

May 10, 2024
Insource Co., Ltd.

2Q FY23 Consolidated Financial Results Briefing Q&A Session Summary

Date & Time: May 10, 2024 (Friday) 15:00-16:00 (JST)

Speakers: Takayuki Funahashi (Representative Director, President and Chief Executive Officer),
Shigeo Fujimoto (Director, Executive Officer), Daisuke Kanai (Director, Executive Officer)

The following is a summary of the main questions and answers at the financial results briefing. Some parts of the contents have been added or modified for better understanding.

All responses were made by CEO Funahashi in Japanese.

Q1: What is the relationship between strengthening the sales structure and monthly KPIs?

A1: First, we believe that our aggressive measures have led to the current financial results. We have set targets for each customer segment, expanded services for each segment, and are aggressively implementing large-scale proposals utilizing our content. As a result, the number of On-Site Training conducted has increased. We have also taken aggressive measures for Open Seminars. While at the same time raising the fixed price by 2,000 yen, we have expanded the number of new titles, set up new nighttime seminars, and we conducted the training of new employees by expanding the number of seminar rooms in April where attendees can come and visit. Please note that the timing of proposing and delivering large scale On-Site Training differ, so please refer to the Monthly KPI Progress Report announced each month for the status of progress that leads to sales.

Q2: What is your future outlook for Leaf in IT Services?

A2: We believe that there will be opportunities for large-scale projects in the future, as the shift to DX training by government agencies and public sector has advanced. We also believe that it is time for large companies to replace the LMS (Learning Management System) they installed during COVID-19 pandemic. "Leaf" can be customized to meet all kinds of needs. We will strengthen our sales promotion to customers who have problems with functional limitations.

Q3: What are the reasons for the growth in e-Learning and video sales in Other Businesses?

A3: We believe that several factors have contributed to this increase, including the development of new titles in line with customer needs, price increases for approximately 200 titles, and increased name recognition. Sales of the "Learn in a Short Time" series and other law-related titles have been strong. We will continue to develop new titles.

Q4: What is the impact of the growing reskilling needs on the career training market?

A4: We believe that the need for re-skilling will have a positive effect on us. Our own surveys and questionnaires have shown that there is a gap between the skills that companies and organizations want their employees to acquire and the skills that individuals want to acquire.

We have prepared content that meets the needs of both parties to minimize lost opportunities, and the number of attendees at our "Night Seminars," which will be offered on weekday evenings that started in December 2023, and Open Seminars held on Saturdays and Sundays, is also increasing.

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