

For Immediate Release

June 30, 2025

INTLOOP Inc.

Transcripts of the Financial Results Briefing and Q&A session for Institutional Investors for the Third Quarter of the Fiscal Year Ending July 31, 2025

The financial results briefing and Q&A session for the third quarter of the fiscal year ending July 31, 2025 (for institutional investors) was held on June 13, 2025. For details, please see below.

- Date and time of the event: Friday, June 13, 2025, 16:00-17:00
- Contact for inquiries regarding this matter: INTLOOP Inc., IR Team
- Email: ir@intloop.com
- Website contact: <https://www.intloop.com/ir/inquiry/> (in Japanese)

[Reference materials]

The video recording of the briefing is available at the link below. (in Japanese)

<https://youtu.be/14AgWWbaMUK>

Results Presentation for FY25/7 Q3 (Announced on June 13, 2025)

<https://contents.xj-storage.jp/xcontents/AS04982/b67992a0/8765/482a/aba9/324bb1390c65/140120250613589242.pdf>

Answers to Questions Expected at the FY2025 Q3 Results Announcement

(Announced on June 13, 2025)

<https://contents.xj-storage.jp/xcontents/AS04982/36190d6b/3d99/40e5/aba0/a4929541769e/140120250613589220.pdf>

The Mid-to-Long Term Management Plan, INTLOOP “VISION2030”

(Announced on September 13, 2024)

English follows Japanese.

<https://contents.xj-storage.jp/xcontents/AS04982/0c6cc689/db36/49e0/9db1/ab803bcc41c8/20240910104616108s.pdf>

1. Transcription of the financial results briefing

Hirofumi Hayashi ("Hayashi"):

Executive Summary (1)

Hello, everyone. I am Hayashi, Representative Director of INTLOOP Inc. I would like to explain the financial results for the third quarter of the fiscal year ending July 2025.

First, here is the executive summary. Net sales increased 26.5% year on year to ¥24,787 million, and operating profit increased 56.8% year on year to ¥1,514 million. Both net sales and operating profit reached record highs for a nine-month period.

The sales progress rate is 71.7%, which is not very strong, but this is because we have continued to focus on profitability in acquiring projects since the previous fiscal year. On the other hand, as a result of focusing on projects with high profitability, operating income has progressed to 76.9%, which is expected to exceed the full-year forecast.

The reasons behind the record-high sales and operating profit include progress in securing high-margin projects and the establishment of dedicated sales organizations for major customers that account for a large portion of sales, such as the Itochu Group, thereby strengthening our sales structure.

In addition, our group company, DICS Group, achieved all of its sales and operating profit targets as planned, contributing to consolidated results.

Executive Summary (2)

Regarding the enhancement of human capital, we made some progress in recruiting high-level personnel in the third quarter. In addition, new graduates joined the company in April, and

recruitment and training expenses were recorded in the third quarter. Among the new graduates, delivery employees, consultants, and engineers are still undergoing training, but sales personnel have already started working in the field and are gradually contributing to revenue.

It is difficult to achieve immediate performance from newly hired employees, including high-level talent, so I believe that this initial period of adjustment is putting some downward pressure on operating profit.

However, we have been able to overcome this and achieve record operating profit.

As human resource recruitment will become a key factor for our company in the future, we opened a cafeteria in our new office building in April to facilitate smooth communication. In the evenings, it is open to customers as well, serving as a place to stimulate communication.

As for “expanding new business areas,” “INTLOOP Ventures Innovation Community (IVIC)” was launched in April and is holding various events in the cafeteria I mentioned earlier. This project is progressing smoothly, with a startup pitch event held in April. I will go into more detail later.

Executive Summary (3)

The slide shows the sales and operating profit forecasts for the fourth quarter and next fiscal year in bar graphs. The forecast for the current fiscal year is sales of 34.5 billion yen and operating profit of 1.9 billion yen.

For the next fiscal year, we are forecasting net sales of 43.8 billion yen and operating profit of 3.1 billion yen. We will focus on acquiring high-margin projects in order to gradually increase operating profit.

Executive Summary (Reference Material (1)-1) –Recruitment of High-Level Talent–

The recruitment of high-level personnel is proceeding as planned. On the left side of the slide, INTLOOP itself is mainly composed of digital consulting members, but we have been able to recruit 10 people in the consulting department, including 4 in delivery and 6 in back office, by the third quarter. We expect to recruit a few more high-level personnel in the fourth quarter.

The Managing Director of INTLOOP Strategy on the right side of the slide is responsible for revenue in specific industry sectors. We hired two people for this position in the third quarter and one assistant director, for a total of three people, and we plan to hire five people in total for the full year. We also plan to hire several people in the fourth quarter.

Executive Summary (Reference Material (1)-2) –Recruitment of High-Level Talent– (INTLOOP Group)

INTLOOP Strategy's organization has rapidly grown over the past year.

The horizontal axis of the table in the slide shows the areas of responsibility by sector. Some directors are also included, but most sectors are covered, ranging from high-tech to public services. The vertical axis shows recruitment by business area. At present, recruitment is only progressing in corporate finance, with the rest to follow in due course.

Executive Summary (Reference Material (1)-3) –Recruitment of High-Level Talent— (INTLOOP)

We are currently in the process of transforming our organization into a leaner structure, including our core internal systems. We are also strengthening our back office by recruiting highly skilled personnel in marketing, finance, and IT strategy to further enhance our organizational structure.

Executive Summary (Reference Material (1)) –INTLOOP Head Office–

The top slide shows a photo of our office, and the bottom slide shows a photo of the cafeteria. Since it opened, the cafeteria has been used extensively for company-wide meetings, orientation ceremonies, and other internal events, and we hope that it will help boost employee motivation.

We frequently use it for internal events, and we also hold events such as “IVIC” events and events for our business partners and freelancers who work under our company. We plan to continue holding these events on an ongoing basis.

Executive Summary (Reference Material (3)-1) –INTLOOP Ventures Innovation Community (IVIC)–

This is the current status of “IVIC.” We are aiming to gradually create business matching opportunities by combining online and offline activities, namely the “Slack community” and “MEETUP events.” We are currently in the process of gathering start-up companies to join us.

Executive Summary (Reference Material (3)-2) – INTLOOP Ventures Innovation Community (IVIC)–

This is the upcoming “IVIC” accelerator program. We selected 40 companies from approximately 650 applicants through document screening, followed by pitch selection. Currently, seven companies are proceeding to the PoC stage.

We don't know yet how many companies will ultimately be selected for acceleration, but we plan to work with the selected companies to build solutions and conduct sales activities, and incorporate their solutions into our own. We expect to make an announcement around October.

1 Earnings Highlight (1) (Consolidated, Year to Date)

Here are the highlights of our business results. Net sales increased 26.5% year on year to 24,787

million yen, operating profit increased 56.8% year on year to 1,514 million yen, and net profit attributable to owners of the parent company increased 59.2% year on year to 852 million yen. We believe that we are making steady progress.

1 Earnings Highlight (1) (Consolidated, Year to Date)

As promised at the briefing for institutional investors, gross profit margin is steadily improving. We believe that we have finally achieved a 3.1 point increase compared to the same period last year.

1 Earnings Highlight (2) (Consolidated, Q3)

The slide shows the gross profit margin compared to the previous quarter. Although there has been only a slight improvement compared to the previous quarter, we believe there is still room for growth.

Due to the relationship between the site and our customers, it is not possible to raise prices all at once, but we believe that they will gradually increase.

1 Earnings Highlight (3) (INTLOOP Non-Consolidated, Q3)

INTLOOP non-consolidated. Sales increased by 4.7% from the previous quarter. Compared to the same period last year, sales increased by 15.3%, so some may feel that this is somewhat disappointing. Although we cannot say that this was entirely as planned, this result was achieved by focusing on high-margin projects to a certain extent. Price revisions are gradually being accepted by our customers, so we expect sales in the fourth quarter to be in line with our forecasts.

Operating profit has declined significantly compared to the previous quarter, but as can be seen from the same period last year, new graduates joined the company in April and are currently

undergoing training and not yet assigned to projects, so we have reduced operating profit slightly to account for this. Of course, this is a temporary expense, so it will not continue into the fourth quarter, and the results of the third quarter are largely due to the measures taken. Even so, the progress rate is close to 80%.

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

This is the sales progress. The sales progress rate is 71.7%, which is slightly below expectations.

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

The operating profit progress rate is approximately 77%. Since the original objective was to accumulate operating profit, we believe that we have achieved a certain level of progress.

The slide mentions “upfront investments such as mid-career hiring,” but I believe there are no particular issues, as the progress rate of nearly 80% includes all costs, including investments in “IVIC” and core systems, as well as office relocation.

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

Number of employees. With new hires in April, the number of delivery staff is also steadily increasing. Overall, we now have 722 employees, and the group has exceeded 1,300 employees.

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

This is the number of active freelancers currently working. We have focused on high-profit projects, so the increase has been slight, but we are currently working hard on sales activities with the aim of increasing the number of active freelancers in the fourth quarter.

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

This is our full-year earnings forecast. Although there are concerns about sales, we are maintaining our forecast of 34,550 million yen in net sales and 8,742 million yen in gross profit.

Some may ask, “Will you not revise your operating income forecast upward?” However, we will continue to utilize the costs we had planned, including the hiring of high-level personnel. We take a long-term perspective beyond quarterly results. We plan to look ahead and utilize profits while maintaining a certain degree of control.

[Reference] Mid-to-Long Term Management Strategy INTLOOP “VISION2030” –Financial Indicators–

This is a medium- to long-term management plan (reference). For the next fiscal year, we plan to conduct business operations with the targets of net sales of 43.8 billion yen, operating income of 3.1 billion yen, and a CAGR of 25%. We are also continuing to pursue our strategy with the targets of net sales of 100 billion yen and operating income of 15 billion yen for the fiscal year ending July 2030.

That concludes our explanation of the financial results.

2. Transcription of Q&A session

Q&A: Plans for achieving next year's targets

Moderator: The question is, “Could you explain your plan for achieving next year's targets to the extent possible?”

Hayashi: As explained earlier, in terms of sales in the consulting business, it is more effective to proceed from the upstream stage, centered on INTLOOP Strategy's high-level human resources, as this will lead to downstream work. Currently, we have completed the recruitment of managing directors in almost all sectors.

In addition, we have a number of members who are knowledgeable about DX consulting, so we are also proposing this service to our customers. Until now, we had often been perceived more as a staffing company than a consulting firm, but with the addition of INTLOOP Strategy members, our customers' stance is gradually changing.

As a result, although we do not have any large-scale projects like those handled by major consulting firms, we are increasingly winning projects that require team-based proposals. Starting next fiscal year, we will also have some SI projects, so we are currently working to build a proposal structure and project structure, including hiring new personnel.

Taking that into account, next year's plan is quite aggressive, but we believe it is achievable.

Q&A: Measures to improve the utilization rate of freelancers

Moderator: The question is, "Please advise on measures to improve the utilization rate of freelancers."

Hayashi: Improving the utilization rate of freelancers depends largely on the number of projects available. As we continue to secure high-profit projects, the range of freelancers available to us is also expanding.

Although the number of active users has not increased significantly, we are seeing an increase in registrations and activity from a wide range of freelancers, including strategic consultants who had not been utilized previously, and we feel that the base is definitely expanding.

Our strategy is to steadily secure high-profit projects and deliver results that satisfy our freelance professionals. We believe that this will be achieved through steady, consistent efforts.

Q&A: Progress of “IVIC” and JV projects

Moderator: The question is, “How is the progress of ‘IVIC’ and joint venture projects?”

Hayashi: Regarding “IVIC”, we have completed the first phase of community formation and the accelerator program. As for community formation for “IVIC”, we will continue to seek companies that would like to join us as partners, hold events on an ongoing basis, and steadily expand our network.

We have identified several promising companies for the accelerator program. We are currently evaluating how far we can develop a business case through PoC and how we can contribute to sales activities. We expect to be able to announce which companies we have selected and how we will proceed with them around October.

The remaining joint venture projects include a warehouse berth (berth reservation management system) with MITSUI-SOKO Supply Chain Solutions, Inc., which is already underway, an edge AI camera with Idein Inc., and a fund with Food Co-creation Partners Inc, a food fund.

Regarding these three projects, we regret that we are unable to provide a clear indication of the level of monetization achieved at this stage. However, we are making steady progress in developing these projects. Some of these projects may be announced in the fourth quarter, but there is also a possibility that they may be delayed until the next fiscal year.

Next year's targets are also very challenging, so we hope to generate some revenue from these projects.

Q&A: Investment projects for the next fiscal year

Moderator: The question is, “This fiscal year, we have incurred costs such as recruitment expenses and office relocation expenses. Are there any investment projects planned for the next fiscal year?”

Hayashi: For the next fiscal year, we will continue to invest in information systems with the aim of transforming ourselves into a more lean and efficient company. Currently, we have completed the introduction of Salesforce and have begun introducing SAP.

In addition, we will actively introduce AI in the future from the perspective of improving employee work efficiency. As we have mentioned, we are making steady progress in this area, with plans to sell some of our products externally.

We expect these costs to be relatively fixed, but they have already been included in the budget. Even excluding these costs, we believe that it will be possible to achieve the operating profit target of 3.1 billion yen for the next fiscal year.

Q&A: The future of our consulting business

Moderator: “McKinsey & Company, Inc. has reportedly reduced its workforce by more than 10% over the past year and a half, suggesting that the growth of the global consulting business is slowing down somewhat. Including the rise of AI agents, how does your company view this trend?”

Hayashi: We believe that there is a strong likelihood that certain routine operations will be automated through AI. We will utilize AI to monetize such operational replacements.

With regard to DX consulting, McKinsey & Company, Inc. is responsible for upstream strategy, while our INTLOOP Strategy provides strategic consulting that is closer to DX and ultimately leads to development, so we feel that demand has not declined significantly.

On the other hand, trends such as the introduction of AI and the renewal of core systems are continuing. This may not be the case for large companies, but as you can see from the financial results of other Slers, we have not yet seen a significant impact at our company.

3. Transcription of Greetings from Hirofumi Hayashi

Regarding the current financial results, some institutional investors have pointed out that sales growth is not satisfactory. We set challenging targets every year. Looking at past trends, there have been cases where we fell short of some targets and revised them downward, but overall, we believe that we have achieved consistent results in terms of both sales and operating profit.

Until now, we have received feedback such as “there is insufficient track record,” but as we approach our third anniversary since listing, we believe that we are now in a position to demonstrate our track record. We do not believe that this trend has changed significantly, so we hope that you will continue to monitor our stock. Thank you very much.

Note: This document is a translation of the original Press Release in Japanese. This translation is provided for your reference and convenience only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy, the original Press Release in Japanese shall prevail.