

July 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 June 2024

- No. of attendees at Open Seminars (114.5% YoY) and No. of attendees at DX-related Open Seminars (126.1% YoY)
No. of On-Site Training conducted (97.4% YoY), and No. of 'Leaf' active users grew significantly (140.6% YoY) -

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

1. On-Site Training Business

The number of On-Site Training conducted was 1,654 times (97.4% YoY), of which those for private sector was 1,069 times (108.5% YoY) and for DX-related was 141 times (119.5% YoY). Last year, due to the impact of the COVID-19 downgraded to Category 5 under the Infectious Diseases Control Law, training programs conducted by public sector and governments agencies were concentrated in June, and the effect of this is reflected in the YoY figures. This July, we are enforcing proposals for level-specific training to be conducted this fall.

■ Monthly no. of On-Site Training conducted

(Unit: time)

	FY23					
	January	February	March	April	May	June
No. of trainings conducted	1,190	1,524	1,126	2,507	1,484	1,654
(YoY)	(110.6%)	(106.4%)	(114.1%)	(114.4%)	(111.6%)	(97.4%)
Private sector*	764	1,038	862	1,870	897	1,069
(YoY)	(114.7%)	(112.8%)	(118.1%)	(113.3%)	(108.1%)	(108.5%)
DX-related trainings*	104	133	83	183	122	141
(YoY)	(150.7%)	(137.1%)	(159.6%)	(123.6%)	(106.1%)	(119.5%)
Conducted online	336	369	238	232	244	265
(Composition ratio)	(28.2%)	(24.2%)	(21.1%)	(9.3%)	(16.4%)	(16.0%)

*Consolidated subsidiaries are included.

2. Open Seminars Business

The number of attendees in Open Seminars was 12,206 (114.5% YoY). The number of attendees for DX-related training increased to 1,769 (+126.1% YoY), with significant contributions from generative AI training programs such as ChatGPT and Copilot. The number of attendees who visited our Seminar Rooms, mainly for upgrading training for managers, has been increasing. In addition, in order to respond to reskilling demand, we have increased the number of trainings conducted and strengthened sales promotion of new training programs such as consultant training series, professional manager training series, and financial literacy training.

■ Monthly no. of attendees at Open Seminars

(Unit: attendee)

	FY23					
	January	February	March	April	May	June
No. of attendees	8,934	10,371	10,061	14,861	8,861	12,206
(YoY)	(117.7%)	(113.9%)	(110.3%)	(118.9%)	(112.9%)	(114.5%)
DX-related trainings*	1,328	1,346	1,311	1,809	1,222	1,769
(YoY)	(158.7%)	(123.5%)	(133.5%)	(136.3%)	(109.4%)	(126.1%)
Conducted online	6,603	7,789	7,445	5,251	5,584	8,501
(Composition ratio)	(73.9%)	(75.1%)	(74.0%)	(35.3%)	(63.0%)	(69.6%)

*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 250 MoM in June and the cumulative number of clients is 23,772.

■ WEBinsource: Total no. of subscribers (organizations)

(Unit: organization)

	FY23					
	January	February	March	April	May	June
No. of new subscribers	230	250	299	245	234	250
No. of accumulated subscribers	22,494	22,744	23,043	23,288	23,522	23,772
(YoY * No. of new subscribers)	(101.8%)	(90.6%)	(96.8%)	(104.7%)	(88.6%)	(89.3%)
(Progress rate: %)	(35.4%)	(45.8%)	(58.3%)	(68.5%)	(78.3%)	(88.7%)

*Calculation takes place at the end of every month.

4. IT Services Business

The number of paid subscribers for Leaf (HR support system) reached 710 organizations (116.0% YoY) and the number of its active users increased to 3,826,852 (140.6% YoY). The total number of orders delivered for Stress Check Support Service since the beginning of the fiscal year was 490 (113.7% YoY). As June was an active time for bidding for LMS, we have been selected to receive large proposals from government agencies such as Nara Prefecture.

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

	FY23					
	January	February	March	April	May	June
No. of paid subscribers (organizations)	666	670	676	690	698	710
(YoY)	(118.9%)	(118.0%)	(115.0%)	(116.4%)	(115.8%)	(116.0%)
No. of active users	3,082,512	3,130,089	3,216,576	3,709,101	3,754,621	3,826,852
(YoY)	(124.9%)	(124.3%)	(126.0%)	(142.0%)	(141.7%)	(140.6%)
No. of customization	18	20	54	75	85	92
Total no. since the beginning of FY						
(YoY)	(90.0%)	(74.1%)	(83.1%)	(102.7%)	(110.4%)	(109.5%)

*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					
	January	February	March	April	May	June
No. of orders delivered (by month)	104	98	139	4	4	4
Cumulative no. of orders delivered since the beginning of FY	241	399	478	482	486	490
(YoY)	(150.6%)	(137.2%)	(114.4%)	(114.5%)	(114.1%)	(113.7%)

*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 107.5% YoY. The number of video production and customization projects increased to 437.5% YoY due to an increase in production projects related to business rules and manuals for each organization. The number of viewers in the video rental plan was 175.8% YoY as the convenience of the service continued to be well received.

■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					
	January	February	March	April	May	June
No. of video contents sold (Outright purchase)* by month (YoY)	155 (133.6%)	170 (90.4%)	759 (130.2%)	200 (215.1%)	96 (110.3%)	158 (107.5%)
No. of video production projects* by month (YoY)	8 (133.3%)	13 (144.4%)	26 (325.0%)	13 (325.0%)	13 (433.3%)	35 (437.5%)
No. of rental viewers* by month (YoY)	725 (116.9%)	1,498 (119.2%)	1,742 (107.8%)	1,375 (84.4%)	1,558 (253.3%)	1,445 (175.8%)
STUDIO (e-Learning) users* by month (MoM)	87,475 (+995)	88,245 (+770)	88,856 (+611)	89,227 (+371)	89,405 (+178)	89,897 (+492)

*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 in June was 480 (103.4% YoY). To further increase the number of inquiries, we are continuing to enhance direct marketing measures and renovate our web pages.

■No. of Inquiries

	FY23					
	January	February	March	April	May	June
No. of inquiries YoY	503 (112.3%)	588 (132.1%)	507 (119.6%)	537 (145.9%)	544 (145.1%)	480 (103.4%)
Since the beginning of FY	1,912	2,500	3,007	3,544	4,091	4,570

*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 30 for training (On-Site Training). Of these, 14 have been created for public sector and government agencies, including content related to evaluation and subordinate guidance, and training for mass media relations. We have developed 25 e-Learning courses, and we are working on creating a series of contents that teach how to utilize generative AI, which we have received many inquiries about. We are steadily developing all fields toward the target for this fiscal year.

■No. of new contents developed

(Unit: titles)

	FY23					
	January	February	March	April	May	June
No. of new contents for On-Site Training	32	33	31	29	30	30
since the beginning of FY	123	156	187	216	246	276
(Progress rate: %)	(34.2%)	(43.3%)	(51.9%)	(60.0%)	(68.3%)	(76.7%)
Of which, no. of Digital skills	16	16	12	16	11	3
since the beginning of FY	40	56	68	84	95	98
No. of new contents for e-Learning	29	20	15	19	22	25
since the beginning of FY	88	108	123	142	164	189
(Progress rate: %)	(35.2%)	(43.2%)	(49.2%)	(56.8%)	(65.6%)	(75.6%)

*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. This is a leading performance indicator for three months from 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 July 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.

【Inquiries】 Insource Co., Ltd. <https://www.insource.co.jp/en/ir/index.html>

Press Contact

CEO Office (Ms. Aya Inoue & Ms. Satoko Shimoji)

Email: info_ir@insource.co.jp