

September 2, 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 August 2024

- No. of 'Leaf' active users exceeded four million, No. of On-Site Training conducted (109.0% YoY), No. of attendees at Open Seminars (113.7% YoY), No. of attendees for On-Site Training and Open Seminar for DX-related training increased 1.8 times and 1.3 times, respectively -

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

Due to the impact of Typhoon No. 10 (Shanshan), 55 schedule changes for On-Site Training, mainly from government agencies had occurred, and 124 people cancelled attending Open Seminars (*). The impact of these cancellations on business results was minor.

(*Number of On-Site Training schedule changes and Open Seminars cancellations during the five-day period from August 26 to 30, 2024)

1. On-Site Training Business

The number of On-Site Training conducted was 1,568 times (109.0% YoY), of which those for highly profitable private sector was 962 times (120.7% YoY) and for DX-related was 149 times (184.0% YoY). In August, we focused on closing deals toward the end of the fiscal year and acquiring new clients for the next fiscal year.

■ Monthly no. of On-Site Training conducted

(Unit: time)

	FY23					
	March	April	May	June	July	August
No. of trainings conducted	1,126	2,507	1,484	1,654	2,051	1,568
(YoY)	(114.1%)	(114.4%)	(111.6%)	(97.4%)	(114.5%)	(109.0%)
Private sector*	862	1,870	897	1,069	1,276	962
(YoY)	(118.1%)	(113.3%)	(108.1%)	(108.5%)	(114.1%)	(120.7%)
DX-related trainings*	83	183	122	141	183	149
(YoY)	(159.6%)	(123.6%)	(106.1%)	(119.5%)	(141.9%)	(184.0%)
Conducted online	238	232	244	265	468	355
(Composition ratio)	(21.1%)	(9.3%)	(16.4%)	(16.0%)	(22.8%)	(22.6%)

*Consolidated subsidiaries are included.

2. Open Seminars Business

The number of attendees in Open Seminars was 12,564 (113.7% YoY). The number of attendees for DX-related training was 1,541 (130.0% YoY). In August, in addition to the ChatGPT prompt engineering training, there was growth in training on how to explain things clearly, negotiation skills, and other skills to encourage others to change their behavior. Moreover, since May, the number of applications for role recognition training for newly appointed managers has increased, and the number of trainings to be held has expanded accordingly.

■ Monthly no. of attendees at Open Seminars

(Unit: attendee)

	FY23					
	March	April	May	June	July	August
No. of attendees	10,061	14,861	8,861	12,206	13,807	12,564
(YoY)	(110.3%)	(118.9%)	(112.9%)	(114.5%)	(131.5%)	(113.7%)
DX-related trainings*	1,311	1,809	1,222	1,769	1,700	1,541
(YoY)	(133.5%)	(136.3%)	(109.4%)	(126.1%)	(144.2%)	(130.0%)
Conducted online	7,445	5,251	5,584	8,501	9,257	8,854
(Composition ratio)	(74.0%)	(35.3%)	(63.0%)	(69.6%)	(67.0%)	(70.5%)

*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 206 MoM in August and the cumulative number of clients is 24,241.

■ WEBinsource: Total no. of subscribers (organizations)

(Unit: organization)

	FY23					
	March	April	May	June	July	August
No. of new subscribers	299	245	234	250	263	206
No. of accumulated subscribers	23,043	23,288	23,522	23,772	24,035	24,241
(YoY * No. of new subscribers)	(96.8%)	(104.7%)	(88.6%)	(89.3%)	(88.6%)	(80.5%)
(Progress rate: %)	(58.3%)	(68.5%)	(78.3%)	(88.7%)	(99.6%)	(112.0%)

*Calculation takes place at the end of every month.

4. IT Services Business

The number of paid subscribers for Leaf (HR support system) reached 730 organizations (116.8% YoY) and the number of its active users increased to 4,022,391 (140.5% YoY). The total number of orders delivered for Stress Check Support Service since the beginning of the fiscal year was 502 (113.3% YoY). The number of Leaf active users has exceeded four million.

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

	FY23					
	March	April	May	June	July	August
No. of paid subscribers (organizations)	676	690	698	710	721	730
(YoY)	(115.0%)	(116.4%)	(115.8%)	(116.0%)	(116.7%)	(116.8%)
No. of active users	3,216,576	3,709,101	3,754,621	3,826,852	3,957,323	4,022,391
(YoY)	(126.0%)	(142.0%)	(141.7%)	(140.6%)	(141.1%)	(140.5%)
No. of customization	54	75	85	92	101	108
Total no. since the beginning of FY						
(YoY)	(83.1%)	(102.7%)	(110.4%)	(109.5%)	(114.8%)	(109.1%)

*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					
	March	April	May	June	July	August
No. of orders delivered (by month)	139	4	4	6	2	8
Cumulative no. of orders delivered since the beginning of FY	478	482	486	492	494	502
(YoY)	(114.4%)	(114.5%)	(114.1%)	(114.2%)	(113.6%)	(113.3%)

*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 114.8% YoY, and that of viewers in the video rental plan increased 177.4% YoY. Video customization projects remain strong. We received an increasing number of requests from customers who had purchased videos in the past to test options and create additional slides.

■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					
	March	April	May	June	July	August
No. of video contents sold (Outright purchase)* by month (YoY)	759 (130.2%)	200 (215.1%)	96 (110.3%)	158 (107.5%)	135 (105.5%)	101 (114.8%)
No. of video production projects* by month (YoY)	26 (325.0%)	13 (325.0%)	13 (433.3%)	35 (437.5%)	19 (237.5%)	37 (616.7%)
No. of rental viewers* by month (YoY)	1,742 (107.8%)	1,375 (84.4%)	1,558 (253.3%)	1,445 (175.8%)	1,755 (121.9%)	1,822 (177.4%)
STUDIO (e-Learning) users* by month (MoM)	88,856 (+611)	89,227 (+371)	89,405 (+178)	89,897 (+492)	90,447 (+550)	91,621 (+1,174)

*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 August was 517 (102.6% YoY). To further increase the number of inquiries, we are continuing to renovate our web pages and offer special campaigns.

■No. of Inquiries

	FY23					
	March	April	May	June	July	August
No. of inquiries YoY	507 (119.6%)	537 (145.9%)	544 (145.1%)	480 (103.4%)	512 (118.0%)	517 (102.6%)
Since the beginning of FY	3,007	3,544	4,091	4,568	5,080	5,597

*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, 20 have been created for public sector and government agencies, including turnover prevention and mid-career follow-up training for government agencies. We have developed 21 e-Learning courses. We developed a new video on courses for dealing with parents, which are frequently inquired about by educational institutions, and on the freelance law that will take effect in November 2024. We are steadily developing all fields toward the target for this fiscal year.

■No. of new contents developed

(Unit: titles)

	FY23					
	March	April	May	June	July	August
No. of new contents for On-Site Training	31	29	30	30	30	30
since the beginning of FY	187	216	246	276	306	336
(Progress rate: %)	(51.9%)	(60.0%)	(68.3%)	(76.7%)	(85.0%)	(93.3%)
Of which, no. of Digital skills	12	16	11	3	5	7
since the beginning of FY	68	84	95	98	103	110
No. of new contents for e-Learning	15	19	22	25	24	21
since the beginning of FY	123	142	164	189	213	234
(Progress rate: %)	(49.2%)	(56.8%)	(65.6%)	(75.6%)	(85.2%)	(93.6%)

*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)
- Small Medium Business (SMB): 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 September 2, 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