

June 1, 2023

To Whom It May Concern,

Disclaimer: This document is a translation of the Japanese original for reference purposes only.

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 May, 2023

-No. of On-Site Training conducted (115.2% YoY) and attendees at Open Seminars (114.4% YoY) remained steady

No. of DX On-Site trainings (169.1% YoY) and Open Seminars (158.2% YoY) increased significantly

Insource Co., Ltd. today announced KPI (Key Performance Indicators) Progress Report for May, 2023. For the KPI (Key Performance Indicators) impact on business performance, please refer to the “KPI (Key Performance Indicators) and Performance Correspondence Chart.”

1. Training Business

In May, 2023, the number of On-Site Training conducted was 1,330 times (115.2% YoY), of which online training was 321 times (Composition ratio: 24.1%). The number of attendees at Open Seminars was 7,849 (114.4% YoY), of which online attendees were 5,907 (Composition ratio: 75.3%).

As for DX-related trainings, the number of On-Site Training conducted was 169.1% YoY due to the start of large full-year training programs. The number of attendees at Open Seminars for DX-related trainings increased significantly to 158.2% due to the strong performance of the ChatGPT training developed in April.

(1) Monthly number of On-Site Training conducted

(Unit: time)

	2022	2023				
	December	January	February	March	April	May
Number of trainings conducted	1,394	1,076	1,433	987	2,192	1,330
(YoY)	(104.0%)	(104.1%)	(132.4%)	(113.7%)	(113.2%)	(115.2%)
Conducted online	518	399	488	286	271	321
(Composition ratio)	(37.2%)	(37.1%)	(34.1%)	(29.0%)	(12.4%)	(24.1%)
DX-related trainings*	105	69	97	52	148	115
(YoY)	(172.1%)	(103.0%)	(140.6%)	(81.3%)	(138.3%)	(169.1%)

*Consolidated subsidiaries are included.

*DX-related trainings: IT and computer skills trainings. The figures before July 2022 have been changed due to a change in the counting method.

(2) Monthly number of attendees at Open Seminars

(Unit: attendee)

	2022	2023				
	December	January	February	March	April	May
Number of attendees	9,281	7,590	9,105	9,123	12,501	7,849
(YoY)	(113.6%)	(116.1%)	(121.4%)	(111.7%)	(115.6%)	(114.4%)
Conducted online	7,665	6,448	7,486	7,562	5,833	5,907
(Composition ratio)	(82.6%)	(85.0%)	(82.2%)	(82.9%)	(46.7%)	(75.3%)
DX-related trainings	964	837	1,090	982	1,327	1,117
(YoY)	(95.7%)	(94.2%)	(119.3%)	(92.2%)	(105.7%)	(158.2%)

*Consolidated subsidiaries are included.

2. IT Services Business

The number of paid subscribers for Leaf (HR support system) reached 603 organizations (+10 MoM) and the number of its users increased to 2,649,008 (+36,999 MoM). The cumulative number of orders delivered for Stress Check Support Service was 424 since the beginning of the fiscal year (+28 YoY).

(1) “Leaf (HR support system)”: Total number of paid subscribers (organizations)

(Unit: organization)

	2022	2023				
	December	January	February	March	April	May
No. of paid subscribers (organizations)	551	560	568	588	593	603
(MoM)	(+6)	(+9)	(+8)	(+20)	(+5)	(+10)
(Changes from end of previous FY)	(+29)	(+38)	(+46)	(+66)	(+71)	(+81)
No. of users	2,438,626	2,468,664	2,518,791	2,552,509	2,612,609	2,649,008
No. of customization	11	20	27	65	73	77
Total no. since the beginning of FY						
Web conversion service for appraisal forms	168	172	174	184	185	186
(MoM)	(+1)	(+4)	(+2)	(+10)	(+1)	(+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: Number of orders delivered and orders to be delivered

(Unit: organization)

	2022	2023				
	December	January	February	March	April	May
No. of orders delivered (by month)	59	69	87	171	3	3
Cumulative no. of orders delivered * since the beginning of FY	91	160	247	418	421	424
(YoY)	(▲11)	(+5)	(+18)	(+38)	(+34)	(+28)
No. of orders to be delivered (at the end of month)	257	227	159	20	36	69
(YoY)	(+22)	(+20)	(+10)	(+1)	(+11)	(+26)

*Note that after clients’ inspection, the actual sales will be counted.

*This service has the highest number of deliveries in March every year.

3. e-Learning/video Business

The number of contents sold (outright purchases) was 87 (127.9% YoY), with an increase in sales of OA-related contents and harassment prevention courses. The number of rental viewers rose to 615 (113.3% YoY) with increased use of contents related to on-the-job training and mentoring.

(1) e-Learning/videos: Total numbers of subscription IDs per month and the number of contents sold

(Unit: ID) (Unit: Content)

	2022	2023				
	December	January	February	March	April	May
No. of video contents sold (Outright purchase)* by month (YoY)	242 (230.5%)	116 (110.5%)	188 (88.7%)	583 (105.6%)	93 (42.1%)	87 (127.9%)
No. of rental viewers* by month (YoY)	1,614 (120.4%)	620 (54.6%)	1,257 (86.7%)	1,616 (137.3%)	1,629 (143.3%)	615 (113.3%)
STUDIO (e-Learning) users (MoM)	73,172 (+1,382)	74,513 (+1,341)	74,699 (+186)	79,335 (+4,636)	81,497 (+2,162)	81,989 (+492)

*Calculation takes place at the end of every month.

4. Client Base

The total number of registered WEBinsource clients increased significantly by 264 MoM, and has continued to exceed our single month target of 200 organizations. Since the number of newly registered clients is an indicator of sales activity, we are steadily gaining subscribers toward our target of 2,400 for this fiscal year.

(1) WEBinsource: Total number of subscribers (organizations)

(Unit: organization)

	2022	2023				
	December	January	February	March	April	May
No. of new subscribers	211	226	276	309	234	264
No. of accumulated subscribers (YoY * No. of new subscribers) (Progress rate: %)	19,277 (82.4%) (25.3%)	19,503 (103.2%) (34.8%)	19,779 (108.2%) (46.3%)	20,088 (112.0%) (59.1%)	20,322 (104.5%) (68.9%)	20,586 (114.8%) (79.9%)

*Figures above are calculated at the end of each month.

5. Contents Development

The number of new contents developed was 30 for training (On-Site Training) and 15 for e-Learning. We have set a FY22 target of 350 for training and 210 for e-Learning, and we are taking steady steps toward the target.

(1) Number of new contents developed

(Unit: pieces)

	2022	2023				
	December	January	February	March	April	May
No. of new contents for On-Site training	30	30	30	30	30	30
since the beginning of FY	90	120	150	180	210	240
(Progress rate: %)	(25.7%)	(34.3%)	(42.9%)	(51.4%)	(60.0%)	(68.6%)
No. of new contents for e-learning	17	14	15	19	15	15
since the beginning of FY	57	71	86	105	120	135
(Progress rate: %)	(27.1%)	(33.8%)	(41.0%)	(50.0%)	(57.1%)	(64.3%)

*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 FY21: 49.5%) ▪ Attendees at Open Seminars (Same as above: 23.6%) ▪ Organizations and users of Leaf (Same as above: 12.7%) ▪ Number of e-Learning and videos sold (Same as above: 14.2%)
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 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>

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 June 1, 2023 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. Sumie Ishiwata)

Email: info_ir@insource.co.jp