Earnings Report for the First Quarter of the Fiscal Year Ending July 31, 2025
(Japanese GAAP, Consolidated)

December 13, 2024

Name of company: INTLOOP Inc. Stock exchange listing: Tokyo Stock Exchange
Stock code: 9556 Company website: https://www.intloop.com/
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Scheduled date of dividend payment: —
Supplementary documents to the financial results: Available
Financial results briefing: Scheduled (for institutional investors and analysts)

(All figures are rounded down to the nearest million yen)

1. Consolidated Earnings for the First Three Months of FY25/7 (Period of August 1, 2024 to October 31, 2024)

(1) Consolidated Operating Results

(Percentage figures indicate year-on-year change)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
First three months of FY25/7	7,962	63.3	506	186.5	503	178.8	240	217.5
First three months of FY24/7	4,876	—	176	—	180	—	75	—

(Note) Comprehensive income First three months of FY25/7: ¥278 million (258.6%) First three months of FY24/7: ¥77 million (—%)

	Basic Earnings Per Share	Diluted Earnings Per Share
	¥	¥
First three months of FY25/7	51.59	49.46
First three months of FY24/7	16.35	16.06

(Note) Since the Company has not prepared quarterly consolidated financial statements for the first three months of FY23/7, year-on-year percentage changes for the first three months of FY24/7 are not stated.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	¥ million	¥ million	%
As of October 31, 2024	11,934	5,355	42.1
As of July 31, 2024	12,139	5,076	39.4

(Reference) Equity capital As of October 31, 2024: ¥5,023 million As of July 31, 2024: ¥4,783 million

2. Dividends

	Annual Dividends				
	End of Q1	End of Q2	End of Q3	Year end	Total
	¥	¥	¥	¥	¥
FY24/7	—	0.00	—	0.00	0.00
FY25/7	—				
FY25/7 (forecast)		0.00	—	0.00	0.00

(Note) Revisions to the latest dividend forecast: None

3. Consolidated Earnings Forecast for FY25/7 (August 1, 2024 to July 31, 2025)

(Percentage figures indicate year-on-year change)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Earnings Per Share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full-year	34,550	27.6	1,969	30.7	2,000	30.3	1,211	34.3	272.82

(Note) Revisions to the latest earnings forecast: None

Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: — company(ies) (Company name(s))

Excluded: — company(ies) (Company name(s))

(2) Adoption of special accounting methods for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatements

(a) Changes in accounting policies resulting from revisions to accounting standards: Yes

(b) Changes in accounting policies other than those in (b) above: None

(c) Changes in accounting estimates: None

(d) Restatements: None

(4) Number of shares outstanding (Common stock)

(a) Number of shares outstanding at the end of period (including treasury shares)	FY25/7 Q1	4,655,210 shares	FY24/7	4,655,210 shares
(b) Number of treasury shares at the end of period	FY25/7 Q1	67 shares	FY24/7	67 shares
(c) Average number of shares during the period	FY25/7 Q1	4,655,143 shares	FY24/7 Q1	4,626,730 shares

Review of the accompanying quarterly consolidated financial statements by a certified public accountant or audit firm: None

On the appropriate use of earnings forecasts and other special notes:

The earnings forecast and other forward-looking statements contained herein are based on information currently available to the Company and certain assumptions that the Company deems reasonable. They are not intended to be guarantees of performance. Actual results could differ materially due to various factors. For the assumptions underlying the earnings forecasts and cautionary statements regarding the use of earnings forecasts, please see “1. Qualitative Information (3) Consolidated Earnings Forecasts and Other Forward-Looking Statements” on page 4.

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1. Overview of Operating Results, etc.

(1) Operating Results

During the first three months of FY25/7, the Japanese economy saw robust growth in domestic demand and remained on a moderate recovery trend, with consumer spending and capital investment increasing. Private firms, in particular, continued to increase investment in digital transformation to improve productivity amid a growing sense of labor shortage. Meanwhile, the domestic economy also faces downside risks due to uncertainties in the overseas economy, the impact of exchange rate fluctuations, concerns about the high cost of living, and as the recovery in service spending following the end of the COVID-19 pandemic has run its course.

Under these circumstances, the INTLOOP Group engaged in sales activities mainly for consulting services utilizing its own employees and highly professional freelancers, with a focus on the IT talent market.

As a result, the Group's earnings for the first three months of FY25/7 came to the following: net sales of ¥7,962,272 thousand (up 63.3% year on year); operating profit of ¥506,506 thousand (up 186.5% year on year); ordinary profit of ¥503,797 thousand (up 178.8% year on year); and profit attributable to owners of parent of ¥240,159 thousand (up 217.5% year on year).

Please note that segment results are omitted as the Group's business consists of a single segment, professional human resources solutions & consulting.

(2) Financial Position

(Assets)

Total current assets recorded at the end of the first quarter were ¥9,247,231 thousand, a decrease of ¥437,747 thousand from the end of the previous fiscal year. This was mainly due to a decrease of ¥987,262 thousand in cash and deposits and an increase of ¥409,170 thousand in notes and accounts receivable - trade, and contract assets as a result of an increase in orders, etc.

Total non-current assets increased ¥233,356 thousand from the end of the previous fiscal year to ¥2,687,680 thousand. This mainly reflected an increase of ¥295,214 thousand in investments and other assets.

Accordingly, total assets recorded at the end of the first quarter were ¥11,934,912 thousand, a decrease of ¥204,391 thousand from the end of the previous fiscal year.

(Liabilities)

Total current liabilities recorded at the end of the first quarter were ¥4,907,718 thousand, a decrease of ¥361,310 thousand from the end of the previous fiscal year. This was mainly due to an increase of ¥144,136 thousand in accounts payable - trade and a decrease of ¥500,000 thousand in short-term borrowings.

Total non-current liabilities decreased ¥122,063 thousand from the end of the previous fiscal year to ¥1,671,360 thousand. This mainly reflected a decrease of ¥92,788 thousand in long-term borrowings.

Accordingly, total liabilities recorded at the end of the first quarter were ¥6,579,079 thousand, a decrease of ¥483,374 thousand from the end of the previous fiscal year.

(Net assets)

Total net assets recorded at the end of the first quarter were ¥5,355,833 thousand, an increase of ¥278,982 thousand from the end of the previous fiscal year. This was mainly due to an increase of ¥240,159 thousand in retained earnings as a result of the recording of profit attributable to owners of parent.

(3) Consolidated Earnings Forecasts and Other Forward-Looking Statements

The consolidated earnings forecast for FY25/7 is as stated in the earnings report for the fiscal year ended July 31, 2024, which was released on September 13, 2024, and remains unchanged.

2. Quarterly Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	FY24/7 (As of July 31, 2024)	FY25/7 Q1 (As of October 31, 2024)
Assets		
Current assets		
Cash and deposits	5,708,973	4,721,711
Notes and accounts receivable - trade, and contract assets	3,553,498	3,962,668
Inventories	65,716	45,631
Other	369,220	553,990
Allowance for doubtful accounts	(12,429)	(36,770)
Total current assets	9,684,979	9,247,231
Non-current assets		
Property, plant and equipment	334,933	306,179
Intangible assets		
Goodwill	479,517	466,557
Other	29,602	9,458
Total non-current assets	509,120	476,016
Investments and other assets	1,610,269	1,905,484
Total non-current assets	2,454,323	2,687,680
Total assets	12,139,303	11,934,912
Liabilities		
Current liabilities		
Accounts payable - trade	2,091,959	2,236,095
Short-term borrowings	1,200,000	700,000
Current portion of long-term borrowings	366,615	348,347
Income taxes payable	197,807	187,485
Provision for bonuses	93,019	186,019
Other	1,319,628	1,249,771
Total current liabilities	5,269,028	4,907,718
Non-current liabilities		
Long-term borrowings	1,268,190	1,175,402
Provision for retirement benefits for directors (and other officers)	100,375	85,325
Retirement benefit liability	97,372	101,141
Asset retirement obligations	40,230	28,917
Other	287,256	280,575
Total non-current liabilities	1,793,424	1,671,360
Total liabilities	7,062,453	6,579,079
Net assets		
Shareholders' equity		
Share capital	55,689	55,689
Capital surplus	1,946,706	1,946,706
Retained earnings	2,781,055	3,021,215
Treasury shares	(323)	(323)
Total shareholders' equity	4,783,128	5,023,288
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	46	89
Total accumulated other comprehensive income	46	89
Share acquisition rights	138	138
Non-controlling interests	293,537	332,318

(Thousands of yen)

	FY24/7 (As of July 31, 2024)	FY25/7 Q1 (As of October 31, 2024)
Total net assets	5,076,850	5,355,833
Total liabilities and net assets	12,139,303	11,934,912

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	First three months of FY24/7 (August 1, 2023– October 31, 2023)	First three months of FY25/7 (August 1, 2024– October 31, 2024)
Net sales	4,876,648	7,962,272
Cost of sales	3,683,317	5,815,986
Gross profit	1,193,330	2,146,286
Selling, general and administrative expenses	1,016,535	1,639,779
Operating profit	176,795	506,506
Non-operating income		
Interest income	16	551
Dividend income	—	0
Gain on investments in investment partnerships	2,659	733
Subsidy income	2,101	966
Cashback income	—	542
Other	294	1,838
Total non-operating income	5,070	4,634
Non-operating expenses		
Interest expenses	1,138	7,328
Other	—	14
Total non-operating expenses	1,138	7,343
Ordinary profit	180,727	503,797
Extraordinary losses		
Loss on retirement of non-current assets	—	28,009
Loss on valuation of investment securities	64,985	17,496
Total extraordinary losses	64,985	45,505
Profit before income taxes	115,741	458,291
Income taxes	40,100	179,381
Profit	75,641	278,910
Profit attributable to non-controlling interests	—	38,750
Profit attributable to owners of parent	75,641	240,159

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	First three months of FY24/7 (August 1, 2023– October 31, 2023)	First three months of FY25/7 (August 1, 2024– October 31, 2024)
Profit	75,641	278,910
Other comprehensive income		
Valuation difference on available-for-sale securities	2,151	72
Total other comprehensive income	2,151	72
Comprehensive income	77,792	278,982
(Breakdown)		
Comprehensive income attributable to owners of parent	77,792	240,202
Comprehensive income attributable to non-controlling interests	—	38,780

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Material Changes in Shareholders' Equity)

Not applicable.

(Adoption of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)

Tax expenses were calculated by multiplying profit before income taxes by an effective tax rate that was reasonably estimated by applying tax effect accounting to the estimated profit before income taxes for the consolidated fiscal year including the first quarter of FY25/7.

However, if the calculation of tax expenses using such estimated effective tax rate would lead to a significantly unreasonable result, the statutory tax rate is used.

(Notes to Changes in Accounting Policies)

(Adoption of Accounting Standard for Current Income Taxes)

The Company has adopted the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27 (revised October 28, 2022); hereinafter, the "2022 Revised Accounting Standard") and others since the beginning of the first quarter of FY25/7.

Revisions to the classification of income taxes (taxes on other comprehensive income) are in accordance with the transitional treatment stipulated in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard and in the proviso of Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28 (revised October 28, 2022)).

This change in accounting policy has no impact on quarterly consolidated financial statements.

(Notes to Segment Information, etc.)

[Segment information]

This information is omitted as the Group's business consists of a single segment, professional human resources solutions & consulting.

(Notes to Statement of Cash Flows)

We have not prepared a consolidated statement of cash flows for the first three months of FY25/7. Depreciation (including amortization expenses for intangible assets excluding goodwill) and the amortization of goodwill for the first three-month periods are as follows.

	First three months of FY24/7 (August 1, 2023–October 31, 2023)	First three months of FY25/7 (August 1, 2024–October 31, 2024)
Depreciation	¥3,509 thousand	¥25,933 thousand
Amortization of goodwill	—	12,959