

April 1, 2024

To Whom It May Concern,

Insource Co., Ltd.

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Representative Director, President and CEO

 (Code number: 6200, Prime Market of the
Tokyo Stock Exchange)

KPI (Key Performance Indicators) Progress Report for March, 2024

-No. of On-Site Training conducted (114.1% YoY) and attendees at Open Seminars (110.3% YoY),

No. of DX On-Site Trainings (159.6% YoY) and DX Open Seminars (133.5% YoY) remained steady

Insource Co., Ltd. today announced KPI (Key Performance Indicators) Progress Report for March, 2024.

1. On-Site Training Business

The number of On-Site Training conducted was 1,126 times (114.1% YoY), of which those for private sector was 862 times (118.1% YoY) and for DX-related was 83 times (159.6% YoY). As for private sector, the number of training programs for evaluation, risk management, and communication increased. The number of DX-related training programs for project management and ChatGPT training increased.

As for the sales activities in March, we are preparing for new employee training and stepping up our level-specific training proposals in order to secure sales in 2H. We have opened the Tachikawa Office, our 25th location, and are promoting community-based sales activities.

■ Monthly no. of On-Site Training conducted

(Unit: time)

	FY23					
	October	November	December	January	February	March
No. of trainings conducted	2,018	2,114	1,435	1,190	1,524	1,126
(YoY)	(111.6%)	(111.2%)	(102.9%)	(110.6%)	(106.4%)	(114.1%)
Private sector*	1,285	1,337	960	764	1,038	862
(YoY)	(118.1%)	(110.5%)	(105.1%)	(114.7%)	(112.8%)	(118.1%)
DX-related trainings*	164	159	109	104	133	83
(YoY)	(164.0%)	(131.4%)	(103.8%)	(150.7%)	(137.1%)	(159.6%)
Conducted online	493	561	402	336	369	238
(Composition ratio)	(24.4%)	(26.5%)	(28.0%)	(28.2%)	(24.2%)	(21.1%)

*Consolidated subsidiaries are included.

2. Open Seminars Business

The number of attendees in Open Seminars was 10,061 (110.3% YoY). The number of attendees for DX-related training was 1,311 (133.5% YoY). As for our activities in March, we prepared for the training of new employees in April, and expanded the number of seminar rooms in central Tokyo where attendees can come and visit. In addition, the number of dates for the new "Night Seminar" service was expanded after April in response to increased demand for individual reskilling.

■ Monthly no. of attendees at Open Seminars

(Unit: attendee)

	FY23					
	October	November	December	January	February	March
No. of attendees	10,847	11,599	10,461	8,934	10,371	10,061
(YoY)	(108.8%)	(108.4%)	(112.7%)	(117.7%)	(113.9%)	(110.3%)
DX-related trainings*	1,188	1,446	1,514	1,328	1,346	1,311
(YoY)	(114.3%)	(119.5%)	(157.1%)	(158.7%)	(123.5%)	(133.5%)
Conducted online	7,332	8,157	7,689	6,603	7,789	7,445
(Composition ratio)	(67.6%)	(70.3%)	(73.5%)	(73.9%)	(75.1%)	(74.0%)

*Consolidated subsidiaries are included.

3. Client Base

The number of new WEBinsource registrations is an indicator of new client acquisition activity and directly contributes to sales growth in Open Seminar. The acquisition of one WEBinsource registration in FY22 had the effect of increasing revenue by 139 thousand yen in the Open Seminar Business. The total number of registered WEBinsource clients increased by 299 MoM in March, and the cumulative number of clients is 23,043. Our target is to acquire 200 organizations per month.

■ WEBinsource: Total no. of subscribers (organizations)

(Unit: organization)

	FY23					
	October	November	December	January	February	March
No. of new subscribers	184	222	214	230	250	299
No. of accumulated subscribers	21,828	22,050	22,264	22,494	22,744	23,043
(YoY * No. of new subscribers)	(95.8%)	(108.3%)	(101.4%)	(101.8%)	(90.6%)	(96.8%)
(Progress rate: %)	(7.7%)	(16.9%)	(25.8%)	(35.4%)	(45.8%)	(58.3%)

*Calculation takes place at the end of every month.

4. IT Services Business

The number of paid subscribers for Leaf (HR support system) reached 676 organizations (115.0% YoY) and the number of its active users increased to 3,216,576 (126.0% YoY). The total number of orders delivered for Stress Check Support Service since the beginning of the fiscal year was 461 (110.3% YoY). As for our activities in March, we developed the Ministry of Education, Culture, Sports, Science and Technology (MEXT) project (900,000 teachers nationwide, 155 million yen) and the Ministry of Health, Labour and Welfare (MHLW) project (490,000 care support specialists nationwide, 53 million yen), which started in April.

(1) “Leaf (HR support system)”: No. of paid subscribers (organizations), no. of users, no. of customization (Unit: organization)

	FY23					
	October	November	December	January	February	March
No. of paid subscribers (organizations)	646	656	662	666	670	676
(YoY)	(120.7%)	(120.4%)	(120.1%)	(118.9%)	(118.0%)	(115.0%)
No. of active users	2,938,168	3,030,367	3,060,129	3,082,512	3,130,089	3,216,576
(YoY)	(136.7%)	(127.0%)	(125.5%)	(124.9%)	(124.3%)	(126.0%)
No. of customization	2	6	15	18	20	54
Total no. since the beginning of FY						
(YoY)	(100.0%)	(120.0%)	(136.4%)	(90.0%)	(74.1%)	(83.1%)

*The number of customizations shows the number of organizations that add their own functions when implementing Leaf.

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

(2) Stress Check Support Service: No. of orders delivered (organizations)

(Unit: organization)

	FY23					
	October	November	December	January	February	March
No. of orders delivered (by month)	27	43	67	104	98	122
Cumulative no. of orders delivered since the beginning of FY	27	70	137	241	399	461
(YoY)	(300.0%)	(218.8%)	(150.5%)	(150.6%)	(137.2%)	(110.3%)

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

*This service has the highest number of deliveries in March every year.

5. e-Learning/video Business

The number of contents sold (outright purchases) was 130.2%, and the sales of high unit price products related to OA/IT skills increased. The number of video production and customization projects increased to 325.0% YoY due to an increase in harassment prevention and information security related projects.

As for our activities in March, we carried out promotional activities through direct mail, etc., as well as video recording and customization of content for organizational changes and those promoted from April onward.

■ e-Learning/videos: No. of video contents sold, no. of rental viewers, no. of video productions, no. of STUDIO subscription users (IDs) (Unit: ID) (Unit: Content)

	FY23					
	October	November	December	January	February	March
No. of video contents sold (Outright purchase)* by month	120	102	225	155	170	759
(YoY)	(76.4%)	(73.4%)	(93.0%)	(133.6%)	(90.4%)	(130.2%)
No. of video production projects* by month	4	14	22	8	13	26
(YoY)	(57.1%)	(223.3%)	(440.0%)	(133.3%)	(144.4%)	(325.0%)
No. of rental viewers* by month	1,614	1,111	1,185	725	1,498	1,742
(YoY)	(106.6%)	(123.4%)	(73.4%)	(116.9%)	(119.2%)	(107.8%)
STUDIO (e-Learning) users* by month	85,092	85,064	86,480	87,475	88,245	88,856
(MoM)	(-473)	(-28)	(+1,416)	(+995)	(+770)	(+611)

*Calculation takes place at the end of every month.

6. Inquiries

The number of inquiries was 507 (119.6% YoY). In FY22, each acquisition of one inquiry had the effect of increasing revenue by 277 thousand yen. To further increase the number of inquiries, we are continuing to increase the number of direct marketing staff and renovate our web pages.

■ No. of Inquiries

	FY23					
	October	November	December	January	February	March
No. of inquiries	518	427	464	503	588	507
YoY	(132.5%)	(98.2%)	(128.5%)	(112.3%)	(132.1%)	(119.6%)
Since the beginning of FY	518	945	1,409	1,912	2,500	3,007

*Inquiries refers to those that lead to increased sales, such as business negotiations, visits, proposals, quotations, sending of materials, and system demonstrations, which are received via Web inquiry forms, e-mails, and telephone calls. The calculation method has been changed since the first quarter of FY23.

7. Contents Development

The number of contents developed totaled 31 for training (On-Site Training), including 12 new titles in the digital skills. We have continued to strengthen development in the much-needed digital field, with 15 e-Learning courses, including three in the healthcare and labor management and three in the DX Introduction and Data Application. We are steadily developing all fields toward the target for this fiscal year.

■No. of new contents developed

(Unit: titles)

	FY23					
	October	November	December	January	February	March
No. of new contents for On-Site Training	30	30	31	32	33	31
since the beginning of FY	30	60	91	123	156	187
(Progress rate: %)	(8.3%)	(16.7%)	(25.3%)	(34.2%)	(43.3%)	(51.9%)
Of which, no.of Digital skills	2	7	15	16	16	12
since the beginning of FY	2	9	24	40	56	68
No. of new contents for e-Learning	17	18	24	29	20	15
since the beginning of FY	17	35	59	88	108	123
(Progress rate: %)	(6.8%)	(14.0%)	(23.6%)	(35.2%)	(43.2%)	(49.2%)

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

(For reference) KPI (Key Performance Indicators) and Performance Correspondence Chart

Performance	Related KPIs
Monthly performance	<ul style="list-style-type: none"> ▪ Number of On-Site Training conducted (Composition ratio of sales in FY22: 48.9%) ▪ Attendees at Open Seminars (Same as above: 24.3%) ▪ Organizations and users of Leaf (Same as above: 12.1%) ▪ Number of e-Learning and videos sold (Same as above: 14.7%)
1 month to 3months	<ul style="list-style-type: none"> ▪ Number of inquiries <p>Negotiations, visits, proposals, quotes, sending materials, confirming prices, purchasing or adding Smart Packs, and requests for system demonstrations are all factors in the client's decision to use our services. Each acquisition of one inquiry has the effect of increasing revenue by 277 thousand yen (actual results for FY22). This is a leading performance indicator for the three months following the current month.</p>
In several months to 6 months	<ul style="list-style-type: none"> ▪ Number of registered WEBinsource clients <p>WEBinsource is our entry level product for new customers, who are potential to purchase a variety of our services. The number of new registrations is an indicator of sales activity and a leading performance indicator for SMBs for the next few months to six months.</p>
In 6 months to 2 or 3 years	<ul style="list-style-type: none"> ▪ Number of new contents developed <p>The increase in the number of trainings, e-Learning and videos and other contents developed will contribute to long-term growth of the company. It does not realize significant sales immediately, but rather contributes to business performance six months to two or three years afterwards.</p>

Based on our classification of private-sector client segments by the size of their employees, we conduct sales activities.

- Large Enterprise (LE): Large and Second-tier companies (1,000 or more employees)
- Medium Market Business (MM): Medium-sized companies (300-999 employees)
- SMB (Small Medium Business): Medium-sized companies and Small and growing companies (Less than 299 employees)

We will keep expanding our businesses in order to adapt to changes in the social environment by offering a wide variety of services such as online training, IT and e-Learning and videos.

◇For Excel data of latest KPI, download from <https://www.insource.co.jp/en/ir/insmthdata.html>

※ Available from April 1, 2024 at 20:00 JST

*Microsoft, Excel, Word, Windows, Teams is a trademark or registered trademark of Microsoft Corporation in the United States and other countries.

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

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