

# FY24/7 Full Year Financial Results



Sep. 13, 2024

INTLOOP Inc.

(Stock Code: 9556; TSE Growth Market)

- 1.Executive Summary**
- 2.Financial Highlights**
- 3.Full-year forecast**
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# 1.Executive Summary

# 1. Executive Summary(FY24/7)

## Rapid expansion of Business results

Record sales and profit

- ▣ Sales 27,077 million yen (+51.9% YoY)
- ▣ Operating income 1,506 million yen (+36.3% YoY)
- ▣ Landing above the revised forecast announced on Mar 14,2024.
- ▣ DICS Group, which became a subsidiary in Sep 2023, also contributed to the results.

## Reinforcement of Organization and Expansion of Sales Structure

Continue to invest in human resources and develop synergies with group companies

- ▣ Continue to strengthen mid-career recruitment of high-level human resources.
- ▣ Working on measures to increase unit price per project through synergy effects with INTLOOP Strategy.

## Alliance Venture Cooperation

Strengthen alliance strategies aimed at expanding sales channels and continue venture collaboration

- ▣ In May 2024, Formed business alliance with Idein, Inc. a provider of edge AI solutions.
- ▣ Support for startup companies is also ongoing.

## 2. Financial Highlights

## 2. Financial Highlights (Consolidated Results)



### Consolidated Net Sales

INTLOOP non-consolidated sales reached a record high of 21,423 million yen (3,600 million yen increase from the previous year.)

Consolidated net sales increased dramatically this fiscal year, partly due to the contribution of DICS Group, which became a consolidated subsidiary from the 2Q.

### Consolidated Operating Profit

Increased unit price per Project through synergy effects with INTLOOP Strategy.

Operating income reached a record high again this fiscal year.

## 2. Financial Highlights (FY24/7 Consolidated Financial Results)

Comparison with the revised forecast announced on March 14, 2024

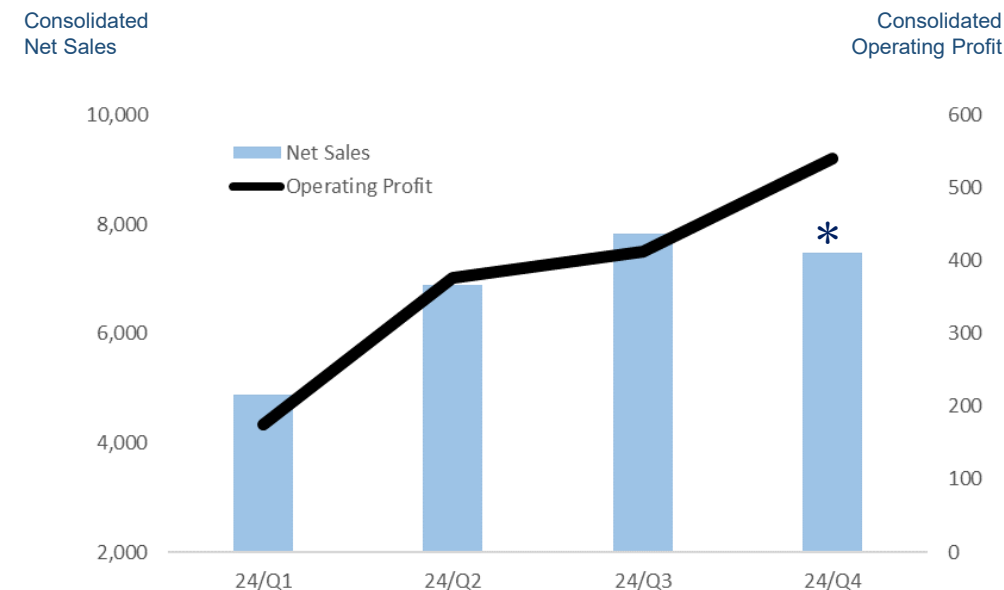
【unit: Millions of yen】	<b>FY24/7 (Earnings Forecast)</b>	<b>FY24/7 (Actual Results)</b>	<b>Variance</b>
Consolidated Net Sales	26,000	<b>27,077</b>	<b>+4.1%</b>
Consolidated Operating Profit	1,360	<b>1,506</b>	<b>+10.8%</b>
Consolidated Ordinary Profit	1,360	<b>1,535</b>	<b>+12.9%</b>
Net Income Attributable to Owners of the Parent	816	<b>902</b>	<b>+10.5%</b>

## 2. Financial Highlights (Quarterly Consolidated Results)

Unit: Million yen



	24/Q1	24/Q2	24/Q3	24/Q4
Consolidated Net Sales	<b>4,876</b>	<b>6,901</b>	<b>7,824</b>	<b>7,475</b>
Consolidated Gross Profit	<b>1,193</b>	<b>1,655</b>	<b>1,857</b>	<b>1,954</b>
Consolidated Operating Profit	<b>176</b>	<b>376</b>	<b>413</b>	<b>540</b>
Consolidated Ordinary Profit	<b>180</b>	<b>364</b>	<b>445</b>	<b>544</b>
Net Income Attributable to Owners of the Parent	<b>75</b>	<b>203</b>	<b>256</b>	<b>366</b>



### Net Sales

4Q results were on par with the previous period (3Q), due to seasonal factors\*.

Gross profit margin improved due to higher utilization ratio and unit price review.

### Operating Income

Record highs in both 3Q and 4Q.

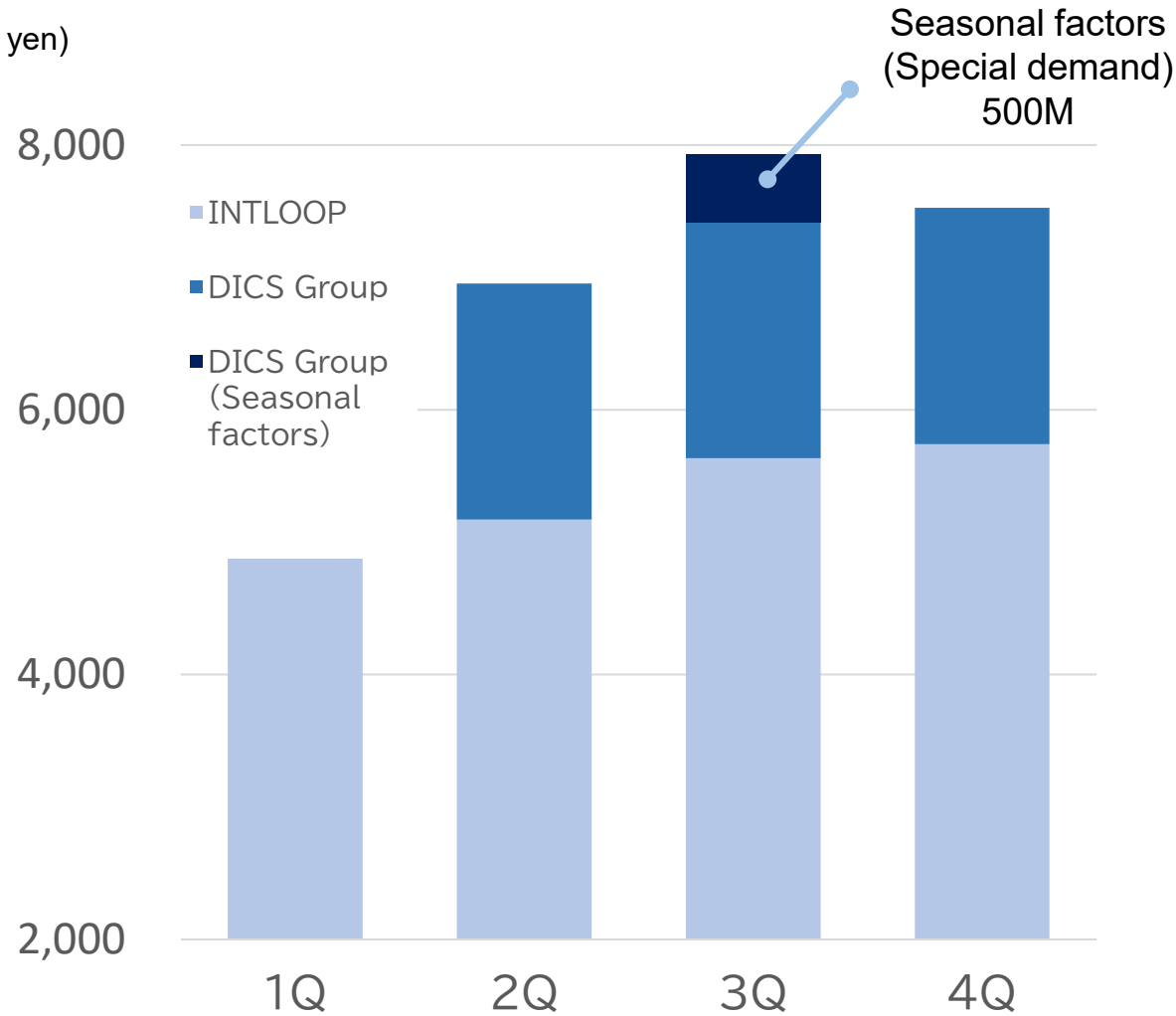
Aiming to increase profit by continuing measures to raise the unit price of projects, etc.

\* As for DICS group, sales tend to be concentrated in March every year (in March this year, in addition to normal sales, special demand added approximately 500 million yen), since many client companies close their books in March.



# 【Reference】 Monthly sales of INTLOOP (non-consolidated) and DICS Group

(Unit: Million yen)



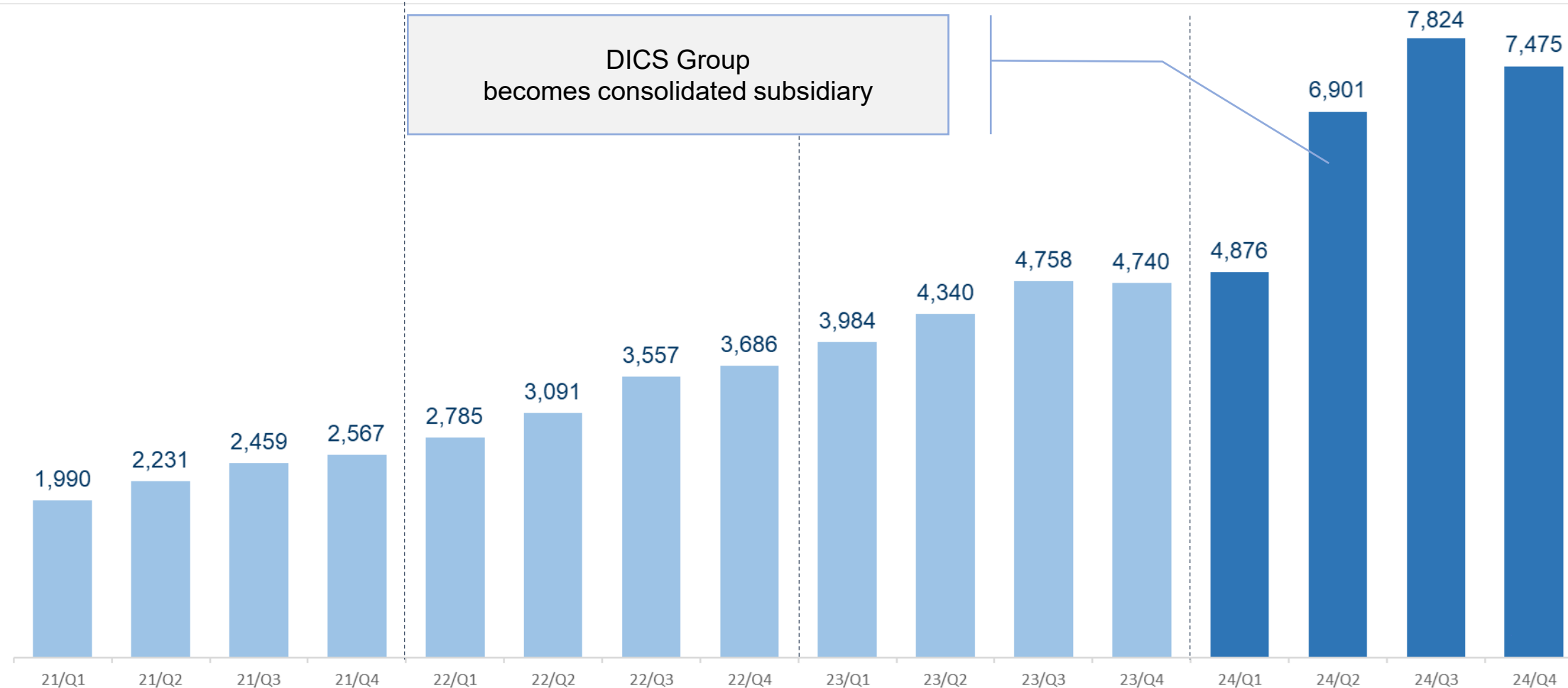
## Seasonal Factors

Since many of our clients have a March fiscal year end, they tend to be heavily weighted toward March each year.

\*1Q figures are not included because the company is not a consolidated subsidiary

## 2. Consolidated Net Sales

(Unit: Million yen)



## 2. Financial Highlights (Consolidated) YoY change (4Q and full year)

	FY2024 4Q	Same Period Last year (FY23 4Q)		FY2024 1Q~4Q	Same Period Last year (FY23)	
		Results	Percentage Change		Results	Percentage Change
<b>Consolidated Net Sales</b>	<b>7,475</b>	<b>4,740</b>	<b>57.7 %</b>	<b>27,077</b>	<b>17,823</b>	<b>51.9 %</b>
<b>Consolidated Gross Profit</b>	<b>1,954</b>	<b>1,078</b>	<b>81.2 %</b>	<b>6,660</b>	<b>4,073</b>	<b>63.5 %</b>
<b>Consolidated Operating Profit</b>	<b>540</b>	<b>332</b>	<b>62.9 %</b>	<b>1,506</b>	<b>1,105</b>	<b>36.3 %</b>
<b>Consolidated Ordinary Profit</b>	<b>544</b>	<b>334</b>	<b>62.8 %</b>	<b>1,535</b>	<b>1,107</b>	<b>38.7 %</b>
<b>Net Income Attributable to Owners of the Parent</b>	<b>366</b>	<b>282</b>	<b>29.8 %</b>	<b>902</b>	<b>794</b>	<b>13.5 %</b>

### Net Sales

DICS Group became a consolidated subsidiary. Other business alliances were also successful, resulting in strong performance.

### Operating Income

Reached a record high and steady growth.

## **2. FY25/7 Full-Year Earnings Forecast**



(Unit: Million yen)	FY24/7 (Actual Results)	FY25/7 (Forecast)	Change Ratio
Consolidated Net Sales	27,077	<b>34,550</b>	<b>+27.6%</b>
Consolidated Gross Profit	6,660	<b>8,742</b>	<b>+31.2%</b>
Consolidated Operating Profit	1,506	<b>1,969</b>	<b>+30.7%</b>
Consolidated Ordinary Profit	1,535	<b>2,000</b>	<b>+30.1%</b>
Net Income Attributable to Owners of the Parent	902	<b>1,211</b>	<b>+34.3%</b>

# 4.Reference

## 4. Reference Non-consolidated cumulative results

<b>intloop</b> - Pay it forward -	<b>23/Q4</b> (12Months)	<b>24/Q4</b> (12Months)	<b>Fluctuation</b>	<b>Percentage Change</b>
<b>Net Sales</b>	<b>17,823</b>	<b>21,423</b>	<b>3,600</b>	<b>20.2 %</b>
<b>Gross Profit</b>	<b>4,073</b>	<b>5,501</b>	<b>1,427</b>	<b>35.0 %</b>
<b>Operating Profit</b>	<b>1,105</b>	<b>1,300</b>	<b>195</b>	<b>17.7 %</b>
<b>Ordinary Profit</b>	<b>1,107</b>	<b>1,330</b>	<b>223</b>	<b>20.2 %</b>
<b>Net Income</b>	<b>794</b>	<b>900</b>	<b>105</b>	<b>13.3 %</b>

### Net Sales

Net sales increased due to an increase in orders received.  
Gross profit margin increased (+2.8%) due to improved sales structure.

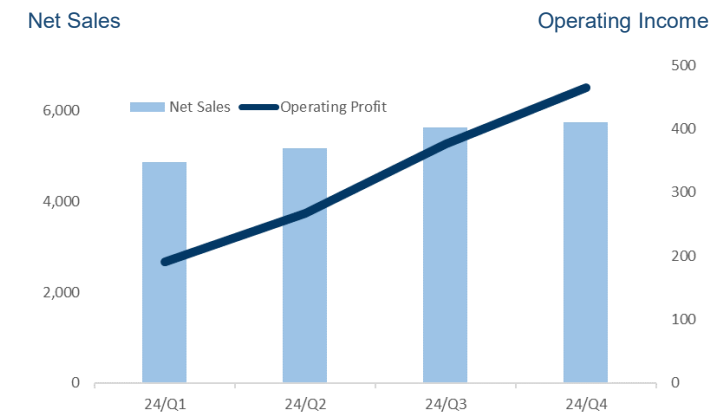
### Operating Income

Despite an increase in SG&A expenses for recruiting and personnel costs due to headcount expansion, operating income reached a record high.

## 4. Reference QoQ

Unit: Million yen

	24/Q1	24/Q2	24/Q3	24/Q4
<b>Net Sales</b>	<b>4,876</b>	<b>5,170</b>	<b>5,635</b>	<b>5,741</b>
<b>Gross Profit</b>	<b>1,193</b>	<b>1,252</b>	<b>1,467</b>	<b>1,588</b>
<b>Operating Profit</b>	<b>191</b>	<b>266</b>	<b>376</b>	<b>465</b>
<b>Ordinary Profit</b>	<b>195</b>	<b>267</b>	<b>402</b>	<b>465</b>
<b>Net Income</b>	<b>85</b>	<b>180</b>	<b>263</b>	<b>370</b>



### Net Sales

Maintained over 5,000 million yen since Q2  
Continuous quarterly sales growth.

### Operating Income

Effects of sales structure and price revisions  
are bearing fruit.



# 4. Reference Sales since inception

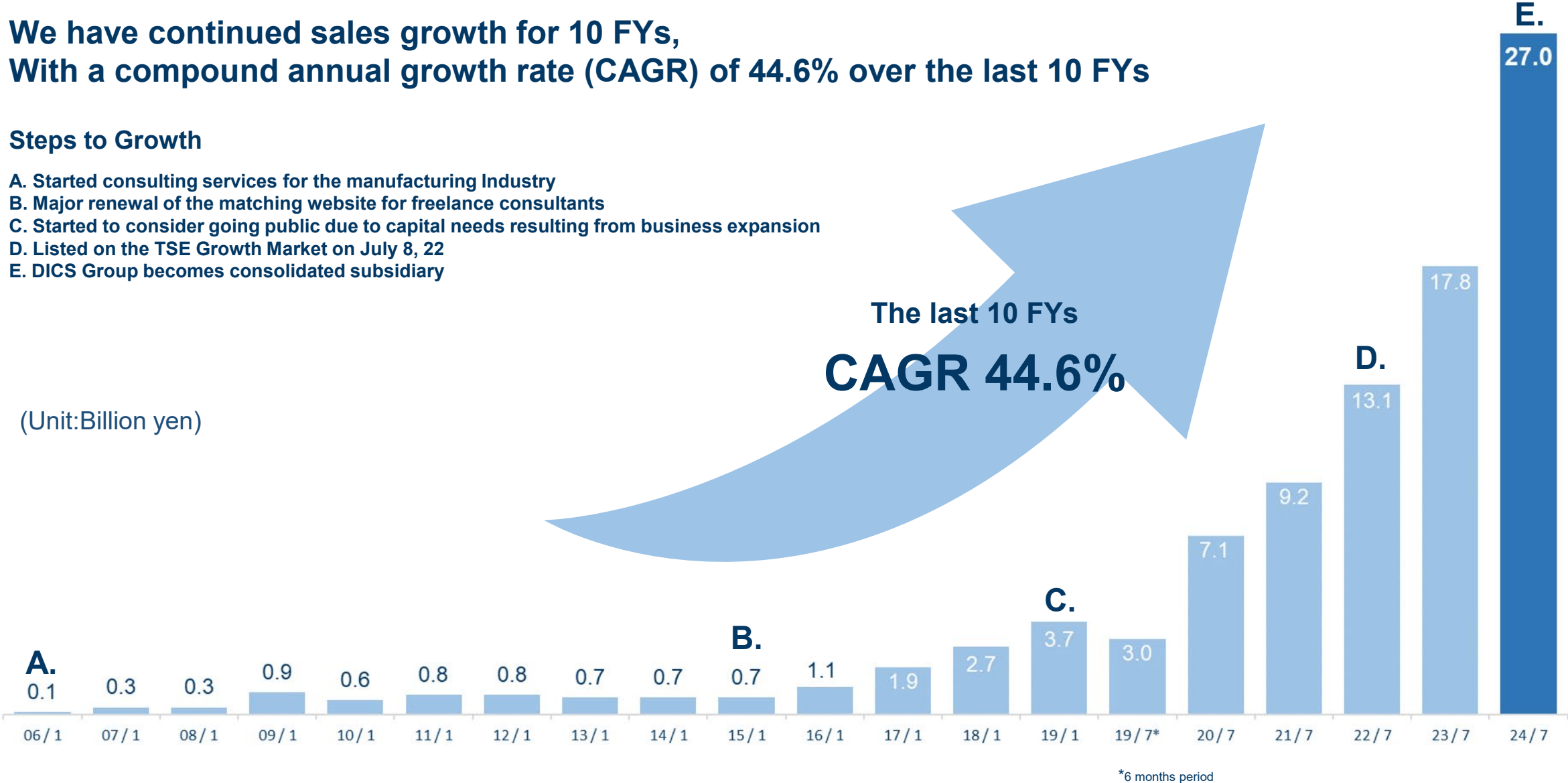
**We have continued sales growth for 10 FYs,  
With a compound annual growth rate (CAGR) of 44.6% over the last 10 FYs**

### Steps to Growth

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

The last 10 FYs  
**CAGR 44.6%**

(Unit: Billion yen)



\*6 months period

# 4. Reference

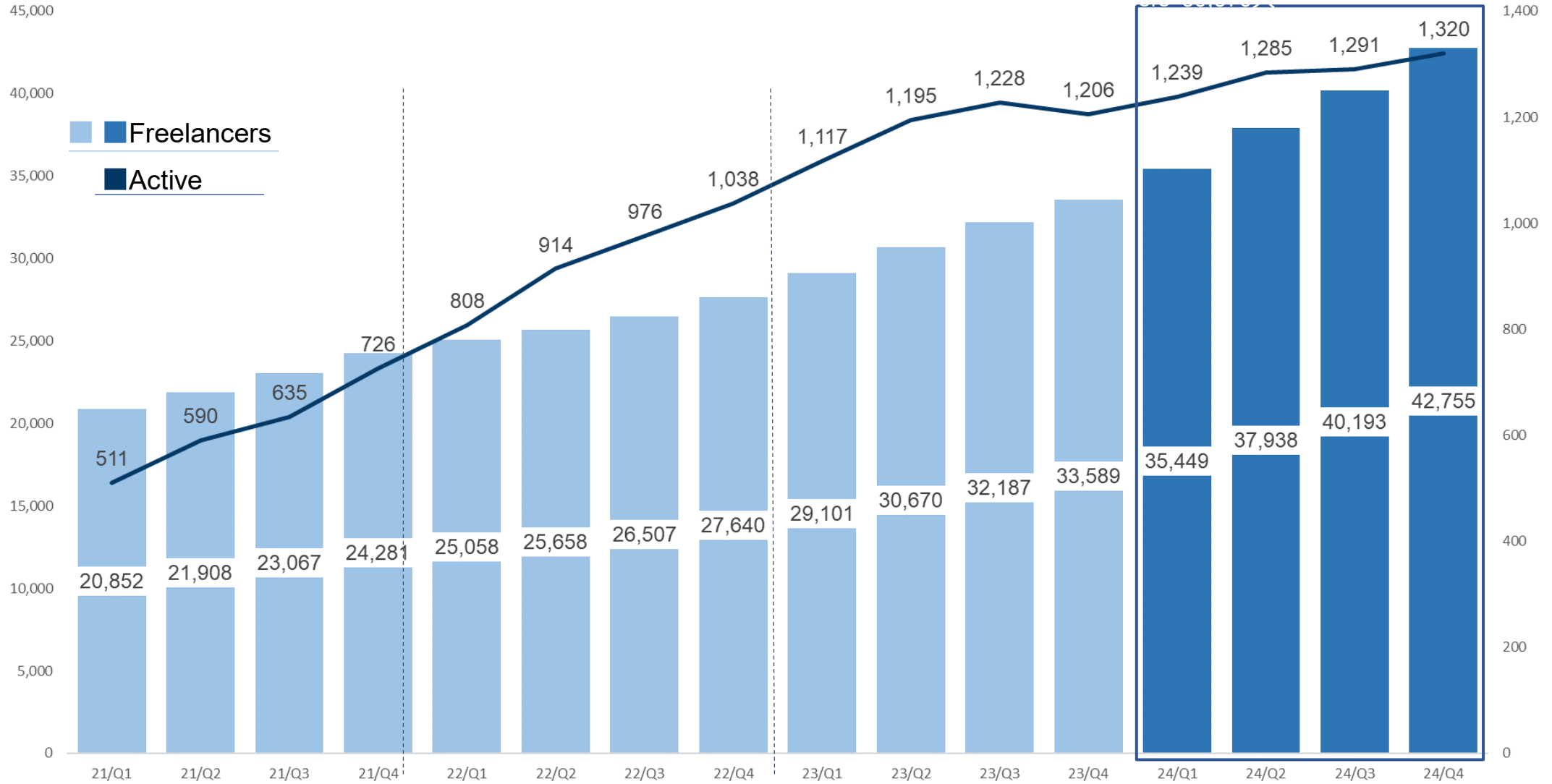
Number of registered freelancers and number of active freelancers on our non-consolidated basis

Freelancers

(Graph unit people)

Active

(Graph unit people)



## 4. Reference Number of non-consolidated employees

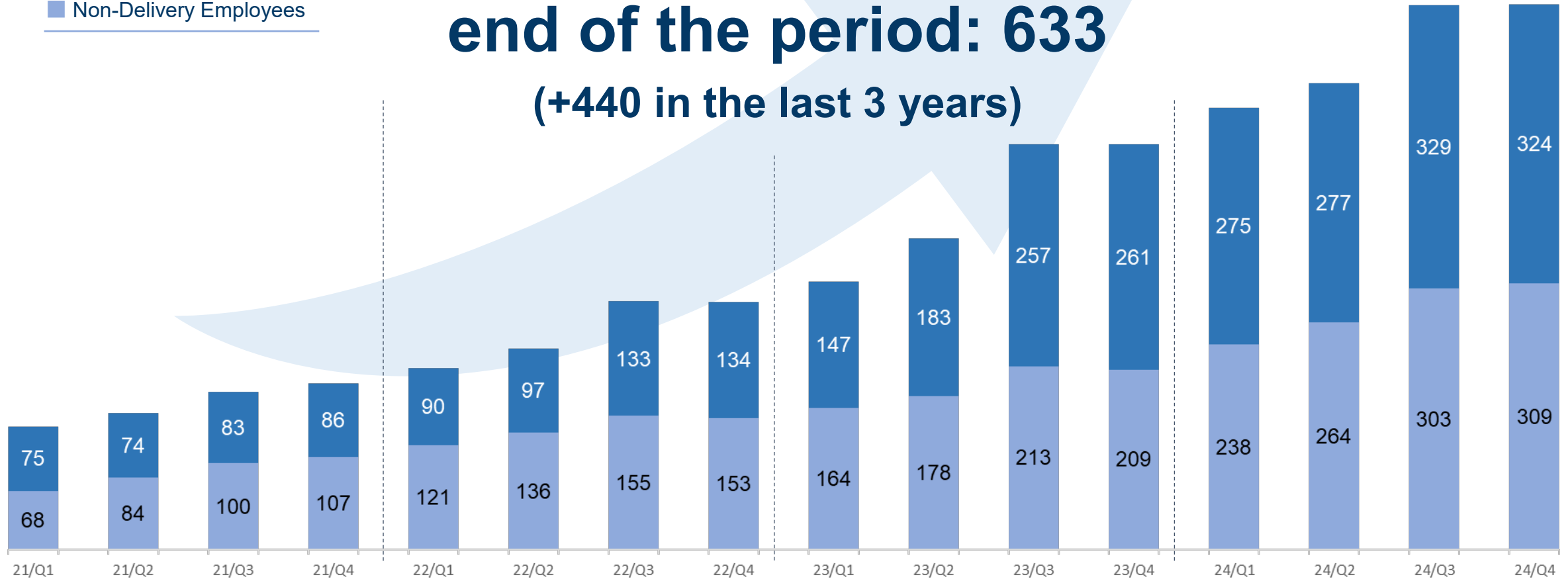
(Graph unit : people)



- Delivery Employees
- Non-Delivery Employees

# Number of employees at the end of the period: 633

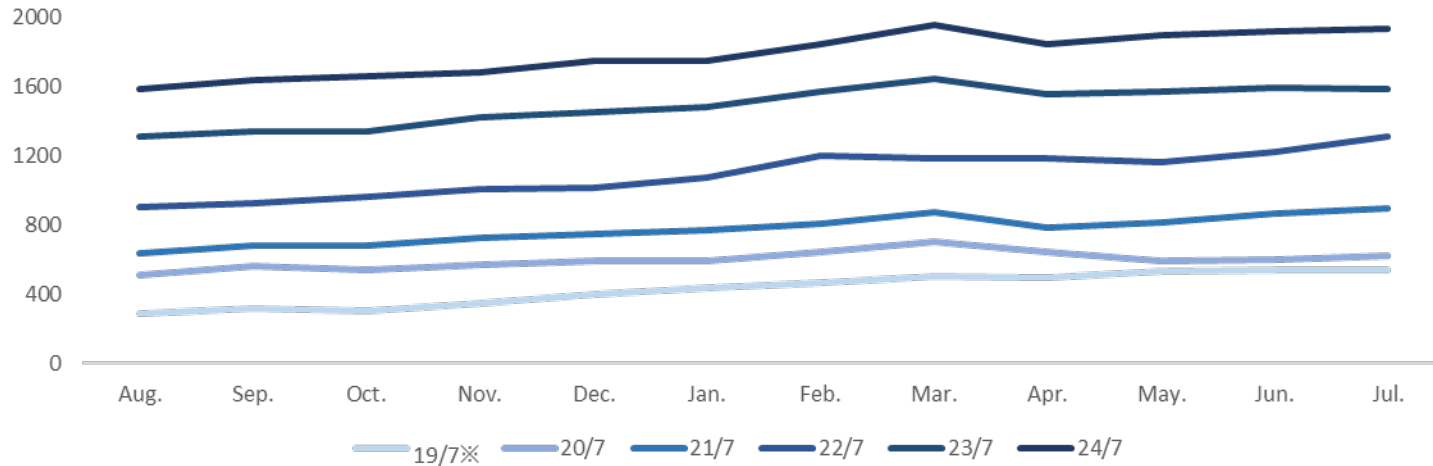
(+440 in the last 3 years)



## 4. Reference Seasonality / Progress of Sales

### Trends in Sales

(Unit: Million yen)



\*The graph for 18/8-19/7 was created to make it easier to see the trend, although 19/7 is a half year financial results

### Quarterly Sales

	Q1	Q2	Q3	Q4
<b>21/7</b>	<b>22%</b>	<b>46%</b>	<b>72%</b>	<b>100%</b>
<b>22/7</b>	<b>21%</b>	<b>45%</b>	<b>72%</b>	<b>100%</b>
<b>23/7</b>	<b>22%</b>	<b>47%</b>	<b>73%</b>	<b>100%</b>
<b>24/7</b>	<b>23%</b>	<b>47%</b>	<b>73%</b>	<b>100%</b>
<b>Average Progress Rate</b>	<b>22%</b>	<b>46%</b>	<b>73%</b>	<b>100%</b>

### Principle

Sales are higher than the previous month due to the stock-based model.

### Exception

April sales are lower than March due to the Japanese unique accounting period.

Similar to the past trend, the trend was down in April from the previous month but up again in Q4.

## 4. Reference Company Profile

Company Name	INTLOOP Inc.
Chief Executive Officer	Hirofumi Hayashi
Headquarters	2-9-11, Akasaka, Minato-ku, Tokyo, Japan
Foundation	2005/02/25
Capital	2,002 million yen (included capital surplus)
Fiscal Year	From August 1st to July 31th
Consolidated Net Sales	27,077 million yen (July, 24)
Consolidated Employees	1,159 (July, 24)

Contents of Business	Business Strategy and BPR Consulting
	IT Consulting
	Project Management Support
	Professional Consultant Staffing and Placement
	New Business Development and Sales Promotion Support
Groups	DICS HOLDINGS
	Nihon DICS
	iT Partners
	N-Stage
	Vita
	INTLOOP Strategy

## 4. Reference Board Members



**CEO**

**Hirofumi Hayashi**

96 Accenture  
In charge of consulting for the manufacturing industry  
Corporate Planning at a Venture Company  
05 INTLOOP(established)



**General Manager**

**Chikara Uchino**

96 Accenture  
GM in Several Operating Companies  
17 INTLOOP (joined)  
19 INTLOOP (inaugurated GM)

### **Governance-driven Management Structure Centered on Accenture Alumni**

Composed of five members: two executive directors who are also former colleagues at Accenture, and three members of the Audit and Supervisory Committee.

Outside directors (Audit Committee Members) form majority.



**Outside Director(ACM)**

**Akio Kawabata**

67 Toshiba (joined)  
00 Accenture (Advisor)  
21 INTLOOP (inaugurated Outside Director(ACM))



**Outside Director(ACM)**

**Fumio Koyama**

79 Accenture (joined)  
21 INTLOOP (inaugurated Outside Director(ACM))

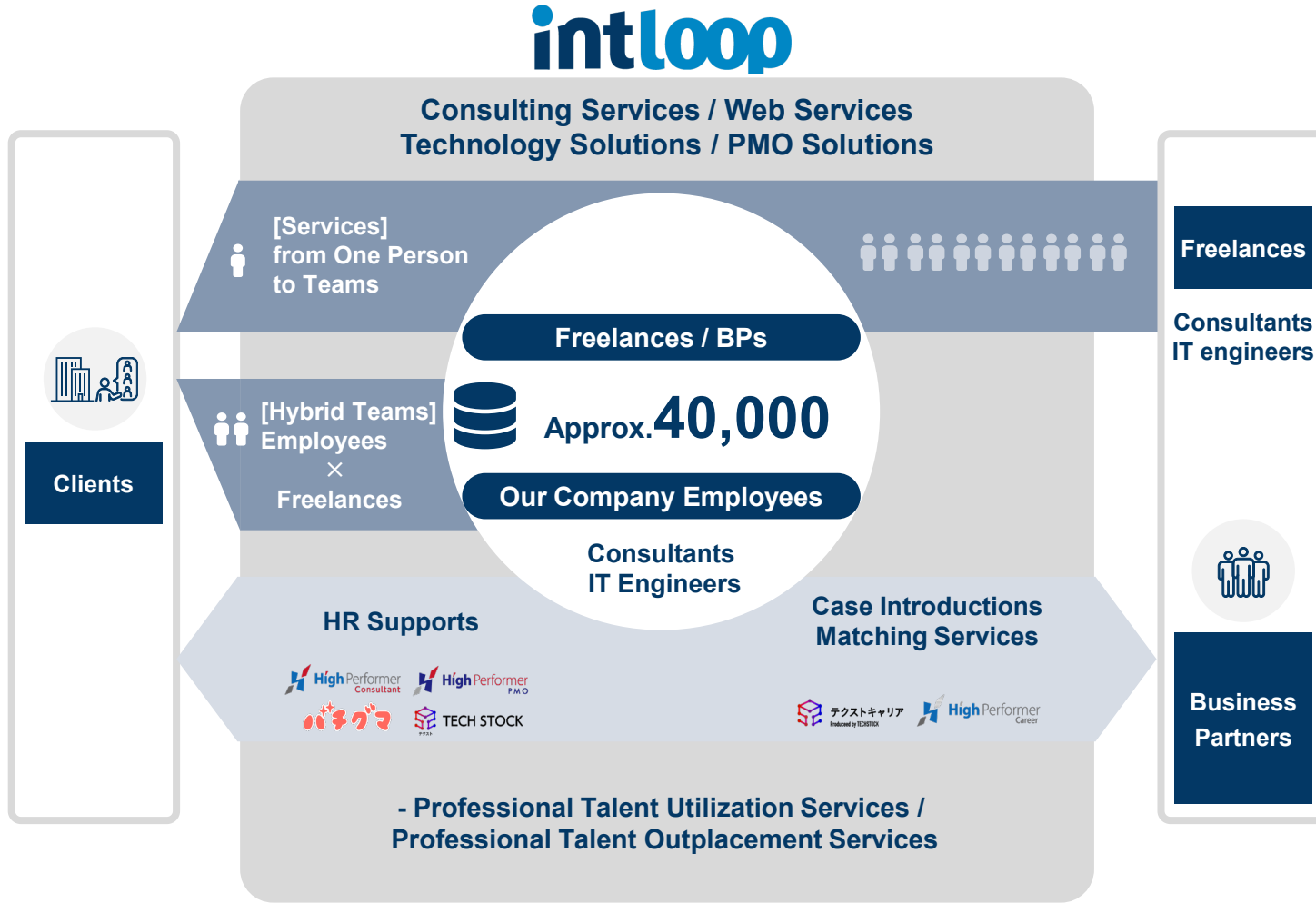


**Outside Director(ACM)**

**Koji Shimoinaba**

77 Sumitomo Bank (joined)  
21 INTLOOP (inaugurated Outside Director(ACM))

# 4. Reference Business Structure



## 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 40,000 people, we can help solve a wide variety of problems.
- We provide job change support and welfare services to freelancers.

## Why Clients 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.

# 4. Reference Service Lineup

Number of Delivery Employee

**324**  
24/7

## 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
- Implementation of Advanced Technologies Support (AI / IoT / Big Data)
- Nearshore / Lab Development

## PMO Solutions

- 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 Employee

**309**  
24/7

## Web Services

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

## Professional Talent Utilization Services

- Professional Consultants (Freelance)
- Professional Engineers (Freelance)
- Professional Marketers (Freelance)



## Professional Talent Outplacement Services

- Human Resource Agents
- Headhunting





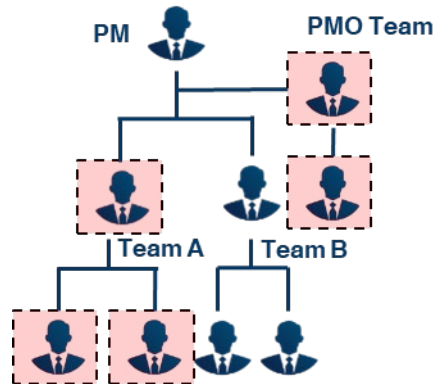
## Hybrid Team

**Delivery Employees  
(Consultants / IT Engineers)**

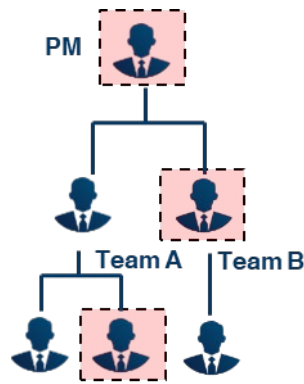


**Freelances / BPs  
(Consultants / IT Engineers)**

### Team Proposal



### Spot Proposal



Our Proposal Personnel

### Our Features

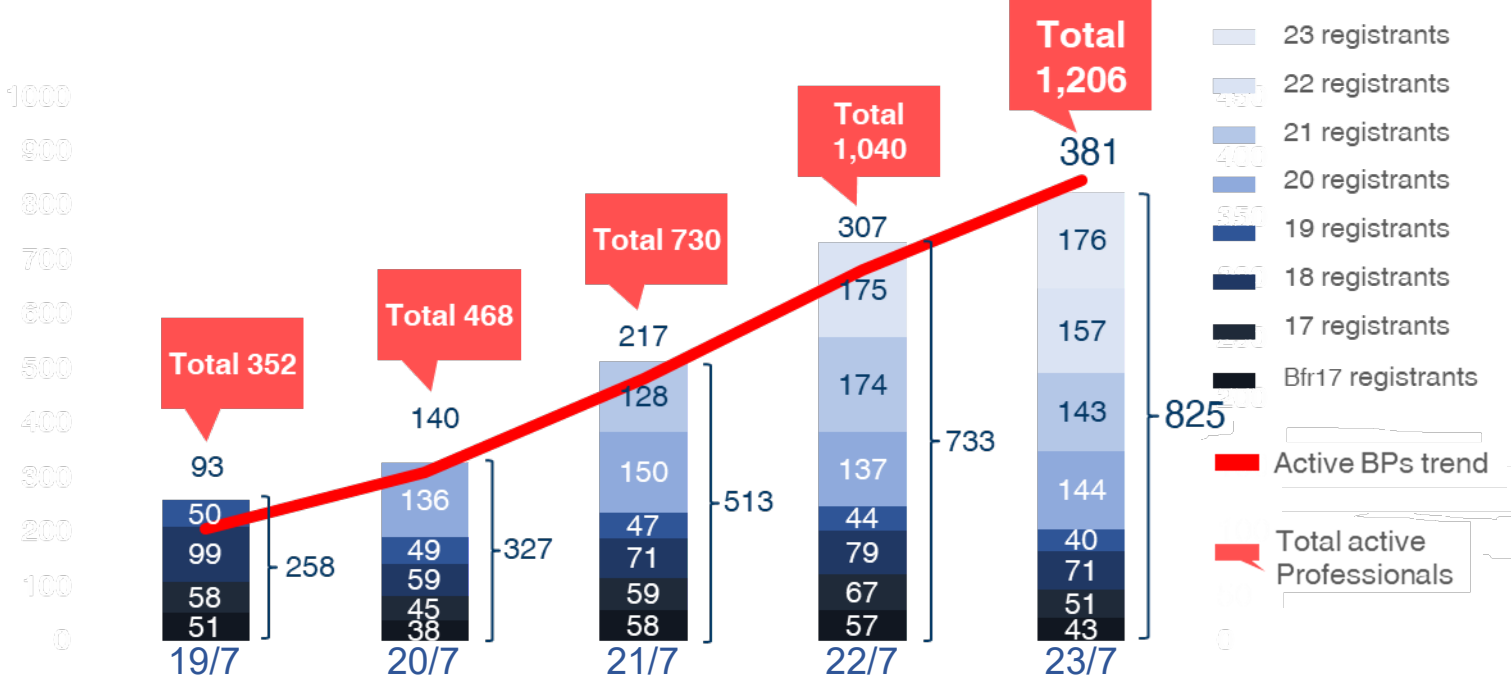
- Form hybrid team with freelances or BPs, led by our delivery employees.
- Resource management support to recognize risks from the inside and support resources in different positions.

### Team Proposals

- Sub-projects of larger projects.
- Highly specialized cross-functional areas.

# 4. Reference Trends of Active Professionals

- ✓ Stacked graph: Number of active freelance registrants by year
- ✓ Line graph: Number of active business partners



## Stock Model

### Source

- The Past Registrants

### Action for Continuity

- Control and Monitoring of
  - Registration CPA\*1
  - Assignment CPA
- Improvement of LTV\*2

\*1: CPA stands for Cost Per Action and refers to the advertising cost per targeted action (CV (conversion)) taken by a visitor.  
 \*2: LTV stands for Life Time Value, a measure of how much profit a client or a company brings during the period from the start of a transaction to its end (client life cycle) with a particular company or brand.

## 4. Reference Clients and Operators Features



### Clients

Consulting Firm /  
System Integrator

Operating Company

Sales Proportion

8 : 2

Gross Margin

20%~

Individual settings  
depending on the difficulty of  
the case

### Professionals

Freelance / BP

Full-time Employee

Persons in Operation  
Proportion

9 : 1

### All-round Strategy

Expanding sales through all-round transactions

Variety / number of projects attract freelances

### Optimization Compensation

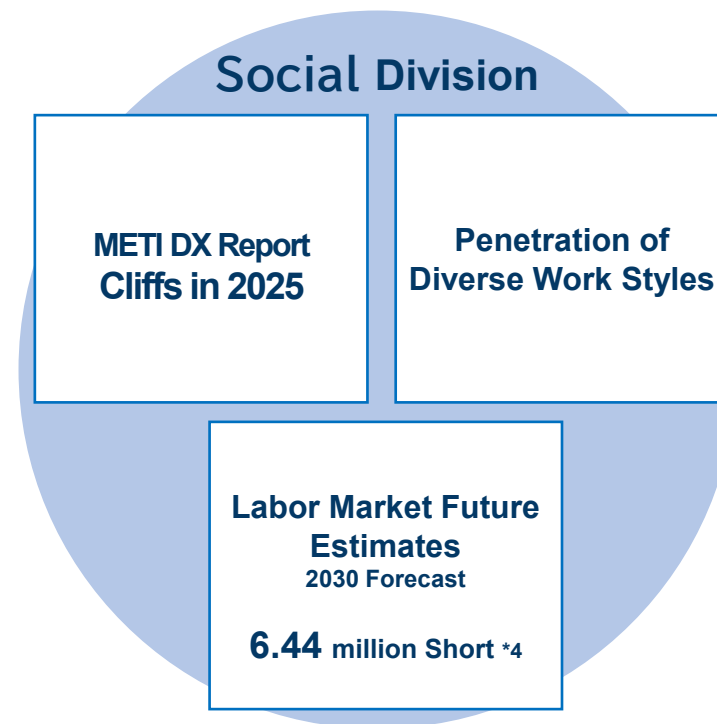
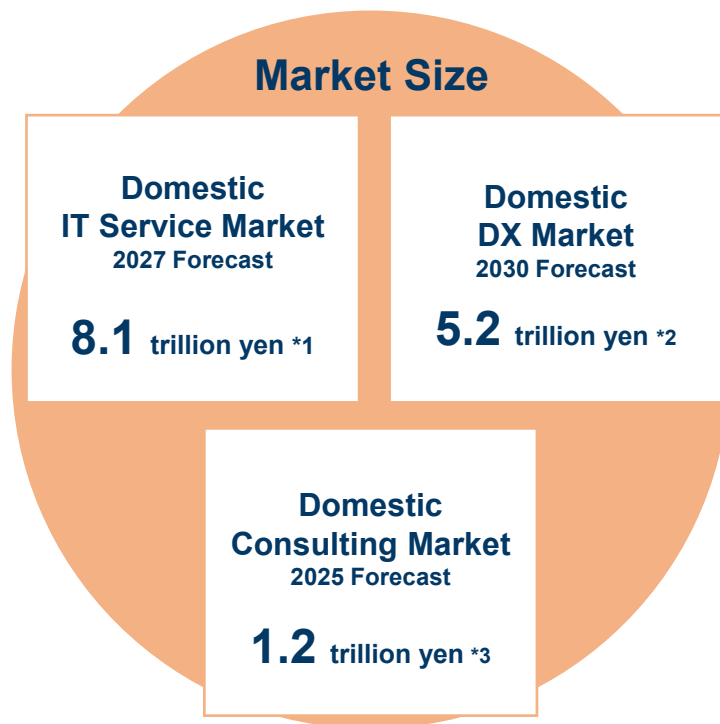
Meeting the high reward levels

Setting prices based on market prices

### Increase Persons in Operation

Adequate expansion room of freelances/  
Business Partners

# IT services and DX markets continue to expand



### 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

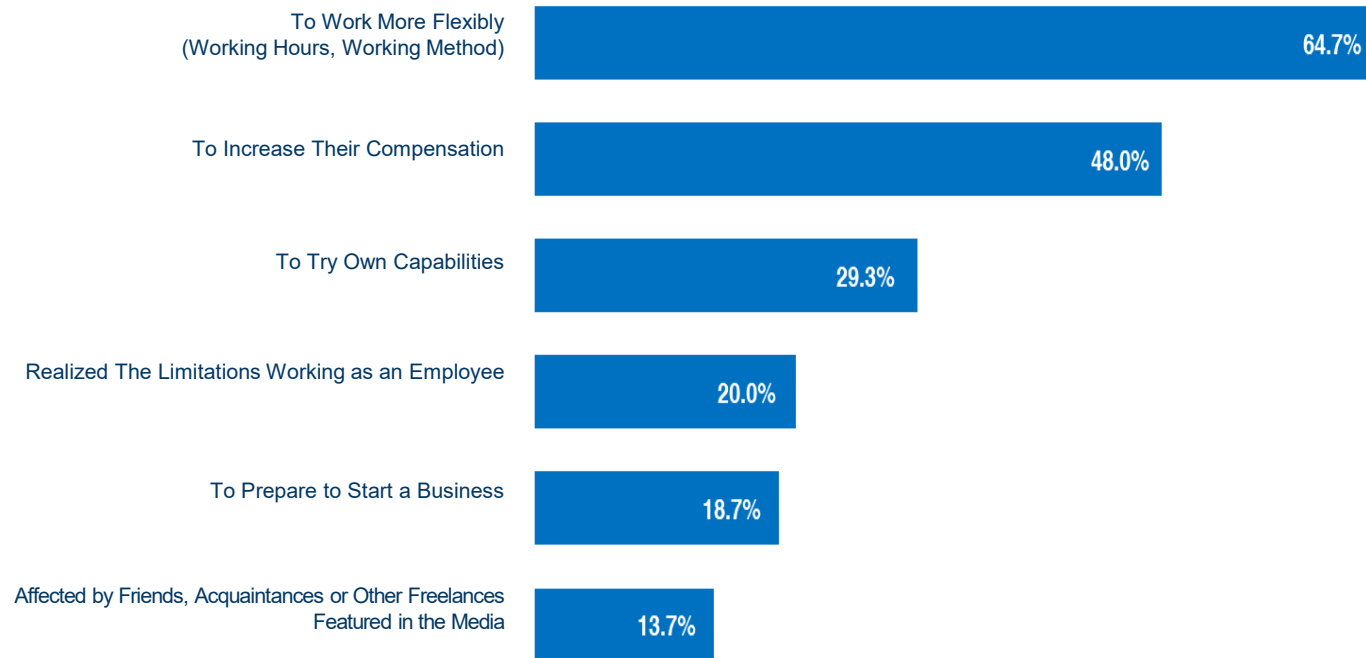
\*3 Codawari Business Consulting Inc.2024

\*4 PERSOL RESEARCH AND CONSULTING & Chuo Univ. 2018

## 4. Reference Reasons Why They Choose Freelance

### What Happened to You to Work as a Freelance?

based on our research



### Summary

In Sep. 22, a skills and career awareness survey was conducted among freelancers registered on the company's website.

The main reasons for choosing freelance work were freedom of work and better compensation.

### Background

- The spread of remote work and the need for childcare and nursing care
- Rising compensation due to labor shortages
- An increase in high value-added projects due to DX

# 4. Reference Reasons Why They Choose Us

## Consultant Attracting Site

“High Performer Consultant”<sup>©</sup>



## Providing high compensation and various projects

We have many connections with major consulting firms and system integrators, and upstream projects from major operating companies with top sales.

e.g.

Largest IT Service Companies in Japan	Foreign Capital Consulting Firms
Largest Trading Companies in Japan	U.S. Largest Finance Companies

## Engineer Attracting Site

“TECH STOCK”<sup>©</sup>



In addition to name recognition, we excel in freelance acquisition marketing

# Upcoming calendar

**Annual General Meeting**

**Oct.29,2024**

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Various risks and uncertainties are inherent in these forecasting statements. Known or unknown risks, uncertainties, and other factors could cause results to differ materially from those contained in these forecasting statements.

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