



September 13, 2024

For Immediate Release

INTLOOP Inc.  
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**Notification of Formulation of Medium to Long Term Management Plan,  
INTLOOP “VISION 2030”**

We are pleased to announce that our Board of Directors today adopted a medium to long term management plan, INTLOOP “VISION 2030”, with the fiscal year ending July 31, 2025 as the first year and the fiscal year ending July 31, 2030 as the final year.

For more information, please refer to the attached document.

(Note) English documents are prepared as a courtesy to our stakeholders. In the event of any inconsistency between English-language documents and the Japanese-language documents, the Japanese-language documents will prevail.

# INTLOOP “VISION 2030”

-Evolve the loop-

**intloop**

September 13, 2024

INTLOOP Inc.

(Stock Code: 9556; TSE Growth Market)

We had planned to announce our mid-term management plan including the following events, which we explained as of March 14, 2024, but we are currently finalizing the plan and expect to be able to disclose a few of them within 1Q.

- ✓ Launch of High-Value-Added Consulting Services
- ✓ Further expansion of business alliances and partnerships
- ✓ Preparation for large projects
- ✓ Promote M&A with consideration of financial strategy and business portfolio

If there is any impact on the forecast of INTLOOP “VISION2030” announced this time, we will disclose it as soon as possible.

## 1. Business Outline

1 Market Environment and Social Issues

2 Business Model

3 Earnings History

## 2. INTLOOP “VISION 2030”

1 FY30/7 Target

2 Our Goal by FY30/7

3 Key Strategy

4 Organizational Strategy

5 Financial Indicators

6 Investment Policy

Appendix (for each Key Strategy)

# Our Vision and Mission

## Vision

–in the loop –

Towards a society where the growth of people and companies is circular

## Mission

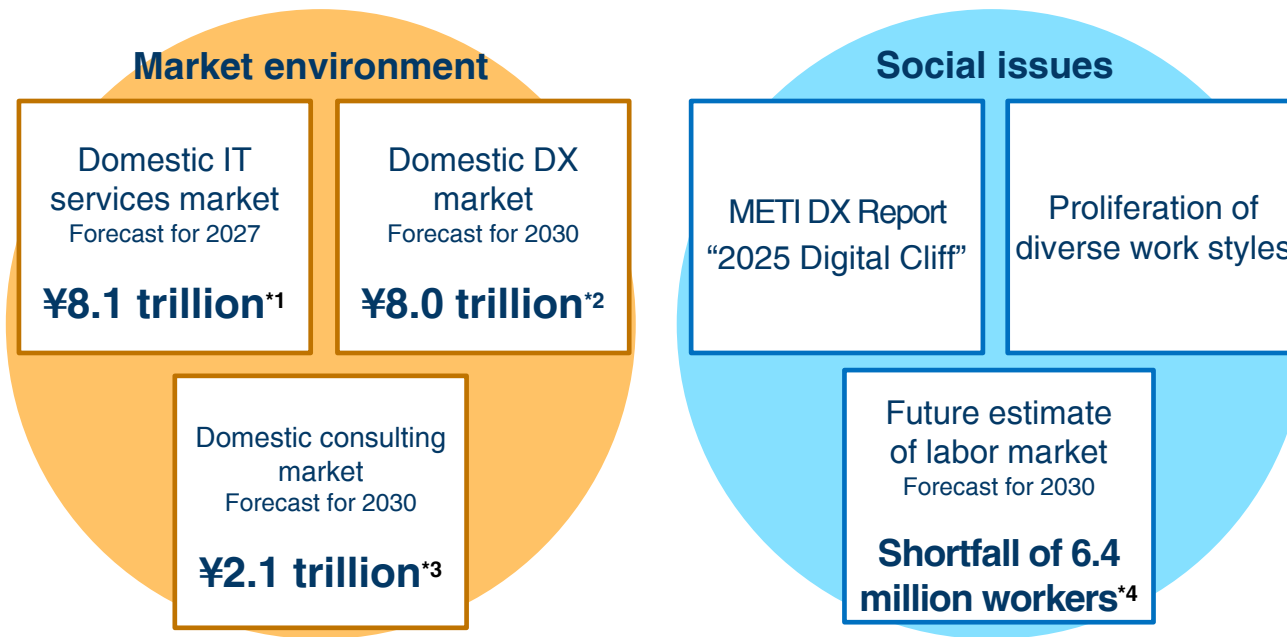
To become a symbol of growth ourselves and maximize the value of people and companies

INTLOOP solves various management issues and supports corporate reforms by assisting companies based on a fundamental perspective, and is a business creation-oriented consulting firm that translates its business operations know-how into value delivered.



# 1. Business Outline

## 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

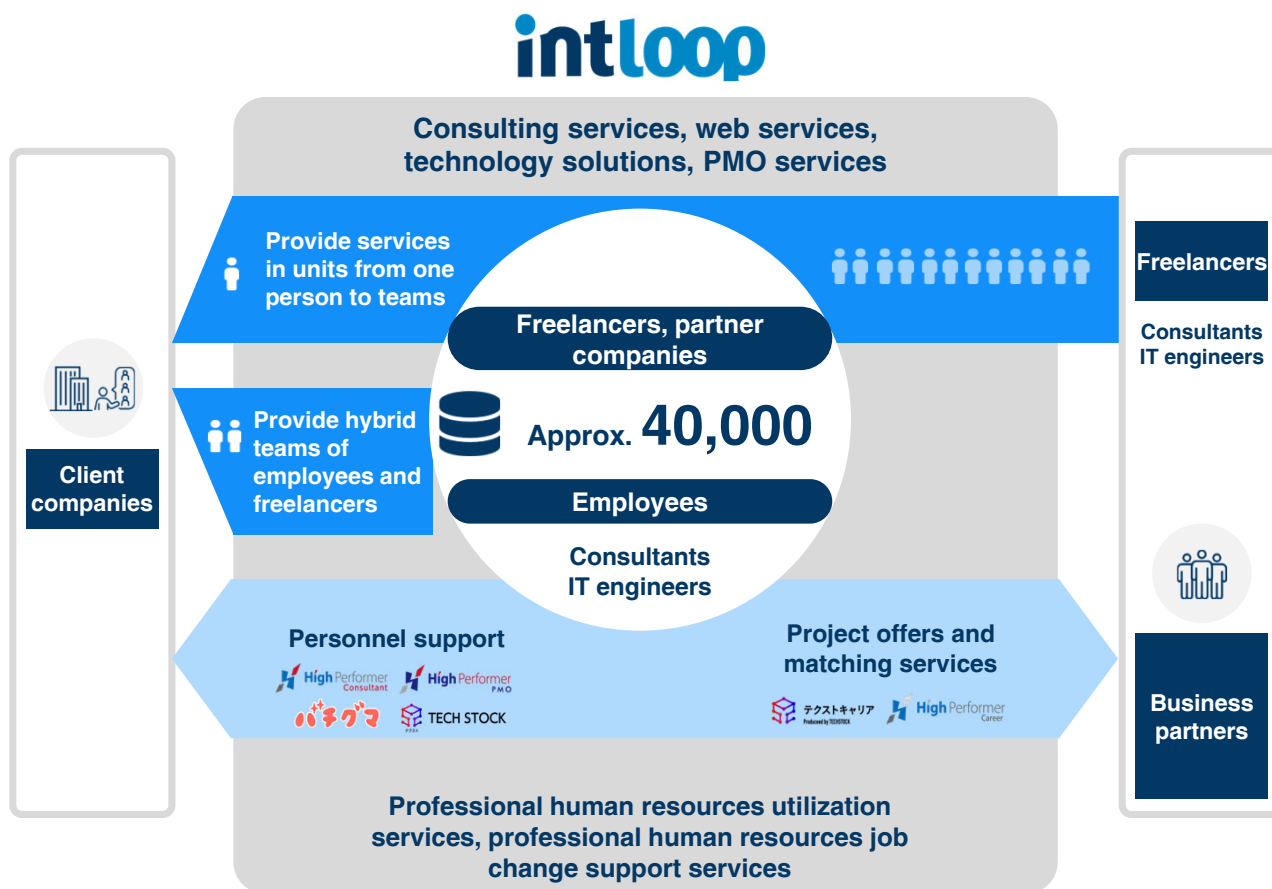
\*2 Fuji Chimera Research Institute, Inc., 2024

\*3 Codawari Business Consulting Inc., 2024

\*4 Persol Research and Consulting Co., Ltd./Chuo University, 2018

## 2 Business Model

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



### ■ 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 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.

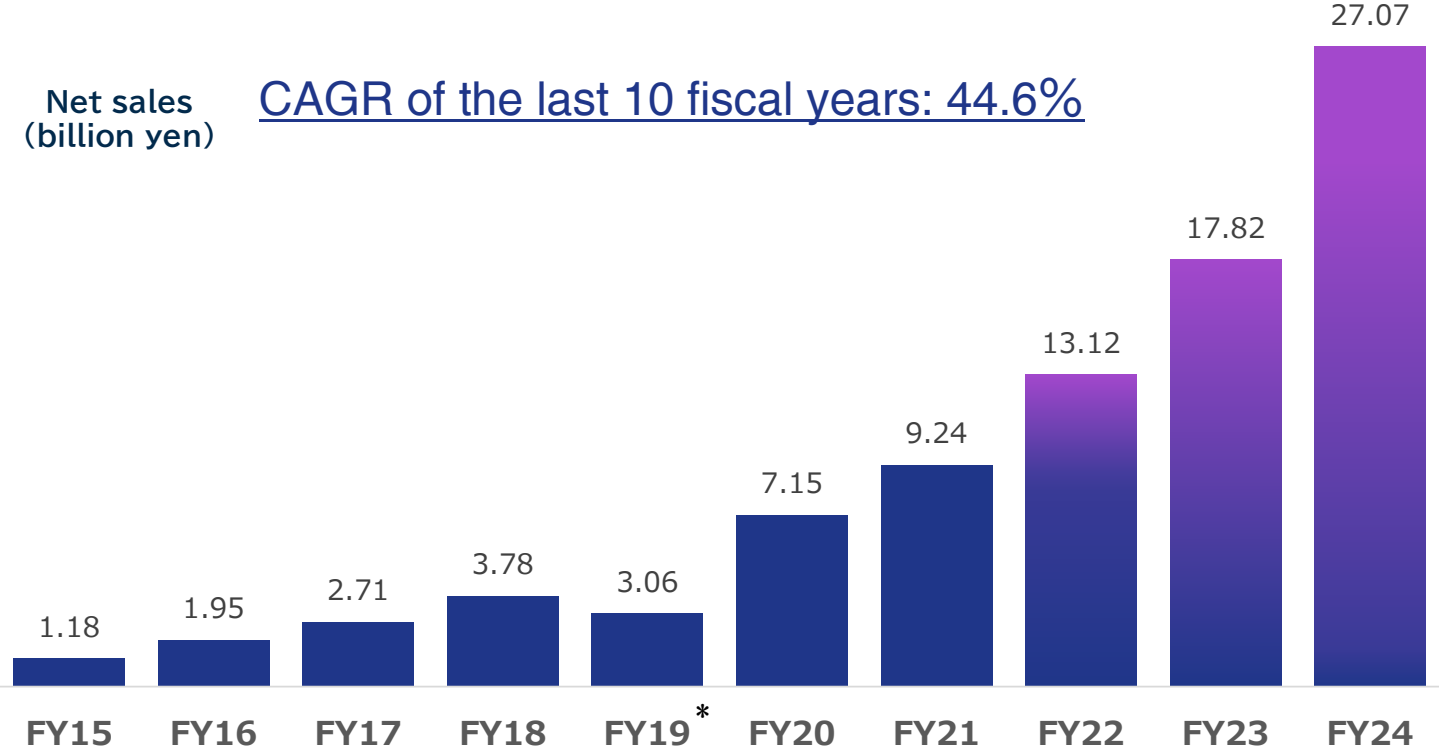


# 3 Earnings History

## Net sales of ¥27 billion achieved in FY24/7

Net sales  
(billion yen)

CAGR of the last 10 fiscal years: 44.6%



### Main initiatives in FY24/7

- ① **Increased human resource investment**
  - Reinforced mid-career recruiting of highly skilled human resources and new graduate recruiting.
- ② **Expanded business areas**
  - Expanded the DX domain by acquiring DICS Holdings.
  - Strengthened the scope of strategic consulting by establishing INTLOOP Strategy.
- ③ **Promoted alliances and start-up collaborations**
  - Initiated collaboration with Idein and Amifiable.
  - Promoted support for start-up companies, e.g., LP investments in VCs.

\*This year's fiscal period is six months, from February 1 to July 31, 2019, due to a change in the fiscal year-end.

## 2. INTLOOP “VISION2030”

# 1 INTLOOP “VISION 2030” -FY30/7 Target-

## **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.

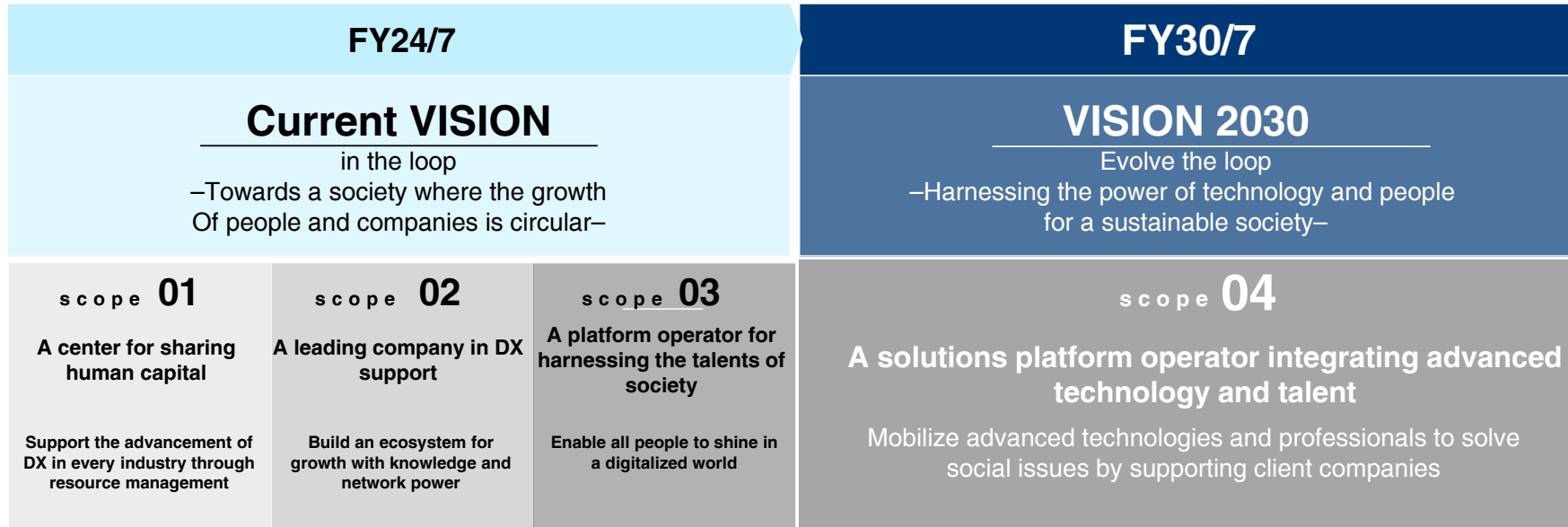
To achieve our target, we will focus on the following activities for “growth acceleration of existing businesses” and “creation of business areas.”

### [Key Strategy]

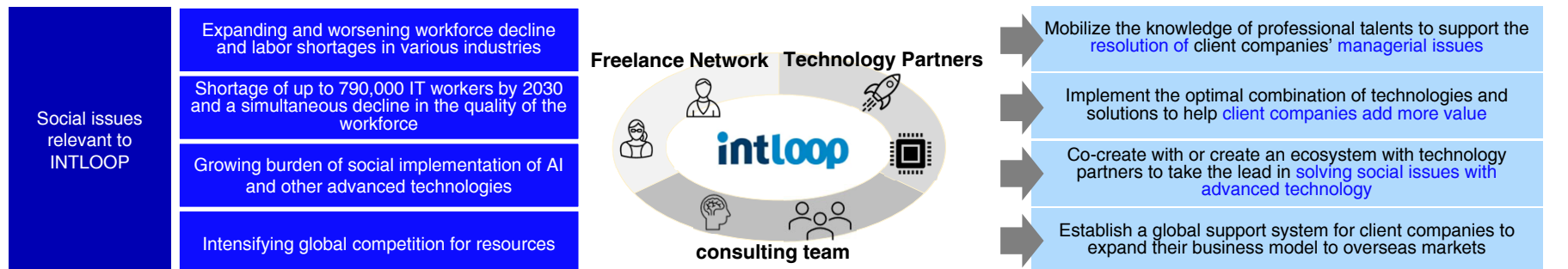
1. Strengthen the existing freelancer business and expand consulting business areas
2. Expand our solutions portfolio, especially in the DX domain that includes edge AI
3. Create new open innovation businesses through M&As and investments in VCs
4. Strengthen co-creation with JVs and the fund investment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

# 2 INTLOOP “VISION 2030” -Our Goal by FY30/7-

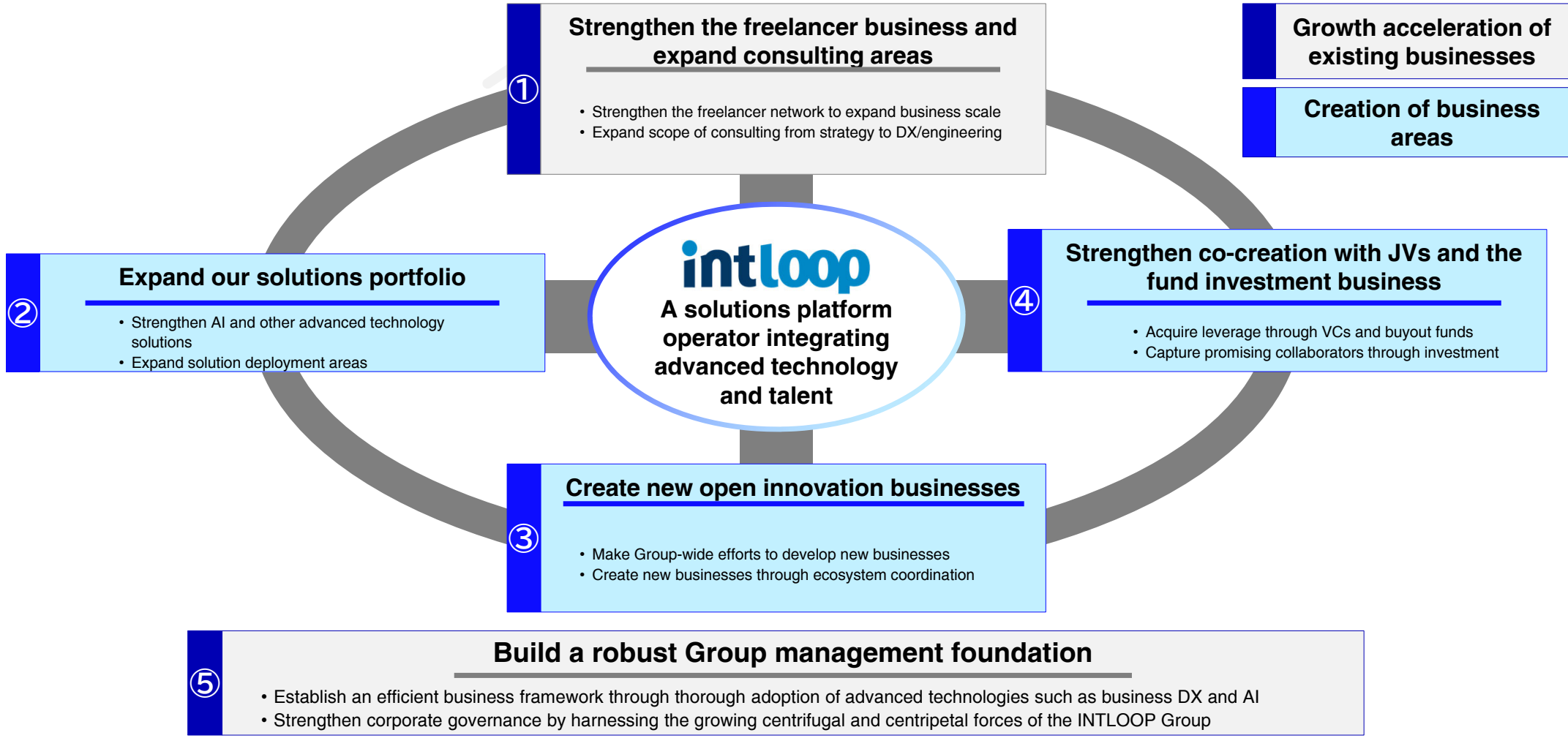
## Evolve into a solutions platform operator that integrates technology and people



★ Excerpt from “Financial Results for the Second Quarter of the Fiscal Year Ending July 31, 2023 - Medium-Term Growth Strategy



# 3 INTLOOP “VISION 2030” -Key Strategy-

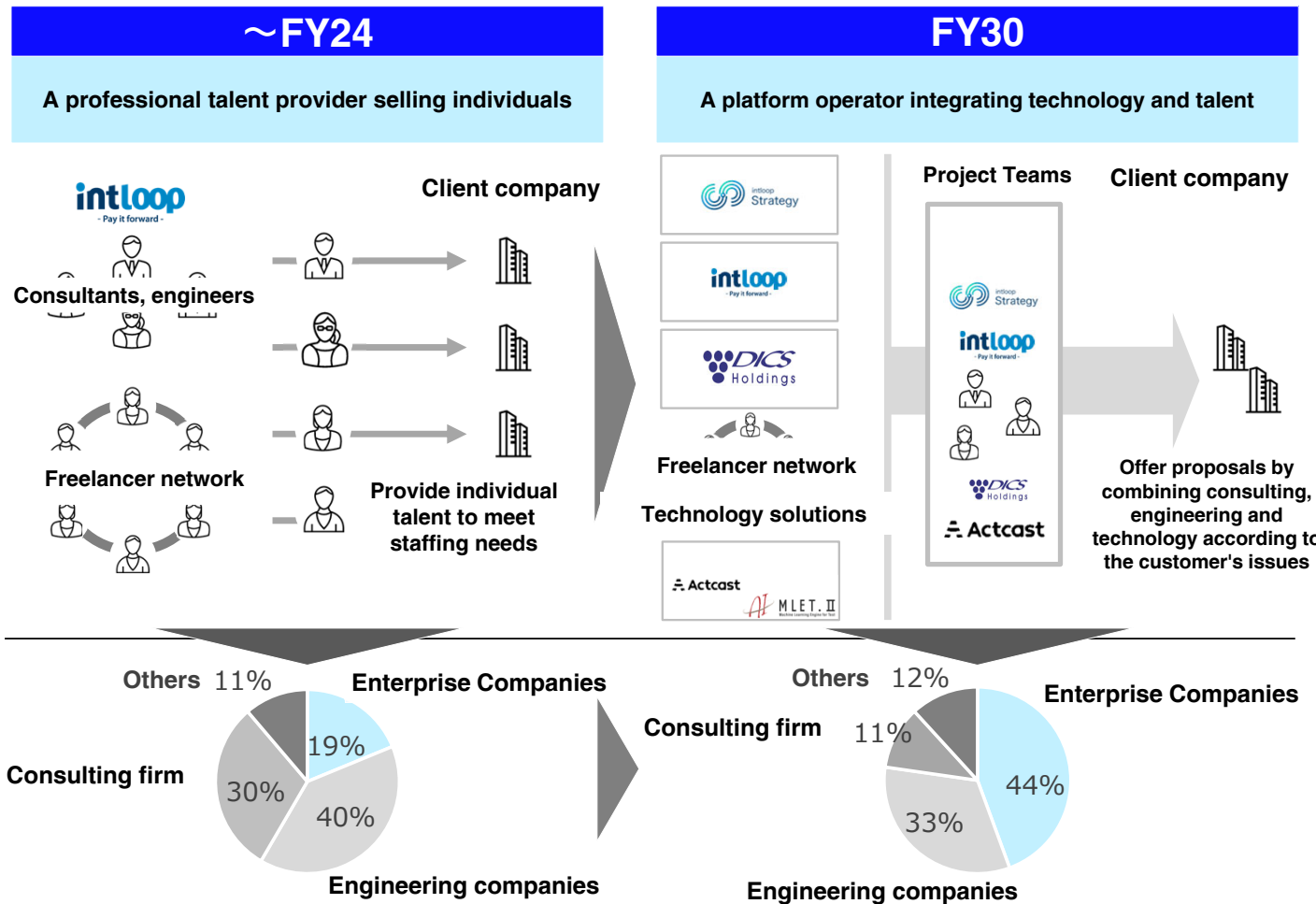


# 3 INTLOOP "VISION2030" -Key Strategy(1)-

In addition to providing talents, Expand business by providing projects/solutions

Proposal style

Client Composition



**Shift to project-based proposals**

- Increase profitability by shifting from offering talent to offering project-based proposals
- Improve delivery quality by expanding the freelancer network and strengthening support

**Sales of existing businesses (Group consolidation)**

FY	Sales (billion)
FY24	¥27.0
FY30	¥92.0

**Expand proposal areas**










- Provide streamlined support, from strategy to DX/engineering
- Strengthen our consulting proposal framework using advanced solutions such as AI

**Number of Group/Invested Companies**

FY	Number of Companies
FY24	8
FY30	34

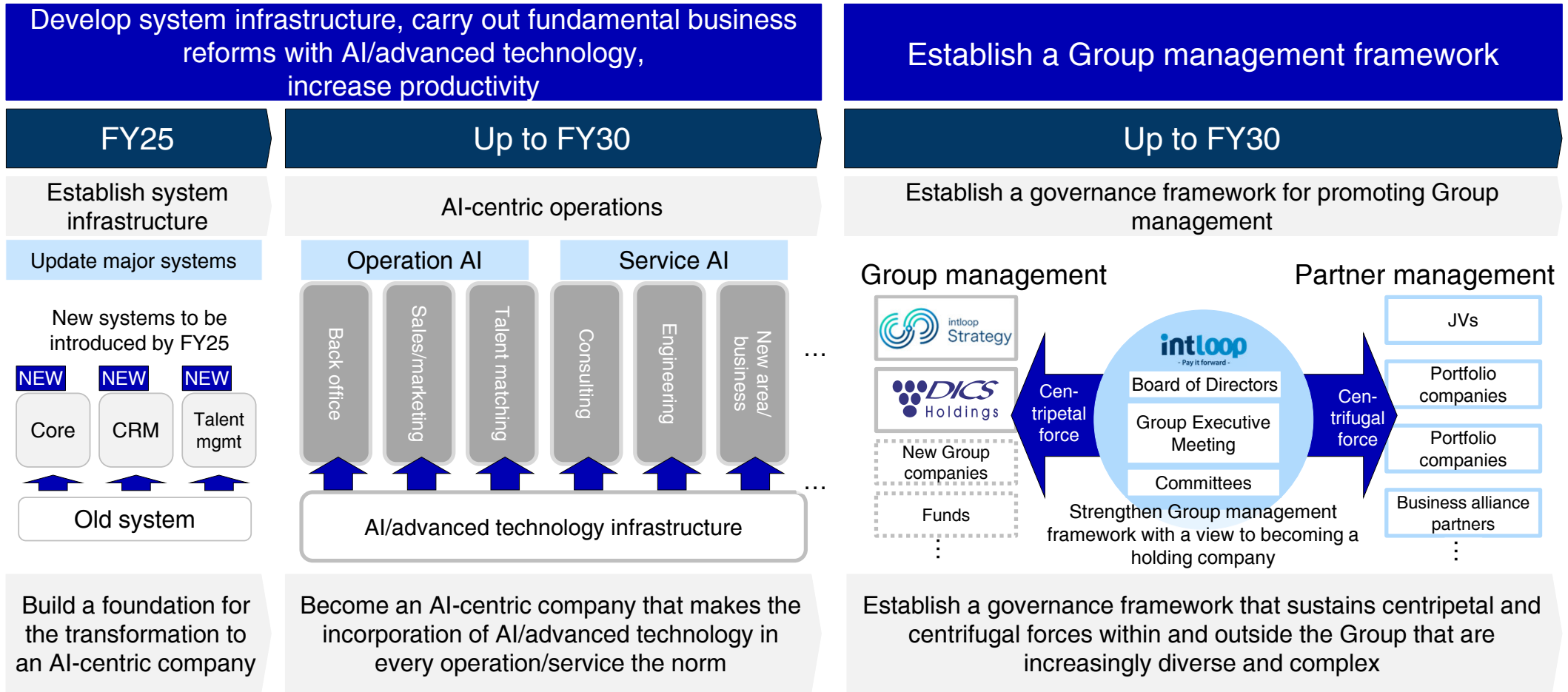
# 3 INTLOOP “VISION2030 ” -Key Strategy(2)~(4)-

## Expand new business areas with high profitability potential

<p><b>② Expand our solutions portfolio</b></p> <ul style="list-style-type: none"> <li>Strengthen AI and other advanced technology solutions</li> <li>Expand solution deployment areas</li> </ul>	<p><b>③ Create new open innovation businesses</b></p> <ul style="list-style-type: none"> <li>Make Group-wide efforts to develop new businesses</li> <li>Create new businesses through ecosystem coordination</li> </ul>	<p><b>④ Strengthen co-creation with JVs and the fund investment business</b></p> <ul style="list-style-type: none"> <li>Acquire leverage through VCs and buyout funds</li> <li>Capture promising collaborators through investment</li> </ul>
<p><b>Achieve high profitability by expanding the solutions portfolio and consulting collaboration</b></p> <p><u>Edge AI solutions</u></p>  <ul style="list-style-type: none"> <li>Prevent losses by detecting shoplifting with edge AI cameras for retailers</li> <li>Visualize the work status of the manufacturing process for manufacturers</li> </ul> <p><u>AI solution utilizing digital clones</u></p>  <ul style="list-style-type: none"> <li>Automate various corporate operations with cloned AI(operates 24/7)</li> </ul> <p><u>An integrated infrastructure to meet AI resource needs</u></p>  <ul style="list-style-type: none"> <li>Partner with hyperscalers<sup>1</sup></li> <li>Integration of advanced technology and physical infrastructure (Cooperation with group companies)</li> </ul>	<p><b>Build a system for promoting innovation that can continuously create new businesses with its mechanism</b></p> <p><u>Building a network of business partners</u></p>  <ul style="list-style-type: none"> <li>Establish a pool of collaborator candidates through ecosystem/VC coordination</li> </ul> <p><u>Discerning business partners through various approaches</u></p>  <ul style="list-style-type: none"> <li>Determine collaborators through VC funds, investment teams, innovation teams and open innovation programs</li> </ul> <p><u>Achieve collaboration results using a variety of resources</u></p>  <ul style="list-style-type: none"> <li>Execute M&amp;A/Investment with a variety financing approaches</li> <li>Accelerate business expansion by utilizing consultants/freelancers</li> </ul>	<p><b>Create new business by launching buyout/venture funds and JV co-creation investments</b></p> <p><u>Investment with accompaniment support for large companies</u></p>  <ul style="list-style-type: none"> <li>Establish a JV as a subsidiary of the large company or minority investments</li> <li>Support business reinforcement with INTLOOP Group resources</li> </ul> <p><u>Buyout funds</u></p>  <ul style="list-style-type: none"> <li>Invest in focused traditional industrial enterprises (food industry, etc.)</li> <li>Enhance value by providing INTLOOP resources to support</li> </ul> <p><u>VC funds</u></p>  <ul style="list-style-type: none"> <li>Invest in middle/late stage companies</li> <li>Focus investments on start-ups with synergy potential</li> </ul>

# 3 INTLOOP “VISION2030” -Key Strategy(5)-

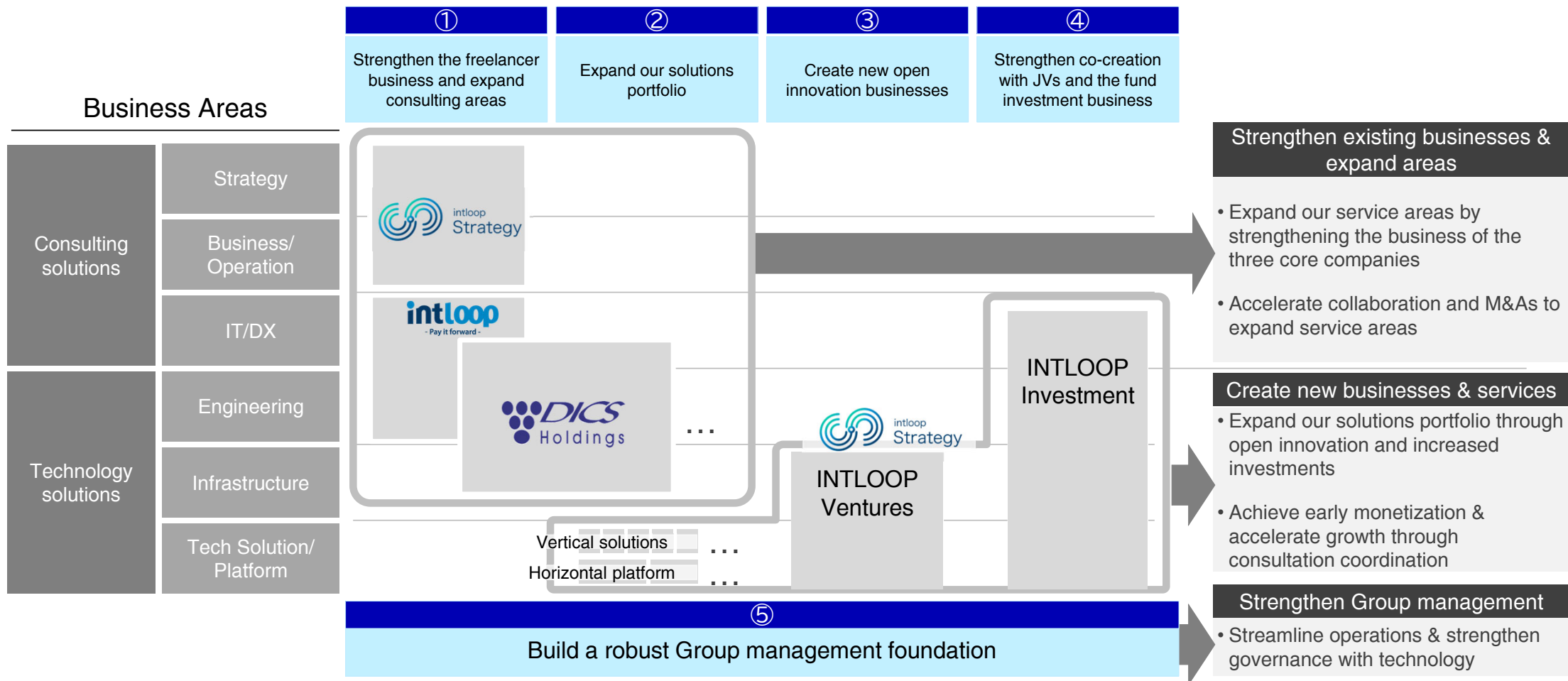
## Aggressively promote management foundation reinforcement and investments in line with business growth in new areas





# 4 INTLOOP “VISION 2030” -Organizational Strategy-

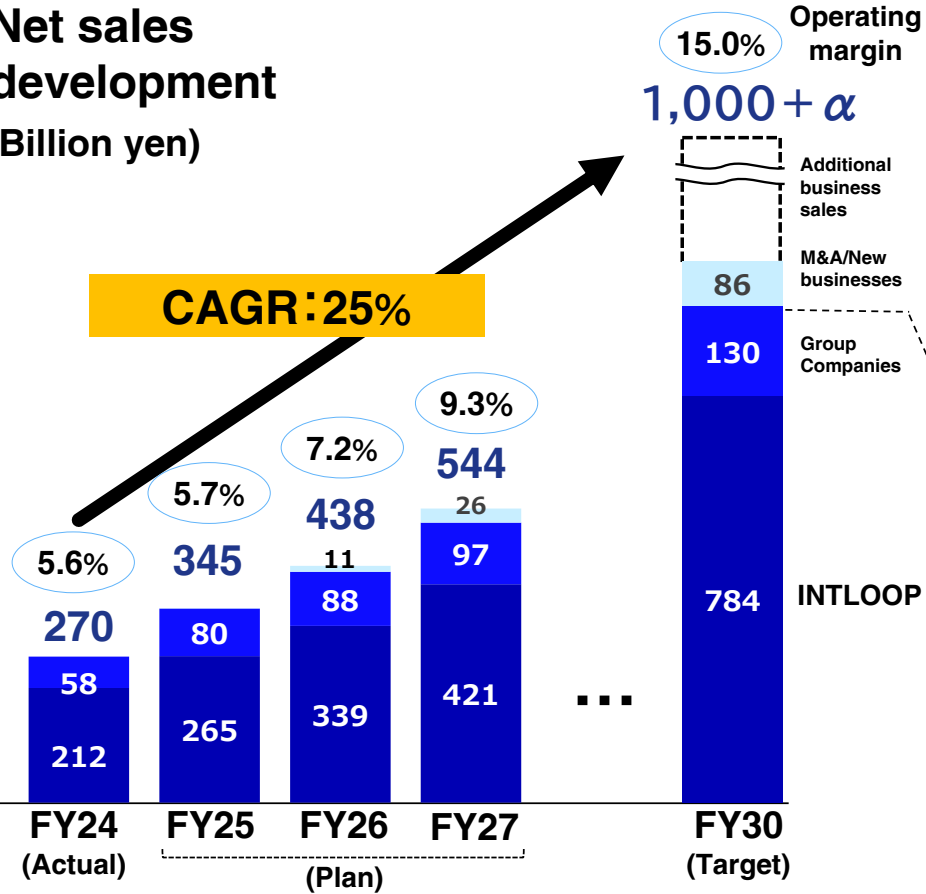
## Build a corporate group that spans to technology



# 5 INTLOOP “VISION 2030” -Financial Indicators-

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

Net sales development  
(Billion yen)



### 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	¥27.7 bn	¥100 bn
Operating profit	¥1.5 bn	¥15 bn (¥ 2.5-3.5 bn by new business)
Operating margin	5.4% (FY24/7)	15%

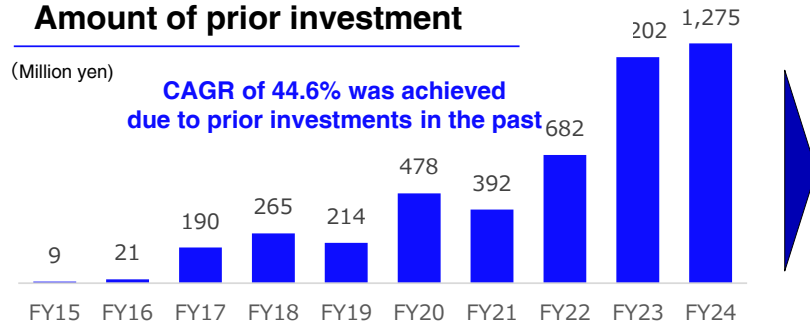
## Shift from upfront investments for sales growth to investments for profit improvement

Net Sales/Operating Income Estimate

(billion yen)	FY15	FY16	FY17	FY18	FY19 <sup>(*)</sup>	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY30
Net Sales	1.1	1.9	2.7	3.7	3.0	7.1	9.2	13.1	17.8	27.0	34.5	43.8	54.4	100.0
YoY(%)	50%	73%	42%	37%	-	137%	30%	42%	36%	52%	28%	27%	24%	
Operating Profit	0	0	0	0	0.1	0.4	0.7	0.7	1.1	1.5	1.9	3.1	5.0	15.0
Operating profit ratio (%)	1.4%	1.1%	0.9%	-0.7%	5.7%	5.6%	8.6%	6.0%	6.2%	5.6%	5.7%	7.2%	9.3%...	15.0%

\*FY19 is a reference value due to the half year financial results.

### Amount of prior investment



### Future forward-looking investment policy

① Strengthen the freelancer business and expand consulting areas

- Maximize LTV by expanding the freelancer network and investing in the retention of enrolled talent
- Achieve higher unit prices by increasing investment in hiring upstream consultants; expand gross margins by shifting to project orders

⑤ Build a robust Group management foundation

- Increase productivity through streamlining of operations and work environment improvement by updating core enterprise systems and relocating offices

• Focus investment from existing businesses to new businesses.

② Expand our solutions portfolio

- Invest aggressively in promising business areas, e.g., AI and advanced technology areas, where we can expect revenue increase from investment expansion

③ Create new open innovation businesses

- Invest selectively in solutions and businesses where we can expect to see synergies with our consulting business

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

- Any acceleration of investments in new areas will be announced in a timely manner.
- We will strengthen IR activities to achieve fair value valuation.

A solutions platform operator integrating advanced  
technology and talent

# EVOLVE

Harnessing the power of technology and people for a sustainable society

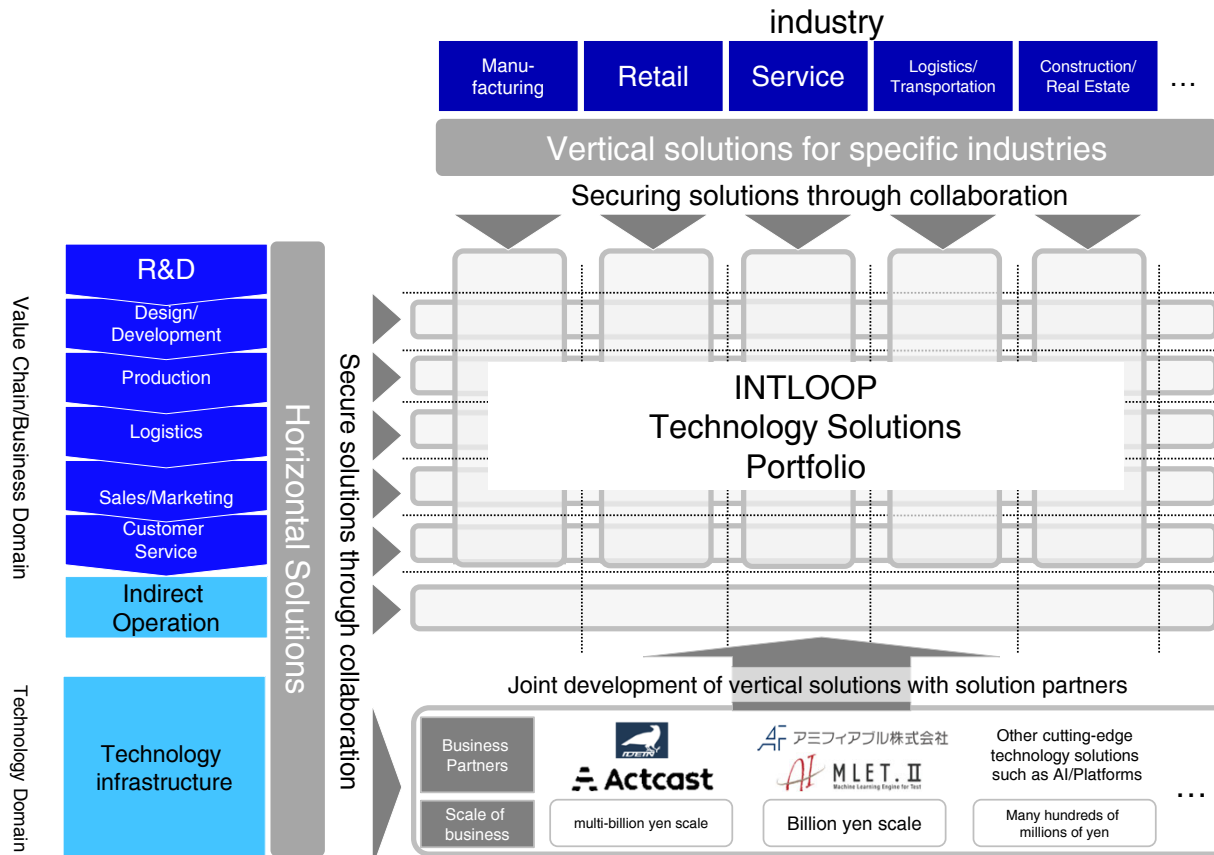
# the loop

Mobilize advanced technologies and professionals to  
solve social issues by supporting client companies

# Appendix (for each Key Strategy)

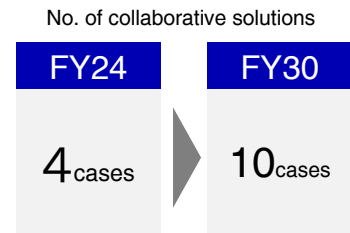
# Key Strategy(2)-1 Expand our solution portfolio

## Achieve high profitability through expanding solution portfolio and consulting collaboration



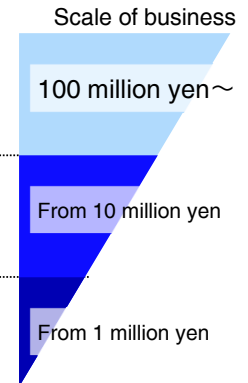
### Strengthening the Solution Portfolio through Collaboration

- Cultivate AI and other advanced technology solutions
- Expansion of cooperative solution portfolio



### Diversify revenue model through consulting/engineering collaboration

- High profitability in large-scale enterprise projects through consulting collaboration
- Monetize through implementation consulting by leveraging engineering resources
- Increase revenues by expanding into new customer segments, including SME



# Key Strategy(2)-2 Expansion of Solution Portfolio

## Expansion of infrastructure, cloud, outsourcing, and security business from DICS

	FY24	FY30
	Currently limited scope of services	Expand and evolve our business to become a comprehensive service provider in response to market expansion and changing needs
	Business Development	Market Changes      Business Development
Infrastructure	<ul style="list-style-type: none"> <li>MS Cloud, virtualization technology, etc.</li> <li>Providing resources for infrastructure engineers</li> </ul>	<ul style="list-style-type: none"> <li>Expand market size for infrastructure for AI</li> <li>Reduction of environmental impact of AI infrastructure will be a key issue</li> </ul>
Cloud	<ul style="list-style-type: none"> <li>Implementation of Salesforce, etc</li> </ul>	<ul style="list-style-type: none"> <li>Cloud penetration and market expansion</li> <li>Evolution of SaaS by AI</li> <li>Service segmentation by industry and function with advent of SaaS</li> </ul>
Outsourcing	<ul style="list-style-type: none"> <li>BPO services for back office, IT, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Rising demand for outsourcing due to labor shortage</li> <li>Shifting from labor-intensive to AI/automated outsourcing</li> </ul>
Security	<ul style="list-style-type: none"> <li>Security solutions are under development at this stage</li> </ul>	<ul style="list-style-type: none"> <li>Continued demand growth due to increased cyber-attacks</li> <li>Advanced cyber resilience</li> </ul>

Enhancement of Offering and Proposal Capabilities

- Expansion of customer base by expanding offerings
- Improve competitiveness in upstream proposals/order rate
- Strengthen cyber security offerings

FY30 sales	5 billion yen
Number of large customers	From 100 companies

Strengthening Partnerships

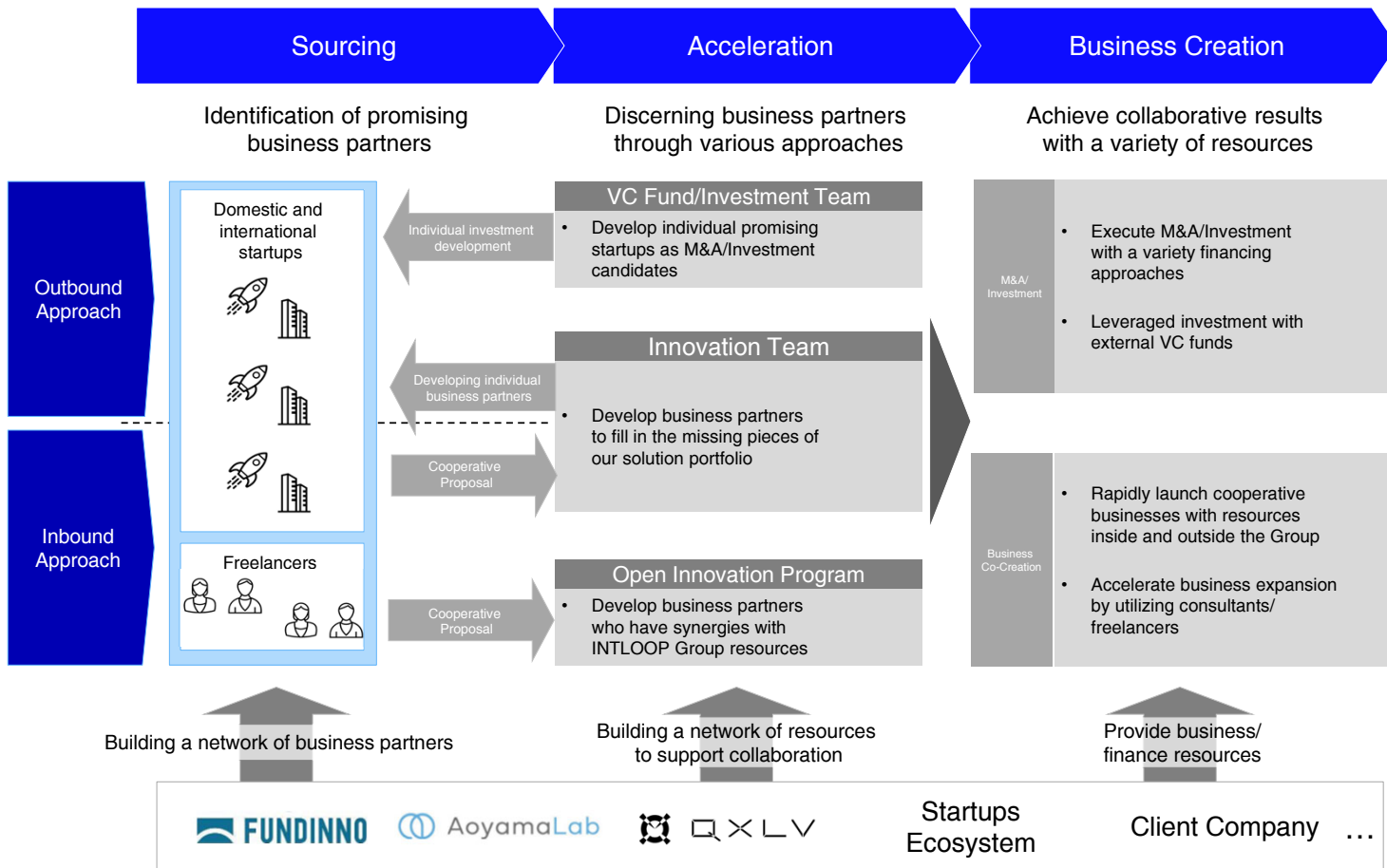
- Expanding Strategic Partnerships with Leading Companies Expanding Strategic Partnerships

Strategic Partnerships	AWS Google Microsoft
SaaS Partnership	From 10 companies

1. companies that provide large scale computing resources such as AWS, MS Cloud, Google Cloud, etc.

# Key Strategy(3) New Open Innovation Business Creation

Establish a system for promoting innovation that can continuously create new businesses through its mechanism



## Expanding cooperative approaches through mechanisms

- Build pool of potential business partners through Ecosystem/VC collaboration
- Improve decision-making speed/precision by establishing a system for identifying potential business partners.
- Accelerate collaboration mainly in the area of AI/advanced technology

	~FY25	FY30
Number of collaboration studies	~10 cases/year	100 cases + /year
Cooperative Business Number of startups	1~2 cases/year	10 cases + /year

**Collaborations underway since FY24**

Collaboration with Idein, the world's leading technology startup in edge AI technology

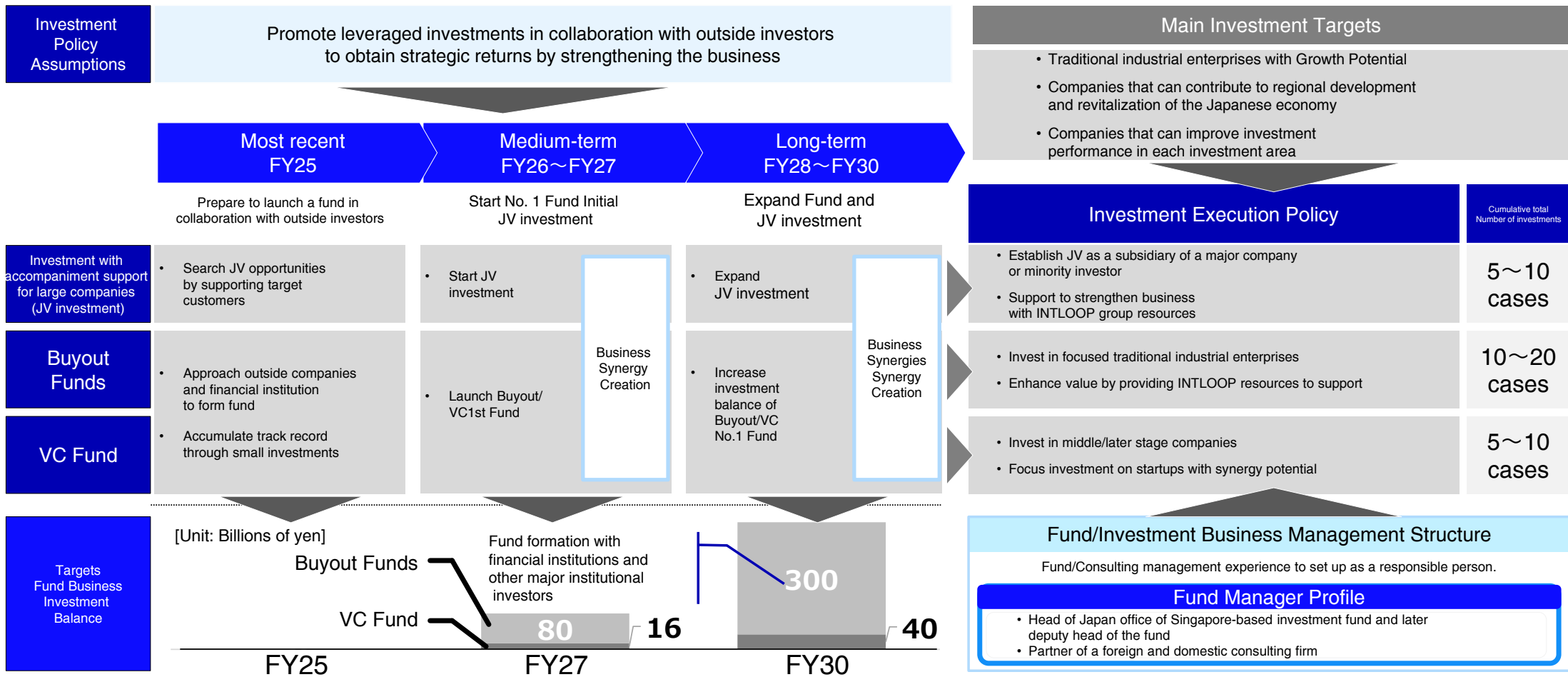
- Pipeline of both companies business expansion through joint proposals
- Negotiations for a billion yen business deal are in progress.

Continue to create collaborative businesses with AI/advanced technology partners



# Key Strategy(4): Co-creation with JVs and the fund investment business

## Create new business by launching buyout/venture fund management/JV co-creation investment



# Disclaimer

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Forecasting statements contained in this document are based on our judgements, assumptions and the information currently available to us. Forecasting statements include our business plans, market size, competitive conditions, industry information and growth potential.

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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