

Business Plan and Matters Related to Growth Potential



October 31,2024

INTLOOP Inc.

Securities Code 9556 / TSE Growth

1. Company Profile

"Introduction" + "Loop"

INTLOOP, the company's name, is a coinage combining the words "Introduction" and "Loop".

No company nor a human being can exist without the support of others.

This is the basis of our corporate philosophy.

Pay it forward

"Pay it forward" - this old and new phrase is our corporate philosophy. We are engaged in giving back to others, not just to the person who gave us the favor beforehand.

By repeating this process, "gratitude" will be spun.

2 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.



3 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
	iTPartners
	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))

5 Reference Sales since inception

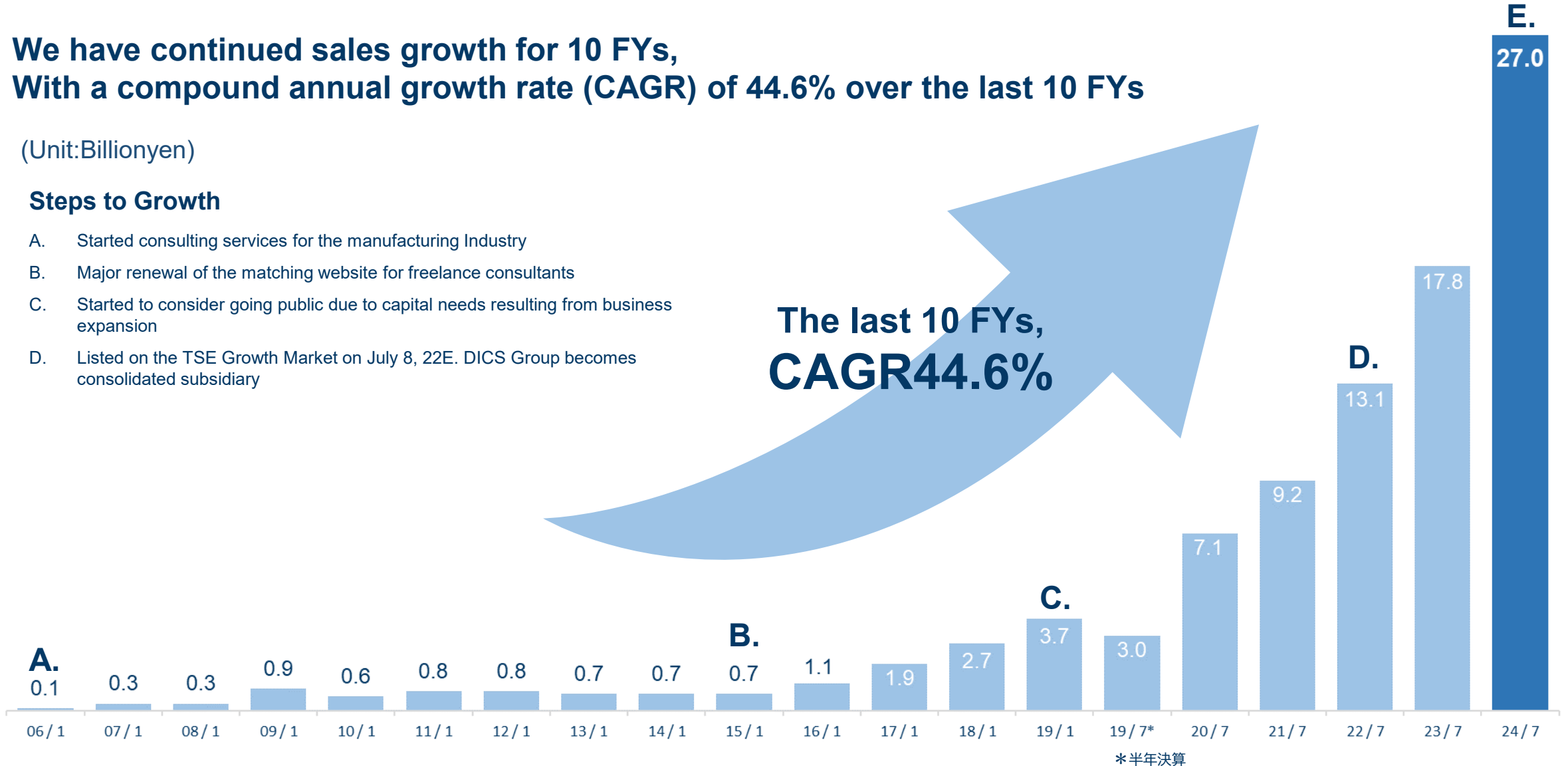
**We have continued sales growth for 10 FYs,
With a compound annual growth rate (CAGR) of 44.6% over the last 10 FYs**

(Unit: Billionyen)

Steps to Growth

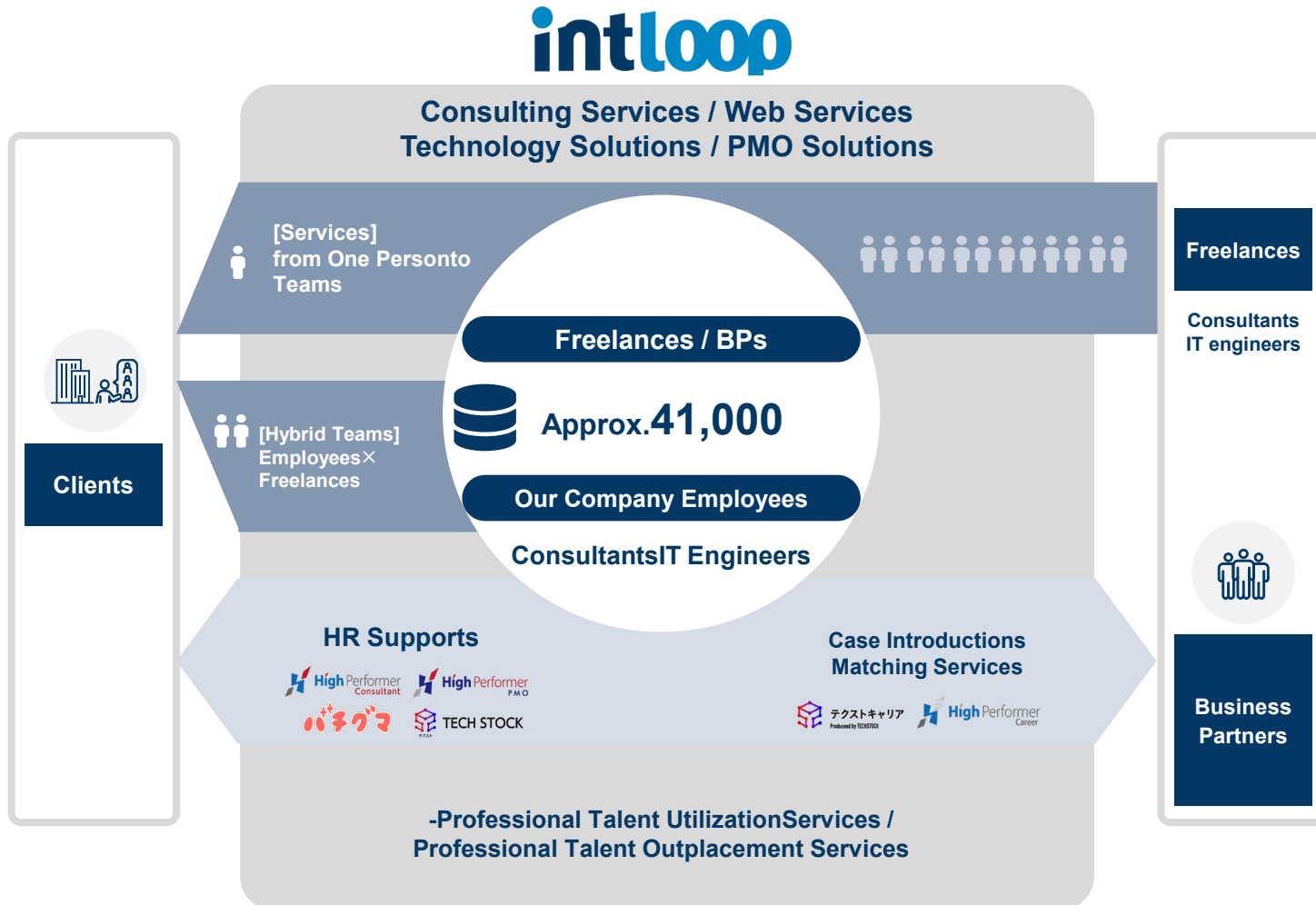
- A. Started consulting services for the manufacturing Industry
- B. Major renewal of the matching website for freelance consultants
- C. Started to consider going public due to capital needs resulting from business expansion
- D. Listed on the TSE Growth Market on July 8, 22E. DICS Group becomes consolidated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

**The last 10 FYs,
CAGR 44.6%**



2. Business Summary & Strength

1 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 41,000 people (as of the end of June 2024), 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.

2 Service Lineup

Number of Delivery Employee

324
FY24/7

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
FY24/7

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)

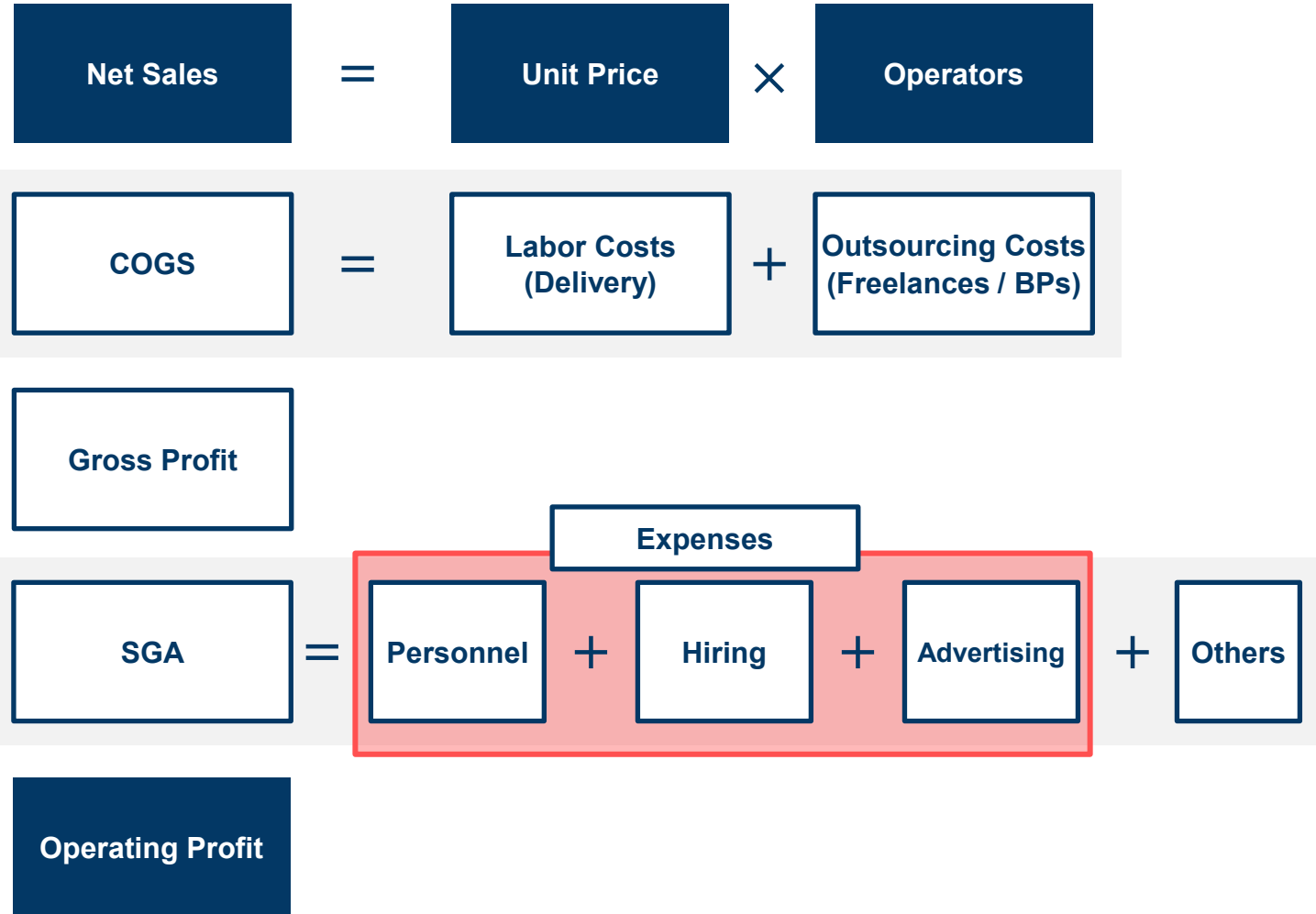


Professional Talent Outplacement Services

- Human Resource Agents
- Headhunting



3 Performance Management



Pursuing appropriate COGS

- ✓ Principle : Control COGS ratio to receive orders at a certain gross margin
- ✓ Exceptions : Set sales order for high-value added projects (e.g., AI) and contracted large-scale projects, order amount to be discussed separately

Control based on cost-effectiveness

- ✓ **Restrain ineffective advertising expenses** and ensure operating profit
- ✓ Continuous hiring of sales employees and investment in web marketing expenses **with an eye on sales 6 months ahead**

4 Hybrid Providing System

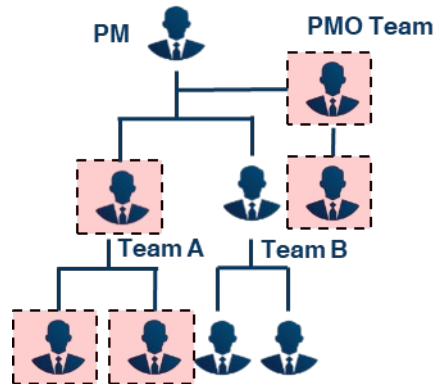
Hybrid Team

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

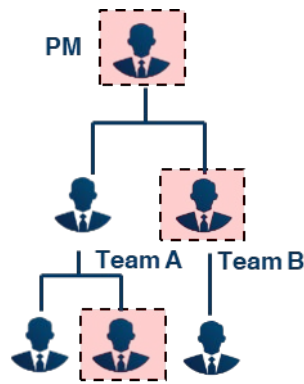


**Freelances / BPs
(Consultants / IT Engineers)**

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.

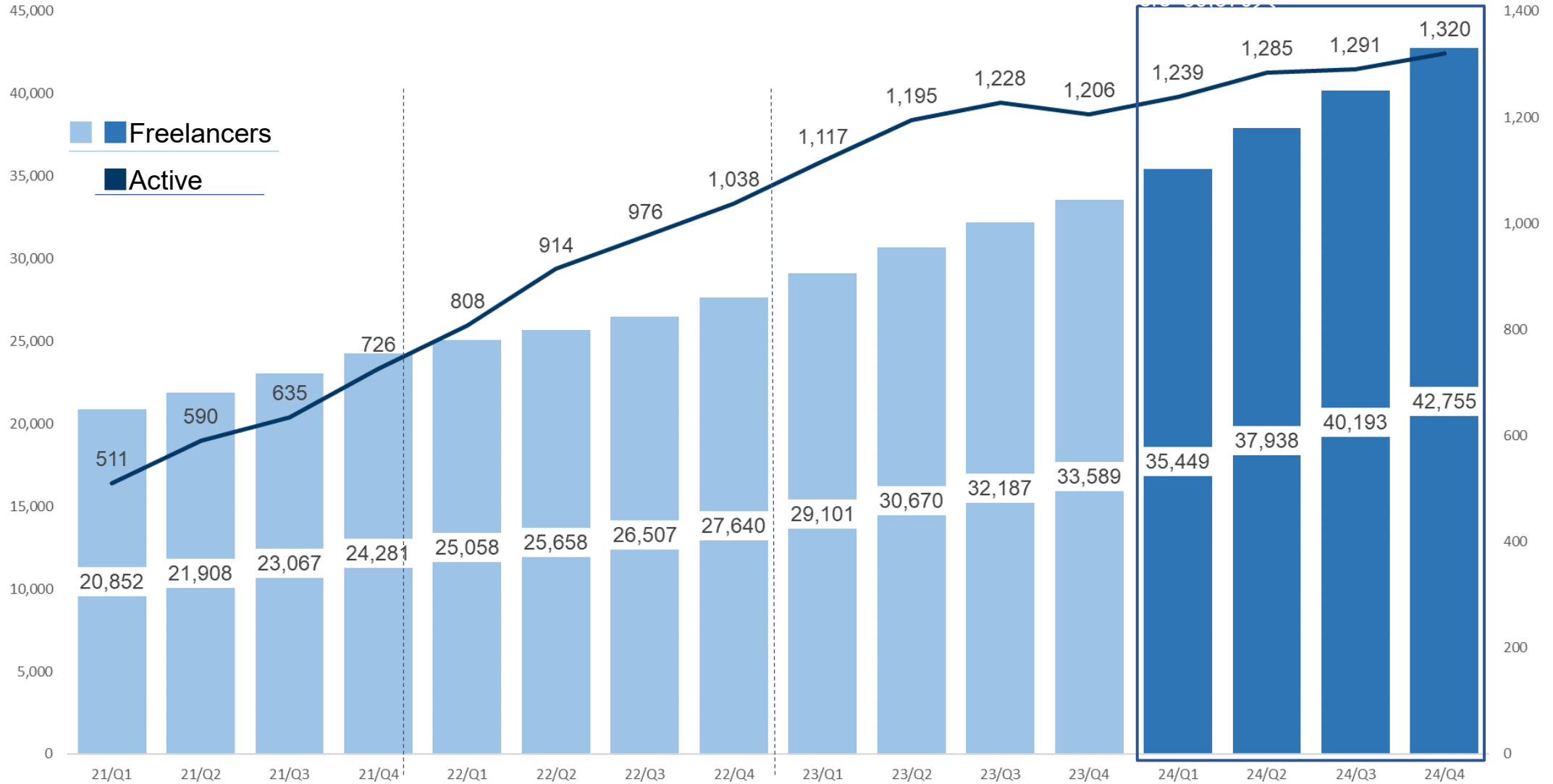
Team Proposals

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

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

Freelancers
(Graph unit people)

Active
(Graph unit people)



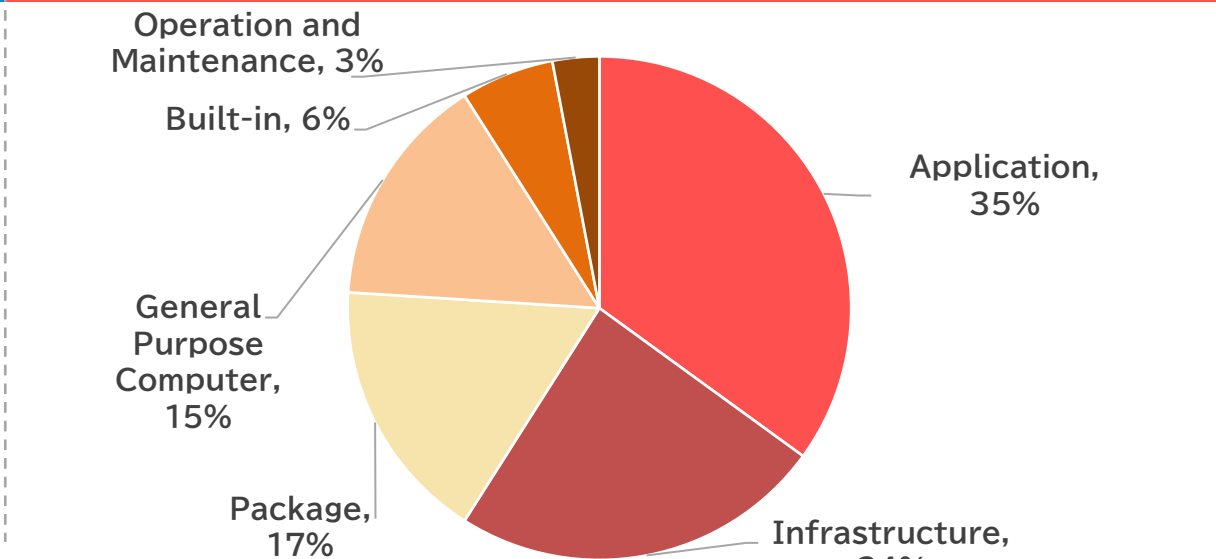
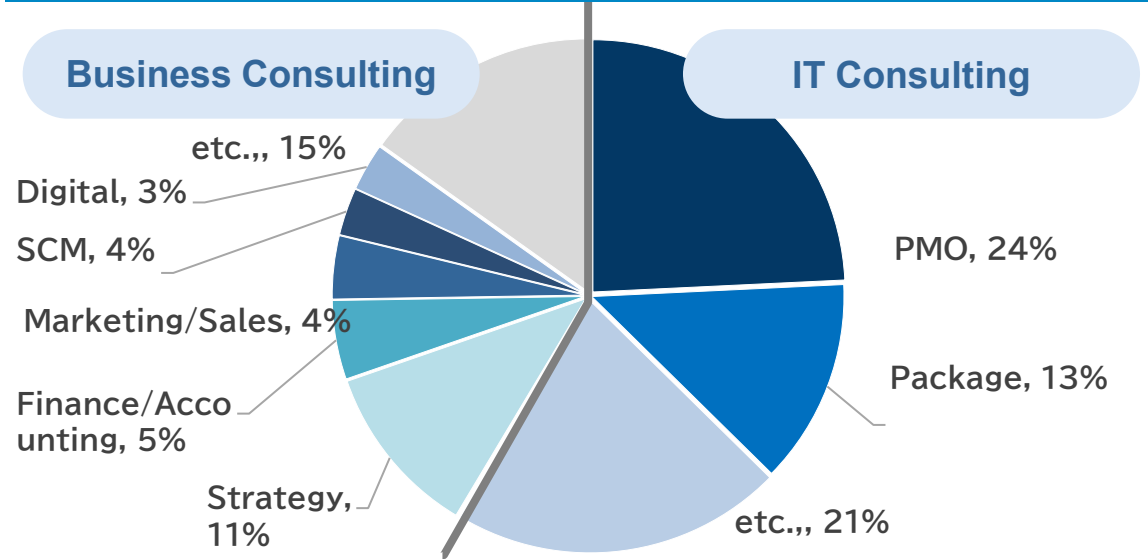
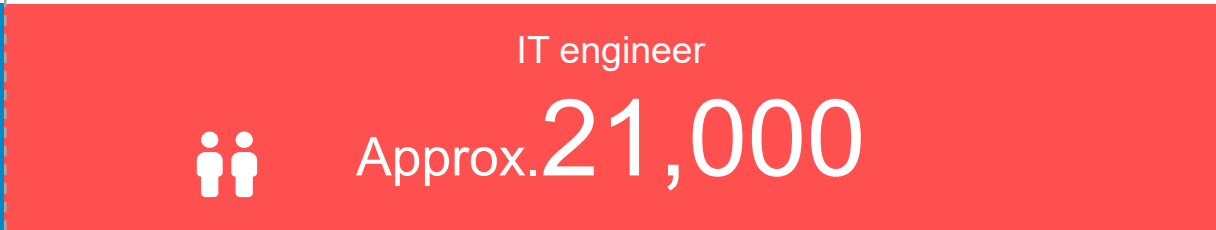
6 Freelance Consultant/IT Engineer Professional Composition

Freelance Consultant/IT Engineer Professional Composition

Main Project Introduction
Service Site

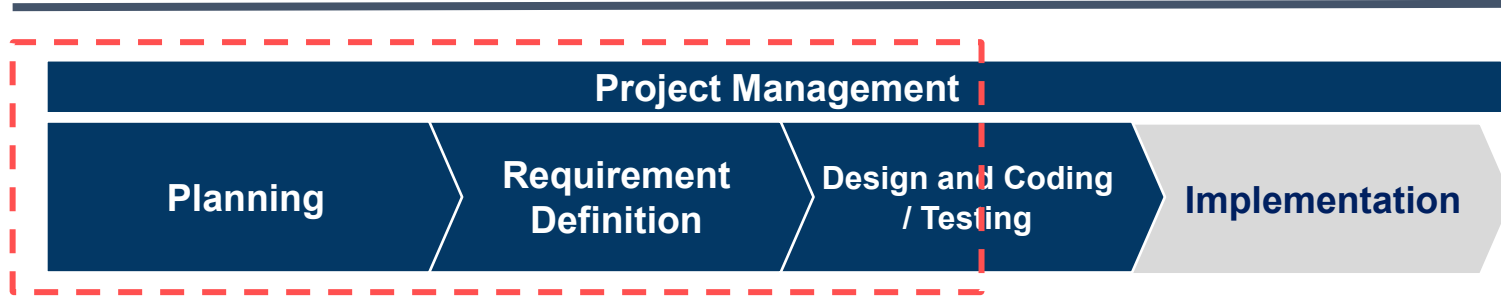


Main Project Introduction
Service Site



*1) Database breakdown includes those who were introduced by business partners in addition to those who registered on our website (as of June 30, 2024).

Strengths in upstream processes



Not only participating in upstream processes utilizing consulting know-how, but also covering downstream processes

- ✓ As consulting is our initial business, we are strong in participating in the upstream process
- ✓ We are good at implementing critical mission-critical systems for our clients, and we also obtain relatively high unit prices for downstream processes
- ✓ Since our establishment, we have developed a large number of client companies and have a diverse client base with no industry bias

High unit price projects such as core system implementation

Consultant

1.4-3 million yen

/ per man-month

IT Engineer

1 million yen

/ per man-month

Well-developed client base

Total Clients **Over 1,000** companies

Approx. 500 companies deal with us annually (As of 24 / 7)

Ratio of Client

	System Integrators	Consulting Firms	Operating Companies
Approx	4	:	4
		:	2

System Integrators **Business with all major system integrators with sales of 200 billion or more**

Consulting Firms **Business with all major foreign consulting firms**

Operating Companies **Operating Companies**

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

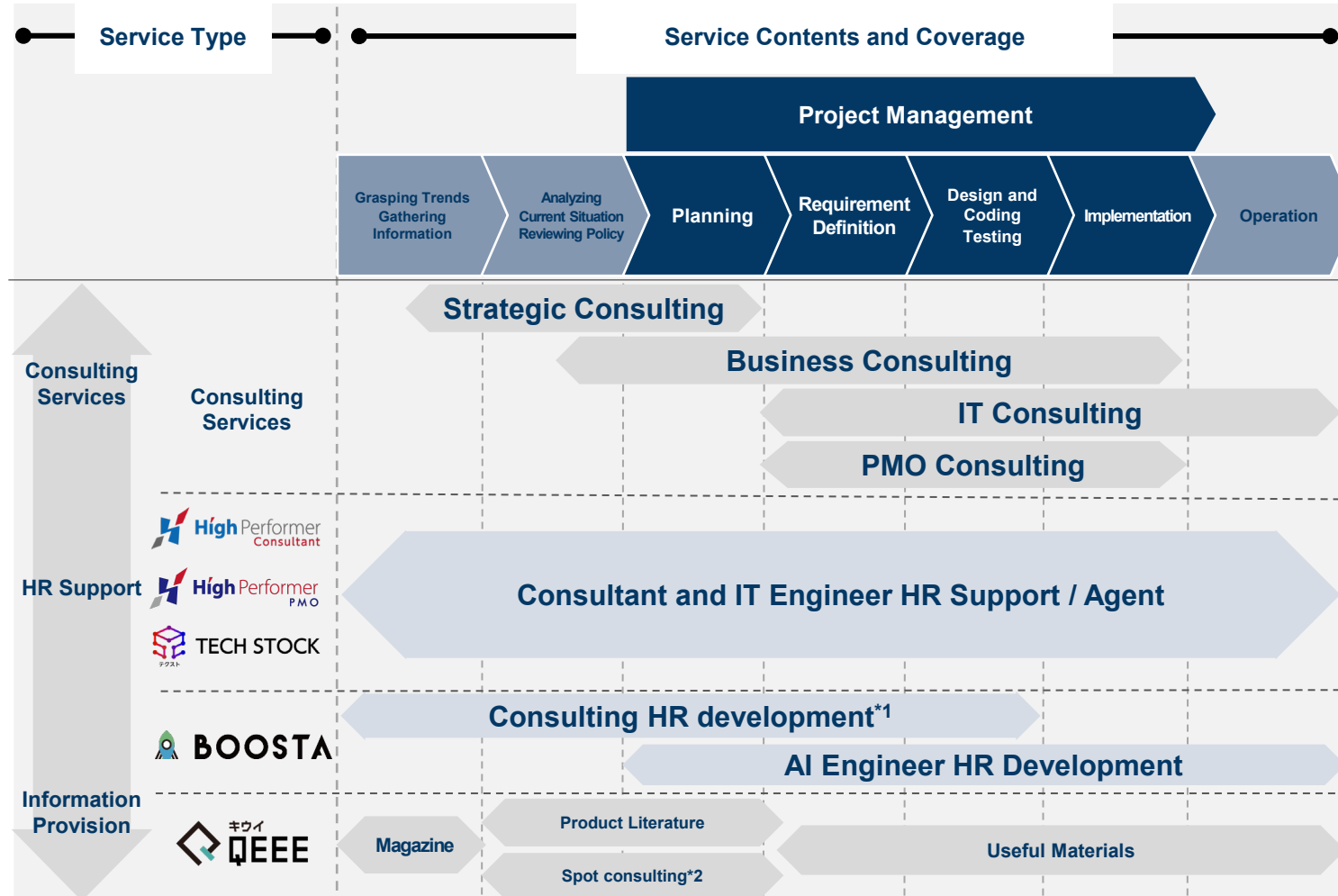
Meeting the high reward levels

Setting prices based on market prices

Increase Persons in Operation

Adequate expansion room of freelances/
Business Partners

8 Service Coverage

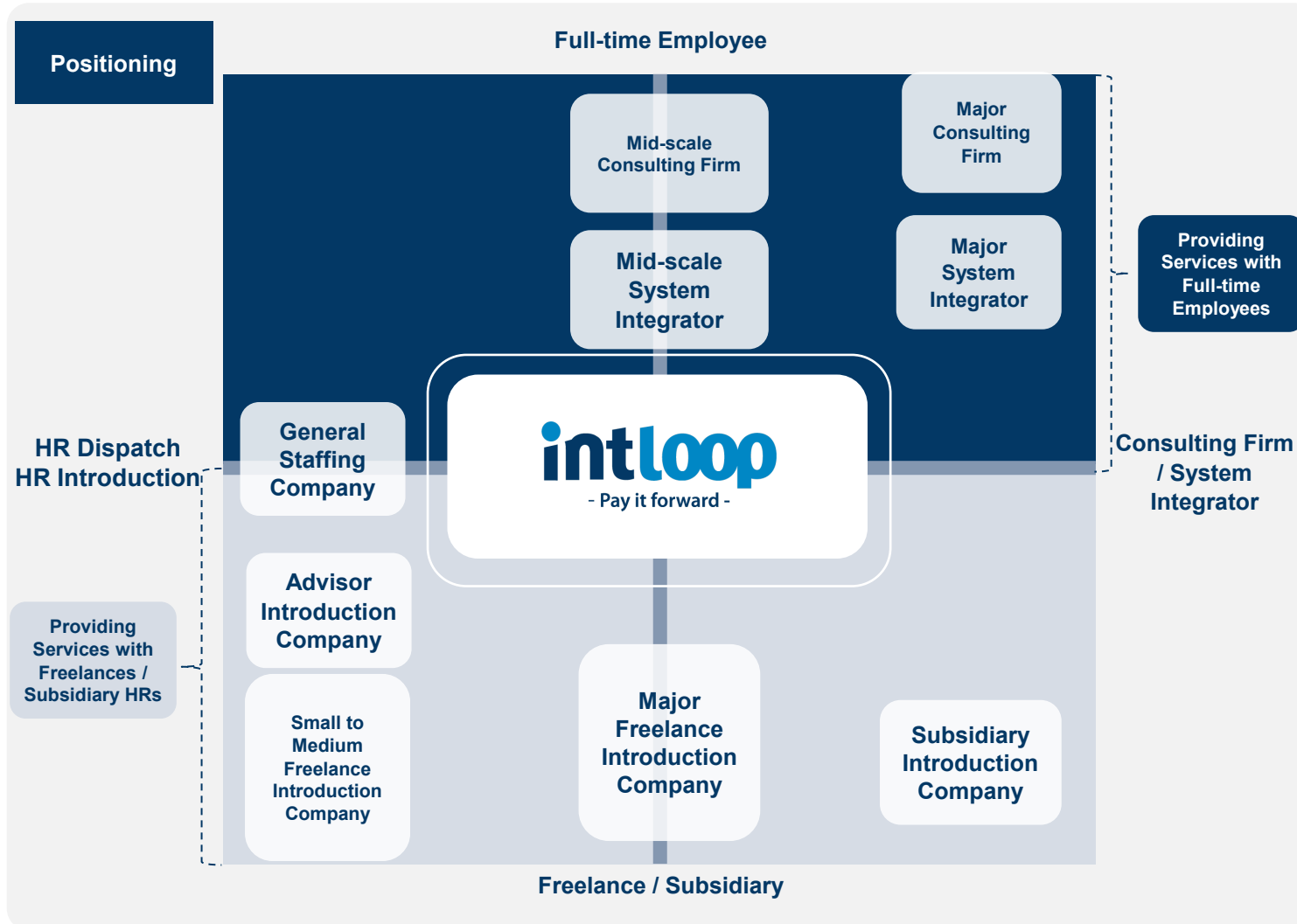


We provide services that can be used by our clients at each step of the process to solve their digital challenges

For example, in the case of “requirements definition”, it is possible to utilize consulting services, etc.

- Issues for the future *1 Boosta will be improved to specialize in DX training *2 Spot consulting for QEEE is a future focus

9 Competitive Environment



Our services are broadly classified into professional HR utilization services and consulting services, and our competitors are HR Dispatch or HR Introduction companies, consulting firms and system integrators

We differentiate ourselves from other HR Dispatch or HR Introduction companies by being able to provide our own employees

Providing services equal to or better than major firms or system integrators by offering hybrid proposals with more than 33,000 professional HR and experienced employees

10 Growth Cycle Model



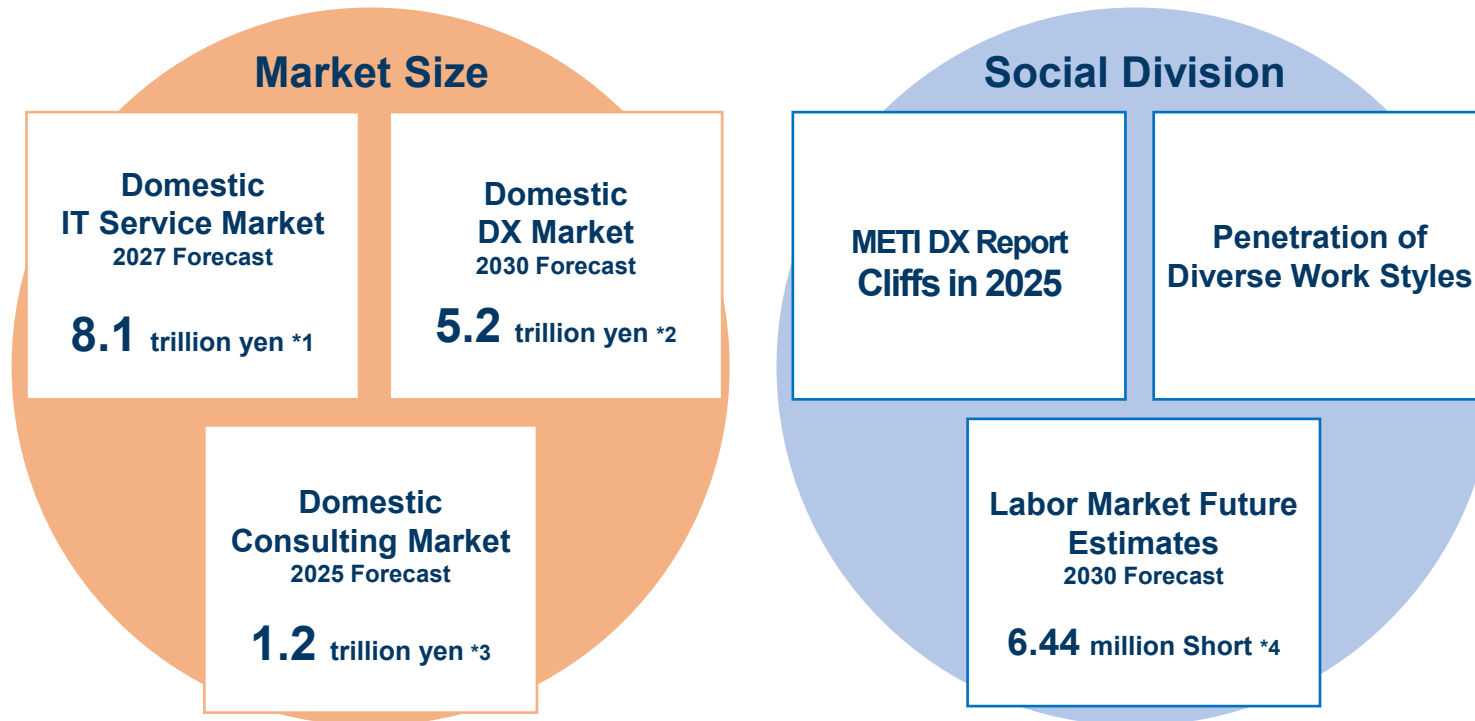
By increasing the number of full-time employees, we will broaden the scope of our hybrid team and other services, and leverage our strengths to acquire upstream, high-unit-price projects

By returning compensation to freelances, we will strengthen the HRs stock model and implement a growth cycle model that will lead to business expansion, aiming to further deepen the company's business

Promoting a growth cycle through collaboration with alliance companies and the establishment of INTLOOP Strategy

3. Market Environment

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

2 Domestic IT Services and DX Markets

Domestic IT Services Market Expenditure Forecast: 2023-2028 *1



*1: IDC Japan "Forecast of domestic IT services market spending from 2023 to 2028", April 17, 2024

Despite the impact of the new coronavirus in 2020, the domestic IT services market is expected to return to positive growth from 2021 onward, reaching 6,766.7 billion yen by 2026

The DX domestic market (investment amount)*3 in FY2030 is expected to be 5.1957 trillion yen (3.8 times the amount in FY2020).

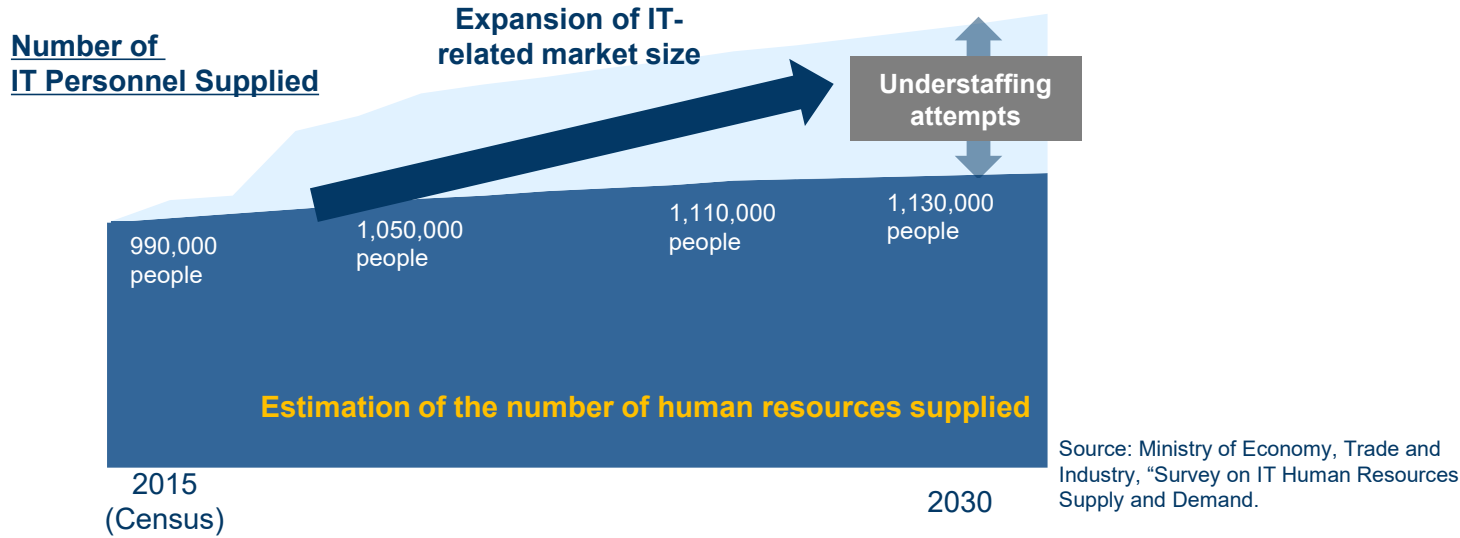
Domestic market for DX by industry in terms of investment value*2

	2020 (Oku yen)	2030 (Oku yen)	Ratio (%)
Manufacturing	1,620	5,450	340
Distribution / Retail	441	2,455	560
Finance	1,887	6,211	330
Medical / Nursing	731	2,115	290
Traffic / Transportation	2,780	12,740	460
Real Estate	220	970	440
Municipality	409	4,900	1,200
Social Infrastructure / Construction / Other Industries	499	2,078	420
Sales and Marketing	1,564	4,500	290
Customer Service	410	802	195
Communication	760	2,290	300
Strategy / Foundation	2,500	7,446	300
合計 - Sum	13,821	51,957	380

*3: Partially included in the domestic IT services market

*2: Fuji Chimera Research Institute, Inc., "Survey on the Domestic Market for Digital Transformation (Investment Amount)," March 2022.

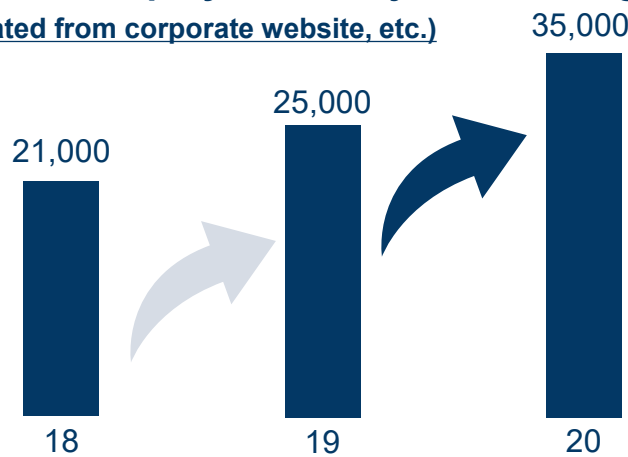
3 Status of freelance personnel, etc.



Since freelance personnel account for 24% of the workforce, there could be 250,000 to 270,000*1 freelance IT engineers, but we only have a few hundred IT engineers in the market, so there is room for growth.

The number of employees at large firms that supply freelance consultants is increasing, and if the retirement rate is 8%, there could be 6,500*2 candidates in the past 3 years. There is room for growth in the

Number of employees at major consulting firms
(estimated from corporate website, etc.)



Target Company :

- Deloitte Tohmatsum Consulting, PwC Consulting, EY Strategy and Consulting, KPMG Consulting, Accenture, ABeam Consulting, Baycurrent Consulting, QUNIE, Hitachi Consulting, SIGMAXYZ

*1 Calculated by multiplying 24% of freelance personnel by the estimated value of the number of IT personnel from 2022 to 2030 based on the Ministry of Economy, Trade and Industry's "Functional Survey on the Supply and Demand of IT Personnel".

*2 Total number of employees of major consulting firms over the past three years: 81,000 x 8% retirement rate

4. Growth Strategy

1 Growth Strategy ① Sales Strategy : New Clients Acquisition

Acquire new clients through collaboration between our strengths in web marketing and an organization that supports the launch of new businesses and needs

Provide high value-added services to clients by leveraging CRM to create an optimized clients experience for each individual company

Online Marketing

- Online Seminar
- Owned Media management
- Content Marketing
- SNS Marketing
- Email Marketing
- Listing and other advertising
- Affiliate
- etc...

Offline Marketing

- Offline Seminar
- Book Publishing
- Event / Exhibition
- Flyer and advertisement
- FAX, Letter
- Tele-appointments
- etc...

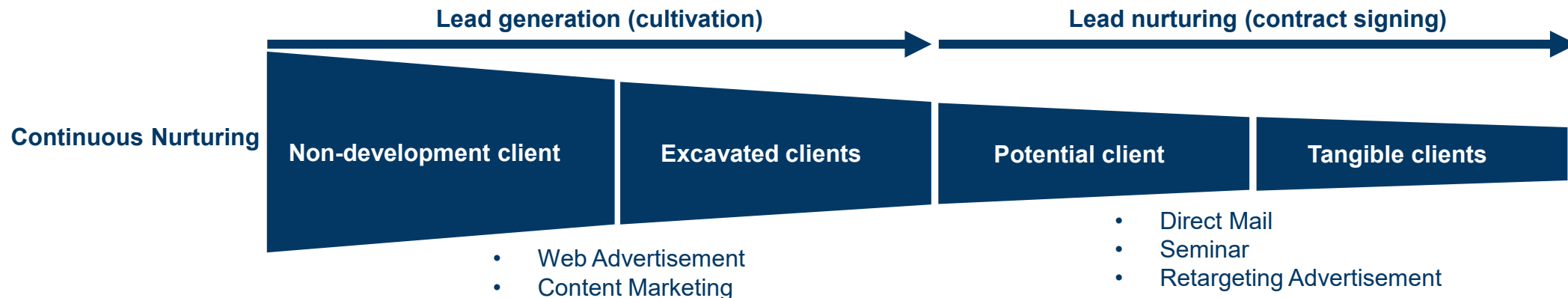
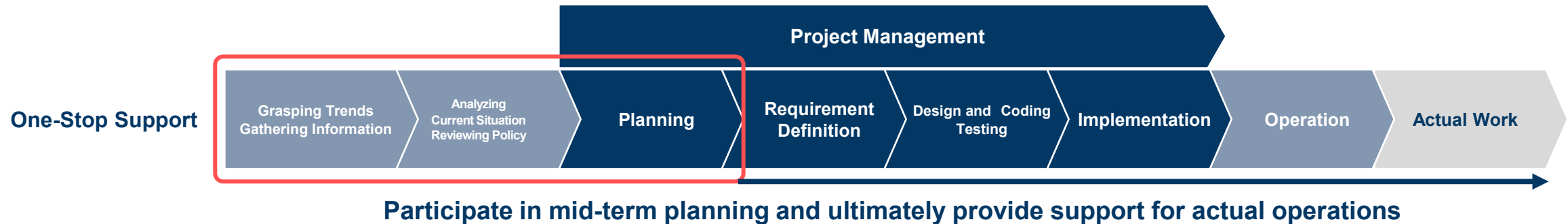
OMO(Online Merges with Offline)

Acquisition of new clients

Cultivation through collaboration with alliance companies, new solutions, B2B marketing, etc.

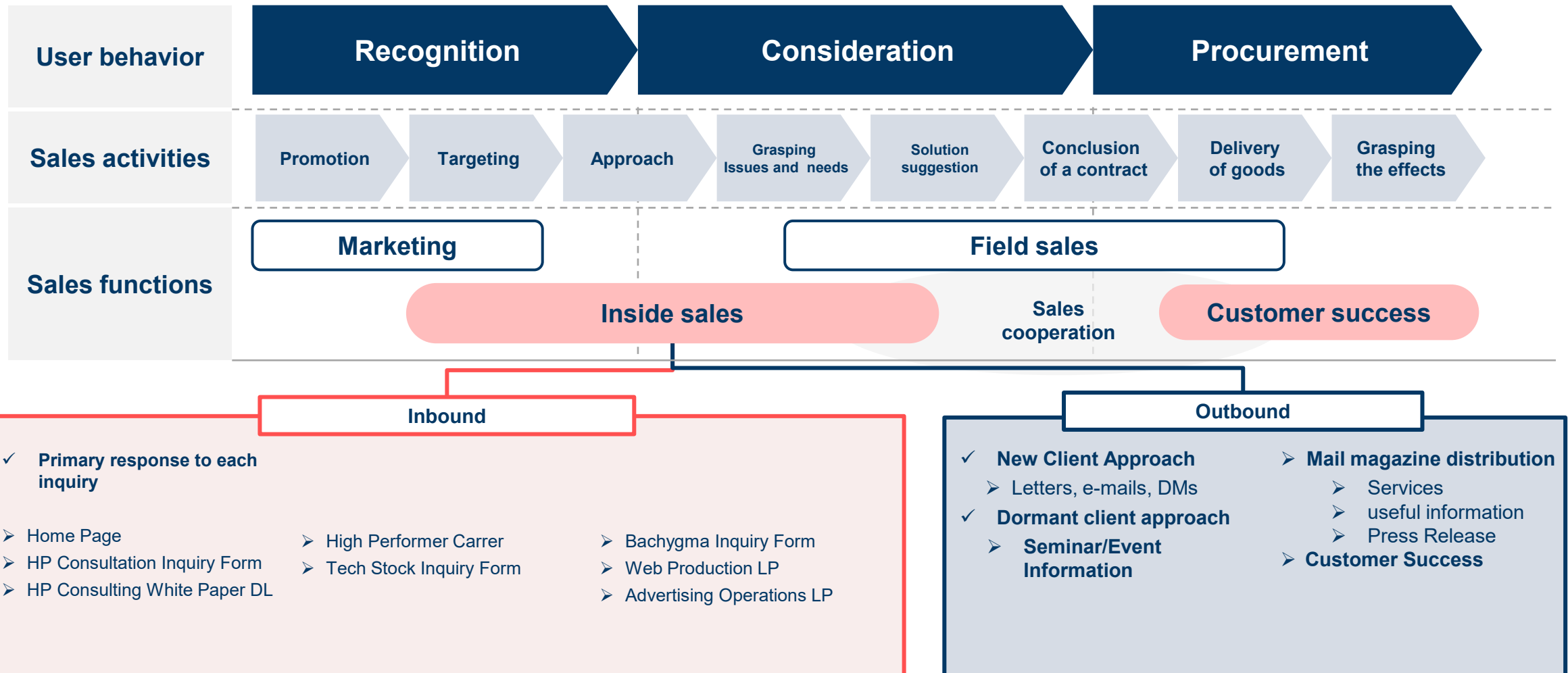
1 Growth Strategy ② One-Stop Support

- ✓ Provide consulting on long-term management strategies for medium-sized companies with rapid decision-making
- ✓ After that, the company continued to cover the IT engineering field, and also focused on acquiring outsourcing projects for actual operations, aiming to provide comprehensive support
- ✓ Lead generation to reach the final decision makers at client companies, including past clients



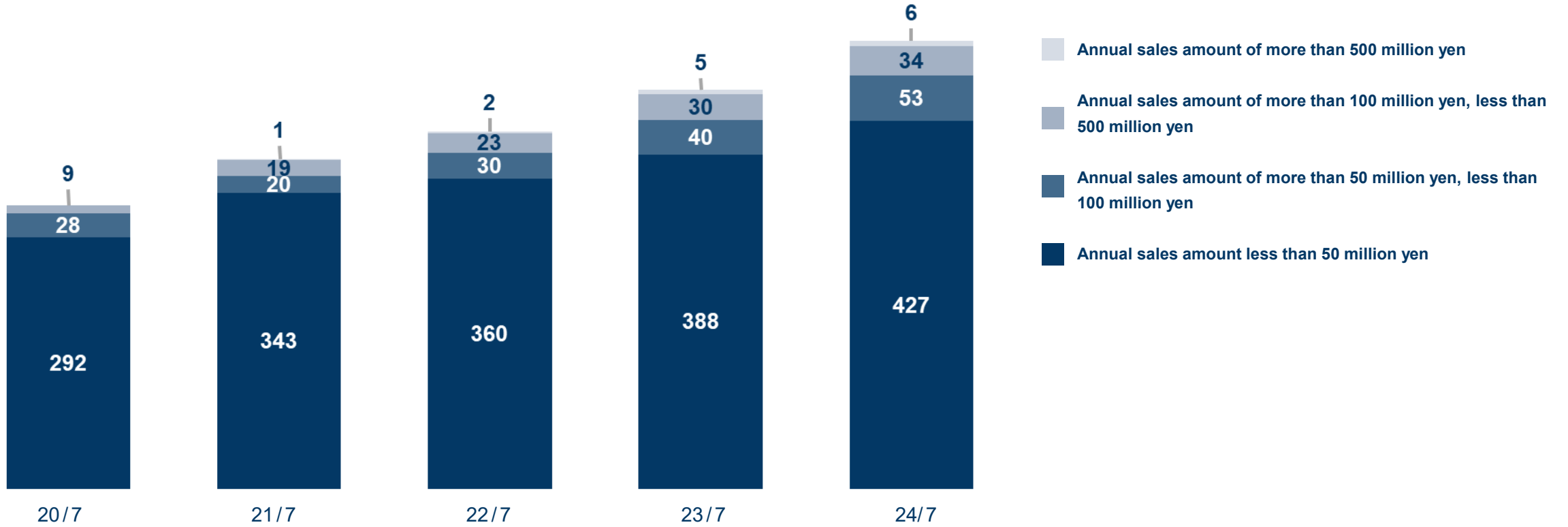
1 Growth Strategy ③CRM Building

- ✓ Promote inbound and outbound inside sales to maintain and evolve customer contact, based in part on past customer inquiries and contact history
- ✓ Going forward, promote outbound inside sales and aggressive approach to client companies



2 Transition Number of clients

Number of clients and annual sales value per company are increasing steadily



5. INTLOOP “VISION 2030”

- Evolve the loop -

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

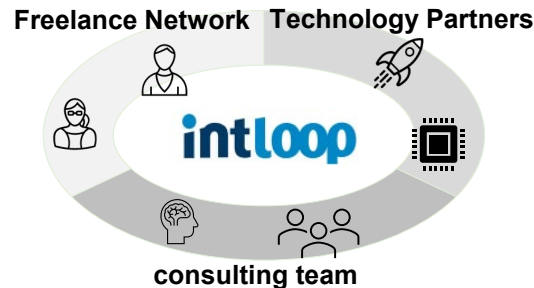
Evolve into a solutions platform operator that integrates technology and people



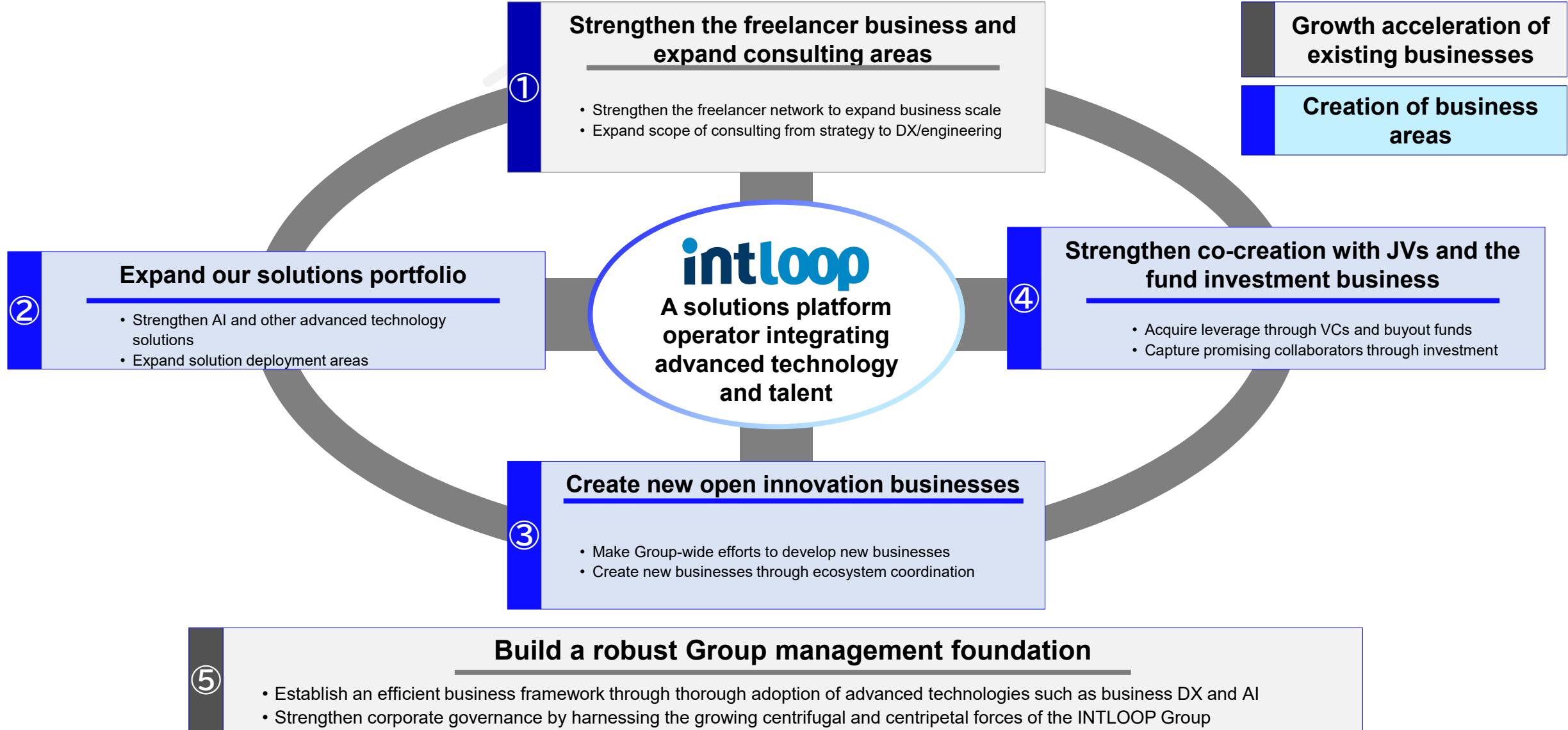
★ Excerpt from “Financial Results for the Second Quarter of the Fiscal Year Ending July 31, 2023 - Medium-Term Growth Strategy

Approaches that only the INTLOOP Group can take

Social issues relevant to INTLOOP	Expanding and worsening workforce decline and labor shortages in various industries
	Shortage of up to 790,000 IT workers by 2030 and a simultaneous decline in the quality of the workforce
	Growing burden of social implementation of AI and other advanced technologies
	Intensifying global competition for resources



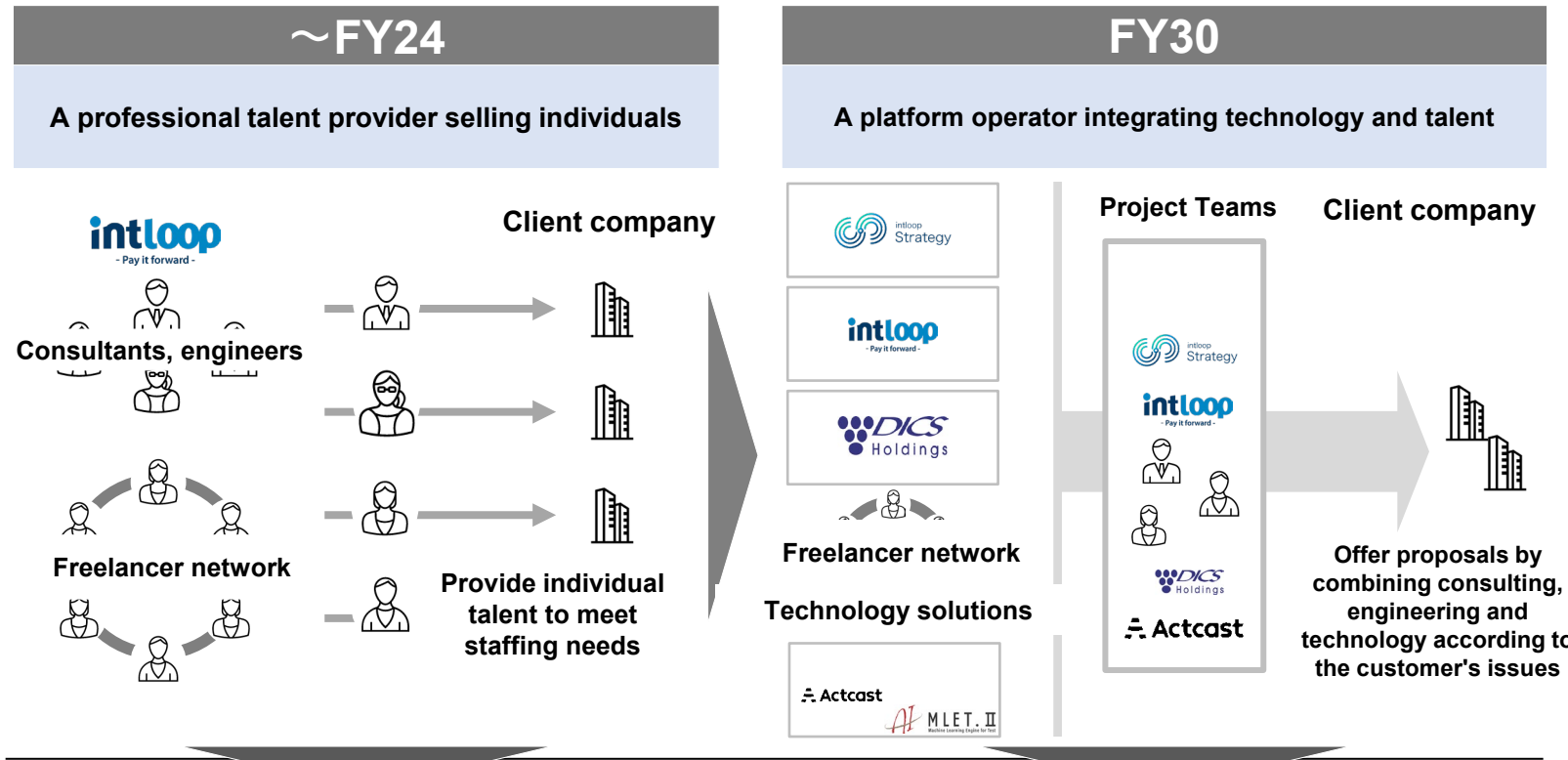
- ➔ Mobilize the knowledge of professional talents to support the resolution of client companies' managerial issues
- ➔ Implement the optimal combination of technologies and solutions to help client companies add more value
- ➔ Co-create with or create an ecosystem with technology partners to take the lead in solving social issues with advanced technology
- ➔ Establish a global support system for client companies to expand their business model to overseas markets



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

Proposal style

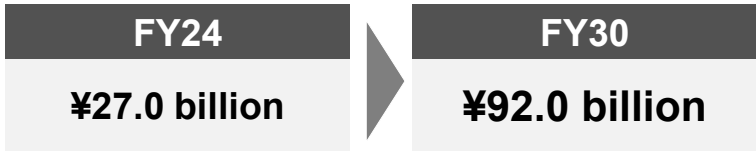
Client Composition



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

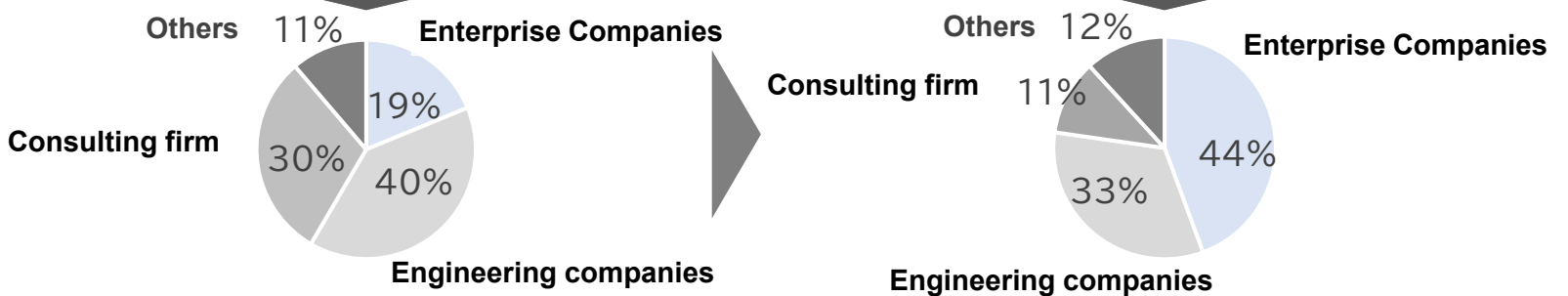
Sales of existing businesses (Group consolidation)



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



Expand new business areas with high profitability potential

2 Expand our solutions portfolio

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

Achieve high profitability by expanding the solutions portfolio and consulting collaboration

Edge AI solutions



- Prevent losses by detecting shoplifting with edge AI cameras for retailers
- Visualize the work status of the manufacturing process for manufacturers

AI solution utilizing digital clones



- Automate various corporate operations with cloned AI(operates 24/7)

An integrated infrastructure to meet AI resource needs



- Partner with hyperscalers¹
- Integration of advanced technology and physical infrastructure (Cooperation with group companies)

3 Create new open innovation businesses

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

Build a system for promoting innovation that can continuously create new businesses with its mechanism

Building a network of business partners



- Establish a pool of collaborator candidates through ecosystem/VC coordination

Discerning business partners through various approaches



- Determine collaborators through VC funds, investment teams, innovation teams and open innovation programs

Achieve collaboration results using a variety of resources



- Execute M&A/Investment with a variety of financing approaches
- Accelerate business expansion by utilizing consultants/freelancers

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

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

Create new business by launching buyout/venture funds and JV co-creation investments

Investment with accompaniment support for large companies



- Establish a JV as a subsidiary of the large company or minority investments
- Support business reinforcement with INTLOOP Group resources

Buyout funds



- Invest in focused traditional industrial enterprises (food industry, etc.)
- Enhance value by providing INTLOOP resources to support

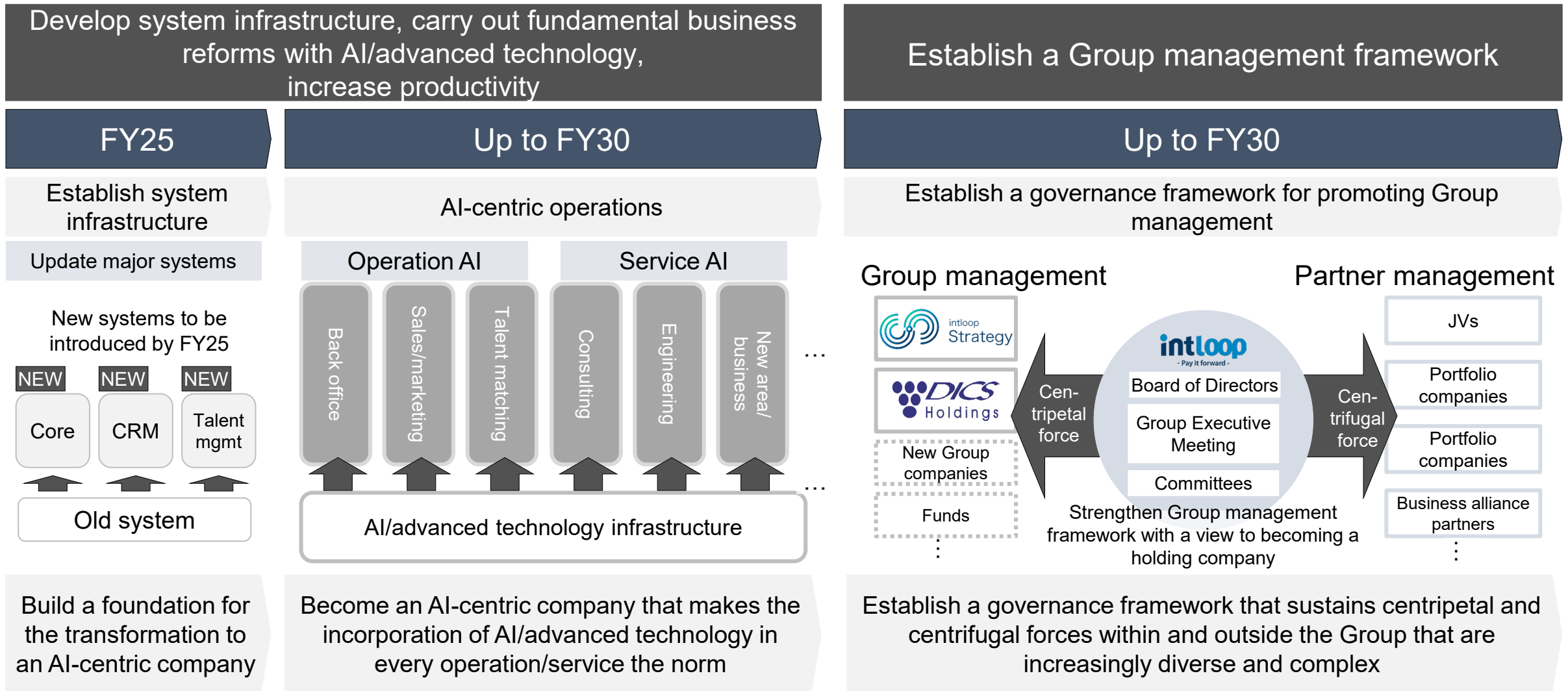
VC funds



- Invest in middle/late stage companies
- Focus investments on start-ups with synergy potential

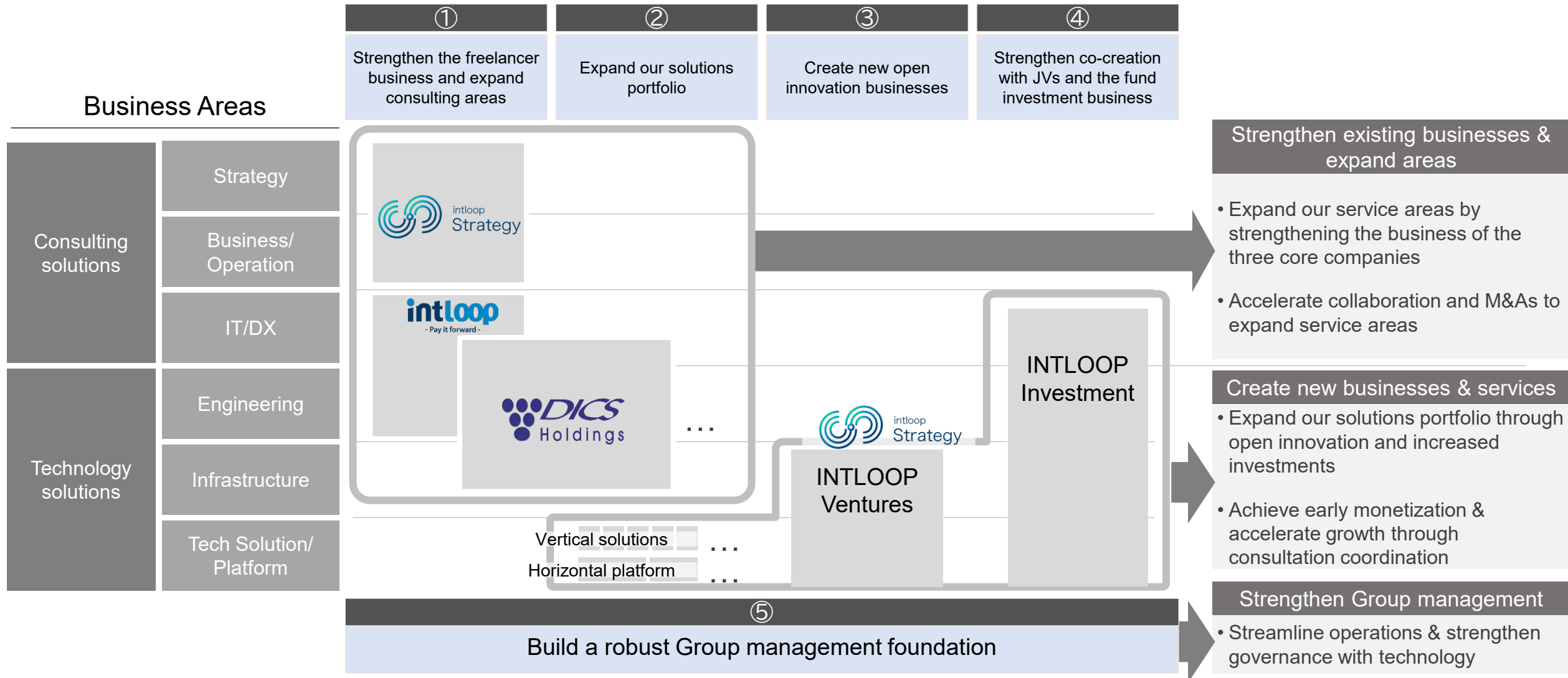
1. Companies that offer large-scale computer resources, such as AWS, MS Cloud and Google Cloud

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



4 INTLOOP “VISION 2030” -Organizational Strategy-

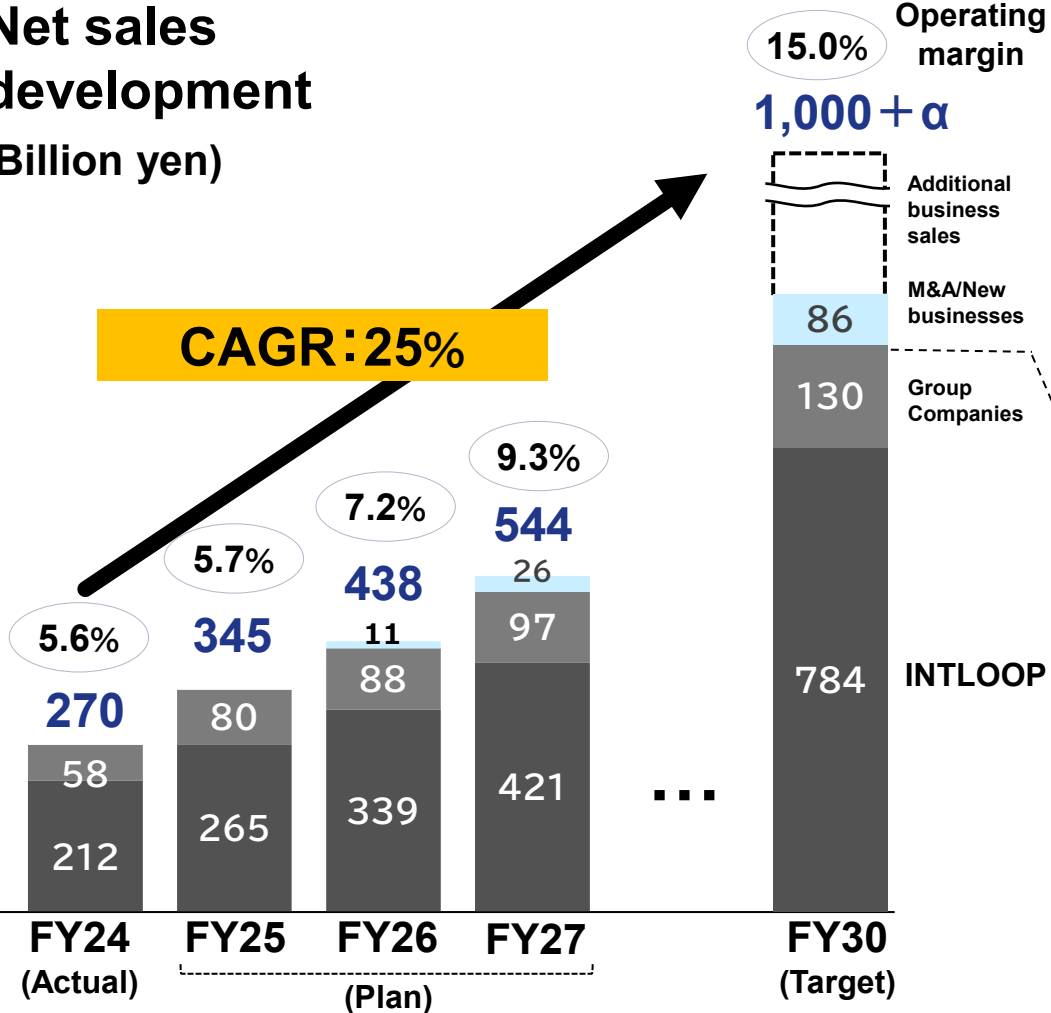
Build a corporate group that spans to technology



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

Net sales development (Billion yen)

CAGR: 25%



Long-term strategy

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

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 ^(*)	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%

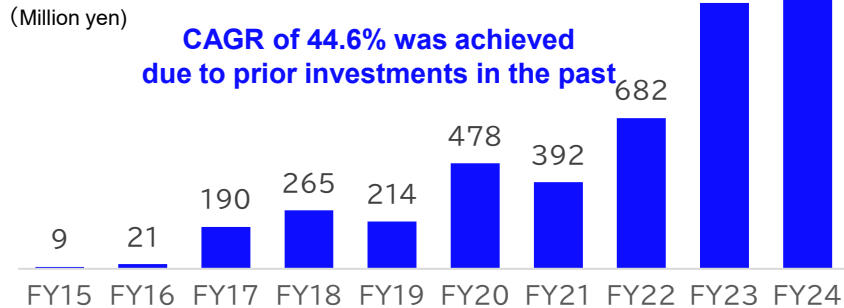
*FY19 is a reference value due to the half year financial results.

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.

Amount of prior investment



- 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

6. Management Indicators

1 Consolidated Financial Results for FY24 ①

Consolidated Net Sales

Consolidated Operating Profit

Net Income Attributable to Owners of the Parent

FY24 **27,077** Million yen

1,506 Million yen

902 Million yen

YoY

+9,254 Million yen
(FY23 17,823 Million yen) **+51.9%**

+401 Million yen
(FY23 1,105 Million yen) **+36.3%**

+107 Million yen
(FY23 794 Million yen) **+13.5%**

Consolidated Net Sales

Consolidated Operating Profit

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.

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

Operating income reached a record high again this fiscal year.

1 Consolidated Financial Results for FY24 ②

Comparison with the revised forecast announced on March 14, 2024

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

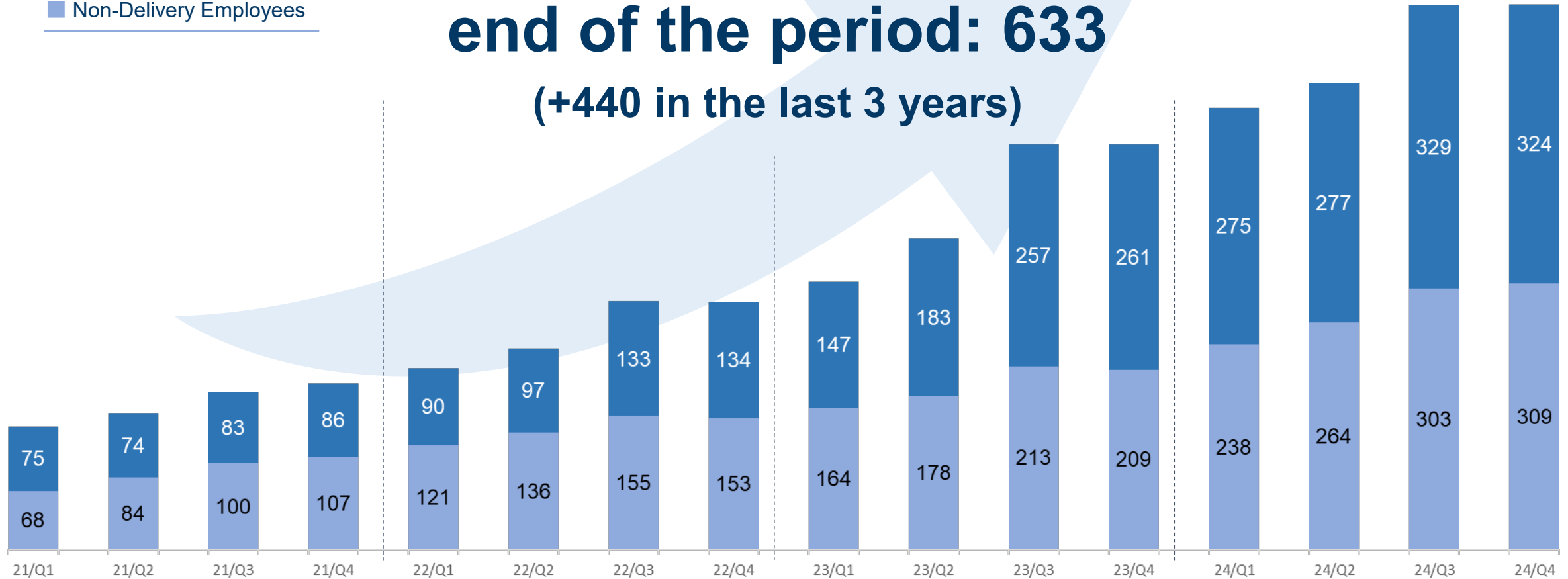
2 Number of non-consolidated employees

(Graph unit : people)



- Delivery Employees
- Non-Delivery Employees

Number of employees at the end of the period: 633 (+440 in the last 3 years)



3 Trends of Active Professionals

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

Active BPs trend

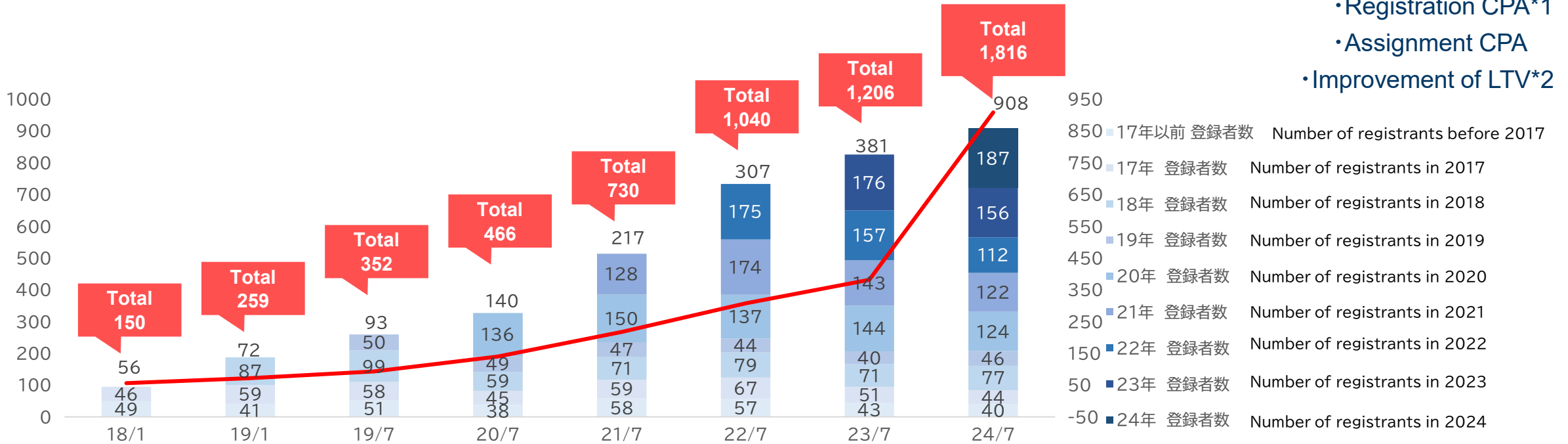
Total active Professionals

Stock Model Source

- The Past Registrants

Action for Continuity

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



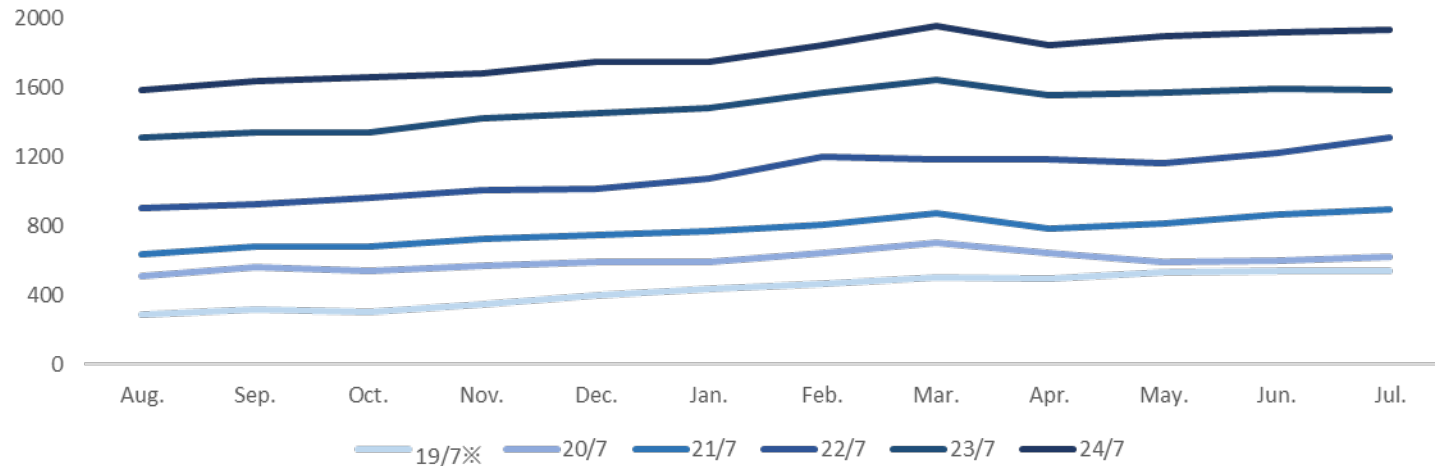
*1: CPA stands for Cost Per Action and refers to the advertising cost per targeted action (CV (conversion)) taken by a visitor.

*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 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
21/7	22%	46%	72%	100%
22/7	21%	45%	72%	100%
23/7	22%	47%	73%	100%
24/7	23%	47%	73%	100%
Average Progress Rate	22%	46%	73%	100%

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.

5 FY25/7 Consolidated Full-year Forecast

【Millions of yen】	FY24/7 (actual results)	FY25/7 (forecast)	Ratio
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%
Net Income Attributable to Owners of the Parent	902	1,211	+34.3%

7. Risk Information, etc.

Major risks	Possibility	Time	Influence	Measures to address the risk
<p>Trends of competitors</p> <p>Our professional HR solution services and consulting services do not require special licenses or unique technologies, and in this sense, the barriers to entry are not high. However, in order to make proposals and promote projects for client companies facing various management issues, such as new businesses and business reforms, it is necessary to have appropriate knowledge of the business and know-how to deliver highly specialized professional HRs in an appropriate manner. However, if competition intensifies due to the entry of new companies with strong capital or more advanced business development, our business and earnings may be affected.</p>	medium	long	medium	In addition to securing highly specialized and professional HRs, we are continuously working to accumulate knowledge and HR databases in the business field and to maintain and improve quality through training and other initiatives, thereby differentiating itself from its competitors. In addition, by focusing on Web-based marketing, we have been able to improve our brand recognition and acquire inbound clients.
<p>Securing Professional HRs</p> <p>In the development of our business, it is essential for us to continuously secure highly specialized and professional HRs. However, if we are unable to secure a certain number of such personnel as planned, our business and earnings may be affected.</p>	medium	long	large	We recognize that securing points of contact with freelance personnel (consultants/IT engineers) and retaining them by strengthening communication are important issues, and are actively strengthening its HRs department in order to strengthen recruiting activities and education and training for employees who will conduct sales to existing and new client companies, employees who will be responsible for project work, and full-time staff who will proactively communicate with professional personnel. We are proactively strengthening its HRs department in order to strengthen recruitment activities for employees who will be responsible for sales to existing and new client companies, employees who will be responsible for project work, and dedicated staff who will actively communicate with professional personnel, and to develop them through education and training.
<p>About Quality</p> <p>We believe that quality control is important in the consulting and system engineering support businesses in which we operate. Consulting is a knowledge-intensive business, and the service level of consultants is directly related to quality. In system engineering support, it is necessary to fully meet the functional and other requirements of clients. However, if we are unable to provide the quality of service that our clients expect, it may hinder the continuity of the contract and affect our business performance.</p>	medium	long	medium	We have established procedures for quality control, such as conducting extensive internal reviews prior to making proposals to client companies, and having experts periodically check the quality of work after the start of a contract in cases where deliverables are important, such as system engineering support, etc. We are also working to maintain and improve quality through training for our employees and freelance personnel. We are also working to maintain and improve quality through training of our employees and freelance personnel.
<p>Management of Confidential Information</p> <p>In the consulting and system engineering support in which we operate, we are involved in the formulation of our clients' business strategies and the engineering of mission-critical systems, and thus have many opportunities to handle highly confidential information. In the unlikely event of a leakage or leakage of confidential client information, public trust in our company may be damaged, and our business and earnings may be affected.</p>	low	medium	small	We provide our employees and freelance personnel with guidance and education on the handling of confidential information when they join the company, upon registration, and on a regular basis. In addition, we monitor the access logs of our information system to detect unauthorized behavior and automatically send an e-mail to the person in charge of the system.

For other details, please refer to the “Annual Securities Report” (October 31, 2024).

This material has been prepared by us for the purpose of presenting information only and does not constitute a solicitation of an offer to buy or sell securities.

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.

The information contained in this material regarding other companies are quoted from publicly available information, etc., and we have not verified or guaranteed the accuracy or appropriateness of such information.

Regarding the next disclosure of this document

The next disclosure of this document is scheduled for October 2025.

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