

October 1, 2024

To Whom It May Concern,

Insource Co., Ltd.

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Representative Director, President and CEO

 (Code number: 6200, Prime Market of the
Tokyo Stock Exchange)

KPI (Key Performance Indicators) Progress Report for September 2024

- No. of video contents sold (151.2% YoY), No. of On-Site Training conducted (106.4% YoY),
No. of On-Site Training for DX-related training conducted (138.5% YoY),
No. of attendees at Open Seminars (107.9% YoY) -

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

1. On-Site Training Business

The number of On-Site Training conducted was 1,925 times (106.4% YoY), of which those for private sector was 1,206 times (109.2% YoY) and for DX-related was 162 times (138.5% YoY). In September, we focused on closing deals during the term and making new proposals for the next term, particularly proposals for training system for Small Medium Business.

■ Monthly no. of On-Site Training conducted

(Unit: time)

	FY23					
	April	May	June	July	August	September
No. of trainings conducted	2,507	1,484	1,654	2,051	1,568	1,925
(YoY)	(114.4%)	(111.6%)	(97.4%)	(114.5%)	(109.0%)	(106.4%)
Private sector*	1,870	897	1,069	1,276	962	1,206
(YoY)	(113.3%)	(108.1%)	(108.5%)	(114.1%)	(120.7%)	(109.2%)
DX-related trainings*	183	122	141	183	149	162
(YoY)	(123.6%)	(106.1%)	(119.5%)	(141.9%)	(184.0%)	(138.5%)
Conducted online	232	244	265	468	355	395
(Composition ratio)	(9.3%)	(16.4%)	(16.0%)	(22.8%)	(22.6%)	(20.5%)

*Consolidated subsidiaries are included.

2. Open Seminars Business

The number of attendees in Open Seminars was 12,945 (107.9% YoY). In September, training for those who have been promoted or newly appointed to management positions increased. The number of attendees for DX-related training was 1,432 (97.9% YoY). While training in the application of Generative AI is steady, the number of trainings on basic AI topics has decreased. The needs are changing to trainings that are more specialized for business use. We will be increasing the number of DX application trainings conducted in the future.

■ Monthly no. of attendees at Open Seminars

(Unit: attendee)

	FY23					
	April	May	June	July	August	September
No. of attendees	14,861	8,861	12,206	13,807	12,564	12,945
(YoY)	(118.9%)	(112.9%)	(114.5%)	(131.5%)	(113.7%)	(107.9%)
DX-related trainings*	1,809	1,222	1,769	1,700	1,541	1,432
(YoY)	(136.3%)	(109.4%)	(126.1%)	(144.2%)	(130.0%)	(97.9%)
Conducted online	5,251	5,584	8,501	9,257	8,854	8,548
(Composition ratio)	(35.3%)	(63.0%)	(69.6%)	(67.0%)	(70.5%)	(66.0%)

*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 193 MoM in September and the cumulative number of clients is 24,434. We have achieved our goals for this fiscal year.

■ WEBinsource: Total no. of subscribers (organizations)

(Unit: organization)

	FY23					
	April	May	June	July	August	September
No. of new subscribers	245	234	250	263	206	193
No. of accumulated subscribers	23,288	23,522	23,772	24,035	24,241	24,434
(YoY * No. of new subscribers)	(104.7%)	(88.6%)	(89.3%)	(88.6%)	(80.5%)	(85.8%)
(Progress rate: %)	(68.5%)	(78.3%)	(88.7%)	(99.6%)	(108.2%)	(116.3%)

*Calculation takes place at the end of every month.

4. IT Services Business

The number of paid subscribers for Leaf (HR support system) reached 741 organizations (116.1% YoY) and the number of its active users increased to 4,070,715 (140.6% YoY). The total number of orders delivered for Stress Check Support Service since the beginning of the fiscal year was 574 (115.7% YoY). The number of Leaf active users has increased, particularly among public sectors.

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

	FY23					
	April	May	June	July	August	September
No. of paid subscribers (organizations)	690	698	710	721	730	741
(YoY)	(116.4%)	(115.8%)	(116.0%)	(116.7%)	(116.8%)	(116.1%)
No. of active users	3,709,101	3,754,621	3,826,852	3,957,323	4,022,391	4,070,715
(YoY)	(142.0%)	(141.7%)	(140.6%)	(141.1%)	(140.5%)	(140.6%)
No. of customization	75	85	92	101	108	133
Total no. since the beginning of FY						
(YoY)	(102.7%)	(110.4%)	(109.5%)	(114.8%)	(109.1%)	(109.0%)

*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					
	April	May	June	July	August	September
No. of orders delivered (by month)	4	4	6	2	9	71
Cumulative no. of orders delivered since the beginning of FY	482	486	492	494	503	574
(YoY)	(114.5%)	(114.1%)	(114.2%)	(113.6%)	(113.5%)	(115.7%)

*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 151.2% YoY, and that of viewers in the video rental plan increased 134.7% YoY. This month, we ran a campaign to celebrate reaching 1,000 video content titles, and both sales and number of rentals grew steadily.

■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					
	April	May	June	July	August	September
No. of video contents sold (Outright purchase)* by month (YoY)	200 (215.1%)	96 (110.3%)	158 (107.5%)	135 (105.5%)	101 (114.8%)	195 (151.2%)
No. of video production projects* by month (YoY)	13 (325.0%)	13 (433.3%)	35 (437.5%)	19 (237.5%)	37 (616.7%)	23 (255.6%)
No. of rental viewers* by month (YoY)	1,375 (84.4%)	1,558 (253.3%)	1,445 (175.8%)	1,755 (121.9%)	1,822 (177.4%)	1,448 (134.7%)
STUDIO (e-Learning) users* by month (MoM)	89,227 (+371)	89,405 (+178)	89,897 (+492)	90,447 (+550)	91,621 (+1,174)	93,576 (+1,955)

*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 September was 455 (104.1% YoY). To further increase the number of inquiries, we are continuing to renovate our web pages and offer special campaigns.

■No. of Inquiries

	FY23					
	April	May	June	July	August	September
No. of inquiries YoY	537 (145.9%)	544 (145.1%)	480 (103.4%)	512 (118.0%)	517 (102.6%)	455 (104.1%)
Since the beginning of FY	3,544	4,091	4,568	5,080	5,597	6,052

*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, eight have been created for public sector and government agencies, including career design for government agencies and training to foster a sense of morality for civil servants. We have developed 23 e-Learning courses. We have expanded the “Learn in a Short Time” series, which is popular with our video rental plan, and developed a series of skills improvement training for people who have received job offers. As a result of steadily achieving our monthly development targets, we have achieved our targets for this fiscal year.

■No. of new contents developed

(Unit: titles)

	FY23					
	April	May	June	July	August	September
No. of new contents for On-Site Training	29	30	30	30	30	30
since the beginning of FY	216	246	276	306	336	366
(Progress rate: %)	(60.0%)	(68.3%)	(76.7%)	(85.0%)	(93.3%)	(101.7%)
Of which, no. of Digital skills	16	11	3	5	7	5
since the beginning of FY	84	95	98	103	110	115
No. of new contents for e-Learning	19	22	25	24	21	23
since the beginning of FY	142	164	189	213	234	257
(Progress rate: %)	(56.8%)	(65.6%)	(75.6%)	(85.2%)	(93.6%)	(102.8%)

*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. 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 October 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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