FY25/7 Q2

Results Presentation for FY25/7 Q2

INTLOOP Inc. | Stock Code：9556 TSE Growth Market

March 14, 2025

1. Executive Summary
2. Earnings Highlights
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1. Executive Summary

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Message from Management (On the 20th Anniversary of Our Founding)



On February 25, 2025, we celebrated our 20th anniversary.

Embodying the “Loop (connecting, repeating)” of “Introduction (introduction, new encounters and opportunities),” which is the origin of our company name, we have worked alongside many people and companies for 20 years. To “pay it forward” to the many stakeholders who have supported our growth over the past 20 years, we have launched a special anniversary webpage.

Reflecting on the past 20 years of continuous growth driven by “connections” between people and companies, we will aim for further evolution toward the next phase of our future.

INTLOOP’s 20th anniversary special webpage
https://www.intloop.com/company/history/20th/

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Executive Summary ①

1 FY25/7 H1 Earnings

- Steady progress toward full-year target with net sales of ¥16,033 million (+36.1% year on year) and operating profit of ¥ 1,065 million (+92.7% year on year), the highest H1 earnings ever.
- One reason behind this was the progress in acquiring high-margin projects as outlined in “strengthening the freelancer business and expanding consulting areas,” one of the initiatives of our INTLOOP “VISION2030” mid-to-long-term management plan announced on September 13, 2024. Gross margins also improved as a result.

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Executive Summary ②

2 Expansion of New Business Areas

- Orders received through the capital and business alliance with ITOCHU Corporation in October 2024 contributed to H1 net sales.
- A joint venture with Asahi Shokuhin was established in Q2 as part of ongoing efforts to expand new business areas, a key strategy of “VISION2030.” We also began development of a logistics digital transformation (DX) (see following page for details).
- We will continue to actively expand new business areas in H2.

3 Outlook for H2 and Beyond

- We will continue on our growth path in H2 as we did in H1.
- We will continue to transform our sales structure, with a particular focus on increasing high-margin projects.
- In H2, we will continue to focus on hiring high-level mid-career talent. This has already been included in our forecast for this year and in “VISION2030.”

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Executive Summary ③ -Progress in Alliances-

January 30, 2025

Asahi Shokuhin Co., Ltd.

≪ A Tomoshia HD Group company ≫

- INTLOOP and Asahi Shokuhin, a member of the Tomoshia HD Group and a major food wholesaler based in Nankoku City, Kochi Prefecture, each invested 50% to establish a joint venture, Food Co-creation Partners Inc (capital and capital reserve: ¥980 million), with the aim of preserving food culture and revitalizing the local economy.
- We are aiming for a buyout fund specializing in the food industry.

March 13, 2025

Sony Semiconductor Solutions Corporation

MITSUI-SOKO Supply Chain Solutions, Inc.

- We initiated the development of a logistics DX system using AITRIOS™, an edge AI sensing platform from Sony Semiconductor Solutions. This development is carried out with practical functions implemented based on the specialized knowledge of MITSUI-SOKO Supply Chain Solutions, with whom we have a business alliance since 2020.

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Executive Summary ④ -Progress of INTLOOP “VISION2030”-

1 Strengthen the freelancer business and expand consulting areas	• Capital and business alliance with ITOCHU Corporation, resulting in increased business with the ITOCHU Group • Transformed our sales structure to make price revisions and acquire high-margin projects
2 Expand our solutions portfolio	• Capital and business alliance with Idein • Business alliance with al+ • Focusing on AI-related areas, such as the development of a logistics DX system (see previous page)
3 Create new open innovation businesses	• Launched INTLOOP Ventures Accelerator • Supporting tech startups in collaboration with existing investees, such as QXLV and FUNDINNO
4 Strengthen co-creation with JVs and the fund investment business	• Established joint venture with major food wholesaler Asahi Shokuhin; began activities aiming for industry-specific buyout fund
5 Build a robust Group management foundation	• Core system replacement in progress; preparing for operation next fiscal year • Strengthening Group management by hiring high-level talent

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2. Earnings Highlights

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1 Earnings Highlights ① (Consolidated, Year to Date)

Net sales, operating profit and profit showing steady progress toward full-year target, growing on a year-on-year basis

	Net sales		Operating profit		Profit attributable to owners of parent	
FY25 H1	16,033 million yen		1,065 million yen		571 million yen	
YoY	+4,255 million yen (FY24/H1: 11,778 million yen)	+36.1%	+512 million yen (FY24/H1: 552 million yen)	+92.7%	+292 million yen (FY24/H1: 279 million yen)	+105.0%

Progress was made in increasing the number of high-margin projects, as outlined in “Strengthening the freelancer business and expanding consulting areas,” one of the initiatives of our mid-to-long-term management plan, ‘INTLOOP “VISION2030”.’

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Gross profit margin improved year on year due to steady acquisition of high-margin projects

(million yen)

	FY25/7 H1	FY24/7 H1		Forecast (FY25 full year)	Progress (FY25 full year)
		Actual	% change		
Net sales	16,033	11,778	36.1%	34,550	46.4%
Gross profit	4,332	2,848	52.1%	8,742	49.6%
Gross profit margin	27.0%	24.2%	+2.8pt	-	-
Operating profit	1,065	552	92.7%	1,969	54.1%
Operating margin	6.6%	4.7%	+1.9pt	-	-
Ordinary profit	1,072	545	96.6%	2,000	53.6%
Profit before income taxes	1,018	489	107.9%	-	-
Profit attributable to owners of parent	571	279	105.0%	1,211	47.2%

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Gross profit margin continued to grow year on year

(million yen)

	FY25/7 Q2	FY24/7 Q2	
		Actual	% change
Net sales	8,071	6,901	16.9%
Gross profit	2,186	1,655	32.1%
Gross profit margin	27.1%	24.0%	+3.1pt
Operating profit	559	376	48.6%
Operating margin	6.9%	5.4%	+1.5pt
Ordinary profit	568	364	55.8%
Profit before income taxes	559	373	49.7%
Profit attributable to owners of parent	331	203	63.1%

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1 Earnings Highlights ③ (INTLOOP Non-Consolidated, Q2; Reference)

(million yen)

	FY25/7 Q2	FY24/7 Q2		FY25/7 Q1	
		Actual	% change	Actual	% change
① Net sales	6,204	5,170	20.0%	5,982	3.7%
Gross profit	1,776	1,252	41.8%	1,662	6.8%
② Gross profit margin	28.6%	24.2%	+4.4pt	27.8%	+0.8pt
③ Operating profit	452	266	69.8%	365	23.9%
Operating margin	7.3%	5.2%	+2.1pt	6.1%	+1.2pt
Ordinary profit	450	267	68.5%	366	23.0%
Profit before income taxes	444	276	60.9%	320	38.7%
Profit	301	180	67.0%	198	51.7%

① Net sales

- The termination of a large project occurred temporarily at the end of December 2024. Quarter-on-quarter growth remained at +3.7% due to the transition to a sales structure that focuses on acquiring high-margin projects.

② Gross profit margin

- The margin continued to grow due to the acquisition of high-margin projects.

③ Operating profit

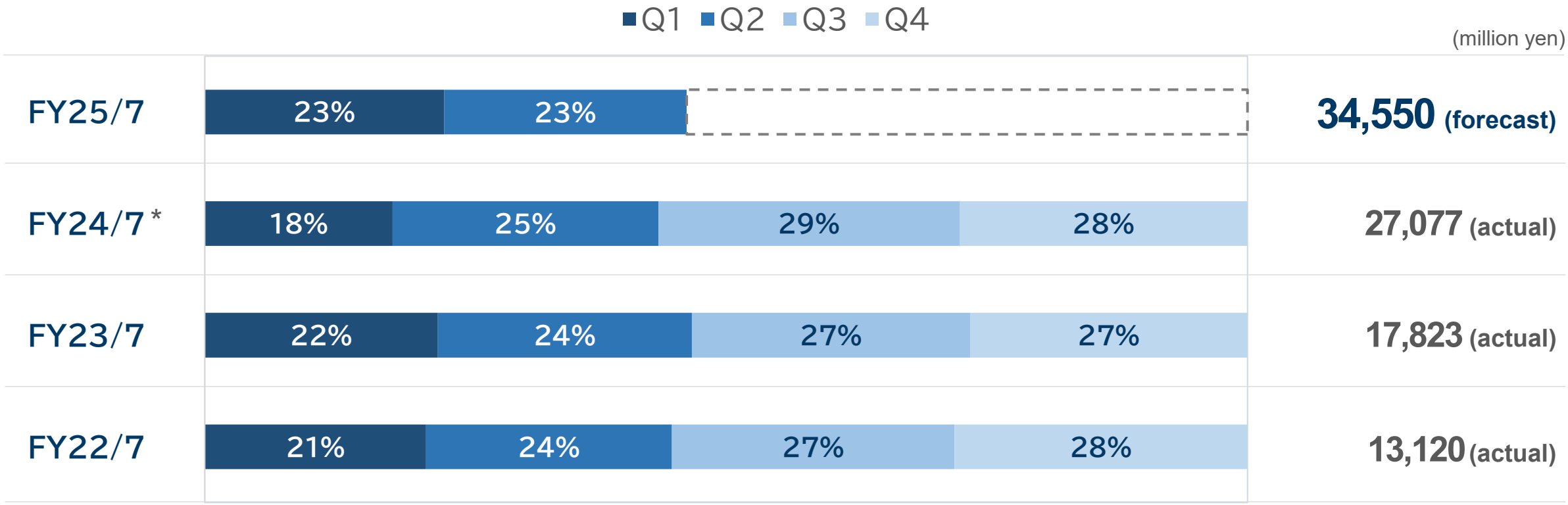
- Optimizing advertising spending will continue on from Q4 of the previous year into this year, with a focus on cost performance.
- Mid-career hiring, especially of high-level talent, will continue in H2 and beyond as upfront investment.

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2 Progress Toward Consolidated Full-Year Target (Net Sales)

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Consolidated net sales show steady progress toward full-year target
Focusing on acquiring high-margin projects to continue in H2, aiming for net sales growth

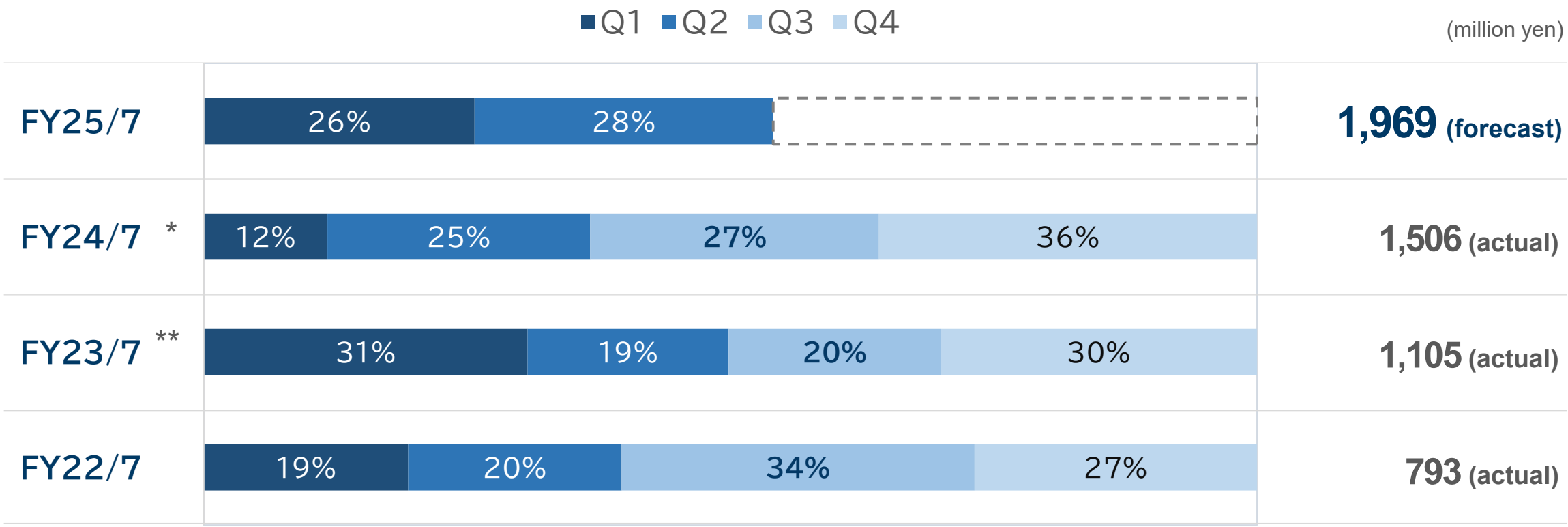


*DICS Group became a consolidated subsidiary in FY24/7 Q2.

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3 Progress Toward Consolidated Full-Year Target (Operating Profit)

Showing steady progress toward full-year target by acquiring high-margin projects
Will remain on growth trajectory while making mid-career hires and other human capital investments in H2

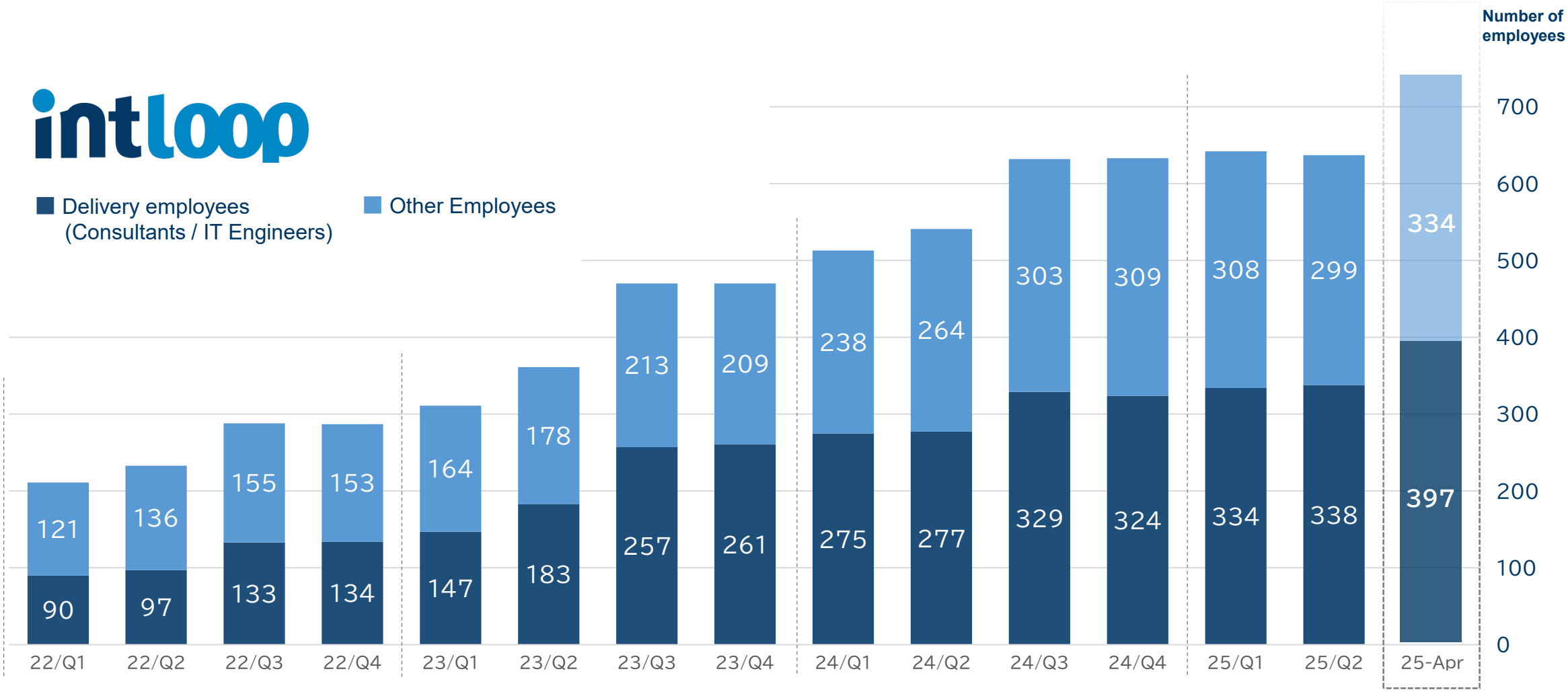


*DICS Group became a consolidated subsidiary in FY24/7 Q2.
**The lack of recording of provision for bonuses due to a change in the payroll system in FY23/7 Q1 resulted in a one-time increase in operating profit.

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8 Number of Employees (INTLOOP Inc., Non-Consolidated)

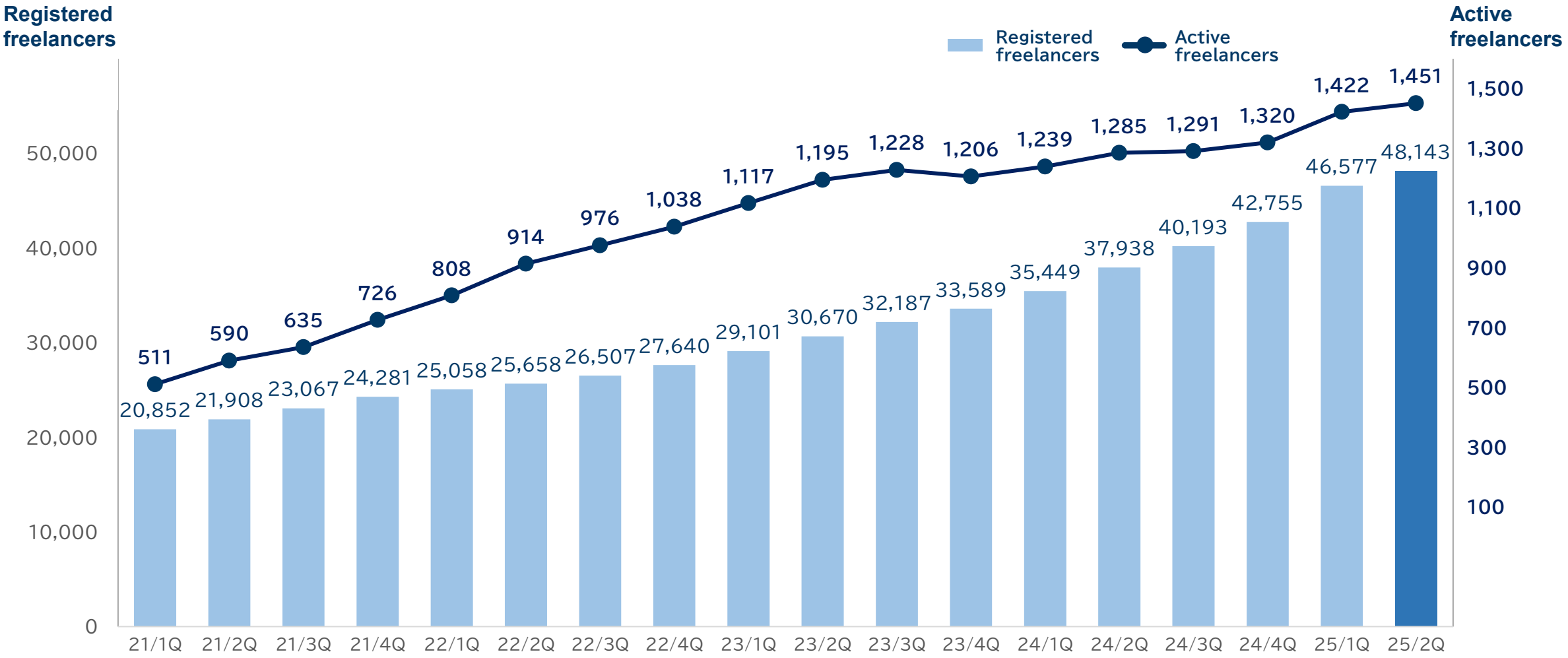
Number of employees in FY25/Q2: 637
82 (incl. new graduates) are scheduled to join in April 2025



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5 Number of Registered Freelancers and Active Freelancers (INTLOOP Inc., Non-Consolidated)

Maintained growth of registered freelancers and increased active freelancers while optimizing advertising spending



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[Reference] FY25/7 Consolidated Full-Year Forecast (Recap)

(million yen)

	FY24/7 actual	FY25/7 forecast	% change
Net sales	27,077	34,550	+27.6%
Gross profit	6,660	8,742	+31.2%
Operating profit	1,506	1,969	+30.7%
Ordinary profit	1,535	2,000	+30.3%
Profit attributable to owners of parent	902	1,211	+34.3%

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3. APPENDIX

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1 Company Profile

Company Name	INTLOOP Inc.
Representative Director	Hirofumi Hayashi
Headquarters	AKASAKA GREEN CROSS 27F, 2-4-6, Akasaka, Minato-ku, Tokyo, Japan
Foundation	February 25, 2005
Capital	2,011 million yen (including capital surplus)
Fiscal Year	From August 1 to July 31
Consolidated Net Sales	27,077 million yen (FY24/7)
No. of Employees (Consolidated Basis)	1,178 (As of the end of January 2025)

Lines of Business	• Business Strategy and BPR consulting • IT Consulting • Project Management Support • Professional Consultant Staffing and Placement • New Business Development and Sales Promotion Support
Group Companies	**DICS HOLDINGS*** Nihon DICS* iT Partners* N-Stage* Vita* **INTLOOP Strategy（unconsolidated）** ＊DICS HOLDINGS is a pure holding company of NIHON DICS, iT Partners, N-Stage, and Vita, a group of IT service companies mainly engaged in SI, IT infrastructure, BPO, and facilities as their core businesses.

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2 Management Structure



Representative Director

Hirofumi Hayashi

Apr 1996 Joined Andersen Consulting (currently Accenture Japan Ltd.)
In charge of consulting for the manufacturing industry
Corporate planning at a venture company

Feb 2005 Established INTLOOP Inc. and assumed post of Representative Director (to present)



Director

Chikara Uchino

Apr 1996 Joined Andersen Consulting (currently Accenture Japan Ltd.)
General Manager in several operating companies
Mar 2017 Joined INTLOOP Inc. as General Manager
Jan 2019 Director and General Manager of INTLOOP Inc. (to present)

- **A company with an Audit Committee**
- **Five members of senior management in total, consisting of two executive directors from Accenture and three outside audit committee members (ACMs).**
- **Governance is ensured by having at least a majority of outside directors.**



Outside Director (ACM)

Akio Kawabata

Apr 1967 Joined Tokyo Shibaura Electric Co., Ltd.
(currently Toshiba Corporation)
Sep 2016 Joined INTLOOP Inc.; as Corporate Auditor
Oct 2021 Appointed Outside Director (ACM) of INTLOOP Inc. (to present)



Outside Director (ACM)

Fumio Koyama

Apr 1979 Joined Arthur Andersen (currently Accenture Japan Ltd.)
Oct 2021 Appointed Outside Director (ACM) of INTLOOP Inc. (to present)



Outside Director (ACM)

Koji Shimoinaba

Apr 1977 Joined Sumitomo Bank (currently Sumitomo Mitsui Banking Corporation)
Oct 2021 Appointed Outside Director (ACM) of INTLOOP Inc. (to present)

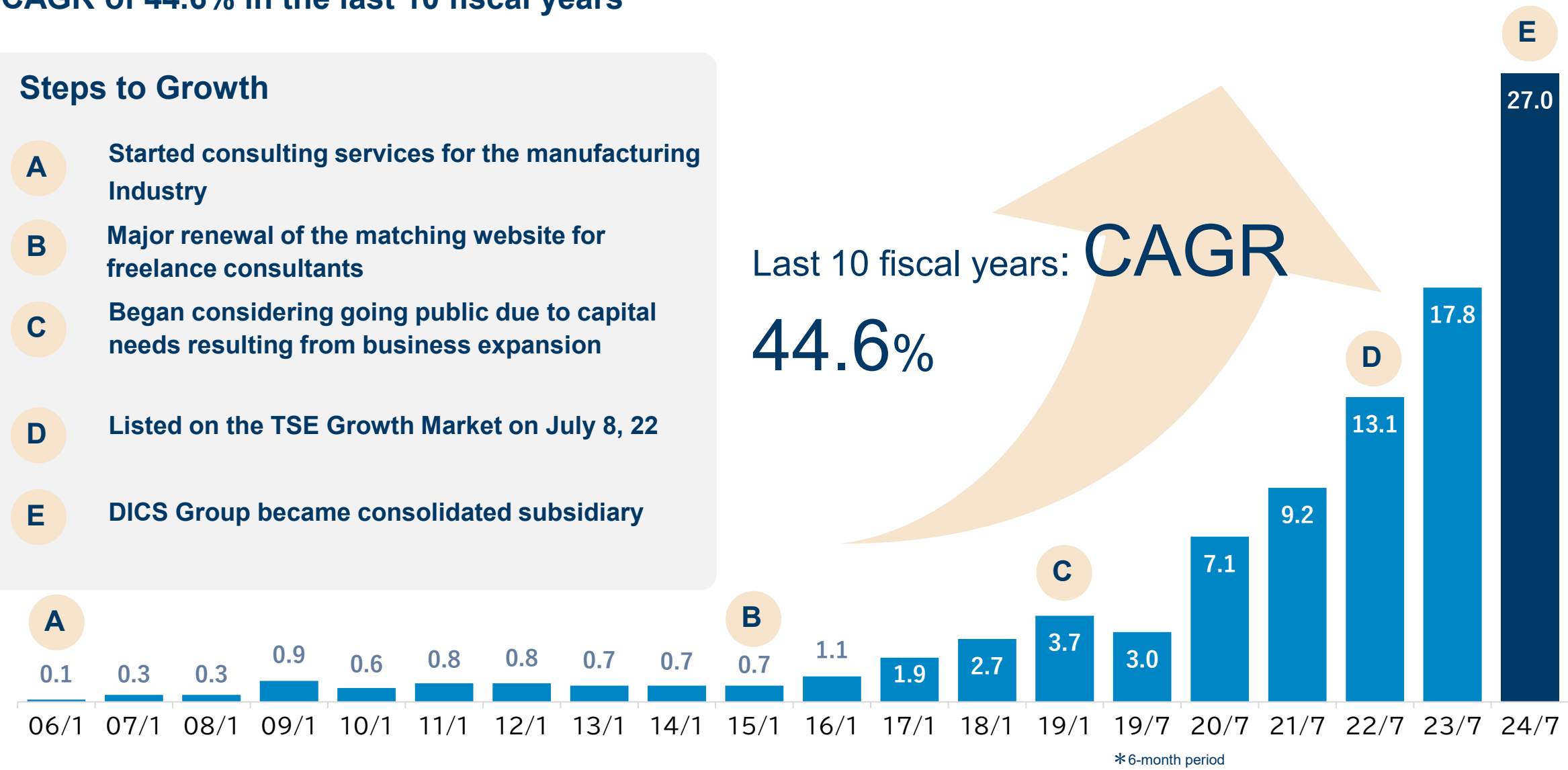
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3 Sales Since Inception

CAGR of 44.6% in the last 10 fiscal years

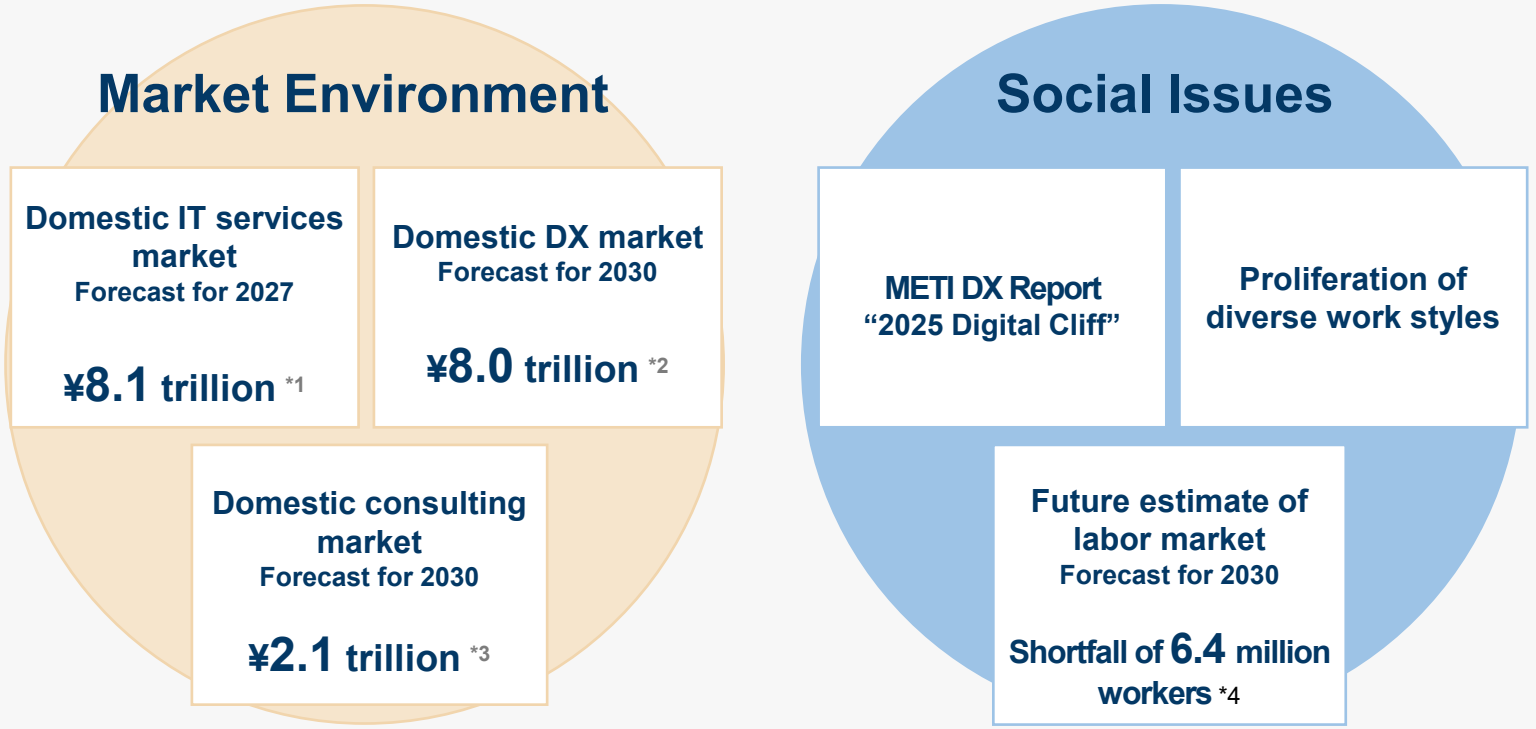
Steps to Growth

- **A** Started consulting services for the manufacturing Industry
- **B** Major renewal of the matching website for freelance consultants
- **C** Began considering going public due to capital needs resulting from business expansion
- **D** Listed on the TSE Growth Market on July 8, 22
- **E** DICS Group became consolidated subsidiary



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Continued growth expected in IT services and digital transformation (DX) markets



Market Environment

The domestic consulting, DX and IT services markets in which we operate are expected to continue to grow.

Social Issues

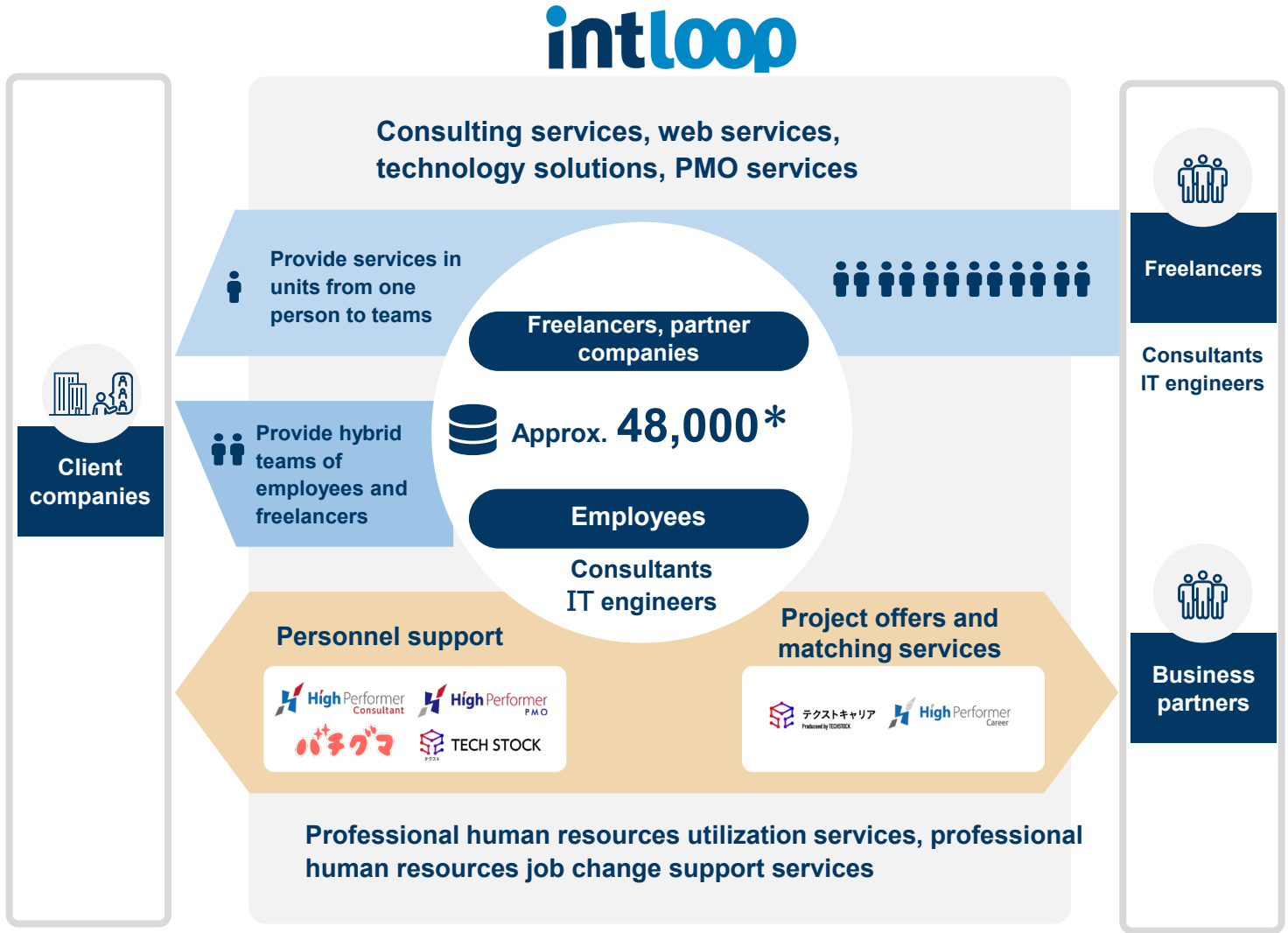
There is an urgent need to provide human resources, regardless of the form of employment, due to the shortage of workers, especially highly skilled workers mainly in the IT field, and the proliferation of diverse work styles.

*1 IDC Japan, 2024
*2 Fuji Chimera Research Institute, Inc., 2024
*3 Codawari Business Consulting Inc., 2024
*4 PERSOL RESEARCH AND CONSULTING Co., Ltd./Chuo University, 2018

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5 Business Model (INTLOOP Inc., Non-Consolidated)

Our strength lies in supplying highly professional human resources and consulting services provided by our employees



＊As of the end of January 2025

Characteristics of our business model

- We introduce projects and provide matching services to freelancers we attract through web marketing.
- We stand between clients and freelancers, making proposals for projects of various sizes, from one person to teams.
- With a human resources database of approx. 48,000 people, we can help solve a wide variety of problems.
- We provide job change support and welfare services to freelancers.

Why client companies choose INTLOOP

- We help recruit, improve work performance and reduce fixed costs for companies that are struggling to find competent employees due to diversifying work styles and a shrinking workforce.
- We ensure a stable supply of highly skilled human resources through our ability to attract freelance human resources and support them in sales and welfare management after we acquire them.
- We offer high-quality services through hybrid teams comprising employees and freelancers.

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6 Services (INTLOOP Inc. Non-Consolidated)

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Number of Delivery Employees **338** 25/Q2

Consulting services

- Strategy consulting (New Business Development / M&A / PMI)
- IT consulting (System Implementations / Pre-sales Support)
- Business consulting (SCM / CRM / ERP / BPR / BPM / RPA)

Technology solutions

- System Development / Implementation Support (SE / PG)
- SES Support
- Support for advanced technology implementation (AI / IoT / Big Data)
- Nearshore / Lab Development

PMO services

- Individual PMO/Divisional PMO/Companywide PMO/User PMO Support
- PMO x Industry Knowledge (financial, manufacturing, chemical, etc.)
- PMO x Designation of company of origin (e.g., major consulting firm)
- PMO x Package Knowledge (SAP, SFDC, etc.)
- PMO x Development Methodology Knowledge (Agile, etc.)
- PMO x Tech Knowledge (DX, Cloud, etc.)

Number of Non-Delivery Employees **299** 25/Q2

Web services

- Digital Strategy
- Digital Marketing
- Data Utilization
- New businesses / services utilizing digital technology, etc.

Professional human resources utilization services

- Professional Consultants (Freelancers)
- Professional Engineers (Freelancers)
- Professional Marketers (Freelancers)

High Performer Consultant / TECH STOCK / High Performer PMO / バチグマ

Professional human resources job change support services

- Human Resource Agents
- Headhunting

High Performer Career / テクストキャリア Produced by TECHSTOCK

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7 Hybrid Providing System (INTLOOP Inc., Non-Consolidated)

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Hybrid Team

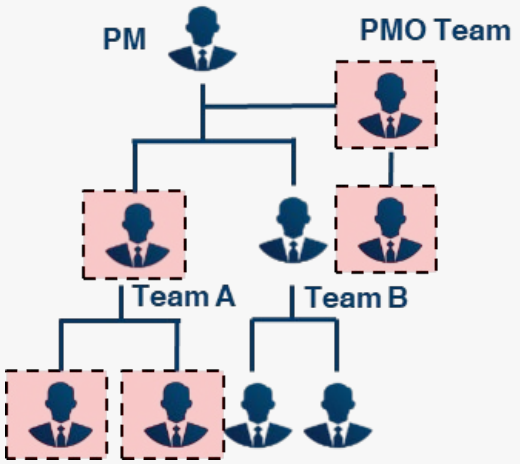
Delivery employees
(Consultants / IT Engineers)

×

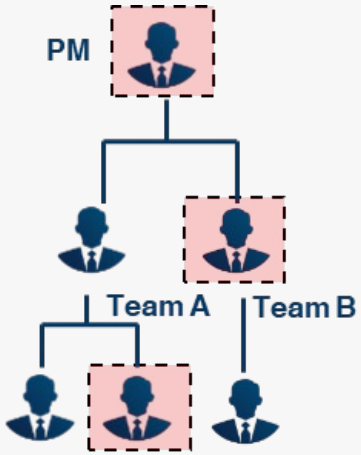
Freelancers, partner companies
(Consultants / IT Engineers)

Our Proposal Personnel

Team Proposal



Spot Proposal



Our features

Hybrid teams with freelancers, led by our employees

Able to support resources in different positions by recognizing risks from the inside through resource management support.

Team Proposals

Sub-projects of larger projects.

Highly specialized cross-functional areas.

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FY30/7 Target:
Net sales ¥100 billion, operating profit ¥15 billion

We have established INTLOOP “VISION 2030,” in which we aim to achieve net sales of ¥100 billion and operating profit of ¥15 billion between FY25/7 and FY30/7.

To achieve our target, we will focus on the following activities for “growth acceleration of existing businesses” and “creation of business areas.”

[Key Strategy]

1. Strengthen the existing freelancer business and expand consulting business areas
2. Expand our solutions portfolio, especially in the DX domain that includes edge AI
3. Promote new open innovation through startup collaboration and investment, etc.
4. Strengthen M&As, investments in VCs, and the fund investment business based on co-creation with JVs
5. Build a robust Group management foundation to achieve 1 through 4 above

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11 Mid-to-Long Term Management Plan
INTLOOP “VISION2030”(2) -Key Strategy-

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Growth acceleration of existing businesses

Creation of business areas

① Strengthen the freelancer business and expand consulting areas

- Strengthen the freelancer network to expand business scale
- Expand scope of consulting from strategy to DX/engineering

② Expand our solutions portfolio

- Strengthen AI and other advanced technology solutions
- Expand solution deployment areas

intloop

A solutions platform operator integrating advanced technology and talent

③ Create new open innovation businesses

- Make Group-wide efforts to develop new businesses
- Create new businesses through ecosystem coordination

④ Strengthen co-creation with JVs and the fund investment business

- Acquire leverage through VCs and buyout funds
- Capture promising collaborators through investment

⑤ Build a robust Group management foundation

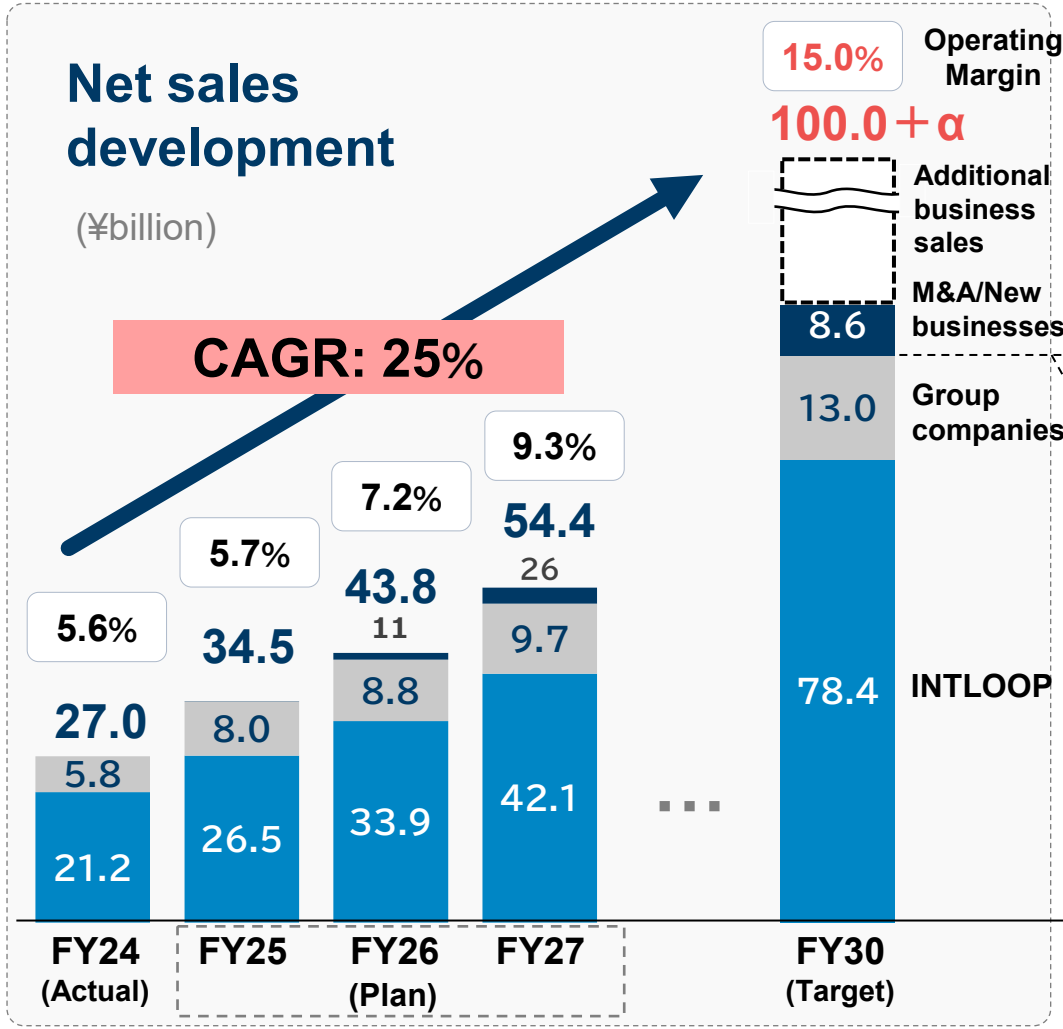
- Establish an efficient business framework through thorough adoption of advanced technologies such as business DX and AI
- Strengthen corporate governance by harnessing the growing centrifugal and centripetal forces of the INTLOOP Group

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11 Mid-to-Long Term Management Plan
INTLOOP “VISION2030”(3) –Financial Indicators-

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Gradually improve profitability of existing businesses in FY25-27 and achieve higher profitability through new businesses toward FY30



Long-term strategy

④	Strengthen co-creation with JVs and the fund investment business
③	Create new open innovation businesses
②	Expand our solutions portfolio
①	Strengthen the freelancer business and expand consulting areas

Financial indicators (Consolidated)	FY24 (Actual)	FY30
Net sales	¥27.0bn	¥100bn
Operating profit	¥1.5bn	¥15bn (¥ 2.5-3.5 bn by new business)
Operating margin	5.6% (FY24/7)	15.0%

[Legend] Long-term strategy
- Growth acceleration of existing businesses
- Creation of business areas

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Upcoming calendar

FY25/7 Q3 Financial Results Announcement and Briefing	Friday, June 13, 2025

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