



# NORTHSAND

## **FY2027/1 Q1 Financial Results Presentation Material**

Northsand, Inc.

June 11, 2026

Securities Code 446A (TSE Growth Market)

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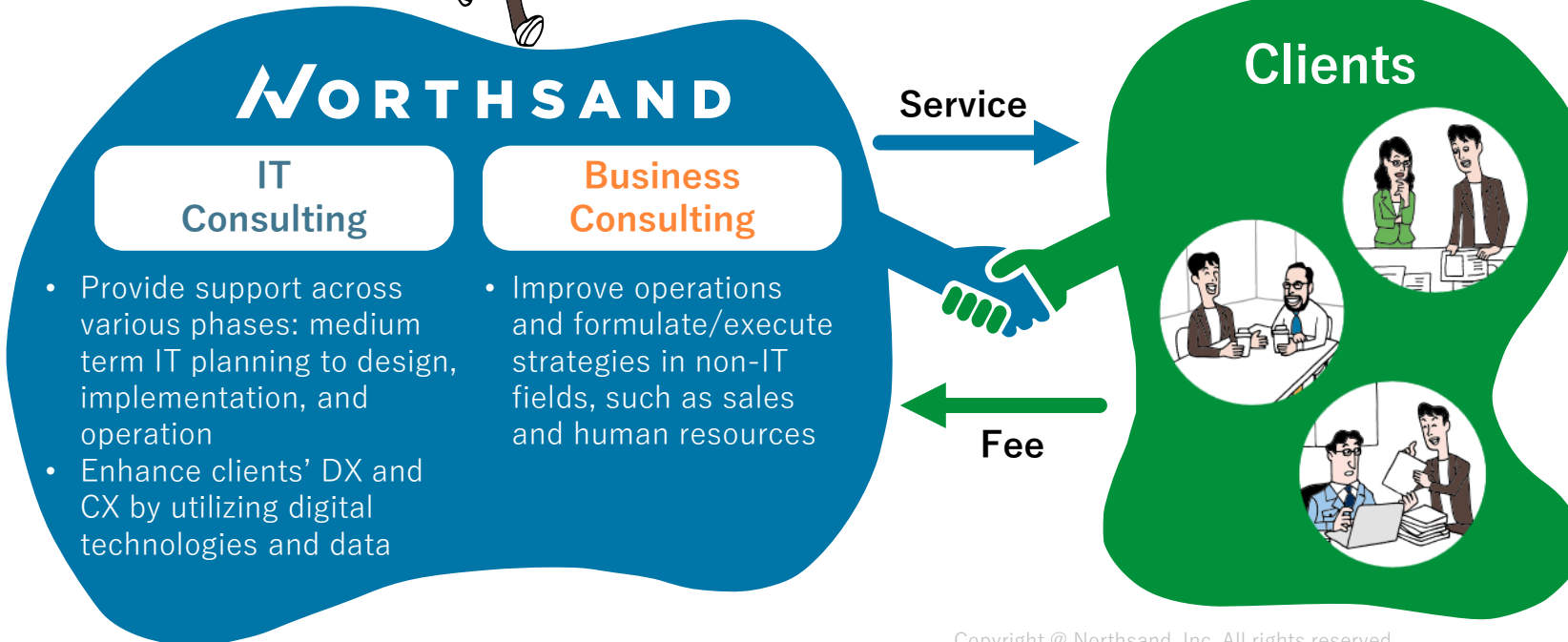




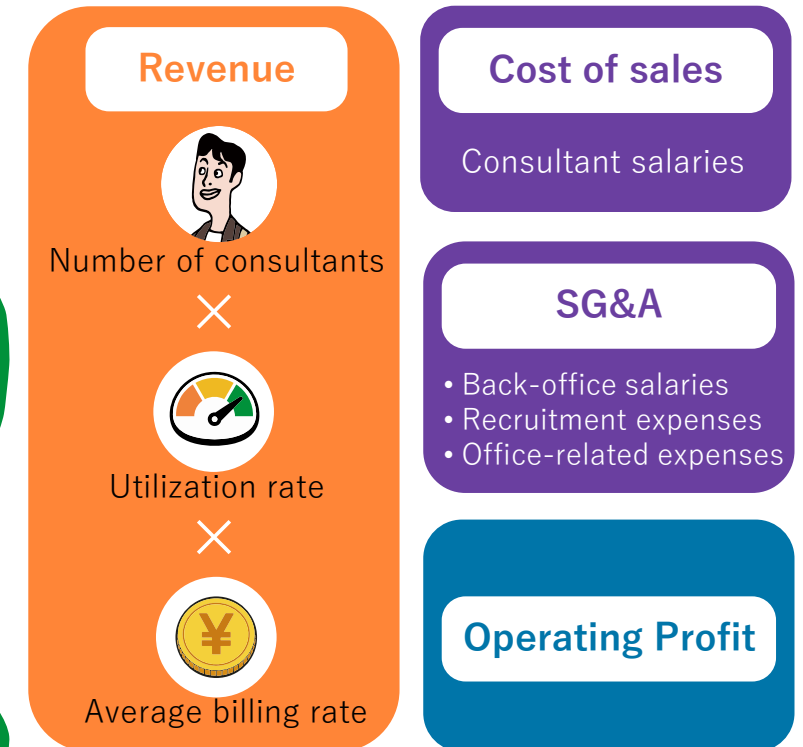
# A simple business model: we provide consulting service & receive fee from clients



## Business Model



## Revenue Structure



\* Utilization rate:  $\text{Number of consultants assigned to projects} \div \text{Number of consultants (excluding those on leave)}$

\* Average billing rate (per month): average price of consultants receiving fees for their service

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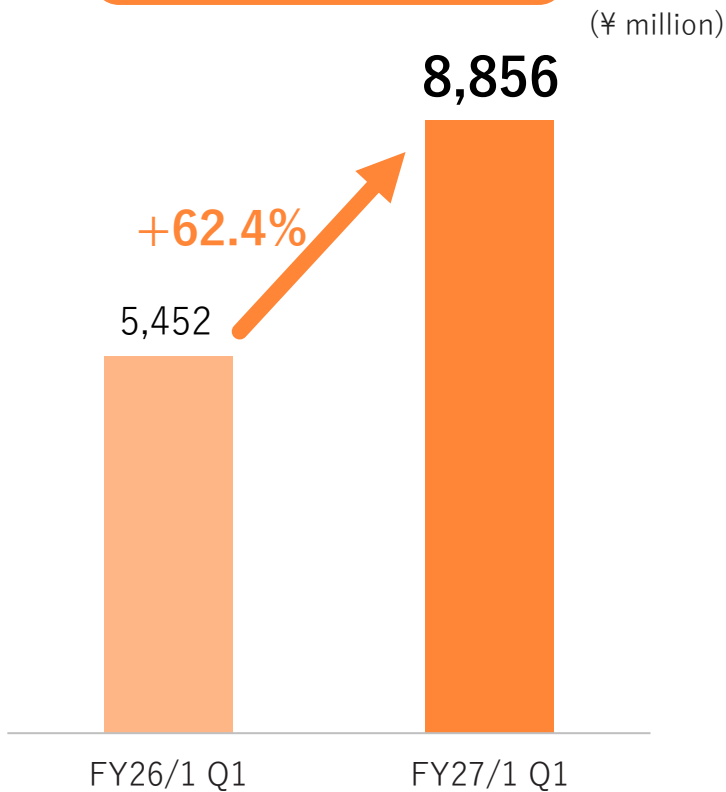
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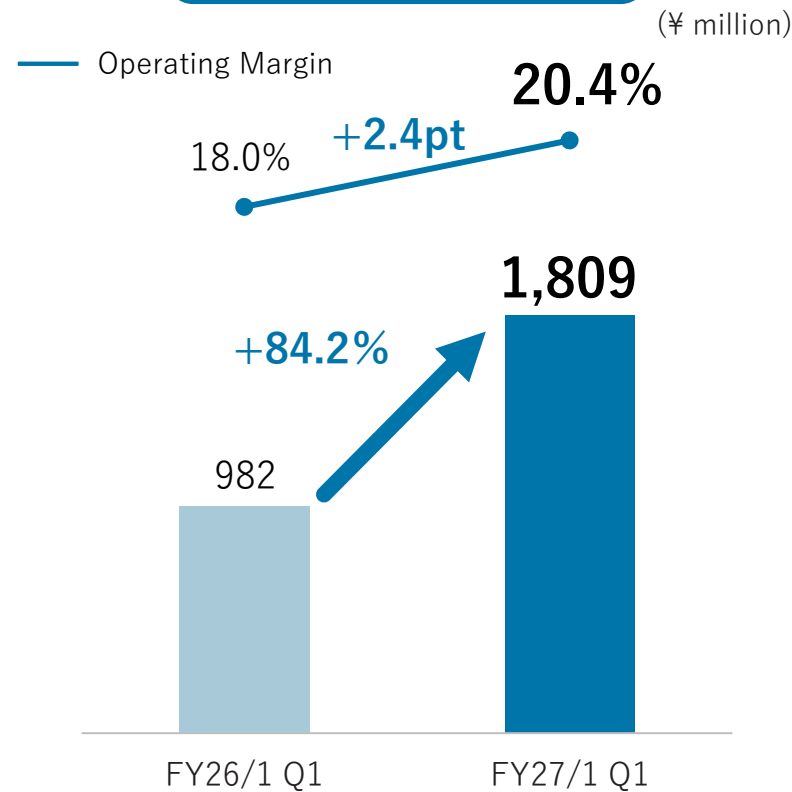


# Revenue, operating profit & key KPIs grew steadily YoY

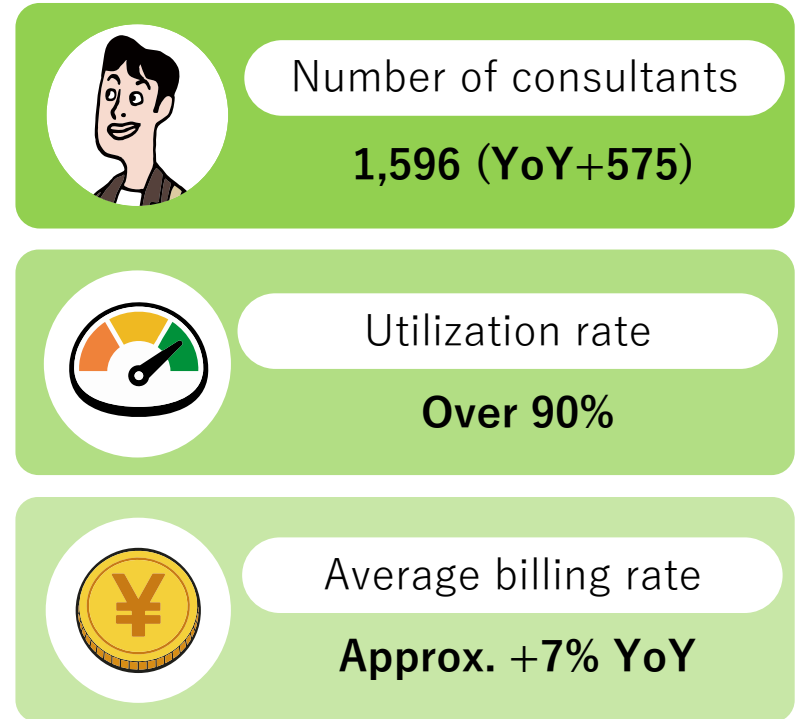
## Revenue



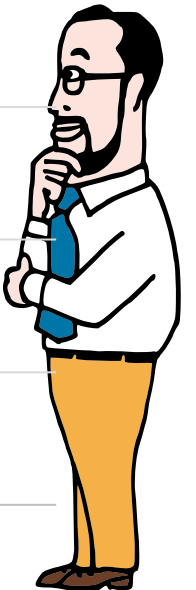
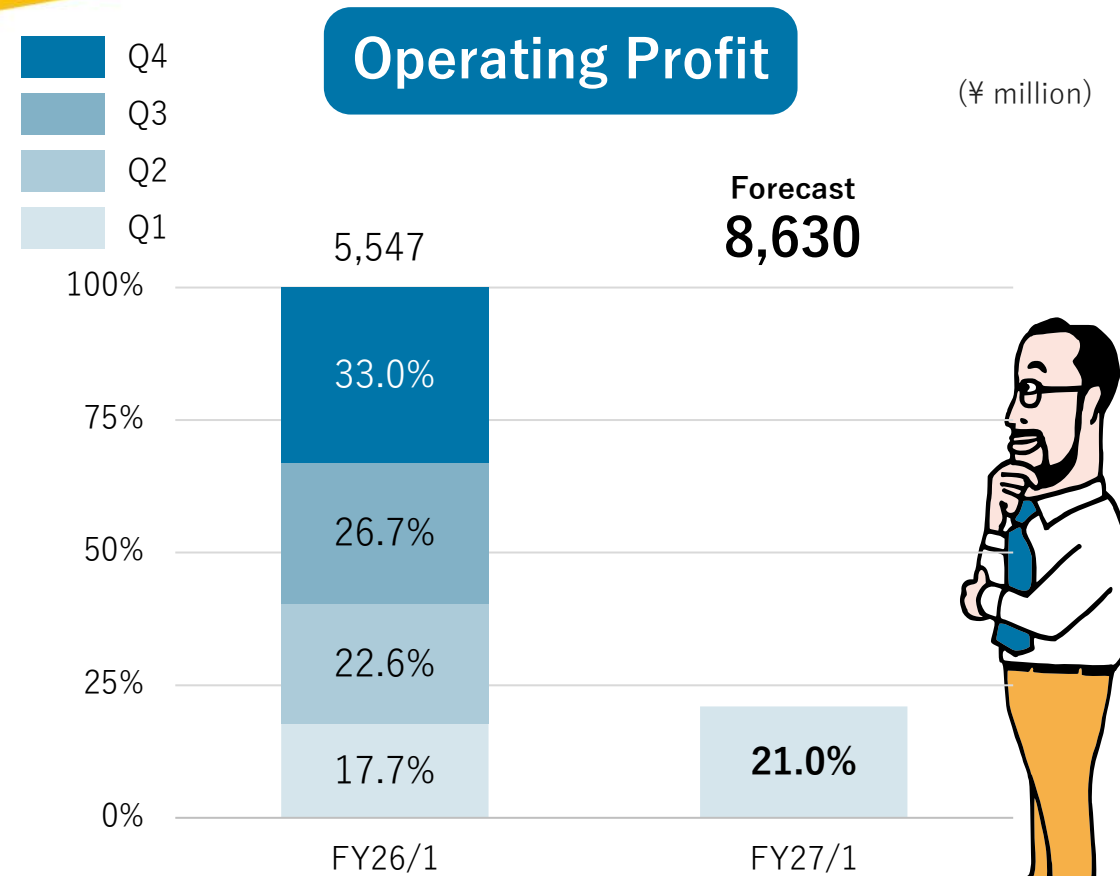
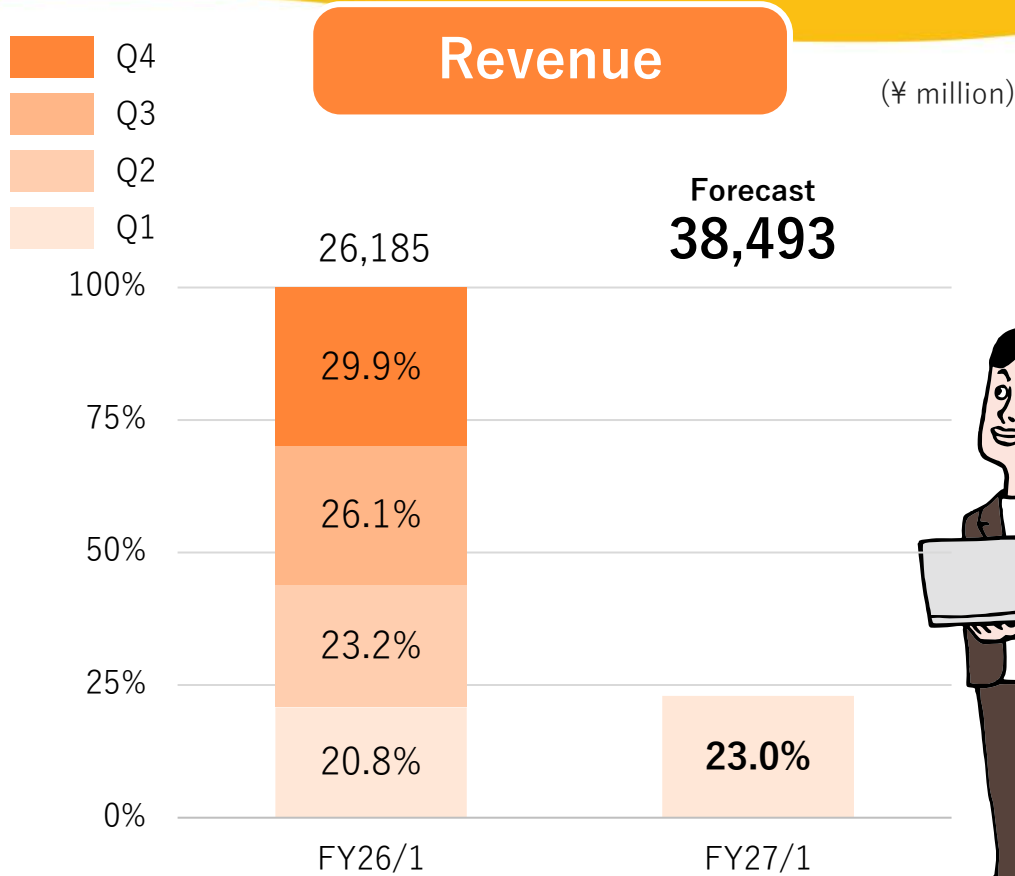
## Operating Profit



## Key KPI

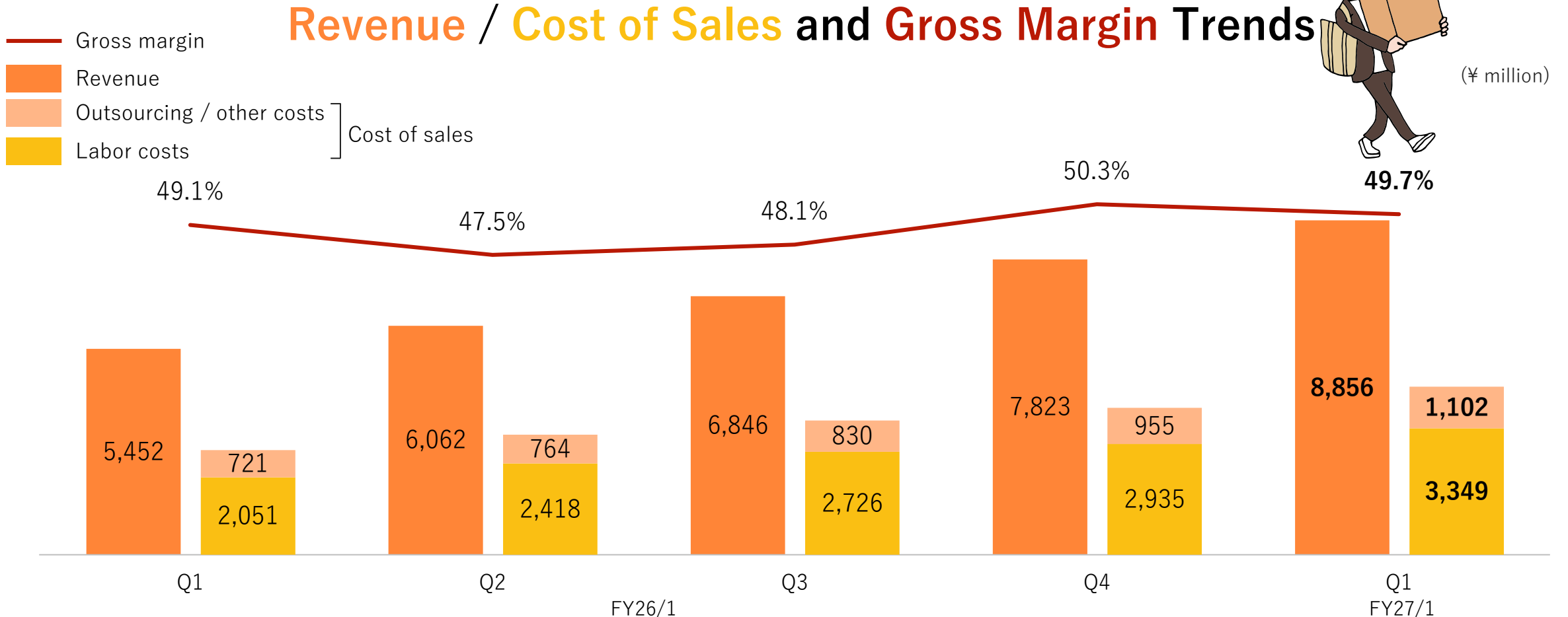


# Revenue & operating profit both surpassed last year's pace

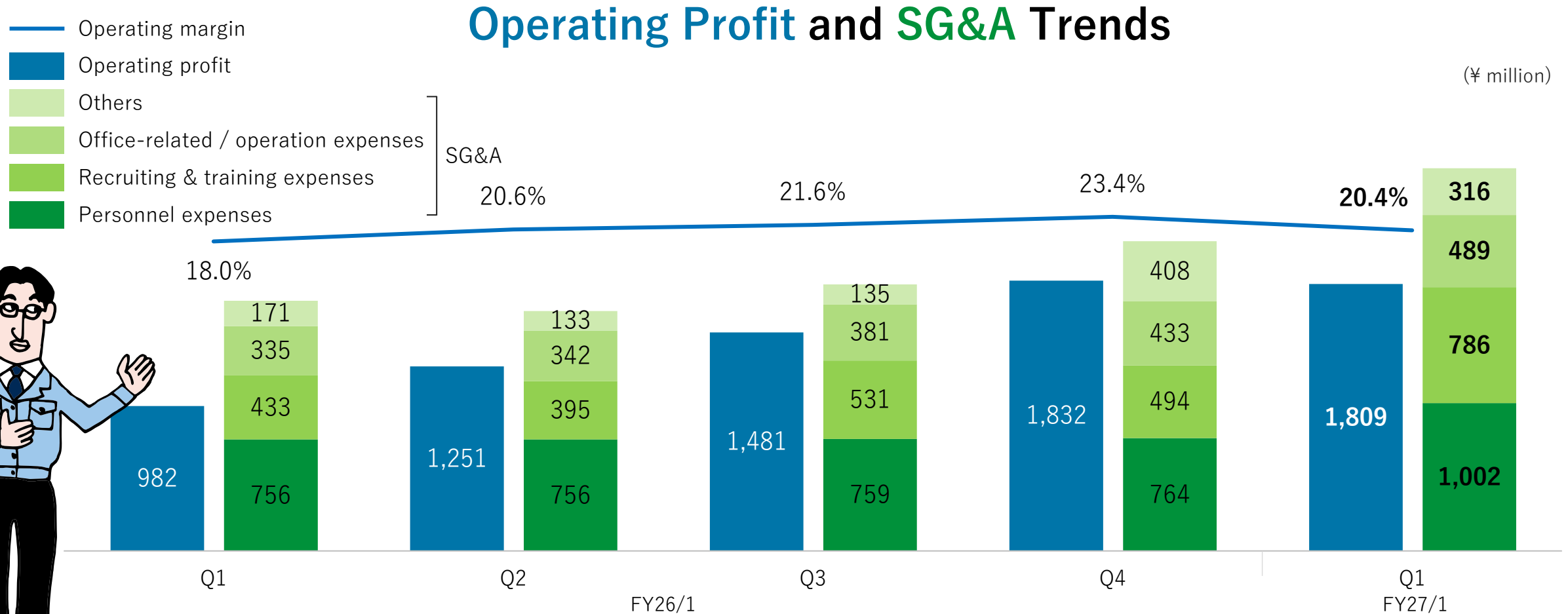


\* FY26/1 shows quarterly progress against full-year results

# Revenue grew steadily; gross margin increased YoY



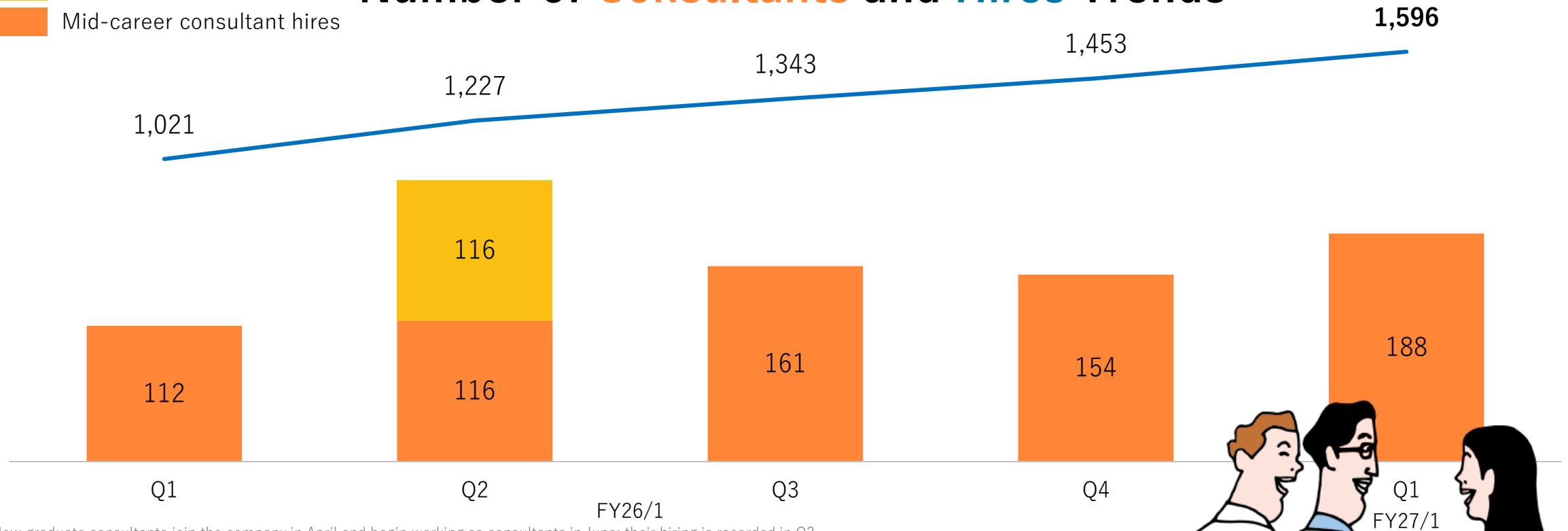
# Operating profit & margin both increased YoY



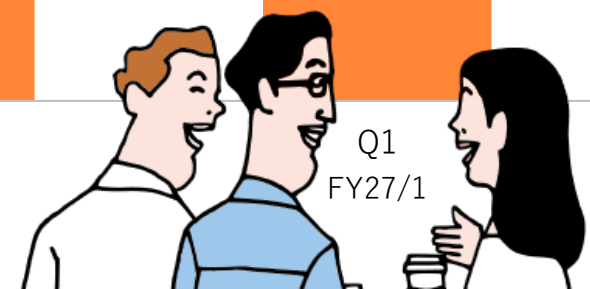
# Number of consultants increased due to steady mid-career hiring & strong retention

- Consultants
- New graduate hires
- Mid-career consultant hires

## Number of Consultants and Hires Trends

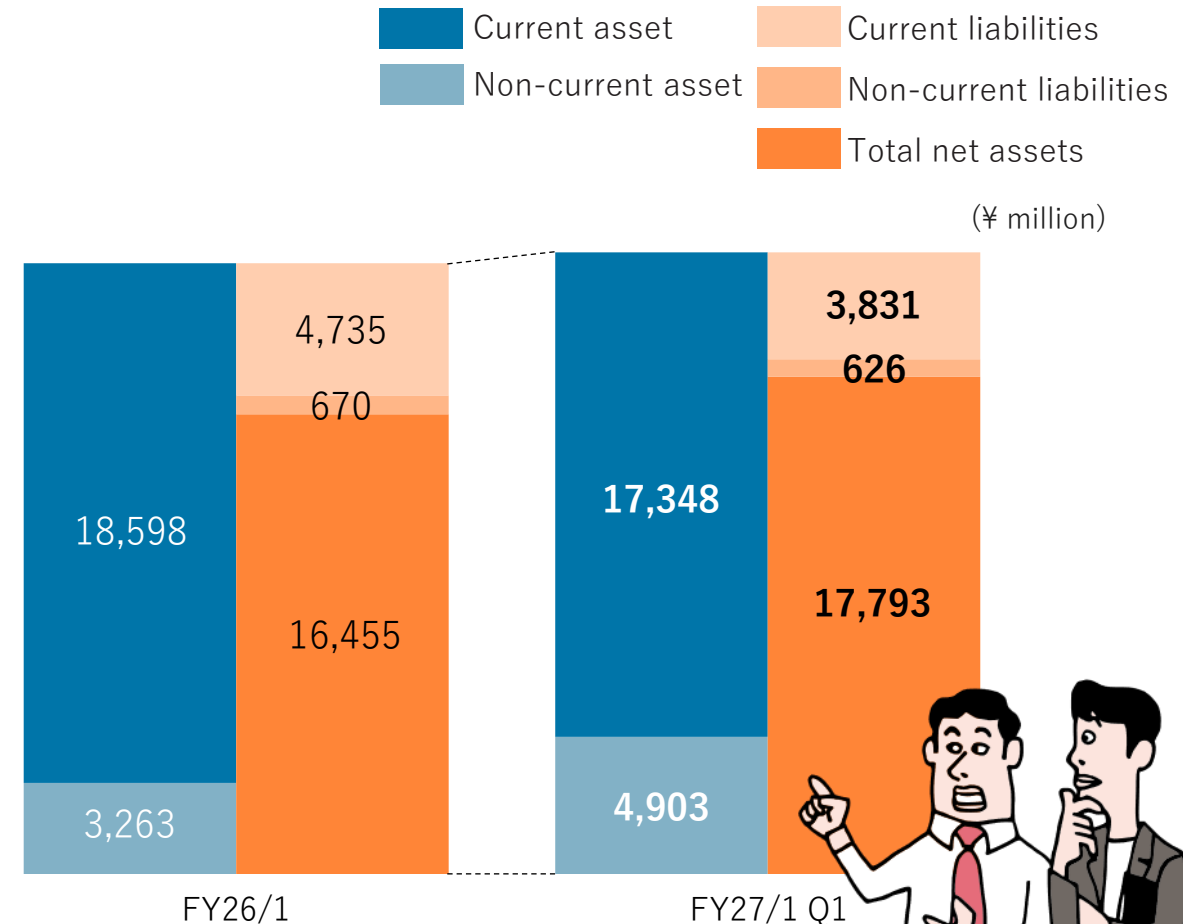


\* New graduate consultants join the company in April and begin working as consultants in June; their hiring is recorded in Q2



# Achieved a solid financial base via business growth

(¥ million)	FY26/1	FY27/1 Q1	Change
Total assets	21,861	<b>22,251</b>	+1.8%
Current assets	18,598	<b>17,348</b>	△6.7%
Non-current assets	3,263	<b>4,903</b>	+50.3%
Total liabilities	5,406	<b>4,458</b>	△17.5%
Current liabilities	4,735	<b>3,831</b>	△19.1%
Non-current liabilities	670	<b>626</b>	△6.6%
Total net assets	16,455	<b>17,793</b>	+8.1%
Equity ratio	75.3%	<b>80.0%</b>	+4.7pt



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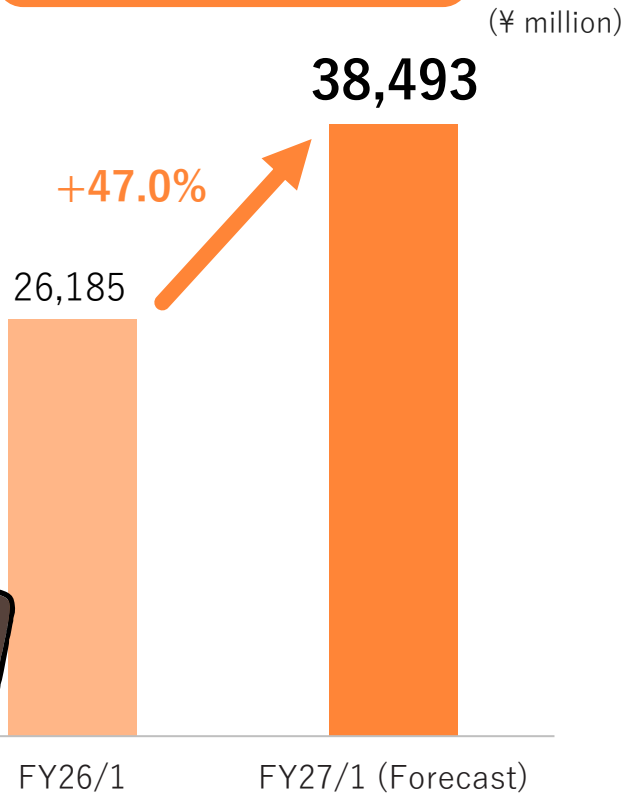
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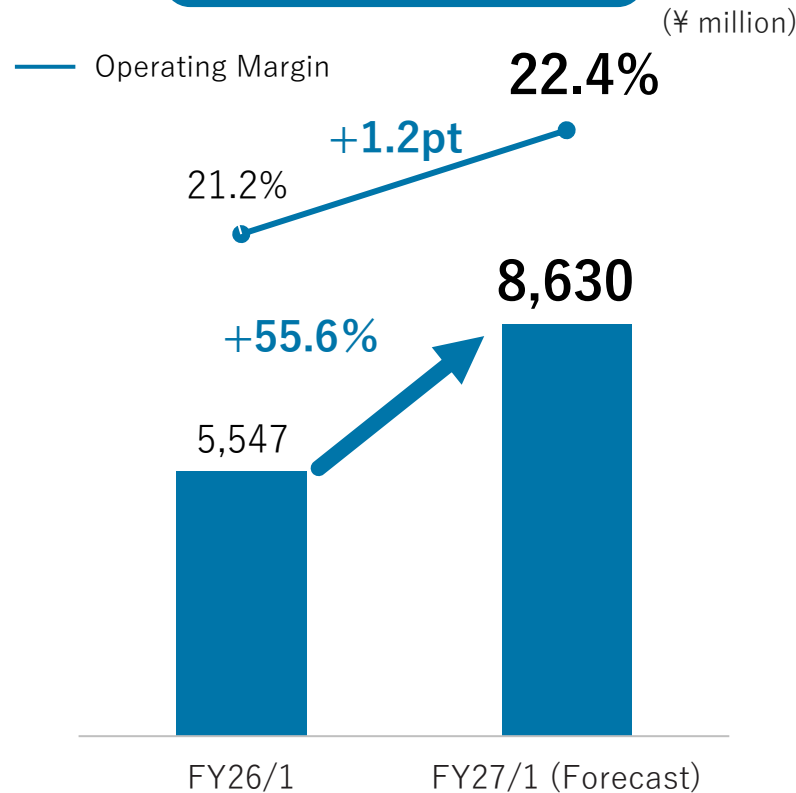


# We target a revenue of ¥38,493 million, operating profit of ¥8,630 million & margin of 22.4%

## Revenue



## Operating Profit



## Key KPI



Number of consultants

**Aim for 840 consultant hires**  
(180 new graduates / 660 mid-careers)



Utilization rate

**Aim to maintain over 90%**



Average billing rate

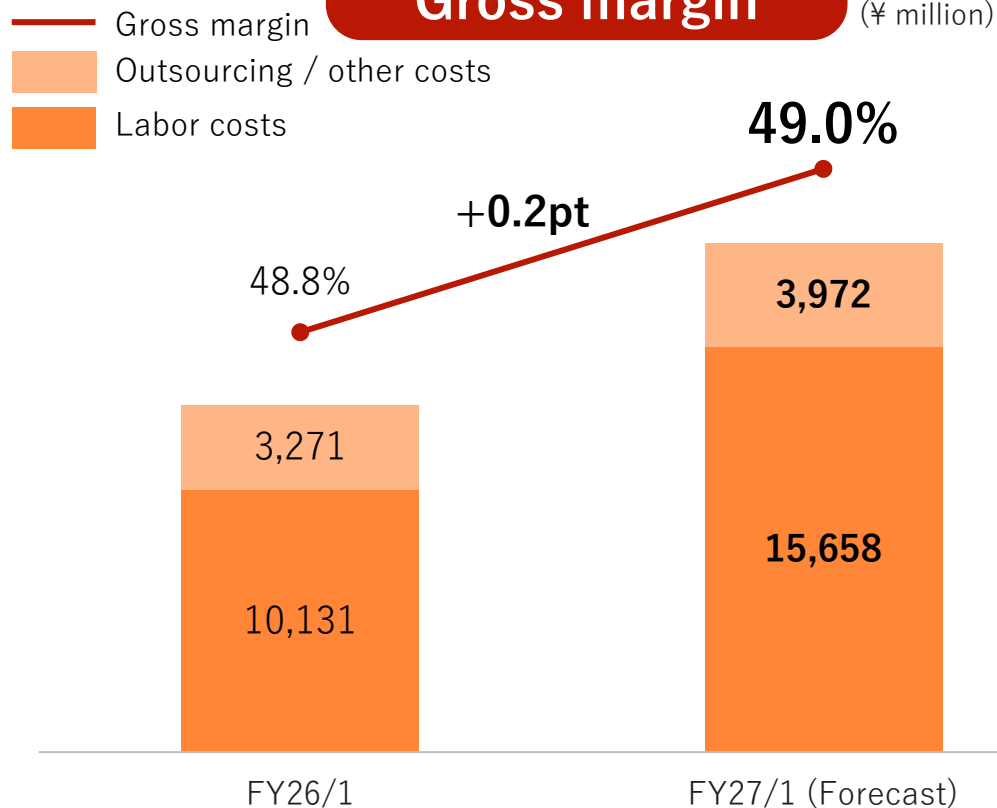
**Aim to increase 3~5% over the year**



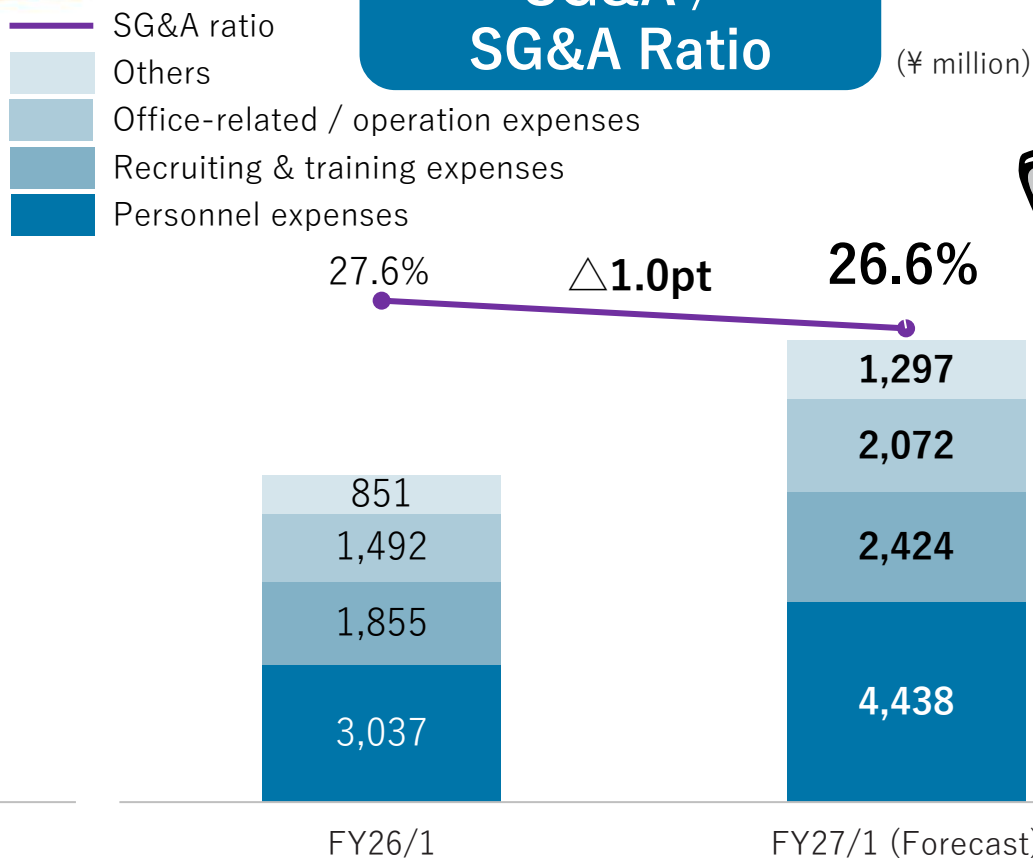


# We aim to enhance profitability pursuing efficient management & lower SG&A

## Cost of sales / Gross margin

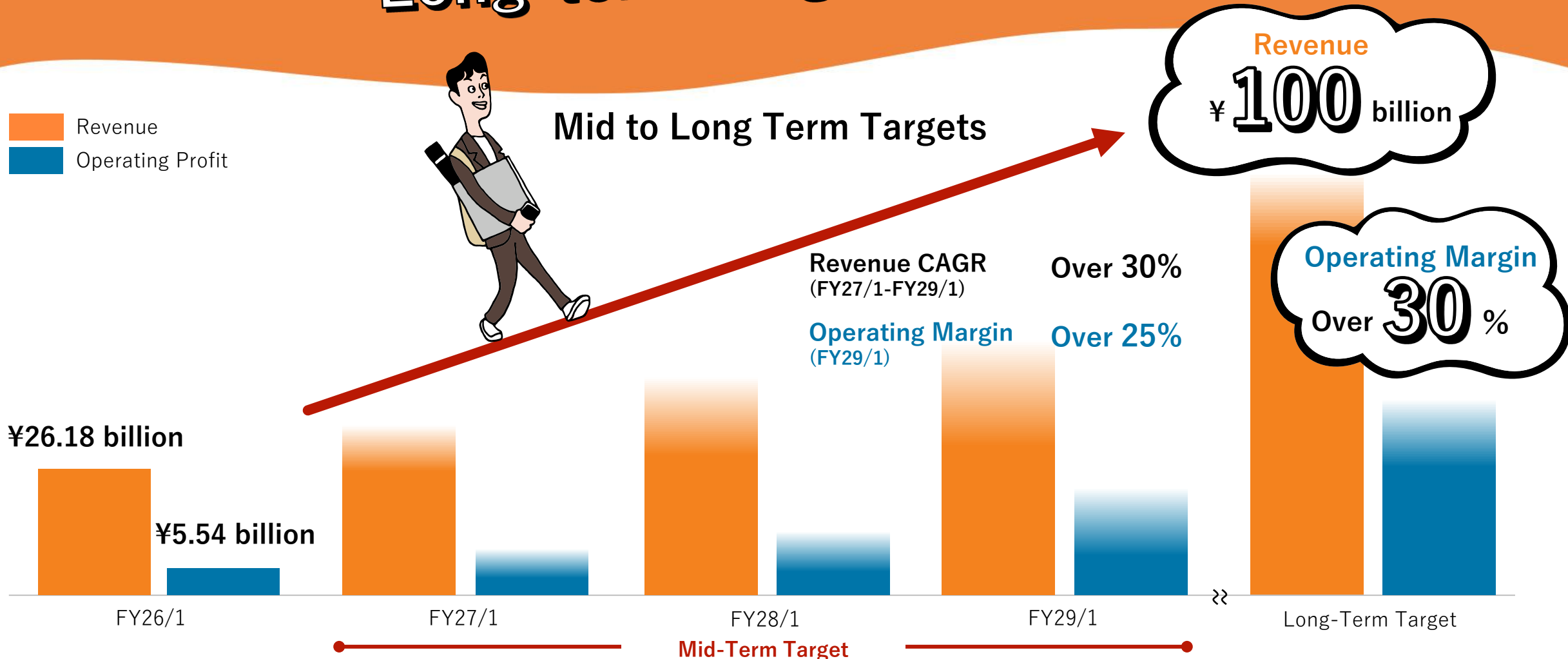


## SG&A / SG&A Ratio



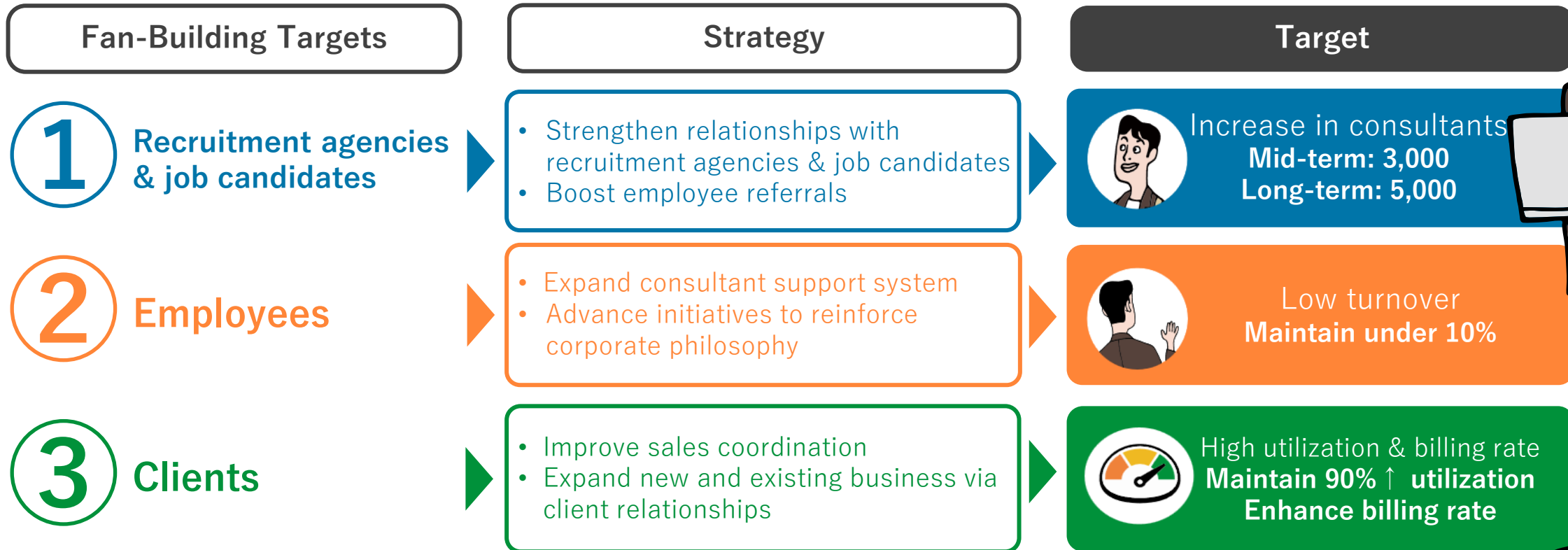


# Mid-term target: +30% revenue CAGR, Long-term target: ¥100 billion revenue

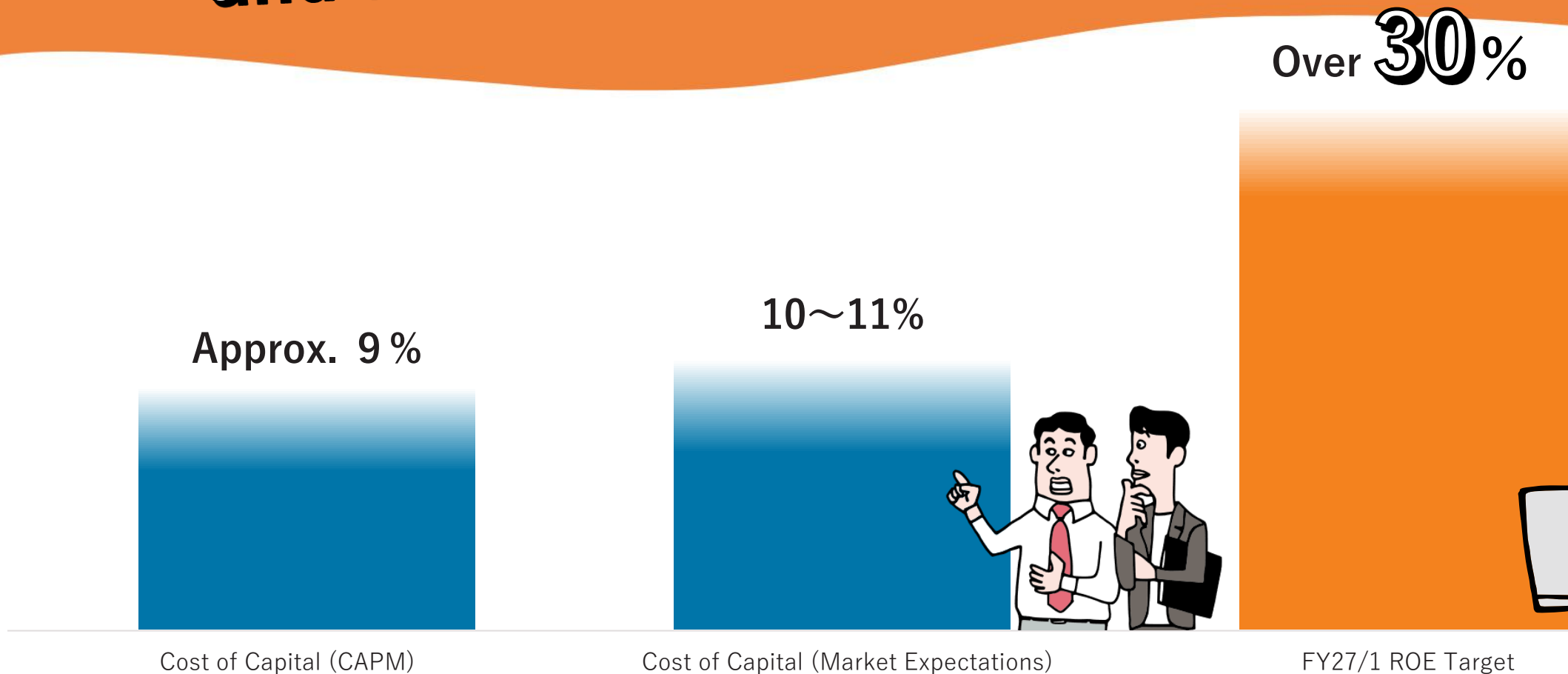




# We aim for sustainable revenue/profit growth with our fan-building cycle



# We estimate cost of capital at around 10% and aim to deliver ROE above cost of capital



\* Cost of capital (CAPM) is calculated based on an Rf of 2.5%, beta of 1.2, ERP of 5.5%. Cost of capital (market expectations) is an estimate derived from analyst reports and consensus figures available via public sources. FY26/1 ROE was 41.5% (calculated as net income ÷ average shareholders' equity; target is based on equity prior to the capital increase conducted in connection with IPO in November 2025, for reference purposes only)

# Driving revenue growth & profit maximization while optimizing capital allocation

Revenue Growth & Profit Maximization

Revenue Growth via the Fan-Building Cycle

Lower SG&A Ratio via Economies of Scale

Long-term Target

Revenue  
¥ **100** billion

Operating Margin  
Over **30%**

Capital Optimization



Funding Source

Use

Operating Cash Flow

Working Capital

Funds to maintain working capital equivalent to approx. 2 months revenue

Allocation  
Approx. **30%**

Shareholder Returns

Funds to support continuous shareholder returns, targeting a payout ratio of 30–40%

Approx. **20%**

Cash & Deposits

Strategic Investment Capital

Funds for business growth initiatives, including human capital investments & contingency reserves of approx. 6 months of personnel expenses

Approx. **50%**

# Pursuing sustainable growth, we will begin preparing for a transition to the Prime Market

Since our founding in 2015, we have operated under the management philosophy of being a “consulting firm that values human skills,” striving to create new value yet to exist in the world.

To realize this management philosophy in a sustainable and long-term manner, we aim to apply for a market segment change to the Prime Market during 2026.

**NORTHSAND**



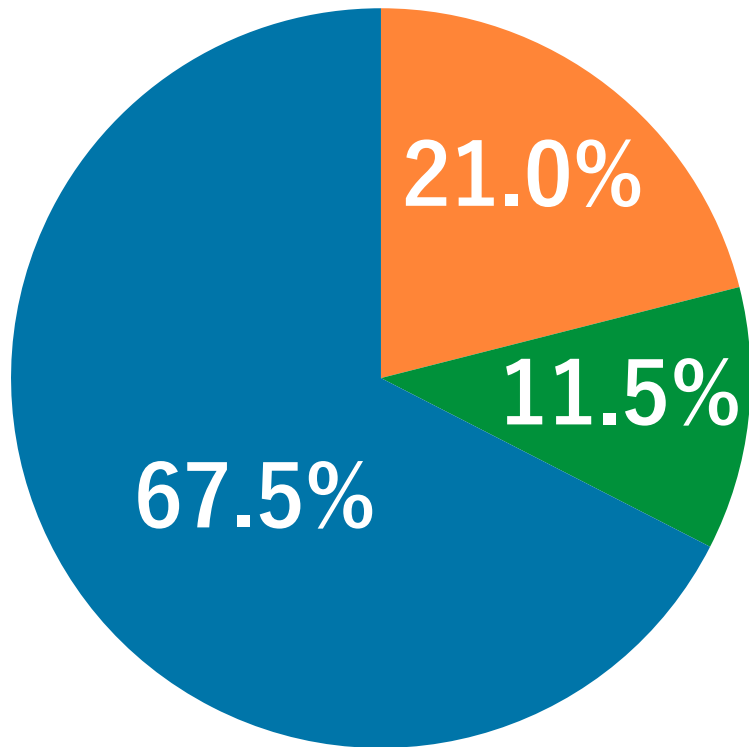
# Appendix

# Selective hiring of talent from non-consulting background via a unique screening process



\* All data are for mid-career hires including back-office in FY26/1.  
Applicants from non-consulting backgrounds : % of applicants from non-consulting firms  
Number of applicants: total applicants who underwent the recruitment process  
Selection ratio: applicants ÷ hires

# Our hires include talent from IT & other diverse backgrounds



## Employees' Previous Employers

Business Company

Consulting Firm

IT Company



Railway



Telecom



Strategy Consulting



E-commerce



IT Hardware



Commercial Bank



Manufacturer



Finance Consulting



IT Service



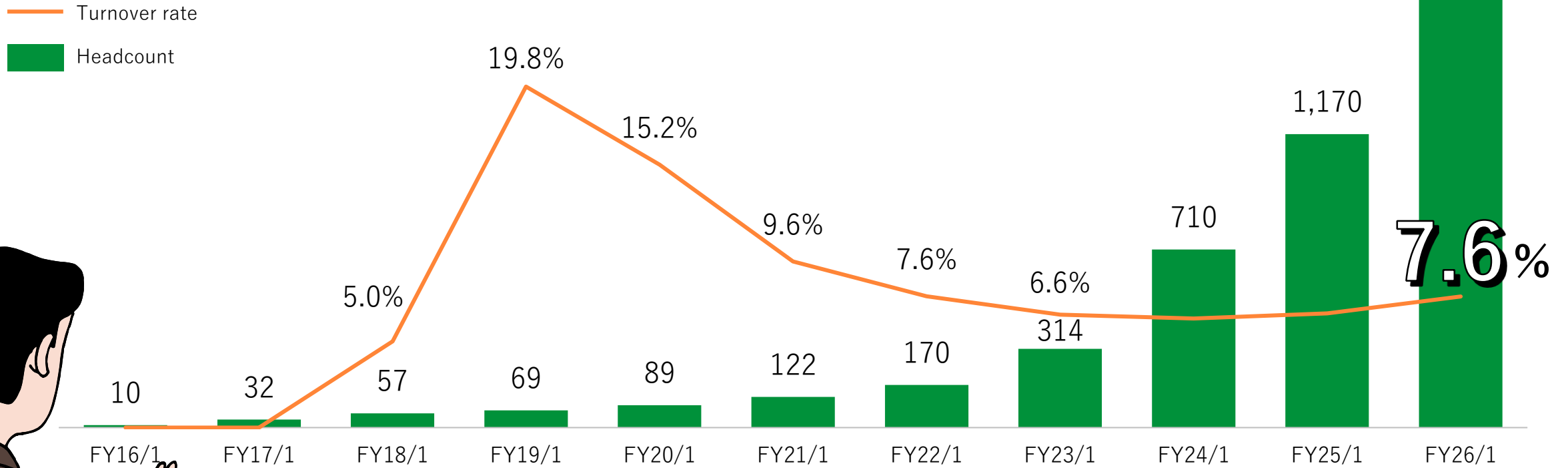
System Integrator



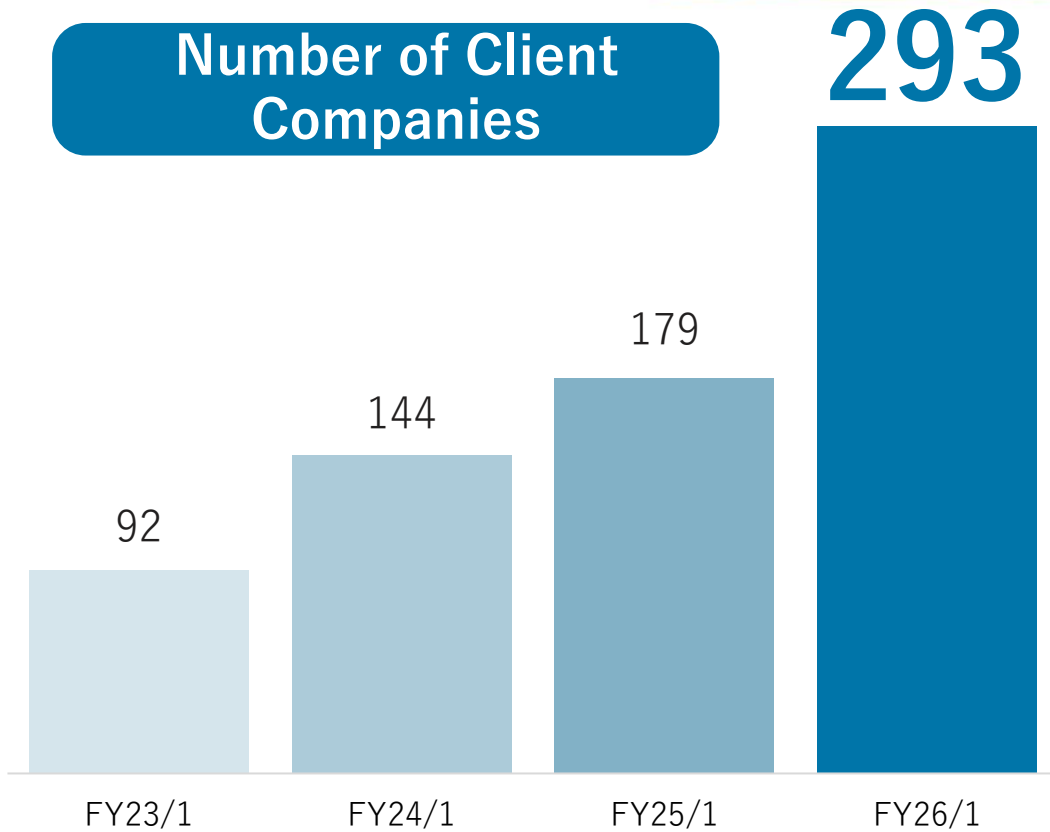
\* Calculated based on 1,383 mid-career employees as of end of FY26/1

# Culture-match recruitment & engagement efforts have improved turnover rates

## Headcount & Turnover Rates

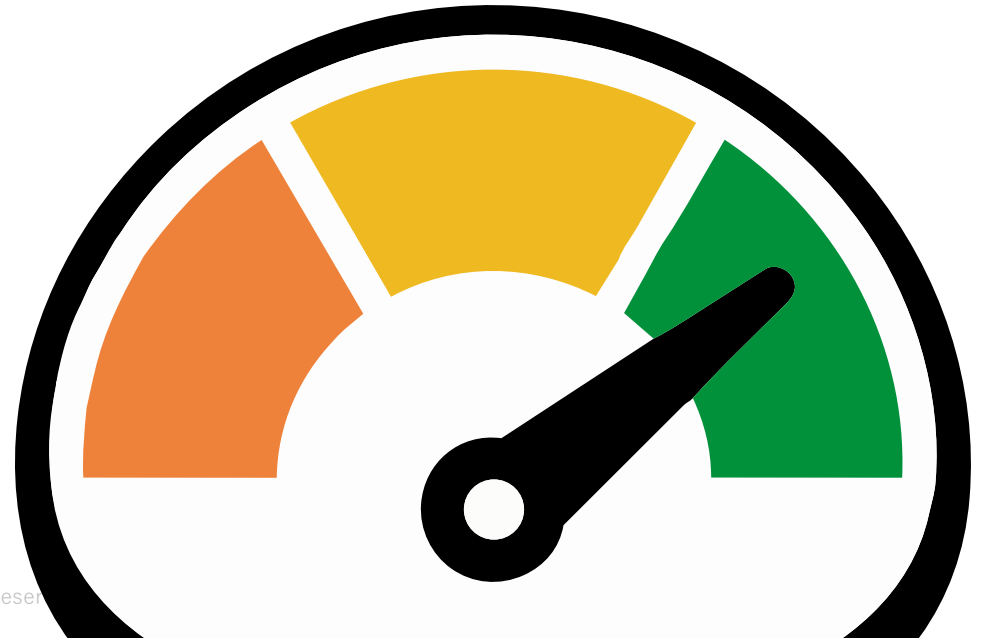


# Increase in client has enabled us to maintain a high utilization rate



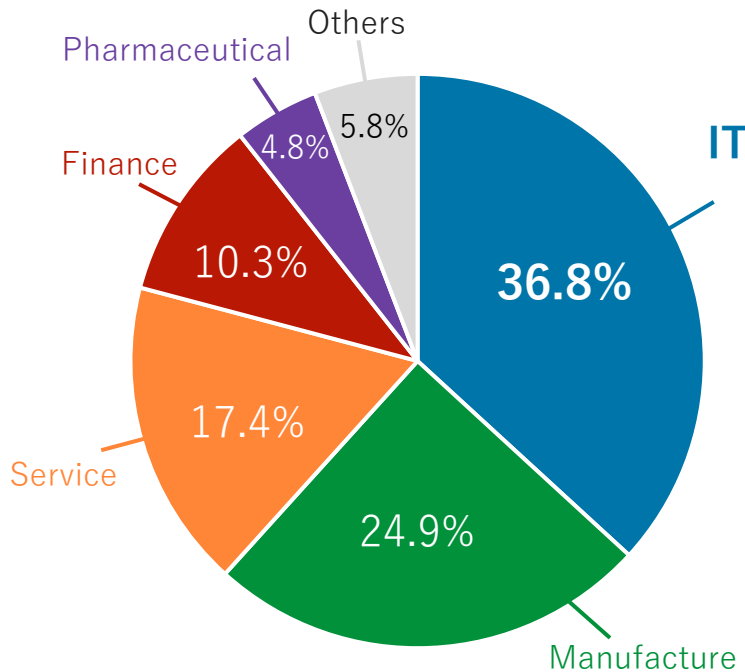
\* Number of companies that recorded sales in each fiscal year

Utilization rate **Over 90%**  
ever since founding

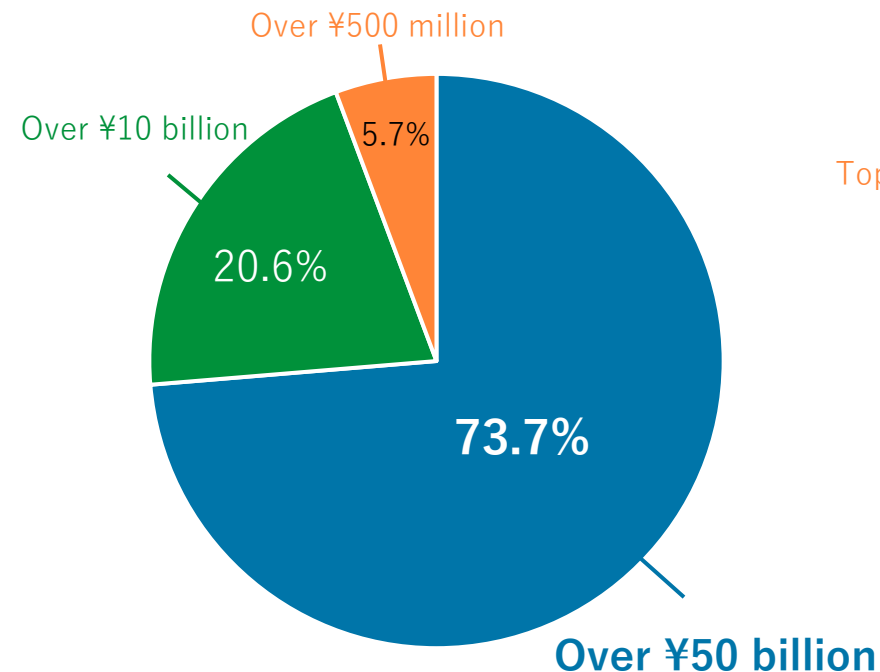


# We mainly serve leading domestic companies and maintain a balanced revenue structure

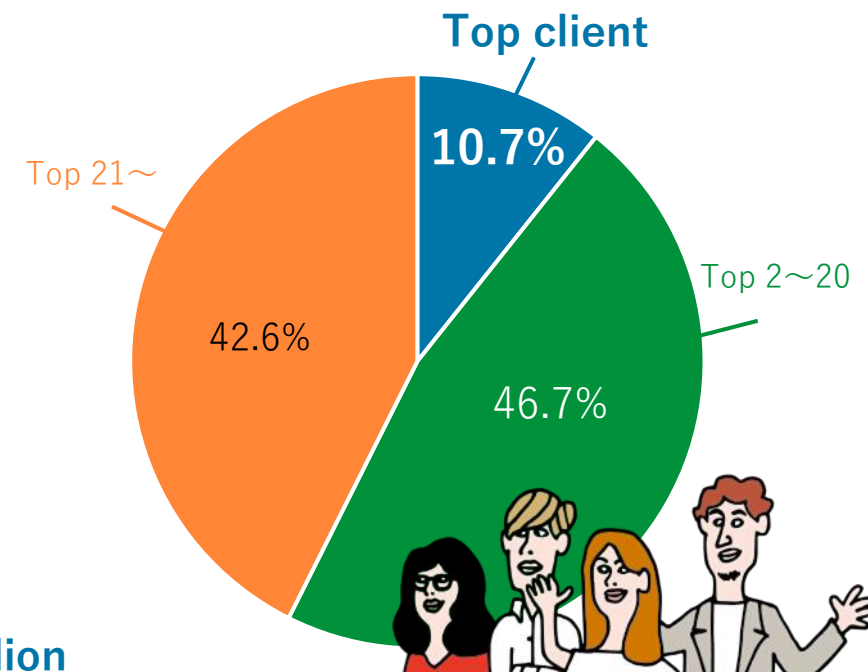
Revenue Breakdown by Sector



Client Company Revenue



Revenue Breakdown by Client

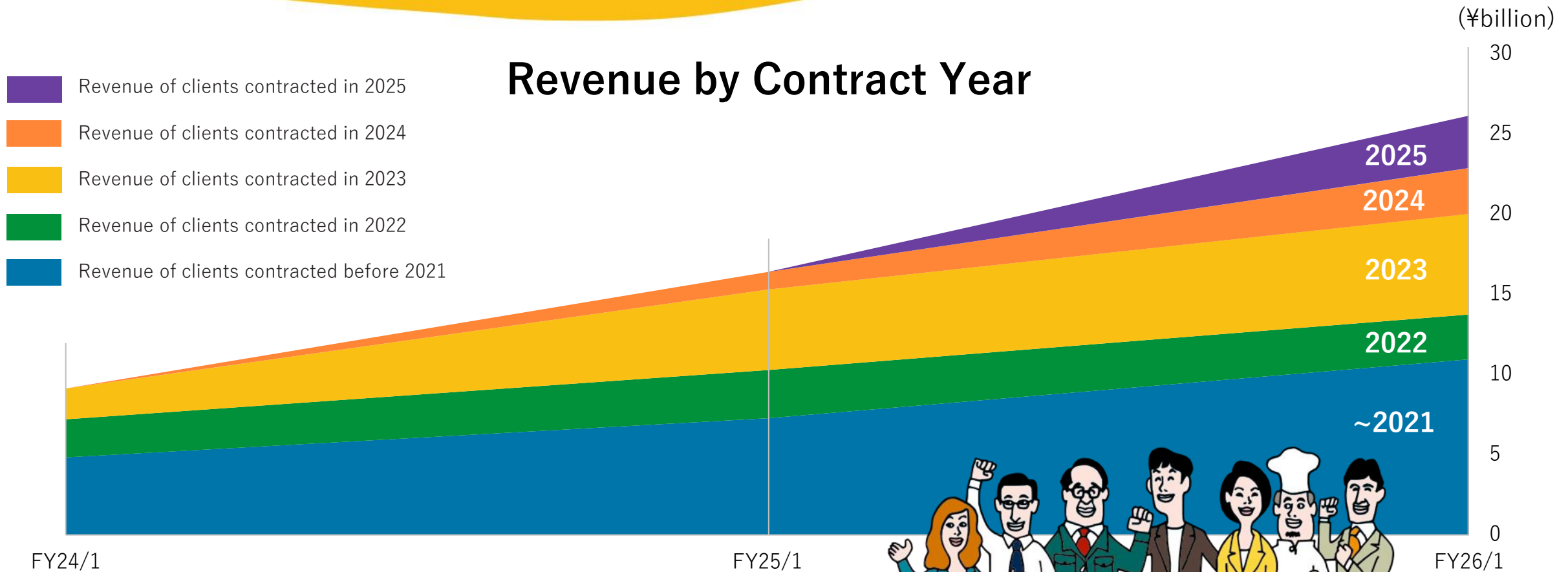


\* Classified clients by category in FY26/1  
 Client revenue data was compiled by our company based on information as of February 26, 2026

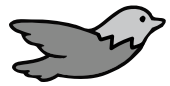


# Long-term client relationships have driven a stable, recurring revenue model

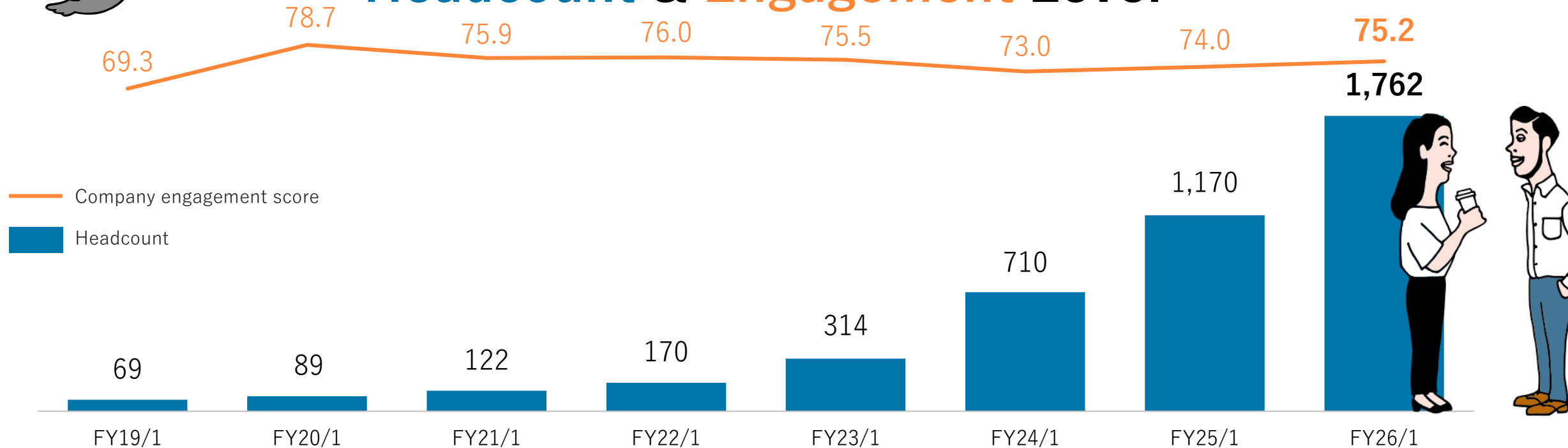
## Revenue by Contract Year



# We sustain high engagement even as the workforce grows

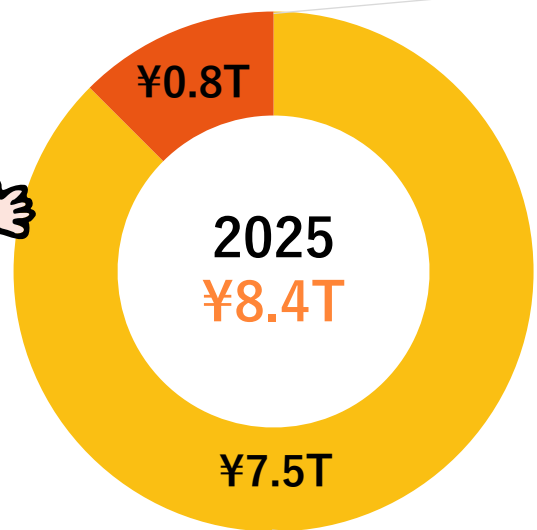


## Headcount & Engagement Level



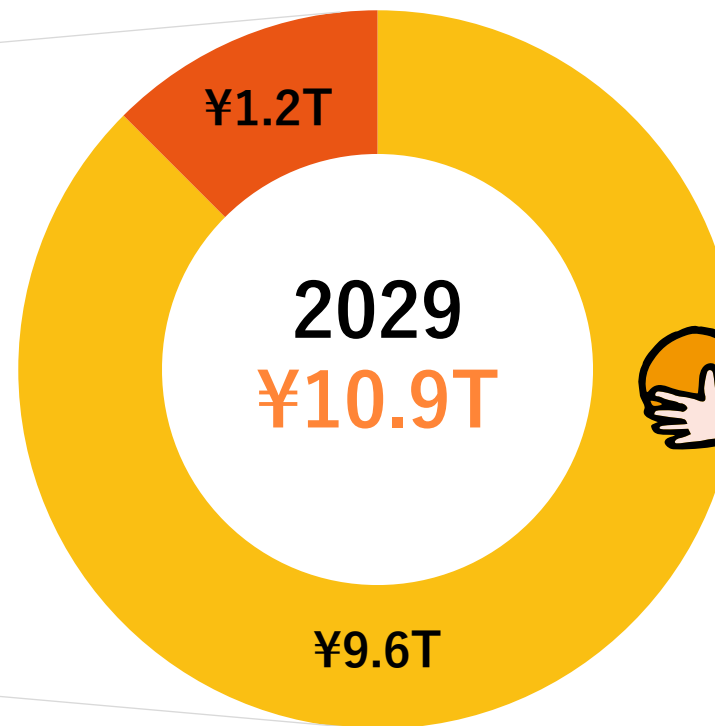
※ Engagement score provided by Link and Motivation Inc. (rated from DD to AAA based on deviation scores, with 67 or higher rated AAA)  
Our company has conducted this survey quarterly since 2018; figures for each FY represent the annual average

# The combined markets are expected to grow to over 10 trillion yen by 2029



## Market Forecast

CAGR  
6.6%



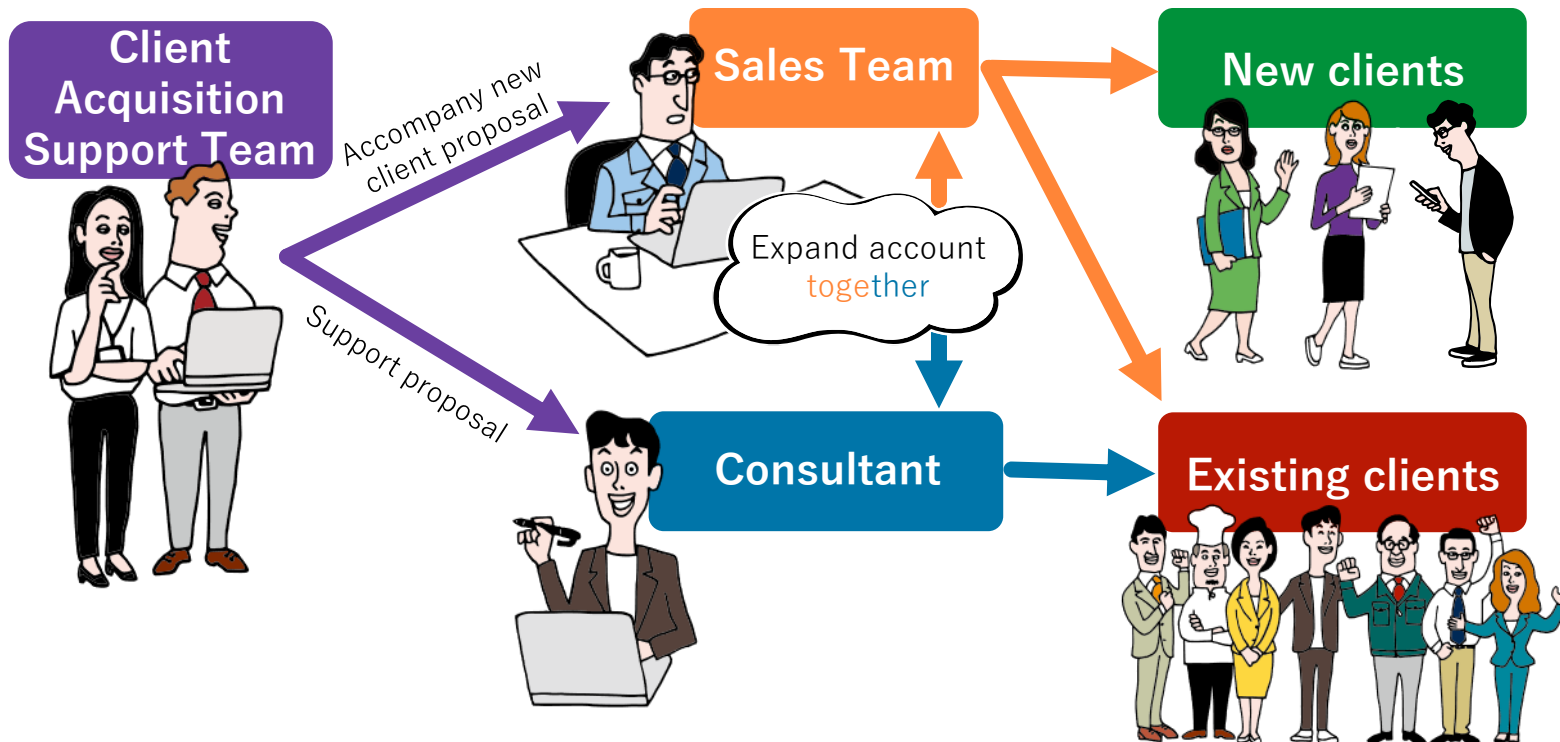
- Domestic IT service market
- Domestic business consulting market

\* Estimated by our company based on IDC Japan's press release "Forecast for the Japan IT Service Market – Data & AI-Driven Digitalization to Exceed ¥10 Trillion by 2030" (March 9, 2026) and "Forecast for the Japan Business Consulting Service Market – AI Adoption Seen as a Key Growth Driver" (December 10, 2025)

\* IT service market: Demand related to projects such as core system renewals, cloud migration, and system development aimed at strengthening business operations  
Business consulting market: Demand related to projects in areas such as strategy, finance/accounting, and business process improvement

# We operate with 3 dedicated teams: consultant, sales & client acquisition support

## Client Acquisition Structure



## Approach Towards Clients

### Inside Sales and Referral Sales

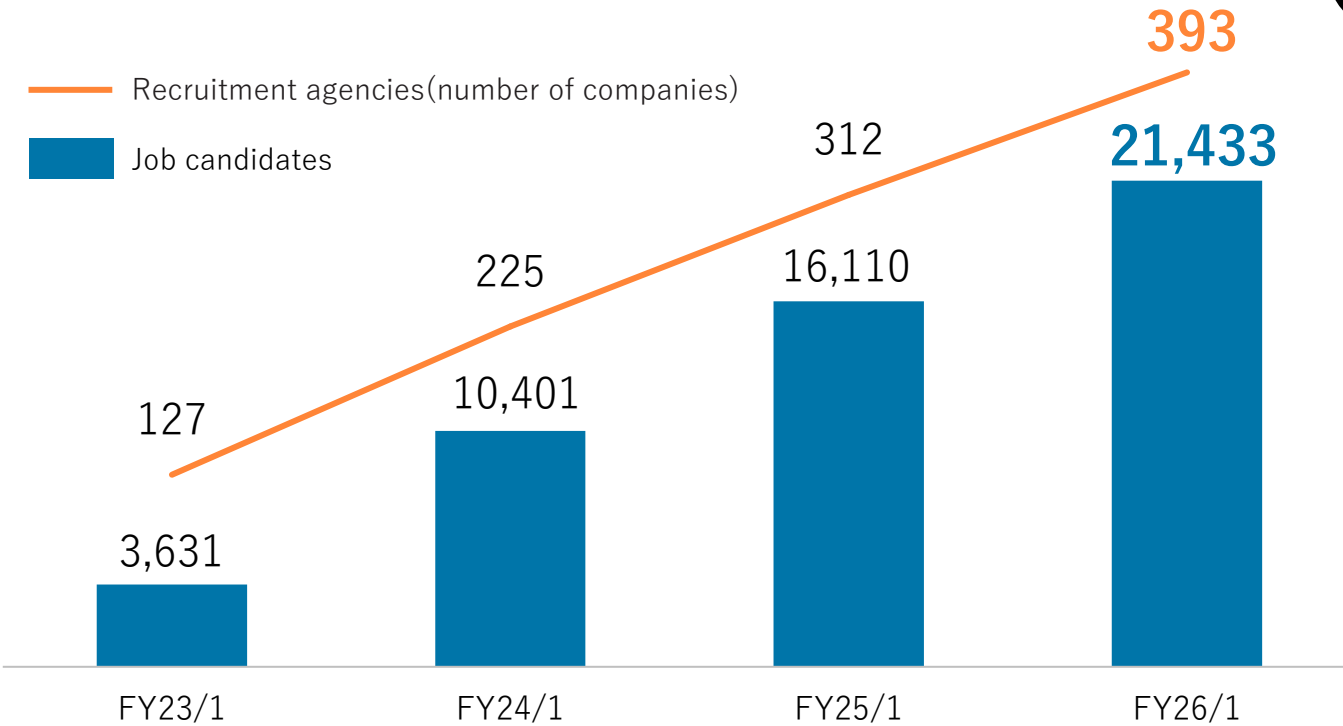
- Sales with “charm,” “honesty,” and “persistence”
- Effective use of internal knowledge by sales & client acquisition support teams
- Referrals by existing clients to group companies and other partners

### Additional Projects and Team Expansion

- Pursue higher retention and recurring business via recognition of consulting & human skills
- Aim for higher pricing and client expansion by reinforcing sales and enhancing delivery quality

# We aim to expand our pool of job candidates by strengthening agency partnerships

## Recruitment Agencies and Job Candidates



### Recruiter Awards

To give our thanks to recruitment agencies who support our recruiting activities, we invite them for a networking/awarding event twice a year



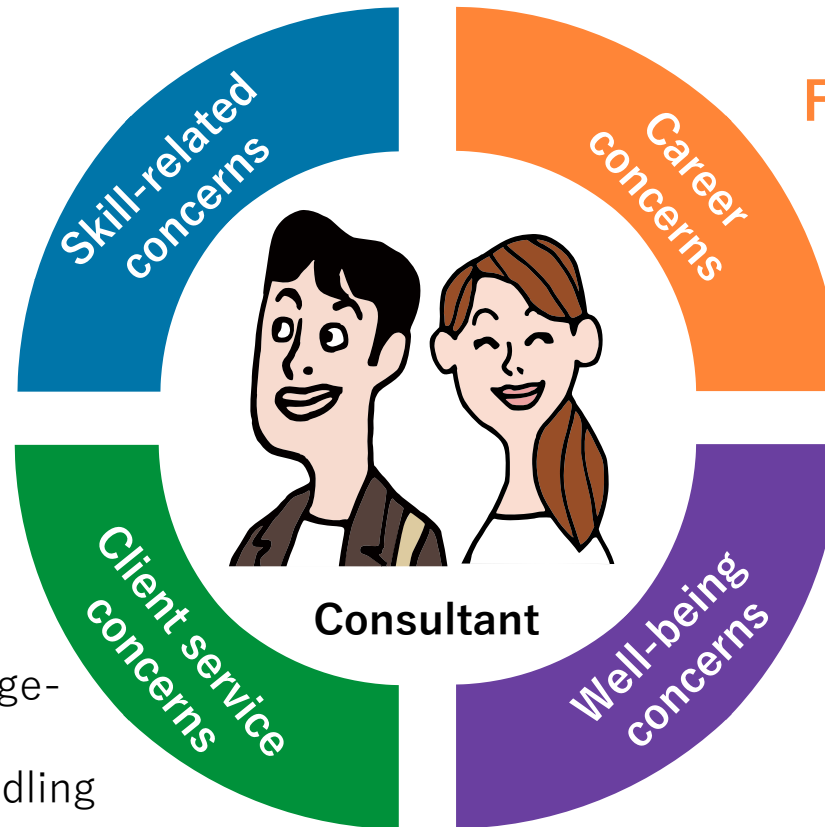
# Our support system addresses consultant concerns, aiming to enhance employee engagement

## Training Team

Training and support for improving consultants' delivery quality and motivation

## Client Acquisition Support Team

Documentation support, knowledge-sharing for client proposals, accompanying meetings, and handling client concerns



## Follow-up Team

Career counseling and guidance on how to take an empathy-based approach

## Occupational Physician, Public Health Nurse, Labor/HR Personnel

Consultation on physical and mental health issues and other concerns in general

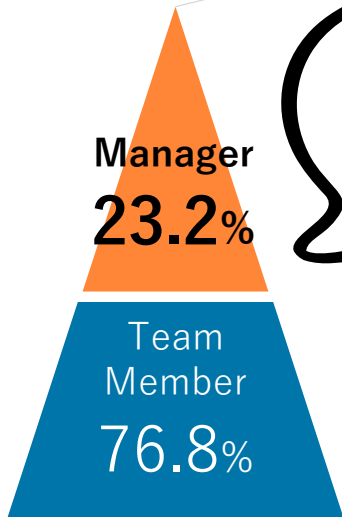
# With proactive hiring & training, we aim to scale while maintaining a well-balanced position ratio

## FY26/1 Position Balance

## Long-term Workforce Expansion Strategy

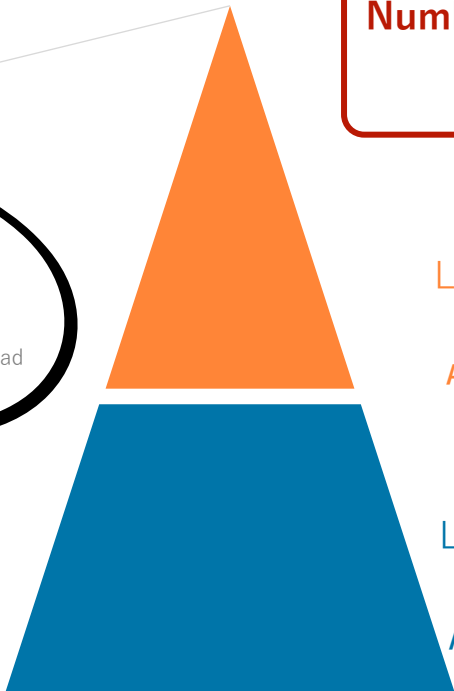


Number of consultants  
**1,453**



As of 2026/4  
**25.2%**  
\* Reflects promotions & new-grad entrance in 2026/4.

Number of consultants  
**5,000**



**Manager-Level Expansion**

- Develop future managers
- Proactively recruit senior-level talent

**Team Member-Level Expansion**

- Proactively recruit new-grads & young talent
- Aim to maintain low turnover via stronger employee support structure

# Cases where human-skills won over clients' trust



## 1 Financial Institution

**Large-scale core system renewal** aimed at integrating and automating accounting operations.

Earned clients' trust by engaging in daily chats and putting care into even the smallest tasks. **"We want more people like you,"** they said, as Northsand became one of the largest partners in the project.



## 2 Service Company

**Implementation of company-wide remote work environment** during the COVID-19 pandemic.

Praised for the **ability to anticipate needs** through attentiveness to other ongoing projects. As a result, Northsand became the go-to partner for internal system integration / consolidation projects.



## 3 Pharmaceutical Company

**Development of data analysis platform** to accelerate new drug research.

Commended for strong relationship-building with overseas stakeholders and an enthusiastic work ethic. Gaining trust as a **"reassuring, reliable presence,"** Northsand became the clients' first point of contact for new initiatives.



## 4 Manufacturer

**Open migration for a large-scale core system** running on a mainframe.

Evaluated for taking on tasks often overlooked by others. Earning the reputation of being **"the only firm that does what no one else will,"** the account resulted in becoming our largest client yet.



# Generative AI-related cases



## 1 Financial Institution

AI Strategy/  
Adoption

Enterprise-wide AI **strategy and adoption**

- Led end-to-end support from roadmap & use case rollout to CoE (Center of Excellence) establishment.
- Built internal AI platforms, governance, risk flows, and training content.



## 3 Manufacturer

AI Prediction/  
Analysis

AI **Optimization** for power plant performance

- Identified performance-enhancing factors via AI analysis of operation data.
- Optimized operations to improve efficiency and supported global rollout.



## 2 Construction Company

AI App &  
Feature Development

Custom **corporate AI** for advanced knowledge management

- Developed secure private AI for meeting minutes and image generation.
- Enabled automated FAQ and advanced search using internal documents & cases.



## 4 IT Company

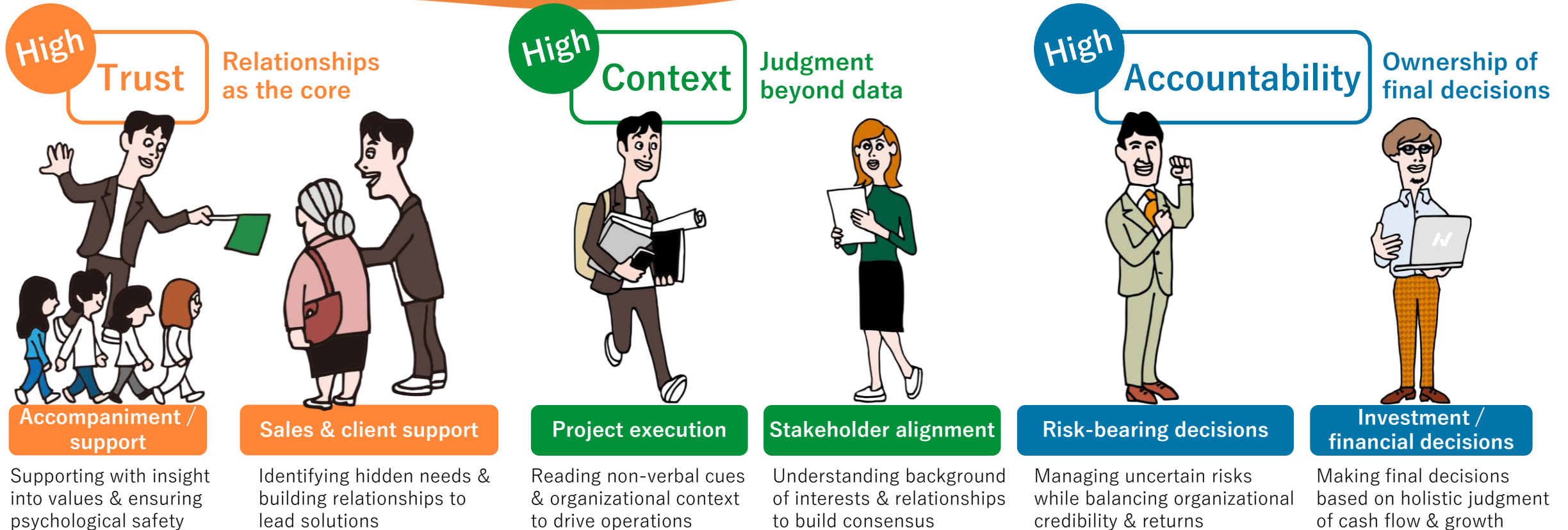
AI Service  
Planning

AI **Service Planning** for Improved Call Center CX

- Supported mid-term business planning via market & growth strategy analysis.
- Planned new service using AI voice analysis for emotion visualization.

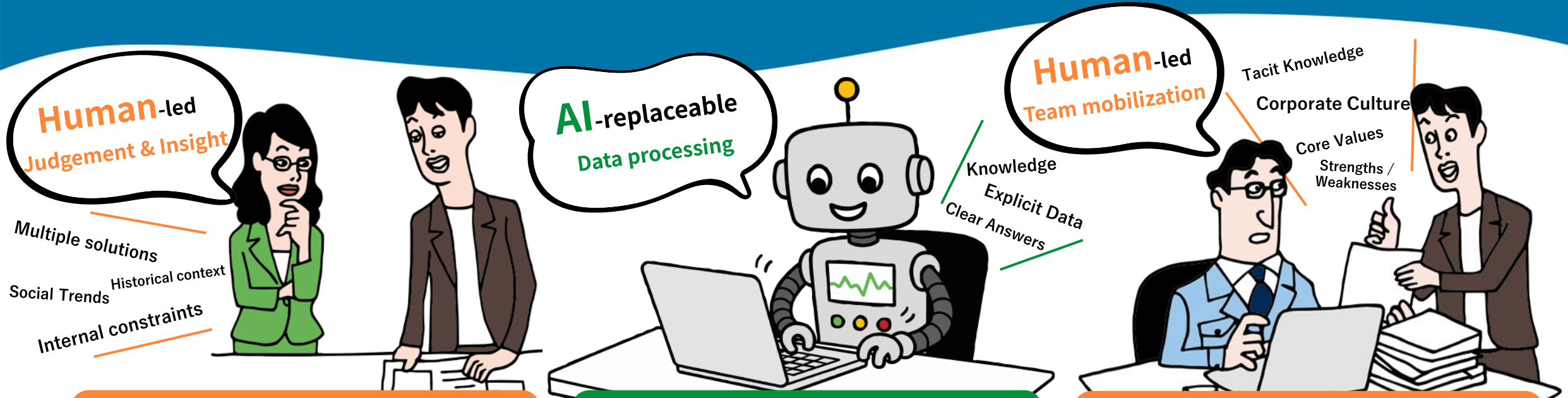


# High-trust, context & accountability related work remain “human”-led



※ Prepared by the company based on Takahiro Ezaki, “INFRA MECHANISM: How Generative AI Is Changing the World — Seven Strategies to Survive the Era”, Socym Co., Ltd., 2026, p. 367.

# AI speeds up research & analysis, allowing humans to focus on high-value work



## 1 Strategy & Planning

### ✓ Problem-setting

Define problem taking context & constraints into account

### ✓ Vision Development

Set vision aligned with social trends & management policies

## 2 Research & Analysis

### ✓ Data Collection

Gather explicit data thoroughly & compile relevant materials

### ✓ Analysis

Structure & compare big data

## 3 Execution & Adoption

### ✓ Execution Support ✓ Operations

Communicate tailored to corporate culture & values

Design & manage roles based on individual strengths / weaknesses

# AI reduced workload by approx. 200 hours per mo. Planning to expand use to maximize profitability

Approx. 200 Labor Hours / mo.  
Saved Company-Wide

**NOW**  
Recent Progress

**FUTURE**  
Planned Initiatives

Reduce Implementation Risks  
× Maximizing Profitability

## Expand AI Adoption Scope

### Finance & Accounting

Commuting expense 1<sup>st</sup> review  
Journal entry 1<sup>st</sup> review  
Audit support  
Data backup  
Transaction entry

### Consulting Division

Proposal doc preparation  
Project transfer management  
Various research tasks

### Labor & Payroll

Payroll tracker updates  
Workflow approver changes  
Work log collection

### Others

Internal inquiries response

### Corporate Planning

### Consulting

### General Affairs

### Sales Administration

### Contract Management

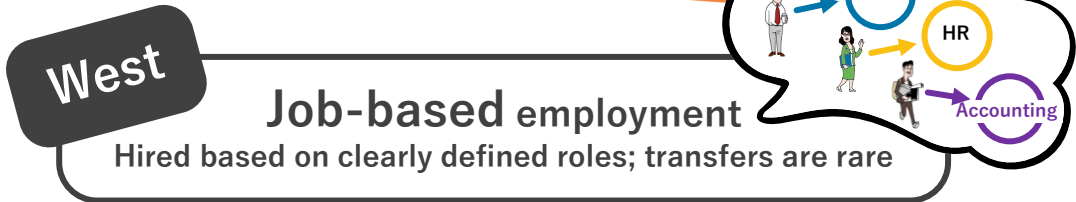
### Finance & Accounting

### Information Systems

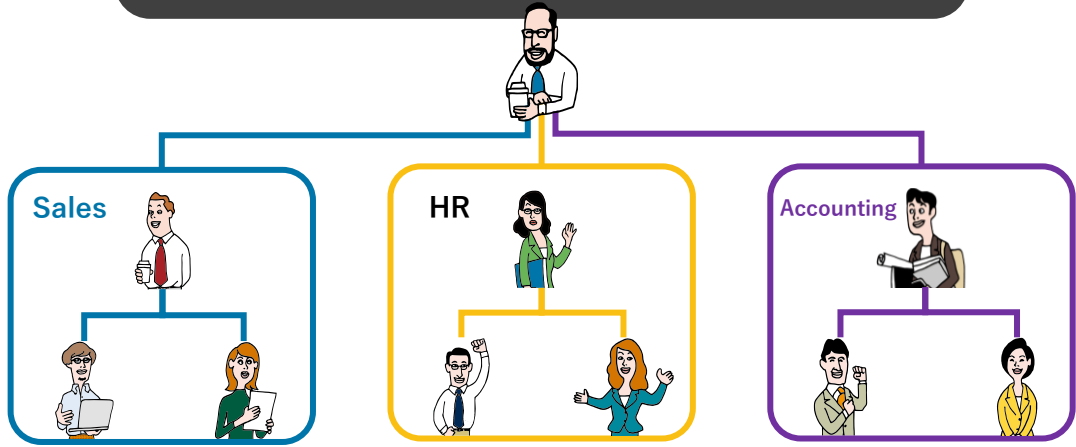
### Legal

### Labor & Payroll

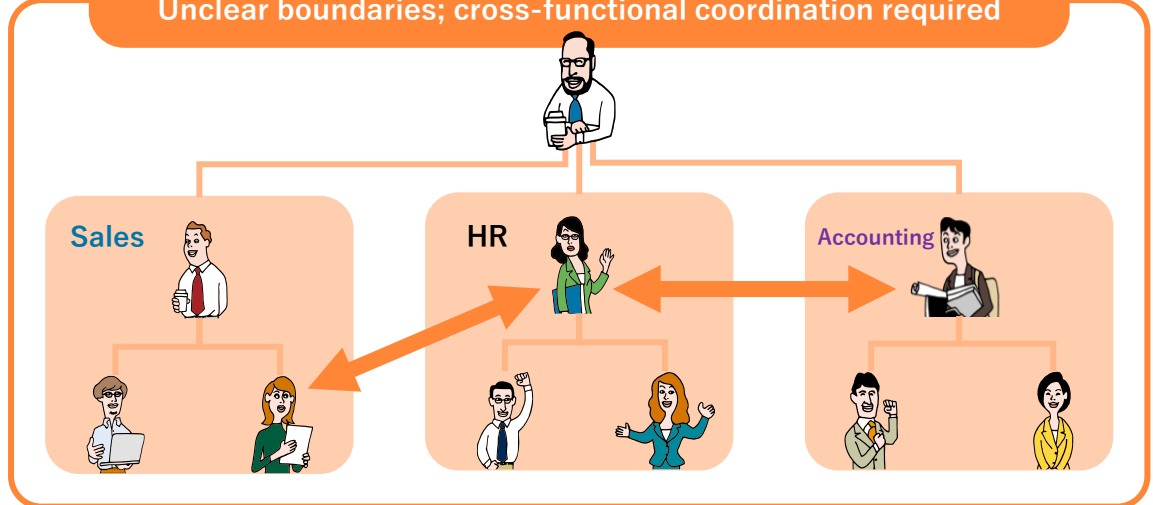
# Context & coordination are essential, driving consulting demand



**Vertical Organization**  
Clear boundaries; limited cross-functional involvement



**Horizontal / Diagonal Organization**  
Unclear boundaries; cross-functional coordination required



# Coachable, open & sincere nature fuel long-term company growth

**Coachable & receptive**

Actively seek feedback  
Accept guidance & act on it

**Open /preconception-free**

Unconstrained by existing notions  
Do not make hasty judgments

**Sincere**

Bold proposals  
Fresh perspectives

**Inexperienced talent**

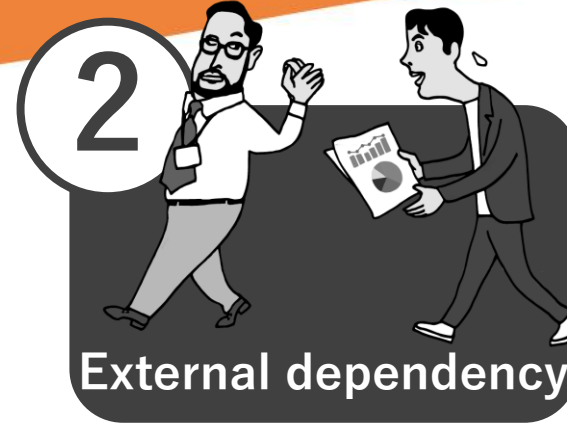
**High growth potential  
New perspectives**

# Juniors boost momentum, culture and competitive advantage

**X**  
3 risks  
of reducing  
junior hiring



Lack of future-leaders cause organizational gaps

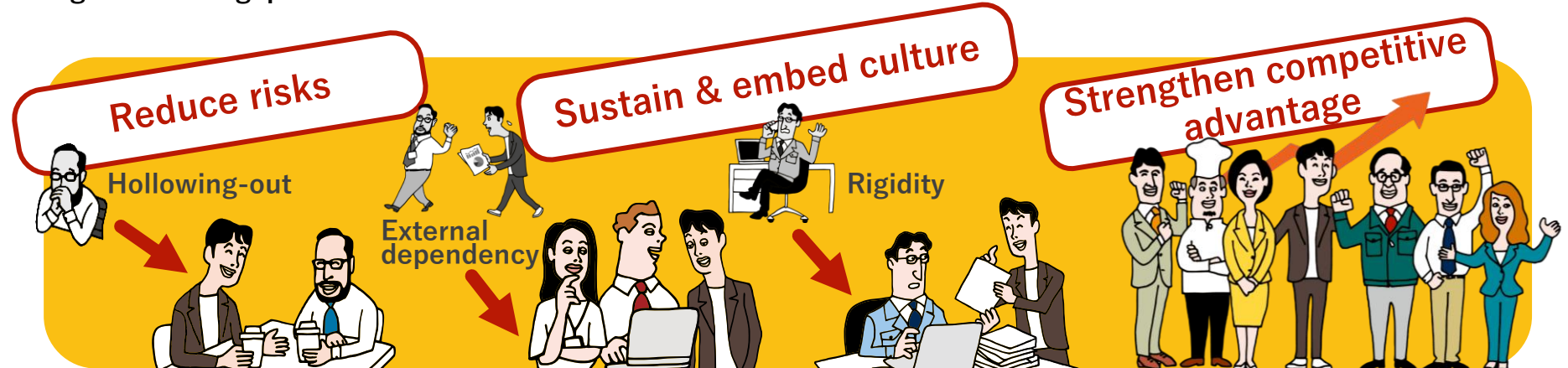


Weak internal talent development raises reliance on external resources



Loss of diversity drives standardization & risk aversion

**✓**  
**NORTHSAND**  
Continue hiring  
junior-level talent



# Notes on the Use of This Document



This document contains forward-looking statements, including outlook, plans, targets, and other future expectations of Northsand, Inc. (the “Company”). These statements may include terms such as “forecast,” “estimate,” “expect,” “intend,” “plan,” “potential,” and “outlook,” among others, but are not limited to such expressions.

These forward-looking statements are based on information currently available to the Company and on assumptions judged to be reasonable at the time of preparation. They inherently involve risks, uncertainties, and other factors that may cause actual results to differ materially from those expressed or implied herein.

This document also includes information relating to the competitive environment, industry trends, and broader social or structural developments that has been obtained from third-party sources.

The Company has not independently verified the accuracy or appropriateness of such information and makes no representation or warranty regarding its reliability.

**NORTHSAND**



# **NORTHSAND**

**Wishing you a wonderful day ahead!**