

March 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)

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

-No. of On-Site Training conducted (106.4% YoY) and attendees at Open Seminars (113.9% YoY),

No. of DX On-Site trainings (137.1% YoY) and Open Seminars (123.5% YoY) remained steady

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

1. On-Site Training Business

The number of On-Site Training conducted was 1,524 times (106.4% YoY), of which those for private sector was 1,038 times (112.8% YoY) and for DX-related was 133 times (137.1% YoY). The number of training programs for diversity and promotion of women's activities and communication training for younger employees increased.

As for the sales activities, we have been promoting training for new employees scheduled for April, and have been strengthening proposals by job level, such as training for managers from May onward, in order to increase the unit price per client, mainly for large and second-tier companies (with 1,000 or more employees) and medium-sized companies (with 300 to 1,000 employees).

■ Monthly no. of On-Site Training conducted

(Unit: time)

	FY22	FY23				
	September	October	November	December	January	February
No. of trainings conducted	1,810	2,018	2,114	1,435	1,190	1,524
(YoY)	(111.0%)	(111.6%)	(111.2%)	(102.9%)	(110.6%)	(106.4%)
Private sector*	1,104	1,285	1,337	960	764	1,038
(YoY)	(111.6%)	(118.1%)	(110.5%)	(105.1%)	(114.7%)	(112.8%)
DX-related trainings*	117	164	159	109	104	133
(YoY)	(117.0%)	(164.0%)	(131.4%)	(103.8%)	(150.7%)	(137.1%)
Conducted online	451	493	561	402	336	369
(Composition ratio)	(24.9%)	(24.4%)	(26.5%)	(28.0%)	(28.2%)	(24.2%)

*Consolidated subsidiaries are included.

2. Open Seminars Business

The number of attendees in Open Seminars was 10,371 (113.9% YoY). Since October last year, we have expanded the number of face-to-face trainings offered in seminar rooms, which had been attracting a large number of attendees, and increased the number of DX-related training programs, which have also been doing well. This has resulted in an increase in the number of attendees since last December. The number of attendees in DX-related trainings was 1,346 (123.5% YoY). As for our activities in February, we strengthened the promotion of new-employee training scheduled for April by holding an event showing our training text books and continued to renovate our website with the aim of increasing the demand for reskilling from individuals.

■ Monthly no. of attendees at Open Seminars

(Unit: attendee)

	FY22	FY23				
	September	October	November	December	January	February
No. of attendees	11,995	10,847	11,599	10,461	8,934	10,371
(YoY)	(113.6%)	(108.8%)	(108.4%)	(112.7%)	(117.7%)	(113.9%)
DX-related trainings*	1,462	1,188	1,446	1,514	1,328	1,346
(YoY)	(113.1%)	(114.3%)	(119.5%)	(157.1%)	(158.7%)	(123.5%)
Conducted online	8,486	7,332	8,157	7,689	6,603	7,789
(Composition ratio)	(70.7%)	(67.6%)	(70.3%)	(73.5%)	(73.9%)	(75.1%)

*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 250 MoM, and the cumulative number of clients is 22,744.

■ WEBinsource: Total no. of subscribers (organizations)

(Unit: organization)

	FY22	FY23				
	September	October	November	December	January	February
No. of new subscribers	225	184	222	214	230	250
No. of accumulated subscribers	21,644	21,828	22,050	22,264	22,494	22,744
(YoY * No. of new subscribers)	(110.3%)	(95.8%)	(108.3%)	(101.4%)	(101.8%)	(90.6%)
(Progress rate: %)	(124.0%)	(7.7%)	(16.9%)	(25.8%)	(35.4%)	(45.8%)

4. IT Services Business

The number of paid subscribers for Leaf (HR support system) reached 670 organizations (118.0% YoY) and the number of its active users increased to 3,130,089 (124.3% YoY). The total number of orders delivered for Stress Check Support Service since the beginning of the fiscal year was 324 (131.2% YoY). As for our activities in February, we focused on developing a large customization project for Leaf, scheduled for delivery in March.

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

	FY22	FY23				
	September	October	November	December	January	February
No. of paid subscribers (organizations)	638	646	656	662	666	670
(YoY)	(122.2%)	(120.7%)	(120.4%)	(120.1%)	(118.9%)	(118.0%)
No. of active users	2,895,263	2,938,168	3,030,367	3,060,129	3,082,512	3,130,089
(YoY)	(137.1%)	(136.7%)	(127.0%)	(125.5%)	(124.9%)	(124.3%)
No. of customization	122	2	6	15	18	20
Total no. since the beginning of FY						
(YoY)	(75.3%)	(100.0%)	(120.0%)	(136.4%)	(90.0%)	(74.1%)

*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)

	FY22	FY23				
	September	October	November	December	January	February
No. of orders delivered (by month)	53	27	43	67	104	83
Cumulative no. of orders delivered since the beginning of FY	496	27	70	137	241	324
(YoY)	(106.0%)	(300.0%)	(218.8%)	(150.5%)	(150.6%)	(131.2%)

*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 90.4% and that of video production and customization projects was 144.4%. Also, the number of rental viewers was 119.2%.

As for our activities in February, in the e-Learning and video business, in order to strengthen sales promotion to medium-sized companies (300 to 999 employees) and growing companies (50 to 99 employees), which are expected to grow in the future, we have completed renovation of the rental system and are conducting sales promotion activities through direct mail, etc. for March, when demand is expected to increase.

■ 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)

	FY22	FY23				
	September	October	September	October	September	October
No. of video contents sold (Outright purchase)* by month (YoY)	129 (84.9%)	120 (76.4%)	102 (73.4%)	225 (93.0%)	155 (133.6%)	170 (90.4%)
No. of rental viewers* by month (YoY)	9 (42.9%)	4 (57.1%)	14 (223.3%)	22 (440.0%)	8 (133.3%)	13 (144.4%)
No. of video production projects* by month (YoY)	1,075 (103.7%)	1,614 (106.6%)	1,111 (123.4%)	1,185 (73.4%)	725 (116.9%)	1,498 (119.2%)
STUDIO (e-Learning) users* by month (MoM)	85,565 (+1,333)	85,092 (-473)	85,064 (-28)	86,480 (+1,416)	87,475 (+995)	88,245 (+770)

*Calculation takes place at the end of every month.

6. Inquiries

The number of inquiries was 588 (132.1% YoY). We will continue direct marketing and website renovation to further increase the number of inquiries.

■ No. of Inquiries

	FY22	FY23				
	September	October	November	December	January	February
No. of inquiries YoY	437 (110.6%)	518 (132.5%)	427 (98.2%)	464 (128.5%)	503 (112.3%)	588 (132.1%)
Since the beginning of FY	5,086	518	945	1,409	1,912	2,500

*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 33 for training (On-Site Training), including 13 new titles in the digital skills, and 20 for e-Learning, including 2 in healthcare and labor management and 1 in financial literacy. We are steadily developing all fields toward the target for this fiscal year.

■No. of new contents developed

(Unit: titles)

	FY22	FY23				
	September	October	November	December	January	February
No. of new contents for On-Site Training	30	30	30	31	32	33
since the beginning of FY	362	30	60	91	123	156
(Progress rate: %)	(103.4%)	(8.3%)	(16.7%)	(25.3%)	(34.2%)	(43.3%)
Of which, no.of Digital skills	4	2	7	15	16	16
since the beginning of FY	32	2	9	24	40	56
No. of new contents for e-Learning	18	17	18	24	29	20
since the beginning of FY	210	17	35	59	88	108
(Progress rate: %)	(100.0%)	(6.8%)	(14.0%)	(23.6%)	(35.2%)	(43.2%)

*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 March 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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