

May 1, 2024

To Whom It May Concern,

 Insource Co., Ltd.
 Takayuki Funahashi
 Representative Director, President and CEO
 (Code number: 6200, Prime Market of the
 Tokyo Stock Exchange)

【Correction】 KPI (Key Performance Indicators) Progress Report for April, 2024

-No. of On-Site Training conducted (114.4% YoY) and attendees at Open Seminars (118.9% YoY),
 Video and e-Learning sales increased 215.1% YoY, video production and customization increased 325.0% YoY -

There was a partial error in the information disclosed by Insource Co., Ltd.. at 12:10 on Wednesday, 1 May 2024. The corrected version is disclosed again and the company sincerely apologizes to all those affected . The corrections refer to the number of On-Site trainings conducted with the year-on-year comparisons and the number of trainings conducted in the private sector with the year-on-year comparisons.

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

1. On-Site Training Business

The number of On-Site Training conducted was 2,507 times (114.4% YoY), of which those for private sector was 1,870 times (113.3% YoY) and for DX-related was 183 times (123.6% YoY). As for private sector, the number of trainings for new employees, training for those promoted to higher positions, and documentation and document preparation increased. The number of high-unit-price DX-related training programs for OA training for new and younger employees also increased.

In April, we are strengthening our management of training for new employees and proposals for training by job level and DX-related training to secure sales in 2H. In addition, the Minato Mirai Office has been established to expand community-based sales activities.

■ Monthly no. of On-Site Training conducted

(Unit: time)

	FY23					
	November	December	January	February	March	April
No. of trainings conducted	2,114	1,435	1,190	1,524	1,126	<u>2,507</u>
(YoY)	(111.2%)	(102.9%)	(110.6%)	(106.4%)	(114.1%)	<u>(114.4%)</u>
Private sector*	1,337	960	764	1,038	862	<u>1,870</u>
(YoY)	(110.5%)	(105.1%)	(114.7%)	(112.8%)	(118.1%)	<u>(113.3%)</u>
DX-related trainings*	159	109	104	133	83	183
(YoY)	(131.4%)	(103.8%)	(150.7%)	(137.1%)	(159.6%)	(123.6%)
Conducted online	561	402	336	369	238	224
(Composition ratio)	(26.5%)	(28.0%)	(28.2%)	(24.2%)	(21.1%)	(9.3%)

*Consolidated subsidiaries are included.

2. Open Seminars Business

The number of attendees in Open Seminars was 14,861 (118.9% YoY). The number of attendees for DX-related training was 1,809 (136.3% YoY). As for our activities in April, we conducted the training of new employees by expanding the number of seminar rooms in central Tokyo where attendees can come and visit. In addition, we increased the number of new training for those promoted in May and beyond in accordance with the organizational changes.

■ Monthly no. of attendees at Open Seminars

(Unit: attendee)

	FY23					
	November	December	January	February	March	April
No. of attendees	11,599	10,461	8,934	10,371	10,061	14,861
(YoY)	(108.4%)	(112.7%)	(117.7%)	(113.9%)	(110.3%)	(118.9%)
DX-related trainings*	1,446	1,514	1,328	1,346	1,311	1,809
(YoY)	(119.5%)	(157.1%)	(158.7%)	(123.5%)	(133.5%)	(136.3%)
Conducted online	8,157	7,689	6,603	7,789	7,445	5,251
(Composition ratio)	(70.3%)	(73.5%)	(73.9%)	(75.1%)	(74.0%)	(35.3%)

*Consolidated subsidiaries are included.

3. Client Base

As for WEBinsource, our target is to acquire 200 organizations per month. The number of new WEBinsource registrations is an indicator of new client acquisition activity and directly contributes to sales growth in Open Seminars. The acquisition of one WEBinsource registration in FY22 had the effect of increasing revenue by 139 thousand yen in the Open Seminars Business. The total number of registered WEBinsource clients increased by 245 MoM in April and the cumulative number of clients is 23,288.

■ WEBinsource: Total no. of subscribers (organizations)

(Unit: organization)

	FY23					
	November	December	January	February	March	April
No. of new subscribers	222	214	230	250	299	245
No. of accumulated subscribers	22,050	22,264	22,494	22,744	23,043	23,288
(YoY * No. of new subscribers)	(108.3%)	(101.4%)	(101.8%)	(90.6%)	(96.8%)	(104.7%)
(Progress rate: %)	(16.9%)	(25.8%)	(35.4%)	(45.8%)	(58.3%)	(68.5%)

*Calculation takes place at the end of every month.

4. IT Services Business

The number of paid subscribers for Leaf (HR support system) reached 690 organizations (116.4% YoY) and the number of its active users increased to 3,709,101 (142.0% YoY). The total number of orders delivered for Stress Check Support Service since the beginning of the fiscal year was 483 (114.7% YoY). As for our activities in April, the number of Leaf's active users increased by approximately 492,000 with the start of operation of the Ministry of Education, Culture, Sports, Science and Technology (MEXT) project. In addition, we have launched a promotional campaign for switching Stress Check Support Service from the competitors and are strengthening sales promotion.

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

	FY23					
	November	December	January	February	March	April
No. of paid subscribers (organizations)	656	662	666	670	676	690
(YoY)	(120.4%)	(120.1%)	(118.9%)	(118.0%)	(115.0%)	(116.4%)
No. of active users	3,030,367	3,060,129	3,082,512	3,130,089	3,216,576	3,709,101
(YoY)	(127.0%)	(125.5%)	(124.9%)	(124.3%)	(126.0%)	(142.0%)
No. of customization	6	15	18	20	54	75
Total no. since the beginning of FY						
(YoY)	(120.0%)	(136.4%)	(90.0%)	(74.1%)	(83.1%)	(102.7%)

*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					
	November	December	January	February	March	April
No. of orders delivered (by month)	43	67	104	98	139	5
Cumulative no. of orders delivered since the beginning of FY	70	137	241	399	478	483
(YoY)	(218.8%)	(150.5%)	(150.6%)	(137.2%)	(114.4%)	(114.7%)

*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 251.1% YoY. The number of video production and customization projects increased to 325.0% YoY due to producing titles related to an increase in evaluation interviews and training of subordinates and younger employees.

As for our activities in April, we carried out promotional activities through direct mail, etc. We also produce videos of system operation to meet the high needs of each organization, and shoot and customize videos of content for qualified personnel.

■ 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					
	November	December	January	February	March	April
No. of video contents sold (Outright purchase)* by month (YoY)	102 (73.4%)	225 (93.0%)	155 (133.6%)	170 (90.4%)	759 (130.2%)	200 (215.1%)
No. of video production projects* by month (YoY)	14 (223.3%)	22 (440.0%)	8 (133.3%)	13 (144.4%)	26 (325.0%)	13 (325.0%)
No. of rental viewers* by month (YoY)	1,111 (123.4%)	1,185 (73.4%)	725 (116.9%)	1,498 (119.2%)	1,742 (107.8%)	1,375 (84.4%)
STUDIO (e-Learning) users* by month (MoM)	85,064 (-28)	86,480 (+1,416)	87,475 (+995)	88,245 (+770)	88,856 (+611)	89,227 (+371)

*Calculation takes place at the end of every month.

6. Inquiries

As for inquiries, our target is to acquire 500 inquiries per month. In FY22, each acquisition of one inquiry had the effect of increasing revenue by 277 thousand yen. The number of inquiries was 537 (145.9% YoY). 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					
	November	December	January	February	March	April
No. of inquiries YoY	427 (98.2%)	464 (128.5%)	503 (112.3%)	588 (132.1%)	507 (119.6%)	537 (145.9%)
Since the beginning of FY	945	1,409	1,912	2,500	3,007	3,544

*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 29 for training (On-Site Training), including 16 new titles in the digital skills. We have continued to develop digital fields that are in high demand, while expanding our business improvement “Kaizen” series. We have developed 19 e-Learning courses, including 3 in the areas of DX Introduction and Data Application and 2 in the areas of Negotiation and Consensus Building Skills. We are steadily developing all fields toward the target for this fiscal year.

■No. of new contents developed

(Unit: titles)

	FY23					
	November	December	January	February	March	April
No. of new contents for On-Site Training	30	31	32	33	31	29
since the beginning of FY	60	91	123	156	187	216
(Progress rate: %)	(16.7%)	(25.3%)	(34.2%)	(43.3%)	(51.9%)	(60.0%)
Of which, no. of Digital skills	7	15	16	16	12	16
since the beginning of FY	9	24	40	56	68	84
No. of new contents for e-Learning	18	24	29	20	15	19
since the beginning of FY	35	59	88	108	123	142
(Progress rate: %)	(14.0%)	(23.6%)	(35.2%)	(43.2%)	(49.2%)	(56.8%)

*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 May 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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