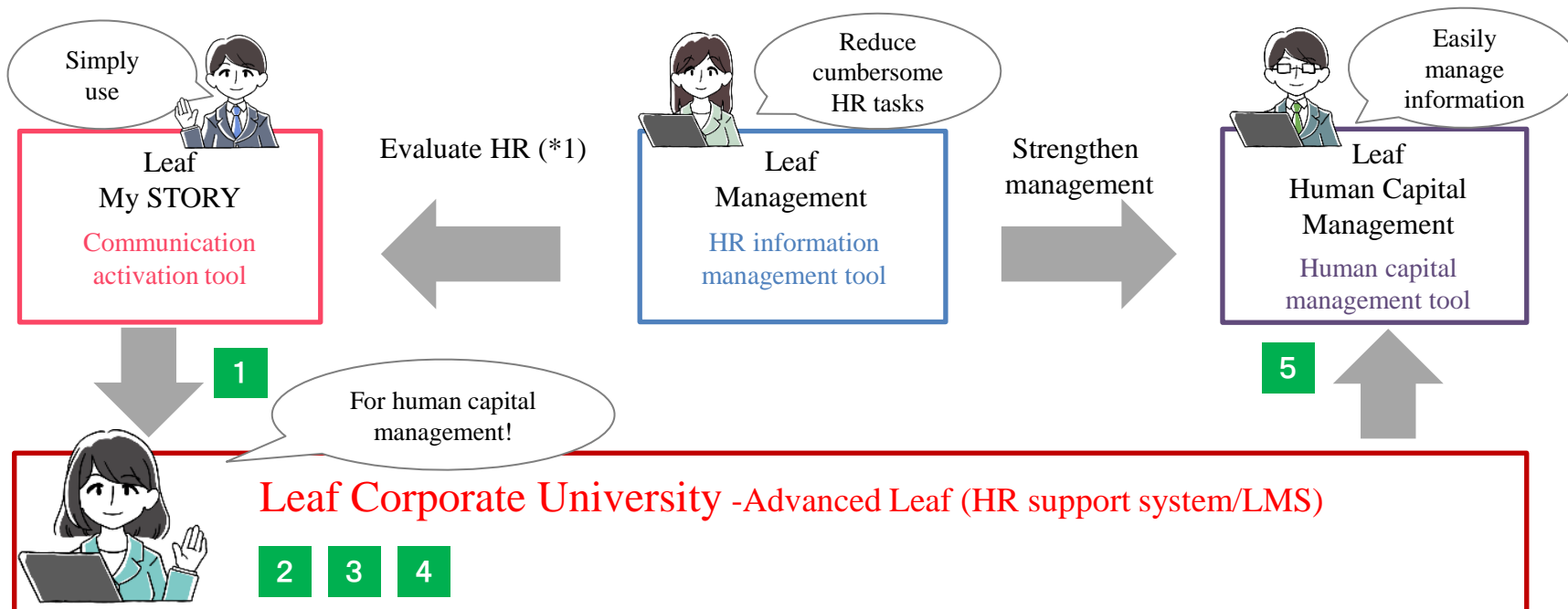
*4 Monthly usage fees (Recurring Revenue) for the last month of each quarter.

*5 Our gross profit margins by business were not audited by Ernst & Young ShinNihon LLC.

Monthly Subscription Model (Unit: organization)	2Q FY21 (Actual)	3Q (Actual)	4Q (Actual)	1Q FY22 (Actual)	2Q FY22 (Actual)	YoY
Leaf paid subscribers	470	498	522	551	588	+118 +25.1%
(QoQ)	(+38)	(+28)	(+24)	(+29)	(+37)	
Leaf users (Unit: thousand people)	1,932	2,040	2,112	2,438	2,552	+619 +32.1%
(QoQ)	(+84)	(+107)	(+72)	(+326)	(+113)	
On-the-web appraisal form services	151	155	165	168	184	+33 +21.9%
(QoQ)	(+17)	(+4)	(+10)	(+3)	(+16)	
Services based on Individual Contract	2Q FY21 (Actual)	3Q (Actual)	4Q (Actual)	1Q FY22 (Actual)	2Q FY22 (Actual)	YoY
Leaf No. of Customization	75	18	52	11	54	▲21 ▲28.0%
(QoQ)	(+58)	(▲57)	(+34)	(▲41)	(+43)	
No. of Stress Check Support Service	277	18	70	91	326	+48 +17.3%
(QoQ)	(+176)	(▲259)	(+52)	(+20)	(+235)	

■ Launch of new service- "Leaf Corporate University" in 3Q FY22

A full package of educational platform, assessment, Open Seminars, and e-Learning.



■ How to use Leaf Corporate University

- 1 Log in My-Page of Leaf Corporate University through Leaf My STORY(※2)
- 2 Understand individual current skills and challenges (As is - To be) with the Assessment Function
- 3 Apply for recommended courses (training, e-Learning, etc.) based on the diagnosis results
- 4 Store training records in Leaf Corporate University.
- 5 Training history are linked to Leaf Human Capital Management and can be disclosed as human capital information.

※1 Make strategic investments by visualizing and analyzing the capabilities of HR. ※2 Leaf Corporate University can be used independently.

2 Understand your own current skills and challenges (As is - To be) with the Assessment Function

- Customizable with company-specific questions
- Display results automatically and quickly
- Indicate differences in perception with supervisors and rank within the organization.

エンジニアスキルチェックシート

ITサービス事業部 東京五郎様 (上長: 東京一郎様) 評価者様

◎: できる

カテゴリ	項目
システム設計	プログラミング言語の規格や使用するソフトウェアについて幅広く理解すると同時に、必要な知識を行っている。 設計過程に不備があった場合には、原因を究明し、その対策を行っている。また、解決のために、再発防止に努めている。

エンジニアスキルチェックシート 回答結果

ITサービス事業部 東京五郎様 (上長: 東京一郎様)

◆本カルテの扱いは、法人部門に所属する社員として必要な行動を俯瞰し、実施状況を本人と上長が確認することにあります。本人と上長の認識し、認識を合わせましょう。
そのうえで、管理ポイントの確認やスキルアップに向けた具体的な計画策定にお役立てください。なお、本結果は評価には一切関係ありません。

■カテゴリ別傾向

◆業務全体を4つのカテゴリに分け、カテゴリ内の回答項目数を出したものです。全体傾向をイメージしてください。

カテゴリ ◎はカテゴリ内の項目数を表します	東京五郎さんの回答					東京一郎さんの回答					全国 ◎○率 (本人)
	◎項目数	○項目数	×項目数	◎○率	レベル	◎項目数	○項目数	×項目数	◎○率		
システム設計 (16)	12	3	1	94%	A	12	3	1	94%		
部下育成 (15)	10	3	2	87%	B	10	3	2	87%		
企画力 (16)	10	3	3	81%	A	11	5	0	100%		
商材知識 (42)	15	22	5	88%	A	15	22	5	88%		

■設問ごとの結果

【マークの見方】

3 Apply for recommended courses (training, e-Learning, etc.) based on the diagnosis results

- Display of recommended training courses based on assessment results
- Include company-specific courses or trainings provided by Insource
- Various forms of training such as group training, online training, e-Learning, etc.

一般公開コースを見る

推奨研修一覧

No	研修名(あるいはキーワード)	コード	No	研修名
1	営業基礎研修～営業のいろはを学び、営業活動の流れを学ぶ	B-1	6	営業
2	仮設精算力向上研修	B-1	7	コミュ
3	ヒアリング力向上研修～質問の引き出しを増やし、お客さまの本質的なニーズに迫る	B-2	8	情報活
4	問題解決研修～ビジネス上の問題を解決する	B-3	9	分かり
5	リーダーシップ研修～ポストコロナ・フェーズコロナ時代の強い	B-4	10	タイム

あなたの営業スキル系 推奨研修

公開講座検索 検索 検索解除 戻る

※文字を入力して検索する項目は、すべて空白区切りによる検索条件検索(OR検索)が可能です

研修名 タイムマネジメント研修 ID

主な開催地 東京 大阪 名古屋 福岡 札幌 仙台 京都 広島 開催地

開催日 2023/04/21 ~

オンライン オンラインのみ オンライン以外 どちらも含む

階層 管理職 中堅 若手 新人・内定者

テーマ

タグ(ジャンル) 授業先研修

公開講座検索結果

受講状況	開催日	開催時間	研修名
	2023/04/27(木)	10:00～16:45	【オンライン講座】タイムマネジメント研修～仕事を効率的に進めるための時間管理を学ぶ
	2023/05/08(月)	10:00～16:45	【オンライン講座】タイムマネジメント研修～仕事を効率的に進めるための時間管理を学ぶ
	2023/05/11(木)	10:00～16:45	タイムマネジメント研修～仕事を効率的に進めるための時間管理を学ぶ
	2023/05/18(木)	10:00～16:45	【オンライン講座】タイムマネジメント研修～仕事を効率的に進めるための時間管理を学ぶ
	2023/05/25(木)	10:00～17:30	組織のタイムマネジメント研修～管理職の立場から組織の効率化を目指す
	2023/05/30(火)	10:00～16:45	【オンライン講座】タイムマネジメント研修～仕事を効率的に進めるための時間管理を学ぶ
	2023/05/31(火)	10:00～16:45	タイムマネジメント研修～仕事を効率的に進めるための時間管理を学ぶ

Other Businesses (“Rising Next”)

Highly profitable video and e-learning sales continued to be strong, and sales of Online Seminar Support Service were increased by 52.1% YoY.

Unit: million yen

		2Q FY21 (Actual)	3Q (Actual)	4Q (Actual)	1Q FY22 (Actual)	2Q FY22 (Actual)	YoY	
	Net sales (QoQ)	482 (+249)	275 (▲206)	345 (+69)	343 (▲1)	533 (+189)	+50	+10.5%
	Gross profit* (QoQ) (Gross profit margin)	358 (+209) (74.3%)	148 (▲210) (53.8%)	209 (+60) (60.5%)	215 (+5) (62.5%)	388 (+172) (72.8%)	+29 (▲1.5pt)	+8.2%
<Breakdown>								
Outright Purchase	Net sales	176	89	83	119	198	+21	+12.4%
	No. of Videos	869	385	364	538	887	+18	+2.1%
Rental	Net sales	10	4	5	12	10	▲0	▲3.2%
	No. of Viewers	3,763	3,584	2,894	4,028	3,493	▲270	▲7.2%
Monthly Subscription (STUDIO)	Net sales	29	45	36	39	35	+5	+18.7%
	No. of User IDs (Unit : thou. IDs)	61	66	70	73	79	+18	+29.8%
Video Production	Net sales	18	11	9	4	21	+3	+19.7%
	No. of Contents	66	21	43	18	23	▲43	▲65.2%
Consulting/ Assessment Service	Net sales	37	20	34	23	35	▲2	▲7.0%
	No. of Organizations	71	54	59	63	70	▲1	▲1.4%
Online Seminar Support Service	Net sales	36	37	35	45	54	+18	+52.1%
	No. of Organizations	68	45	60	94	86	+18	+26.5%
Regional Revitalization Service	Net sales	44	3	51	2	47	+2	+5.8%
	No. of Projects	10	5	5	3	12	+2	+20.0%
Web Marketing	Net sales	61	46	40	39	56	▲5	▲8.2%

* Our gross profit margins by business were not audited by Ernst & Young ShinNihon LLC.

<Appendix 1> Expansion of Human Capital

- Two main issues for companies in human capital management
 - 1: “Value enhancement of human capital”
 - 2: “Information disclosure of human capital”
- We provide support in three areas: HR training, human capital management tools, and consulting and assessment.
- Expansion of human capital is linked to each company's management strategy

Five major themes that Japanese companies are facing (as of the end of January 2023, based on Insource's research)

< Major themes that Japanese companies are facing >

Category	Item Example
Improvement in business performance (1) Client value creation and productivity improvement by DX promotion (2) Next generation leader development (managerial talent) (3) New businesses and challenges	(1) Number of digital human resources, number of DX training participants, and number of related certifications holders (2) Number of participants in leadership development programs and young leaders (3) Number of people taking on challenges, number of new business plans
D, E&I (Diversity, Equity and Inclusion)	Number and ratio of female managers, Percentage of women in recruitment
Employee engagement	Engagement survey results, Percentage of employees using stock ownership plan
Health, safety & sanitation	Employees' health conditions (Percentage of secondary health checkups taken)
Strengthening governance	System improvement of ratio of external directors, etc, Compliance education

- We have already proposed solutions to 251 of the 875 companies we surveyed for human capital disclosure items.

Human capital disclosure items that Insource focuses on (excerpt)

- Continue to place the highest priority on sales and operating profit per employee, which are directly linked to financial performance expansion, and continue to promote and improve them at the same time.
- Increase employee shareholders to foster a desire to improve business performance and to raise awareness of management participation.
- Continue to promote the creation of an organization where diverse human resources can work comfortably and secure a stable pool of excellent human resources.

Category	Items	FY20	FY21	As of the end of March, FY22	Remarks
Performance	Sales per employee (thousand yen)	22,193 (full-year)	24,181 (full-year)	12,570 (half-year)	Calculated based on the average number of employees (excluding temporary employees) during the period
Performance	Operating profit per employee (thousand yen)	7,113 (full-year)	8,645 (full-year)	4,662 (half-year)	Calculated based on the average number of employees (excluding temporary employees) during the period
Performance	Average points of "Energy"	3.24	3.24	-	"Energy" is the ability to have a strong will and to see the value in continuing to work despite difficulties. Maximum 5 points. Calculated using our assessment test tool "giraffe"
Performance	Training hours per employee	15h44m (full-year)	10h43m (full-year)	7h25m (half-year)	Total hours of training and e-learning courses (excluding study sessions)
Performance	Total number of DX training attendees	201	681	-	Total number of participants in each fiscal year
Performance	Percentage of employees' experience with the company's services	100%	100%	100%	Calculated based on use of Leaf and attendance at Open Seminars and e-learning
D, E&I	Number of management positions (Percentage of female employees)	156 (34.6%)	185 (37.8%)	193 (37.8%)	
D, E&I	Number of managerial appointments (Percentage of female employees)	43 (44.2%)	38 (52.6%)	-	Number of non-managerial employees promoted to managerial positions
D, E&I	Number and rate of employees taking <u>maternity leave</u> *	6 (100%)	16 (100%)	-	The percentage indicates the ratio calculated by the actual number of acquirers to those eligible for acquisition during the period.
	Number and rate of employees taking <u>paternity leave</u> *	6 (46.2%)	12 (92.3%)		
Employee engagement	Percentage of employees who hold shares of Insource *	66.6%	69.6%	68.6%	Aggregate employee stock ownership plan participants and RS (restricted stock compensation) holders

* Recalculate retroactively by reviewing employee definitions

■ We provide full range of services for enhancement of human capital value and disclosure of information.

We offer packaged versions quickly and reasonably priced, as well as customized options.

Company Implementation Matters	Problems anticipated in the implementation	Insource Services ※ Customized for unique items
STEP 1 Set Indicators	<ul style="list-style-type: none"> ▪ Create unique indicators in line with management strategy → indicators that lead to increased corporate value 	<ul style="list-style-type: none"> ▪ Consulting service Check and analyze human capital linked to business performance, etc.
STEP 2 Collect and organize data	<ul style="list-style-type: none"> ▪ Easy to disclose information ▪ Consolidate data scattered across multiple systems 	<ul style="list-style-type: none"> ▪ Leaf series Leaf Management/Leaf Human Capital Management/Leaf Corporate University <Example>Manage training attendance time data
STEP 3 Determine investment policy for human capital	<ul style="list-style-type: none"> ▪ Show the gap through As is-To be (current situation and desired state) ▪ Choose best talents to invest 	<ul style="list-style-type: none"> ▪ Assessment/Leaf Corporate University Develop and provide original assessments such as giraffe/tiered tests/engagement diagnostics, etc.
STEP 4 Implement education to achieve the goal	<ul style="list-style-type: none"> ▪ Develop and implement unique educational program ▪ Use e-learning to increase the implementation rate of education. 	<ul style="list-style-type: none"> ▪ Training (On-Site Training , Open Seminars, e-Learning, video) Meet diverse training needs by various methods, period, budget, etc. ▪ LMS “Leaf” /Leaf Corporate University
STEP 5 Evaluate educational effectiveness and incorporate into disclosure indicators	<ul style="list-style-type: none"> ▪ Need to evaluate the effectiveness of the unique education 	<ul style="list-style-type: none"> ▪ Assessment/Leaf Corporate University Compare with the historical data with the above STEP2-3

<Appendix 2> Company Profile & Advantages of Insource ESG Initiatives



Company Profile

- Company name Insource Co., Ltd. (Code number: 6200)
- Tokyo Headquarters Insource Dokanyama Bldg. 4-19-12 Nishi Nippori, Arakawa-ku, Tokyo
- Capital 800,623 thousand yen
- Foundation November 2002
- Representative Director Takayuki Funahashi, Representative Director, President and CEO
 Joined Sanwa Bank (now Mitsubishi UFJ Bank) in 1988. Had been in charge of the systems development department (management accounting, sales, marketing) and the personal finance department (new product development). After working in a distribution industry, established Insource Co., Ltd. and became its representative director.

Affiliated Companies

Mitemo Co., Ltd

- e-Learning, Platform business
- Production of Training Materials
- Workshops/ Consulting
- Regional Revitalization Business

Rashiku Corporation

- Recruitment Support Business

MIRAI SOUZOU & COMPANY, Inc.

- On-Site Training Business

Insource Digital Academy Corporation

- Training Business of HR with Digital Skills
 (AI/ Support for Machine Learning Applications, Support for Utilizing RPA, Improving OA/IT Skills and Business Skills)

Insource Marketing Design Corporation

- Website Promotion, Web page Creation, System Development

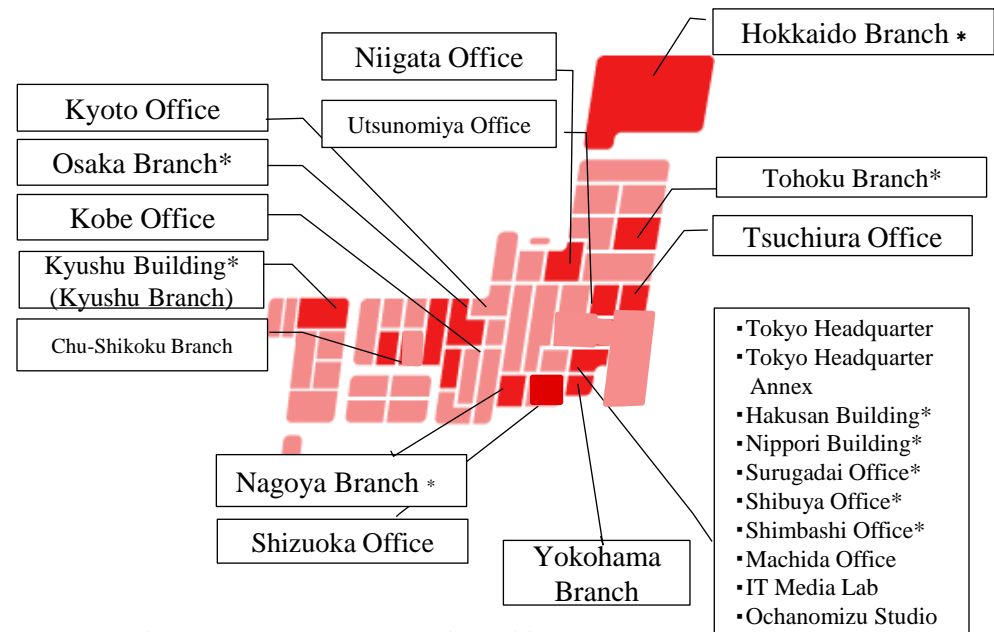
Insource Business Rep Corporation

- Support Service for Training Management

Business Locations: 23

*As of the end of March, 2023

*Branches with Seminar Rooms



Seminar Rooms: 40 Classrooms in 6 Cities

Online Training Booths: 110 Booths

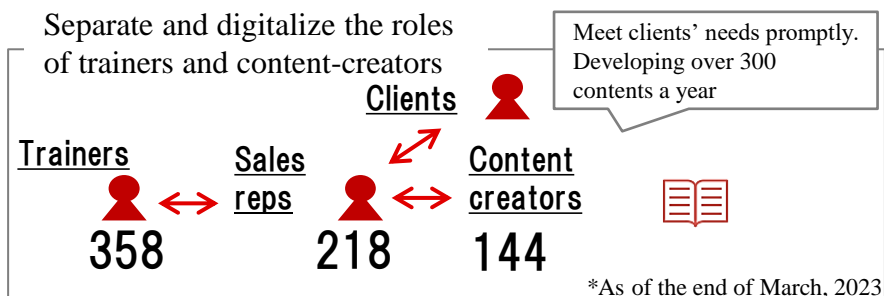
- High quality services both face-to-face and online training make it possible to practice what you learned the very next day.
- Digitalization of the operation process for training management allows us to provide more training programs with better quality and high frequency.
- High level of client satisfaction with:

Contents	96.1%	/	Trainers	94.2%
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*As of the end of March, 2023

On-Site Training (1H FY22 Sales ratio: 46.2%, FY21: 49.5%)

Offer On-Site Trainings tailored to organizations' needs



Annual total number of trainings conducted/attendees

17,744 times **558** thousand attendees

Out of the total number of trainings conducted online:

6,183 times **214** thousand attendees

*April, 2022 - March, 2023



Open Seminars (1H FY22 Sales ratio: 22.8%, FY21: 23.6%)

Offer Open Seminars starting from one person

- Seminars are held online frequently and nationwide
- More than 3,000 types of courses, including those offered by business partners, have been provided and new courses will be introduced timely
- Up to 50% discount with "HRD Smart Pack"(our unique point service)
- Used by many enterprises including startups and large companies nationwide

Annual total number of trainings conducted / attendees

9,917 times **111** thousand people

Among them, the total number of trainings conducted online:

6,753 times **89** thousand people

*April, 2022 - March, 2023



IT Services (1H FY 22 Sales ratio: 14.1%, FY21 12.7%)

- Leaf (HR support system, LMS)
- Stress Check Support Service

*LMS (Learning Management System): The system required for managing e-Learning



Other Businesses (1H FY22 Sales ratio: 16.9%, FY21: 14.2%)

- e-Learning/Videos sales and production
- Consulting, Assessment Services, Online Seminar Support Service, Regional Revitalization Service
- Supporting web promotion
- Call center service, IT support service

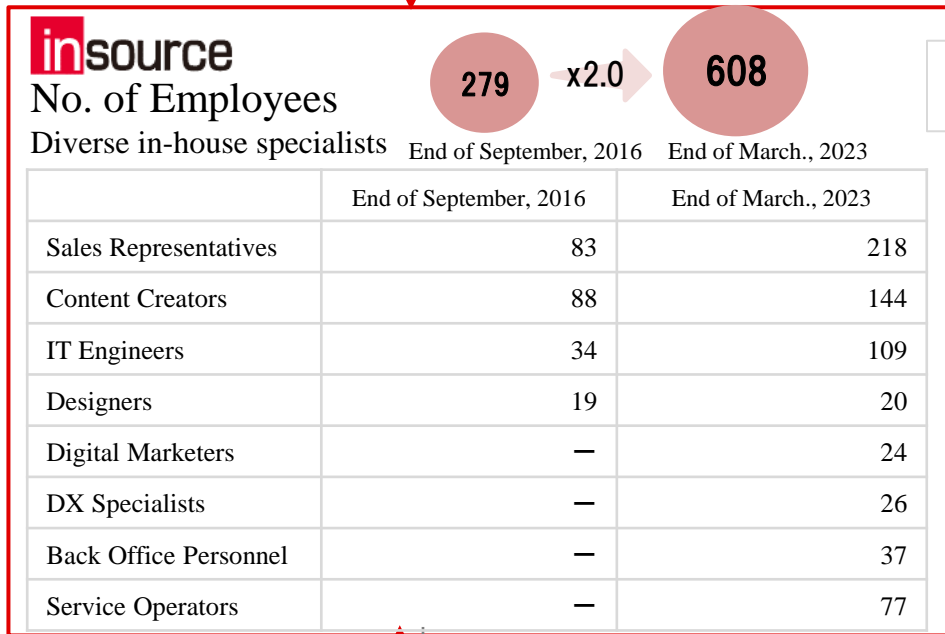


Stakeholders of Insource

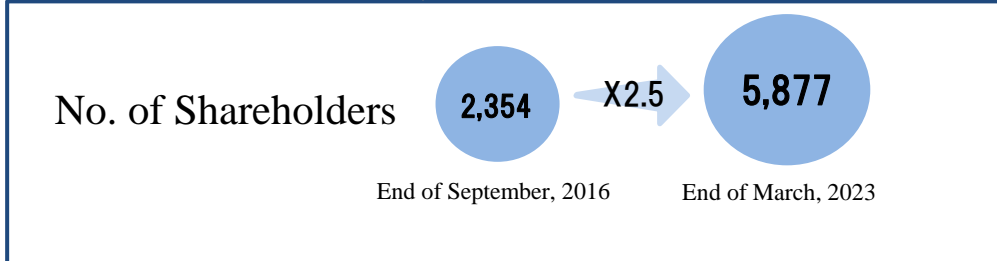
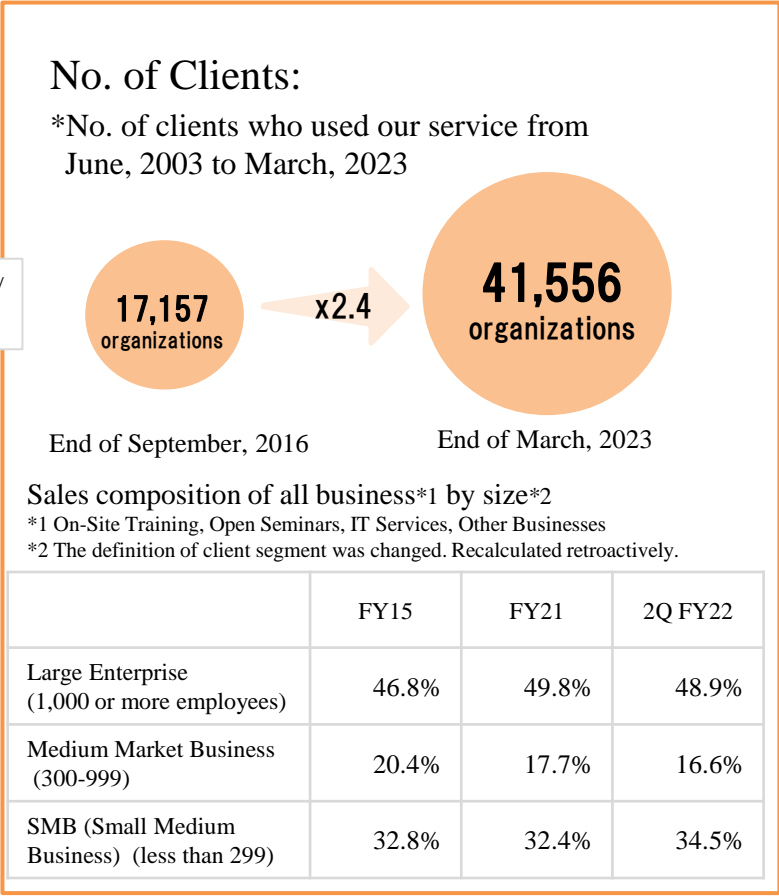
Numerical comparison between 2016 (listed on TSE Mothers) and today



In cooperation



Funds Returns



No. of Shares Held	End of September, 2016	End of March, 2023
Overseas Investors	4.7%	22.8%
Domestic Investors	9.4%	25.7%
Domestic Corporations	45.3%	32.8%
Individual/Others	40.6%	18.6%

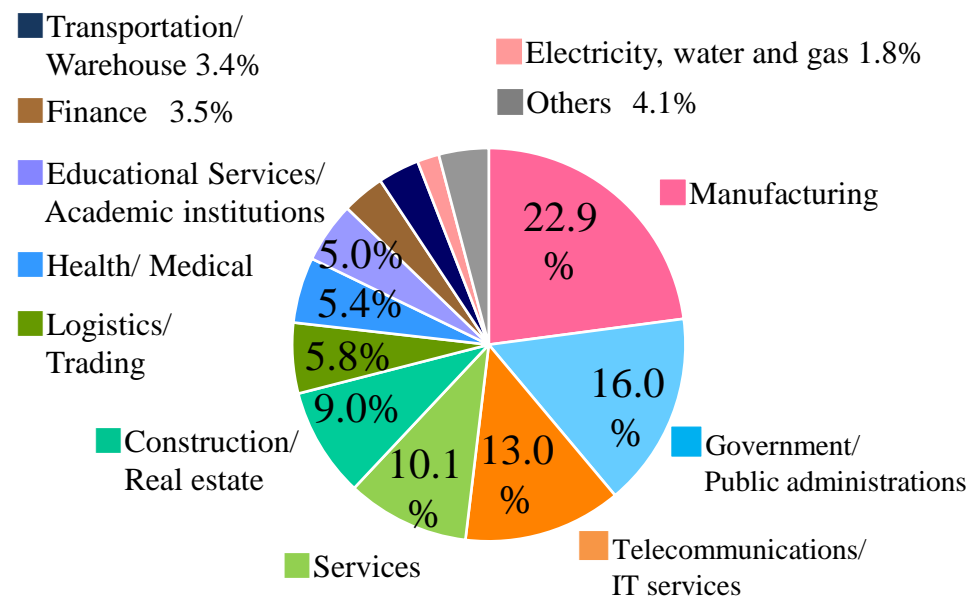
Clients and Quarterly Sales Composition Ratio

Clients composition ratio by industry

The total number of clients who used our services in the past year (April, 2022 to March, 2023)

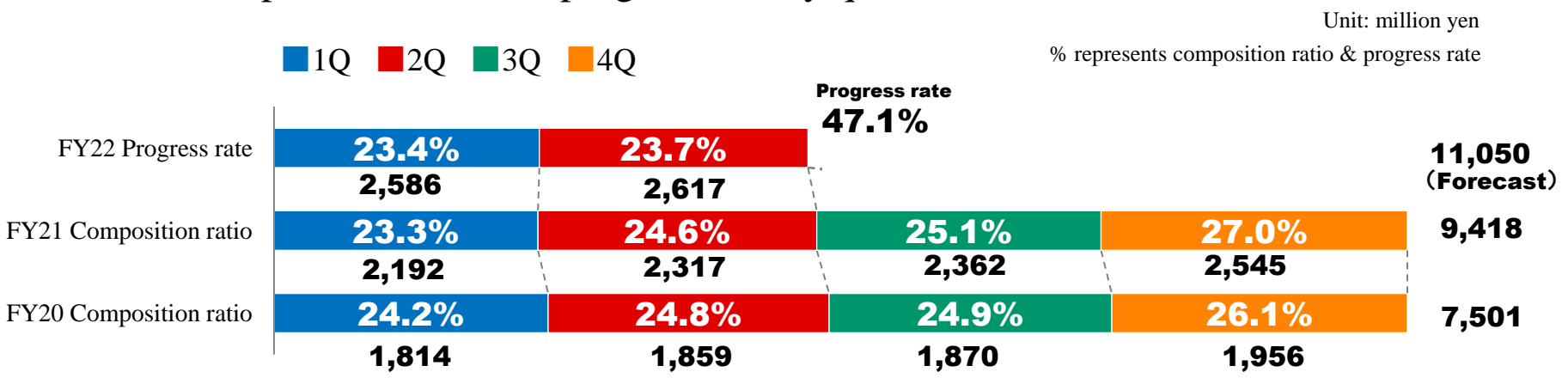
13,519 organizations

The total number of clients who used our services in the past year



[Reference]
The total number of clients who have used our services since our foundation
41,556 organizations

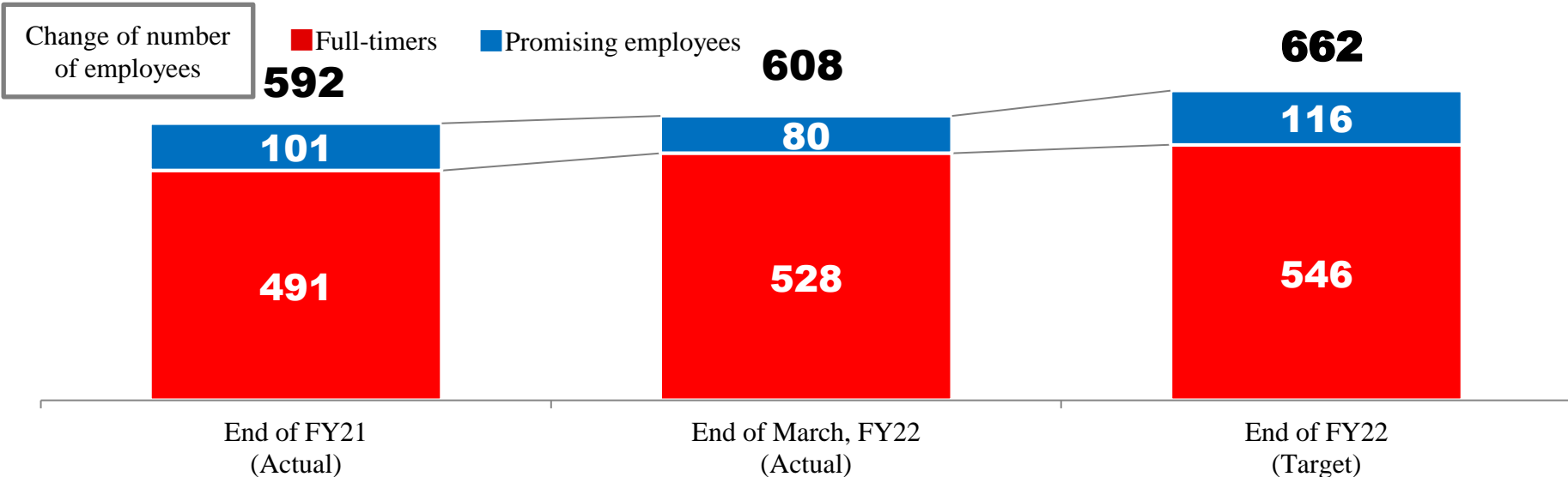
Sales composition ratio and progress rate by quarter



Human Capital - Number of Employees

- In April, 2023, 31 new graduates and 4 mid-career workers joined us.
- Promising employees (Seed investment in human capital) are personnel who have joined the company within one year after graduation or within six months after mid-career hiring.
Particularly for new graduates, we are training them as new core human resources equipped with both DX and sales skills

Consolidated number of employees	End of FY21 (Actual)	End of 1H FY22 (Actual) (vs end of 1H FY21)	Number of employees up to target	End of FY22 (Target) (vs end of FY21)
<u>Total number of employees*</u>	592	608 (+16)	54 (Progress rate: 22.9%)	662 (+70)
<u>Of which, promising employees*</u>	101	80	36	116 (+15)



* Number of employees does not include directors, corporate auditors and executive officers.
 * Promising employees (Seed investment in human capital) refers to personnel who have joined the company within one year after graduation or within six months after mid-career hiring.
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Human Capital - Diversity Disclosure

- Female employees account for 56.4% of the entire employees and 37.8% of managerial positions, and many seniors are also active
- Acquired 2 stars in “Eruboshi” certification*. Selected under the “2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program”.

*A program under which the Minister of Health, Labor and Welfare certifies companies that have made excellent efforts to promote the advancement of women, based on the Law for the Promotion of Women's Activities.



	Total	Female employees
No. of employees*2	608	343 56.4%
No. of managerial positions	193	73 37.8%

<Private Sectors>
Ratio of female employees in managerial positions:
13.2% *1
(Source: The Gender Equality Bureau of the Cabinet Office (2022))

Foreign nationals *4	3	Seniors (aged over 60)	39	LGBTs	5	People with disabilities	11 Disability employment rate: 2.97%*3
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Workforce by job function

(including those who are holding two or more posts concurrently)

- Diverse specialists work at Insource *5

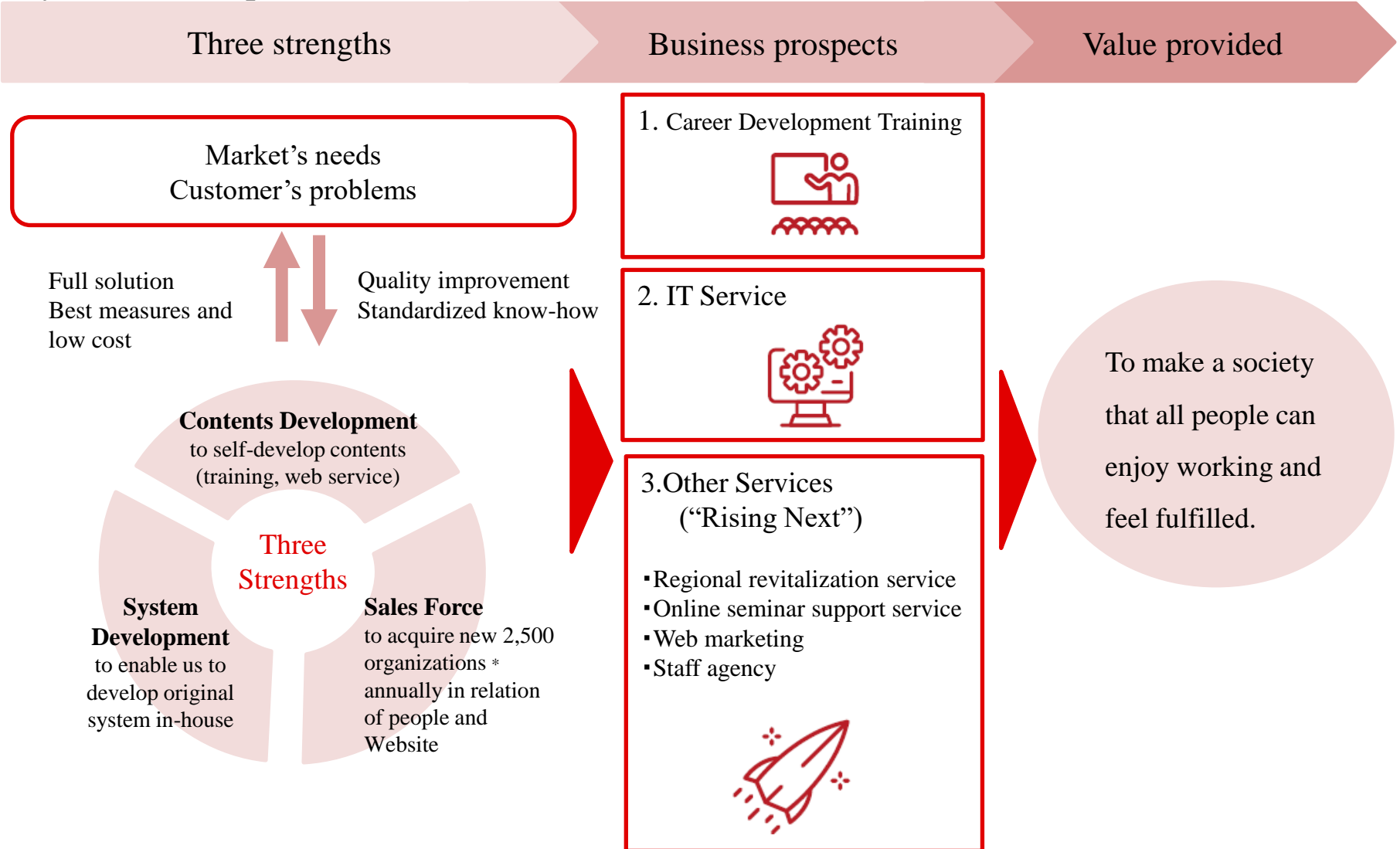
<Private Sectors>
• Legal employment rate: **2.30%**
• Actual employment rate: **2.25%**
(Source: “2022 Disability Persons’ Employment Status” released by the Ministry of Health, Labour and Welfare)

Content Creators	144	Sales Representatives	218	IT Engineers	109	Back Office Personnel	37
Digital Marketers	24	DX Specialists	26	Designers	20	Service Operators	77

*1 Administrative and managerial workers include board members, managers or above, administrative civil servants. *2 Directors, auditors and corporate officers are excluded.
*3 Non-consolidated (Insource only) *4 “Foreign nationals” refers to employees with foreign nationalities. This includes foreign nationals who have acquired Japanese citizenship.
*5 Number of employees by job category is calculated by duplicating those who hold concurrent positions. (As of the end of March, 2023, Consolidated)

Advantages of Insource

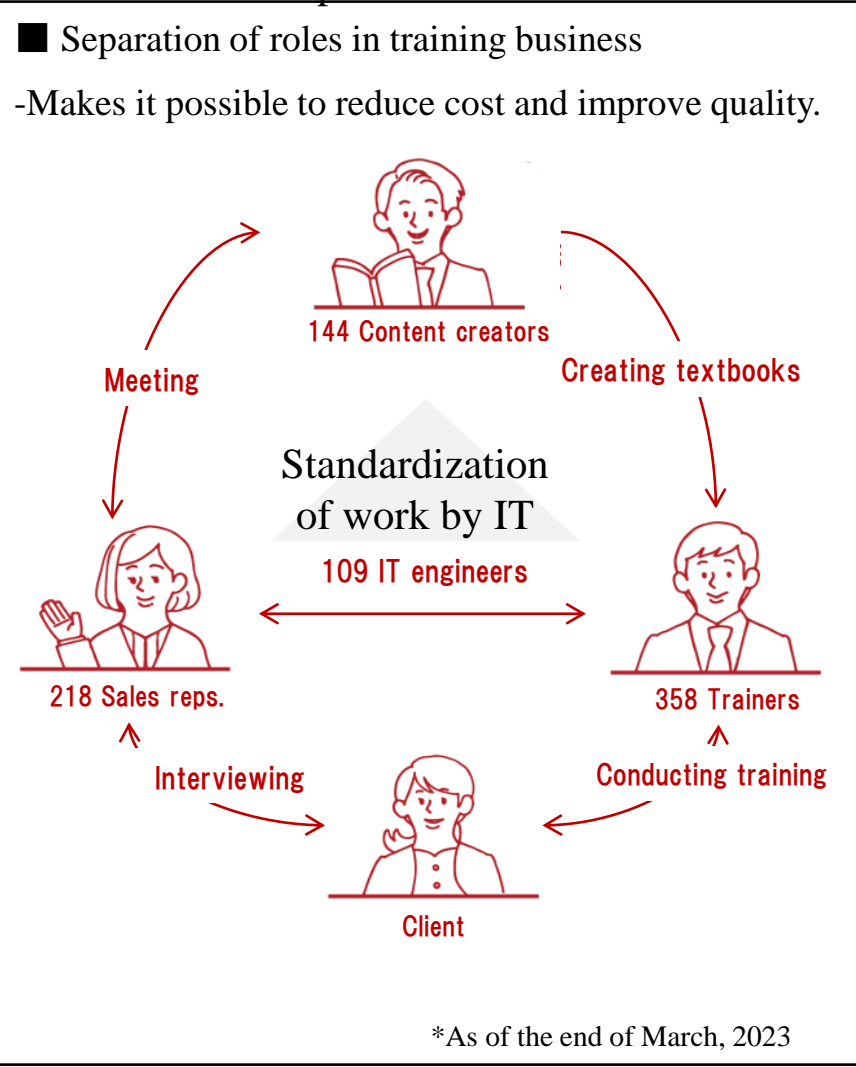
Insource always keep evolving focusing on three strengths (Contents Development, System Development and Sales Force).



* No. of new contracts of WEBinsource

(1) High Ability to Develop Various Contents and Services

- Separate the roles by digitalization and realize in-house development of content



- Quickly develop a great selection of training contents and web services

An in-house agile team of 144 content creators and 109 IT engineers develop various up-to-date contents in responsive to social changes and client needs.

■ No. of training classified by business types

On-Site trainings Open Seminars Videos / e-Learning

3,974 **3,763** **649**

*As of the end of March, 2023

■ Classified by genre

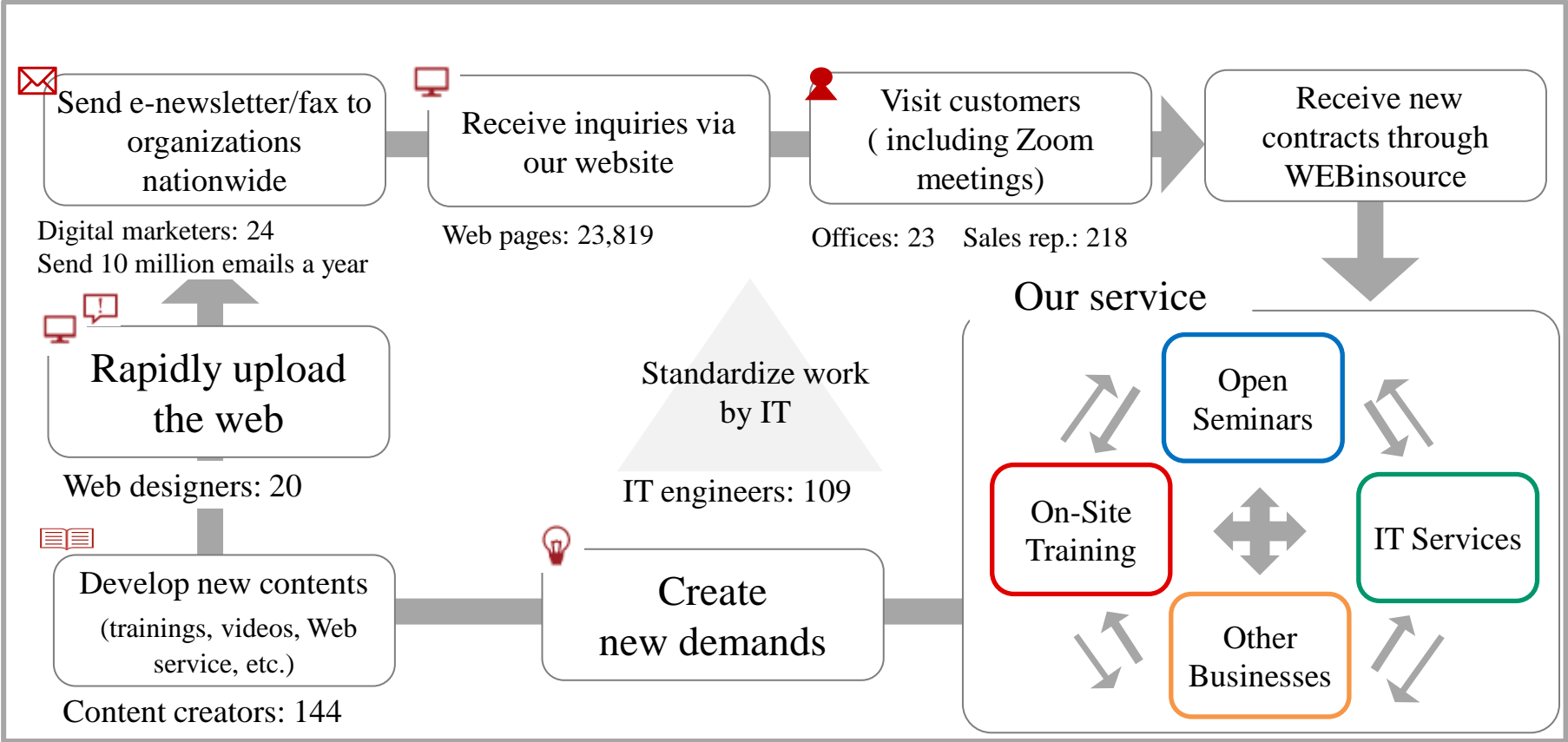
Theme	FY15		FY21		
	No.	Composition ratio	No.	Composition ratio	Sales growth ratio
For managers	1	26.4%	1	22.8%	+166%
Business skills	2	18.1%	2	16.2%	+178%
Communication/ CS	3	17.4%	3	14.7%	+143%
For new and younger employees	4	14.7%	4	12.0%	+205%
DX/OA/IT	6	2.8%	5	10.3%	+874%
Harassment prevention/ Compliance	5	6.0%	6	9.5%	+226%
For mid-career employees	7	2.5%	7	9.3%	+228%
Other		12.0%		5.2%	+205%
Total		100%		100%	+196%

*As of the end of September, 2022

(2) Strong Sales Force to Expand Business

Business Flow of Insource

- Expanding sales DX by using IT to utilize all data generated in the sales process



*As of the end of March, 2023

⇒218 sales representatives and approximately 20,000 web pages created by 24 digital marketers are cooperated for efficient sales activities.

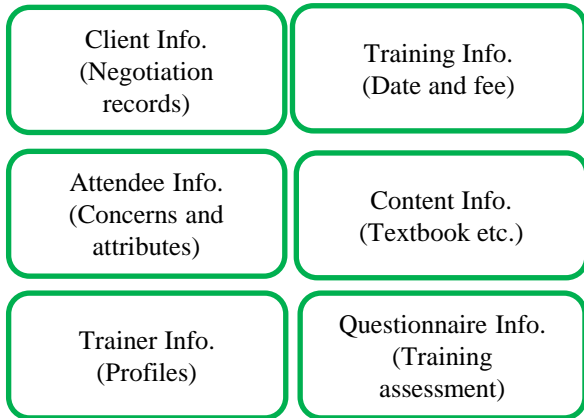
(3) IT Capability - Self-developed System

■ We have promoted systemization for work efficiency since foundation and some service is sold to other companies.

■ We sell our services on EC sites. System/Online service is also available.

■ In-house system development

Create a database of all kinds of information to standardize operations.



The system to manage client information, training operations, and contents etc. was developed.

■ Sold via EC sites “Video Department Store” and WEBinsource (membership site)



■ Leaf (HR support system)

- New version was launched to support human capital management



We can handle human capital management!



※ Large Enterprise: 1,000 or more employees,
Medium Market Business :300-999 employees,
SMB (Small Medium Business): Less than 299 employees

<Lineups of Leaf Series>

Name	Target client
Leaf (education management/LMS)	LE
Leaf Lightning (specialized in e-Learning)	MM/SMB
Leaf inorder (distribution of video content)	MM/SMB
Leaf Eva (personnel evaluation)	MM/SMB
Leaf Human Capital Management	LE
Leaf Management (human resources information management)	MM/SMB
Leaf My STORY (activating internal communication)	MM/SMB
Leaf Corporate University	LE/MM/SMB

■ Policy: Set up ESG+P (Performance) management, and aim for ESG and sustainable performance improvement

■ Evaluation: Received AA in MSCI rating as it recognized our training business and internal education

< Major Initiatives >

■ Environment

1. Electronic textbook service in training business

- Provide electronic textbooks in April 2022 as an alternative to paper textbooks
- Total annual number of users was 48,000, contributing to a reduction of approximately 7 tons of CO2 emissions (as of the end of March, 2023)
- Used in seminars and Open Seminars for both public and private sectors



2. Change to FSC-certified paper

- Changed in-house paper use (FY21 result: approx. 12 million sheets) to FSC-certified paper to conserve forests.

3. Develop and expand sustainability-related training

- Strengthen development of training on sustainability and ESG management
- Expanded SDGs content in 2023 training textbook for new employees and included CO2 reduction (No. of new employees in the training in FY21: approximately 68,000)



4. Calculation of Scope 3 and supply chain emissions (Scope 1+2+3)

- Our supply chain emissions for FY21 were 6,073.6t-CO2

■ Social Project to eliminate “Period Poverty”

Details: Donations of 300,000 yen or more per unit from enterprises to provide sanitary products to local governments

Achievement so far: 14 companies donated, 49 local governments accepted
(as of the end of March, 2023)

How they are used: Distributed in restrooms at elementary and junior high schools and to those in need



Reference: Initiatives for the Environment

Ongoing activities to achieve net zero CO2 emissions in business activities by 2050

Long-term environmental goals

Achieve "net zero" CO2 emissions (Scope 1+2) from business activities by 2050

Reduce Scope 2 (Co2 emissions from electricity) by 50% from 2020 levels by 2030

Reduce CO2 emissions from in-house paper use by 50% from 2020 levels by 2030

Initiatives on Climate Change

2021	Feb	Organizational structure	●Endorsed TCFD
	Mar	Save electricity	●Highly efficient and energy-efficient air-conditioning equipment was installed along with the relocation of the headquarters functions, Adopted LEDs
	Oct	Save electricity	●Strengthening power saving by appointing an ESG employee on each floor, starting with company-owned buildings
2022	Feb	Organizational structure	●Established CO2 Reduction Subcommittee (Chairperson: Director, Managing Executive Officer), Set long-term environmental goals
	Mar	In-house PJ	●Launched each task force (Ex.) <ul style="list-style-type: none"> Enhance in-house power saving Reduce paper use Introduce renewable energy Renew printers Provide electronic textbook service Develop training content
	Apr	Service	●Launched an electronic textbook service in the training business
	May	Information disclosure	●Released environmental information in the Integrated Report 2021
	Jun	Save electricity	●Introduced heat-shielding and light-shielding sheets at each business site
	Jul	Organizational structure	●Established Sustainability Committee (chairperson: Director, Managing Executive Officer)
	Sep	Save electricity	●Opened Insource Kyushu Building with a lower environmental impact
2023	Dec	Information disclosure	●Opened Sustainability webpage, Disclosed status of response to TCFD recommendations.
	Feb	Service	●Changed in-house A4 paper use (amount used in FY21: approx. 12 million sheets) to FSC-certified paper
	Apr	Service	●Added a section on SDGs and climate change to the basic business textbook provided to new employees (68,000 new employees attended in FY21)

Indicators and Goals

Electricity

Data Category	FY19	FY20	FY21	FY29 (target)
Total power usage (Kwh)	635,438	590,661	642,291	-
Of which, percentage of renewable energy used (%)	0%	0%	0%	50%

CO2

unit : t-CO2

Data Category	FY19	FY20	FY21	FY29 (target)
Total CO₂(Scope1+2) emissions	280.2	260.4	283.2	140.0
Scope1 *1	0	0	0	0.0
Scope2 *2	280.2	260.4	283.2	140.0
CO2 emissions per employee	0.90	0.74	0.73	-
Supply chain emissions (Scope 1 + 2 + 3)	2,601.8	3,370.7	6,077.6	-
Scope3 *3	2,321.6	3,110.2	5,794.3	-
Category 1 Purchased goods and services	476.2	598.4	703.0	-
of which, emissions from in-house paper use	61.6	61.9	87.4	30.0
Category2 Capital goods	1,612.6	2,304.0	4,851.3	-
Category3 Fuel- and energy-related activities not included in Scope 1 or 2	43.3	40.2	43.8	-
Category4 Upstream transport and delivery	20.8	20.5	28.1	-
Category5 Waste generated in operations	-	15.9	24.1	-
Category6 Business travel	88.9	48.7	61.6	-
Category7 Employee Commuting	79.5	82.2	82.2	-

*1 Scope 1 is set to 0 because we do not have our own production facilities and do not directly emit carbon dioxide or other GHGs due to fuel combustion or chemical reactions.

*2 Scope2 is calculated based on market-based figures

*3 Calculated with reference to "CO2 emissions in the life cycle of paper and paperboard" by the LCA Subcommittee of the Japan Paper Association.

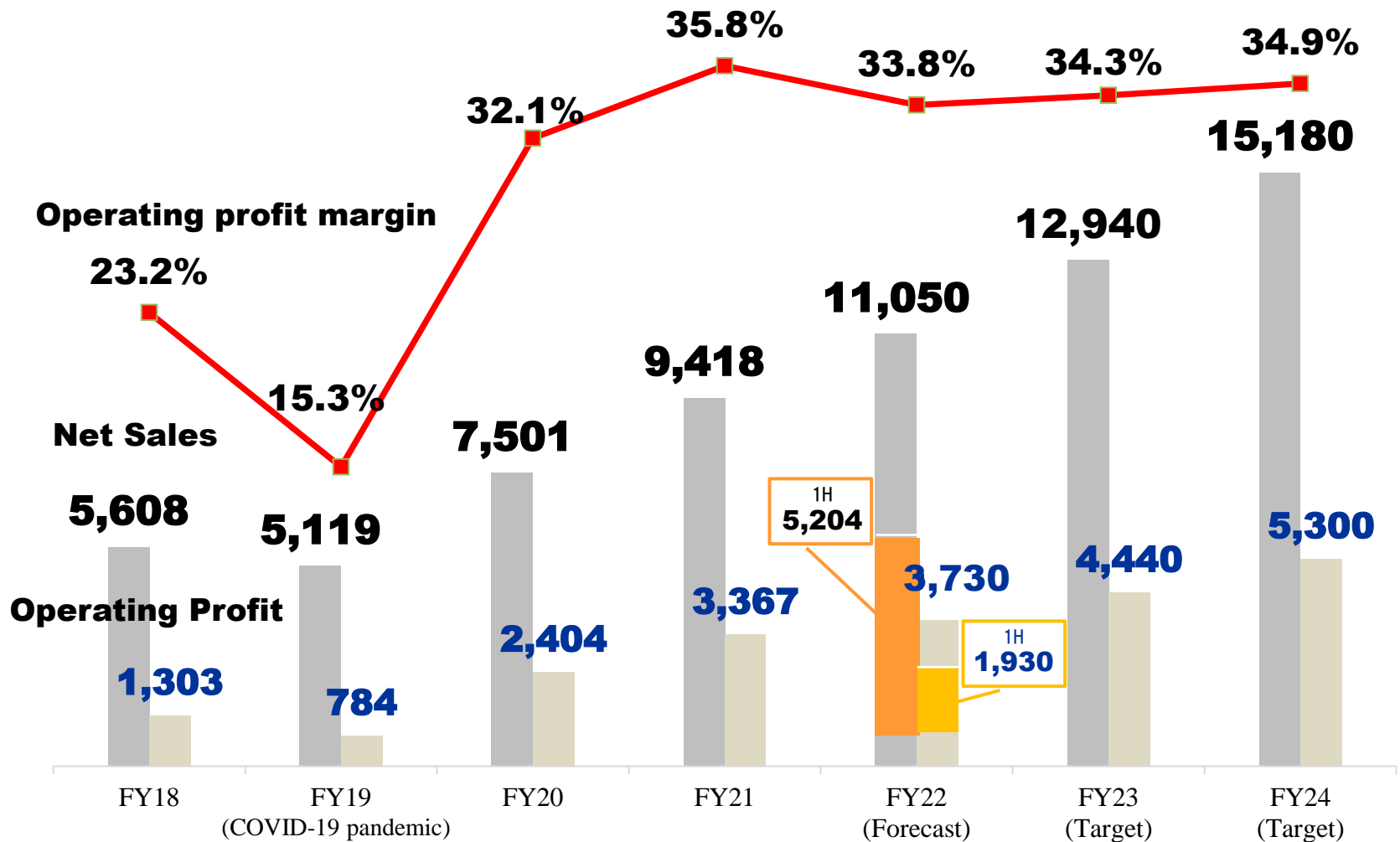
*4 Emissions intensity is used from the "Database of emissions intensity for calculating greenhouse gas emissions of organizations through supply chains" by the Ministry of Economy, Trade and Industry (METI) and the Ministry of the Environment (MOE) are used.

*5 Categories 8 through 15 are not included in the calculation as they are not applicable due to the characteristic of our business.

<Appendix 3> Three-year Business Plan “Road to Next 2025”

■ This 3-year business plan targets net sales of 15,180 million yen, operating profit of 5,300 million yen, and an operating profit margin of 34.9% in FY24

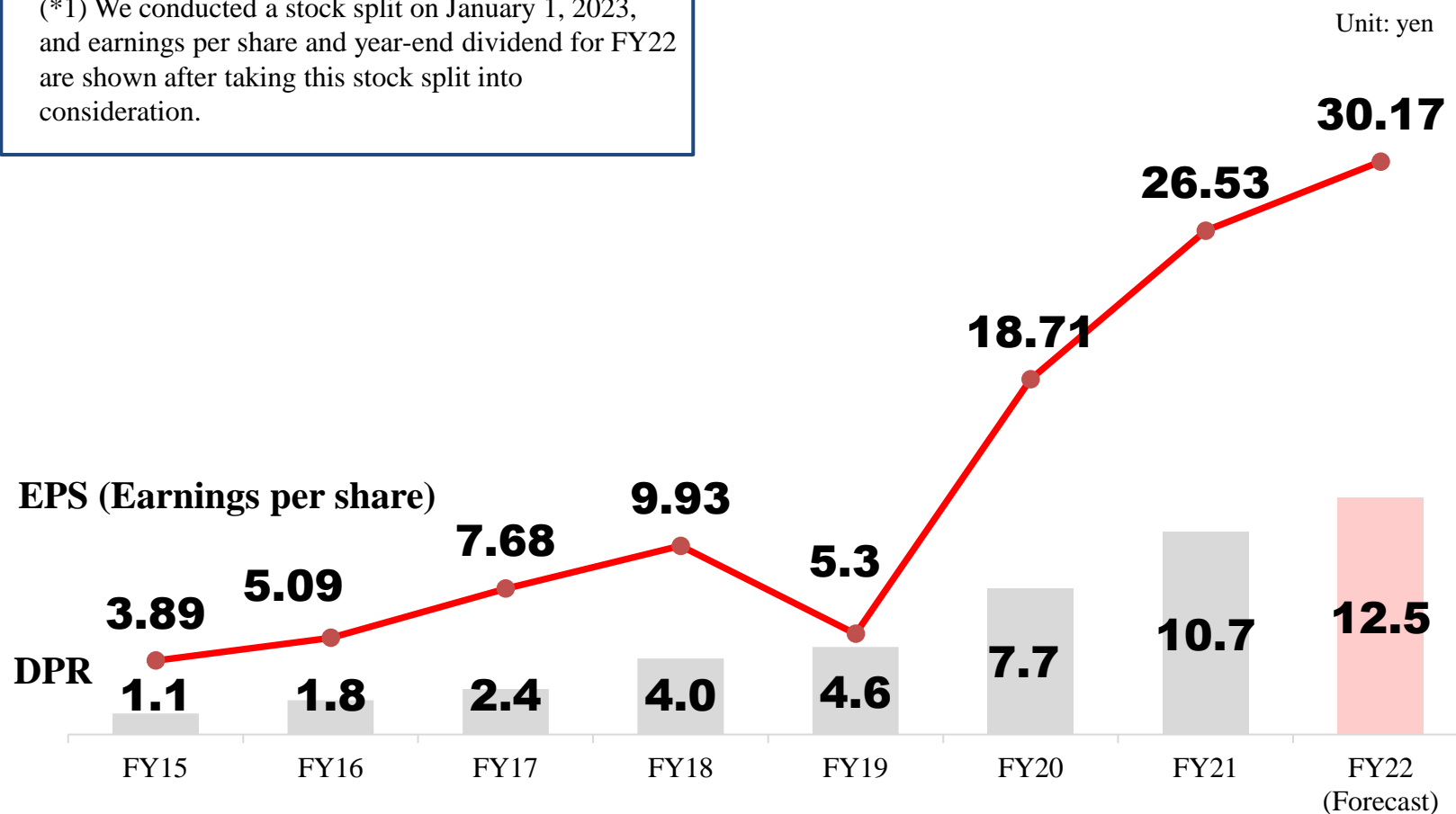
Unit: million yen



Shareholder Return Policy

- DPR (dividend payout ratio) target of 40% according to business performance.
- Dividend for FY21 is 9.8 times*2 that of FY15 first listed.

(*1) We conducted a stock split on January 1, 2023, and earnings per share and year-end dividend for FY22 are shown after taking this stock split into consideration.



(*2) We conducted stock splits on May 1, 2018, September 1, 2019, January 1, 2021 and January 1, 2023. The year-end dividend amount reflects this stock split.

■ Basic Policy

Provide high value-added services and continue to achieve high growth and an operating margin of 33% or higher.

Aim for net sales of 15,180 million yen, operating profit of 5,300 million yen in FY24.

■ Key Measures

1. Ride the wave of human capital management and extend services in a diversified manner.
 - (1) Provide HR trainings to improve human capital value (DX training, etc.)
 - (2) Provide human capital management tools (Leaf Human Capital Management, etc.)
 - (3) Provide consulting and assessment services for human capital management
2. Develop and promote sales in new growth areas (next business besides Training and IT Services)
 - Name new growth areas as “Rising Next” and invest funds and HR
3. Strengthen initiatives to address ESG priorities
 - Address environmental (CO2 reduction) and social issues in particular

Three-year Business Plan “Road to Next 2025” -Target by business segment

Unit: million yen

		FY21 (Actual)	FY22 (Forecast)	FY23 <Target>	FY24 <Target>
Overall	Net Sales (YoY)	9,418 (+1,917)	11,050 (+1,631)	12,940 (+1,890)	15,180 (+2,240)
	Gross profit (Gross profit margin)	7,234 (76.6%)	8,580 (77.6%)	10,080 (77.9%)	11,890 (78.3%)
On-Site Training	Net Sales (YoY)	4,665 (+867)	5,480 (+814)	6,400 (+920)	7,490 (+1,090)
	Gross profit (Gross profit margin)	3,691 (79.1%)	4,410 (80.5%)	5,160 (80.6%)	6,070 (81.0%)
Open Seminars	Net Sales (YoY)	2,218 (+391)	2,620 (+401)	3,130 (+510)	3,740 (+610)
	Gross profit (Gross profit margin)	1,709 (77.0%)	2,060 (78.6%)	2,460 (78.6%)	2,940 (78.6%)
IT Services	Net Sales (YoY)	1,197 (+175)	1,500 (+302)	1,810 (+310)	2,150 (+340)
	Gross profit (Gross profit margin)	948 (79.2%)	1,240 (82.7%)	1,500 (82.9%)	1,790 (83.3%)
Other Businesses	Net Sales (YoY)	1,337 (+483)	1,450 (+112)	1,600 (+150)	1,800 (+200)
	Gross profit (Gross profit margin)	865 (64.7%)	870 (60.0%)	960 (60.0%)	1,090 (60.6%)

*Gross profit by business segment has not been audited by EY ShinNihon LLC.

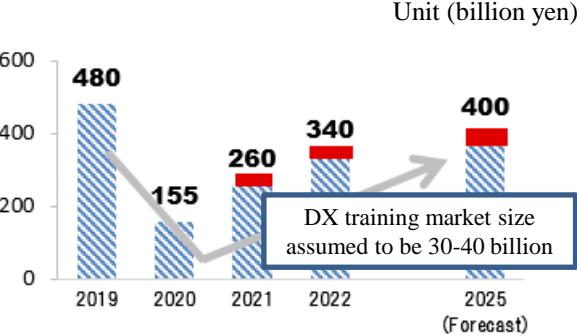
Size of Related Markets and National Budgets

■ Career training Market – Still great potential for growth

- The market size is 340 billion yen in 2022 and over 400 billion yen in 2025 *1. Of which, the DX training market is 32 billion yen in 2022 and 40 billion yen in 2025 *2.
- The market share of Insource is about 2%, and there is a lot of room for growth in the future.

*1 Calculated based on the MHLW's Basic Survey on HR Development and MIC' Labor Force Survey.
 *2 Calculated based on Information-technology Promotion Agency, Japan (IPA), "Survey of Enterprises and IT Human Resources for Digital Transformation (DX) Promotion" report and Ministry of Internal Affairs and Communications, "Economic Census - Activity Survey."

Training market size forecast

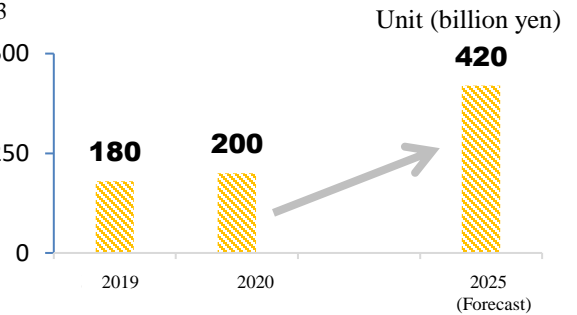


■ HR digitalization market -Expansion is expected

- The market size is 200 billion yen in 2020 and expected to be 420 billion yen in 2025.*3
- The needs to improve the value of human capital and the administration of information disclosure is expected to increase significantly in the future.
- Net sales of "Leaf" for FY21 is 1.2 billion yen and there is a lot of room for growth.

*3 Calculated based on the "Basic Survey of the Information and Communications Industry" by the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry

HR digitalization market forecast



■ National budget related to regional revitalization

- The government promotes regional revitalization projects
- National budget is 2.2 trillion yen in FY20*4 and is expected to continue to grow.
- Specific support and human resource education will be required to create a sustainable and developmental economic cycle in the region in the future, such as management support for small and medium-sized enterprises, support for tourism promotion, and promotion of entrepreneurship.

*4 Calculated based on the "Regional Development Budget" on the website of the Secretariat for Promotion of Regional Revitalization of Japan

National budget related to regional revitalization

