

Globe-ing Inc.

277A

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Summary

Upwardly revised forecasts for FY5/26. Plans to issue first dividend at year-end

Globe-ing Inc. <277A> (hereafter, also “the Company”) engages in Consulting Business that assists enterprises with various activities ranging from formulation to implementation of management and business strategies. It also pursues AI Business, which develops cloud products that embody its expertise and develops and provides AI agents that take over key tasks performed by consultants.

1. Overview of 1H FY5/26 results

In the 1H FY5/26 results, revenue was ¥5,651mn (up 45.9% year on year [YoY]), operating profit was ¥2,103mn (up 47.3%), ordinary profit was ¥2,116mn (up 50.6%), and profit attributable to owners of parent was ¥1,562mn (up 77.5%). Both revenue and operating profit achieved record highs for 1H results. The Company maintained high revenue growth as consulting demand grew in light of companies’ increasing need to invest in digital transformation (DX), AI use, and new business development. In particular, it is building ongoing business relationships by promoting joint initiative (JI) type consulting, through which it becomes deeply involved in its customers’ business processes and core systems. This has increased the size of contracts and scope of transactions, especially for existing customers. Along with this, it increased the number of consultants and established a system to support business expansion. On the profit front, it succeeded in ensuring a high utilization rate and appropriate project profitability as well as controlling costs through the effective use of AI developers, which improved its profitability.

2. FY5/26 forecasts

In FY5/26, the Company forecasts significant increases in revenue and profits, with revenue of ¥11,800mn (up 42.9% YoY), operating profit of ¥4,000mn (up 42.8%), ordinary profit of ¥4,012mn (up 44.1%), and profit attributable to owners of parent of ¥2,809mn (up 58.9%). Based on its steady progress through 1H, the Company upwardly revised the full-year forecasts. It expects that joint development-style JI consulting originating with the AI Business will continue to grow and that there will be an increase in high-added-value projects and improvement in profit margin in 2H. Given the current ordering environment and utilization conditions, it seems likely that there is further upside. In 2H, the Company intends to increase its workforce by continuing to recruit immediately effective consultants, and by improving individual productivity through the in-house use of AI and DX, it expects revenue growth beyond that from headcount expansion. While maintaining a high utilization rate for JI-type consulting, it anticipates that joint development focusing on AI agents and cloud products will contribute to enlarging projects. Furthermore, the Company has decided to start issuing dividends in FY5/26, with a target dividend payout ratio of 30%. The dividend in FY5/26 is expected to be ¥15.0 per share (paid at year-end).

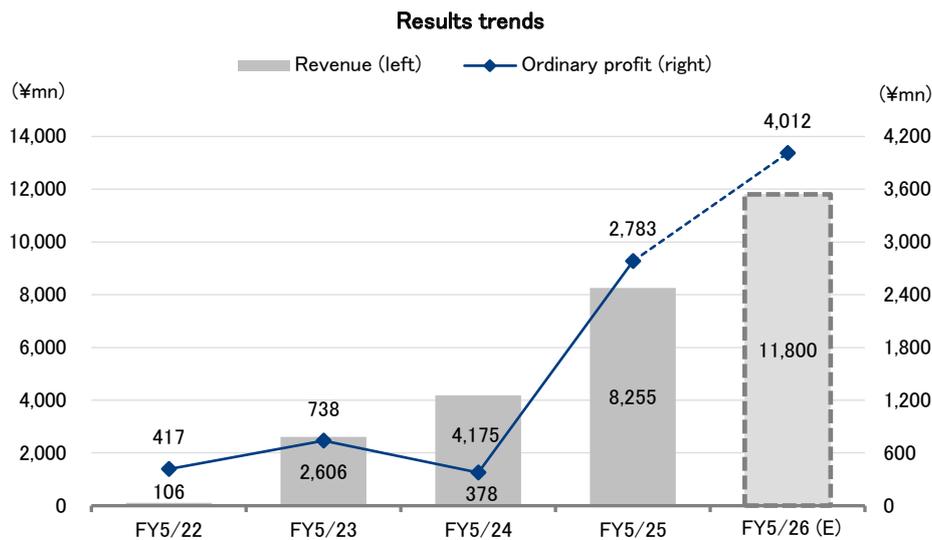
Summary

3. Future growth strategy

In terms of growth strategy, the Company's idea is to base its growth on the high-added-value Consulting Business, which has driven its growth to date, while also improving productivity through the use of AI and expanding its business model through the reuse and horizontal deployment of the expertise it has accumulated. Rapid advances in AI technology such as generative AI are a tailwind for the Company, and rather than being made obsolete by these changes, it is using AI to revamp its approach to business processes and decision-making. In the Consulting Business, it has focused on areas with high value and high profit margins since its founding, which is the source of its competitiveness. Going forward, it will use this strength as a starting point to expand the scope of its support by moving into more easily scalable areas, such as supporting strategy execution and operational transformation. In terms of using AI, it is establishing a structure that enables AI agents to cover routine tasks like research and material creation while consultants concentrate on high-added-value tasks. Rather than adopting a closed-innovation approach that relies on specific AI models, its policy is to directly apply external advances in AI to enhance its value proposition. It believes that providing AI consultants, AI outsourcing, and AI management in an integrated manner will support continuous productivity improvement at companies. It also believes that the key to medium- and long-term growth is establishing unique management assets, such as the systematization of "Dynamic Equilibrium" management that redefines the strengths of Japanese-style management with a focus on people or implementing AI and cloud technology that leverages its accumulated expertise.

Key Points

- In the 1H FY5/26 results, achieved new record highs for 1H for both revenue and operating profit
- Significant growth in both business segments due to expansion of JI consulting and ramping up of joint development
- After upwardly revising the forecasts, expects significant increases in revenue and profits in FY5/26, with further upside possible
- Will start paying dividends with a target dividend payout ratio of 30%. In FY5/26, plans to issue a ¥15.0 dividend at year-end



Note: FY5/22 was a 3-month accounting period due to a change in the fiscal year-end.
 Additionally, figures for FY2/22 to FY5/23 are non-consolidated, while those for FY5/24 onward are consolidated.
 Source: Prepared by FISCO from the Company's financial results and securities registration statement

■ Company profile

A strategic consulting business offering hands-on support to enterprises

1. Company profile

The Company is engaged in Consulting Business, which assists enterprises with various activities ranging from formulation to implementation of management and business strategies, and AI Business, which develops cloud products that embody the expertise it has accumulated in the Consulting Business and develops and provides AI agents that take over key tasks performed by consultants.

The consulting services provided by the Company are distinguished by stationing consultants within client companies to drive business transformation from within, thereby delivering results such as sales growth and cost reductions while the Company works alongside clients. Typically, consulting companies receive consideration from clients for offering external advice. The Company conducts business from the client's perspective and offers hands-on support to clients. Additionally, the Company has been promoting the use of AI tools for simple tasks such as preparing meeting minutes and conducting desk research. By reducing man-hours on these tasks, the Company has succeeded in delivering consulting services more efficiently.

The Company's name is a coined combination of the word "Globe," representing the Earth, the world, and the global community, and the suffix "-ing," implying a driving force toward a specific goal or direction. The name conveys a message of developing people, companies, and a society capable of thriving on the global stage.

2. History

The Company was established in 2017 by its current Director and Senior Executive Officer Sosuke Wajima. It began its Consulting Business in earnest after being awarded a DX strategy project contract from Mitsubishi Materials Corporation <5711> in March 2021. Thereafter, in February 2023, the Company entered into a capital and business alliance in the DX and IoT areas with PERSOL CROSS TECHNOLOGY CO., LTD., which excels in engineering in the technology sector, and increased collaboration with this partner primarily in the Cloud Product Business (PERSOL CROSS TECHNOLOGY's shareholding ratio: 6.59% as of the end of November 2025). Furthermore, in October 2023, the Company made AVALANCHE LTD. & THE COMPANY a wholly owned subsidiary to expand its capabilities and services in the creative marketing service design field. These capabilities and services are essential to creating businesses, formulating and implementing branding strategies, and providing related services to client companies. In January 2024, the Company established Shanghai Juqiu Xieying Information Technology Co., Ltd. as an offshore base for IT systems implementation. In May 2024, the Company and Laboro. AI Inc. <5586> established X-AI.Labo Inc. as a joint venture for the social implementation of AI-X. Subsequently, it made X-AI.Labo a wholly owned subsidiary in September 2025, then absorbed it via a merger in December 2025.

The adjusted number of consultants affiliated with the Company was 194 as of the end of November 2025. The Company is working to primarily recruit immediately effective professionals with backgrounds in strategic consulting firms, with the goal of driving business expansion.

Business overview

Pursues JI-type consulting and development of AI agents that perform consultant tasks

1. Consulting Business

The Company provides consulting services in management strategy, new business launches, M&A strategy, and formulation and implementation support for DX and digital strategy frameworks. It is distinguished by its support style, which embeds consultants within client companies as “insiders with an external perspective.” Specifically, consultants provide hands-on support as partners to CxOs (short for Chief x Officer, where “x” refers to the relevant area of responsibility) and project leaders, thereby promoting transformation via projects. Insiders with an external perspective refers to consultants who remain objective and logical while supporting the client’s decision-making after first understanding its internal circumstances and culture. They do not simply give advice; they play a role in bringing projects to completion and fostering autonomy, enabling clients to continue pursuing transformation on their own in the future.

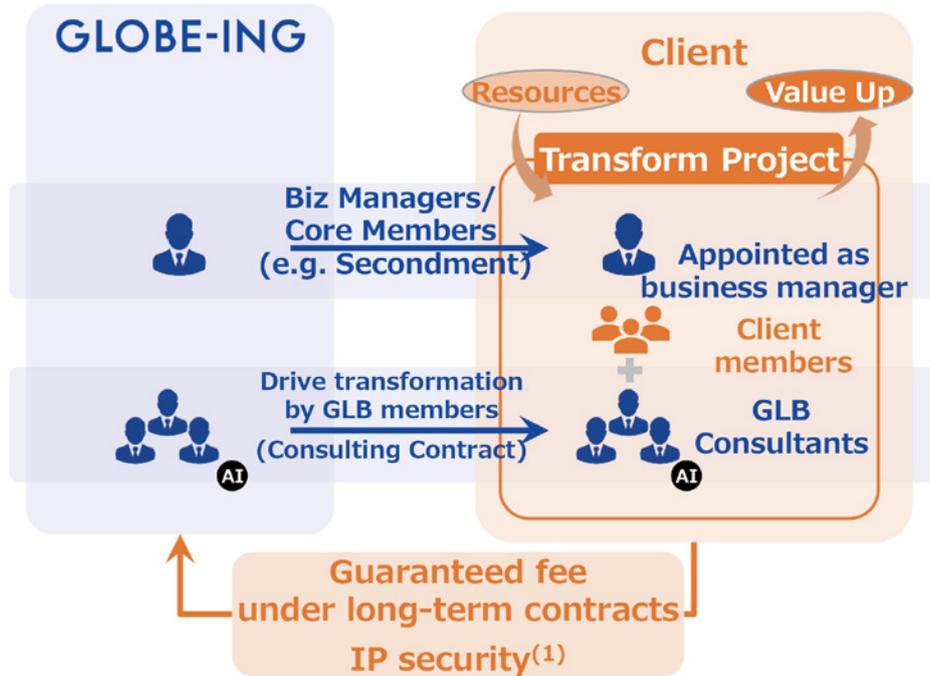
The Company refers to this as “JI-type consulting.” In contrast to the “conventional consulting” practices of ordinary consulting firms, which provide external skills/expertise and offer advice, JI-type consulting builds a strong relationship with the client, then provides it with resources tailored to its transformation needs, including the secondment of personnel. A joint project team is formed that combines the client’s employees and funds with the Company’s expertise and personnel. This team plays a role in co-creating business transformation, new business, products, etc. The Company therefore has a unique business model whereby its consultants drive business from the perspective of business supervisors and generate results at clients in the role of partners.

The Company, which puts this kind of implementation support at its core, distinguishes itself from conventional month-based consulting models by adopting a model that provides integrated support from structuring issues to designing operations premised on the use of AI, including implementing and establishing it at sites. It is characterized by the fact that it does not simply provide analysis and guidance; it translates transformation topics into concrete business processes and provides hands-on support until clients reach a point where they can implement them independently across their organization. While the development of generative AI is increasing the efficiency of secondary tasks such as research and material creation, the importance of consulting roles that take a structured approach to identifying management issues, redesign them in actionable ways, and embed the changes in the organization is actually increasing. Based on this changing environment, the Company is creating added value by combining AI-driven business enhancement with implementation support from consultants.

The Company has established an in-house team called GLB Intelligence (Globe-ing Intelligence), which specializes in improving business efficiency and is advancing the development and use of unique AI tools. The Company has developed a structure whereby AI takes over and refines routine tasks such as preparing meeting minutes and conducting preliminary research, while consultants concentrate on high-added-value areas such as supporting issue definition and decision-making and implementing solutions at client sites. As a result, it has achieved productivity improvements that do not rely simply on increasing the workforce and continued to grow its business while maintaining and enhancing the quality of its transformation support.

Business overview

Overview of JI-type consulting scheme



Note: Regarding item (1) in the diagram above, “Guaranteed fee under long-term contracts” refers to securing annual or multi-year contracts from clients in exchange for dispatching and retaining talented personnel over the long term. “IP security” refers to the joint ownership of intellectual property (IP) for solutions codeveloped with clients.

Source: The Company’s results briefing materials

2. KPIs for Consulting Business

The Company’s KPIs in the Consulting Business are: (1) adjusted number of consultants, (2) average annual income of consultants, (3) JI revenue ratio, and (4) AI-related revenue ratio.

(1) Adjusted number of consultants

Since the continuous recruitment of consultants is essential to winning projects from clients and executing them, the Company emphasizes the number of consultants as an indicator of business soundness. “Adjusted” means that the working hours of consultants involved in GLB Intelligence, who do not contribute directly to revenue, have been deducted to accurately reflect utilization conditions.

(2) Average annual income of consultants

To achieve sound business growth, the Company believes it is crucial to improve the added value provided to customers, offer a high level of remuneration to professionals, and recruit highly skilled talent in a well-balanced manner. As a key indicator for these priorities, “the average annual income of consultants” has been established as a KPI, which the Company continuously strives to improve. This figure represents an average that includes directors’ remuneration for officers engaged in the Company’s consulting work and excludes consultants assigned to GLB Intelligence.

(3) JI revenue ratio

In the Consulting Business, the Company positions the shift from conventional consulting to JI-type consulting as a key growth strategy and has established the JI revenue ratio as a KPI for judging the Company’s progress in this area. JI revenue represents revenue related to consulting projects where the Company is involved in the client’s internal processes, reports directly to CxO-level executives, and is involved in formulating the budget.

(4) AI-related revenue ratio

The Company has established the AI-related revenue ratio as a KPI. It is a crucial indicator for judging progress toward the Company's vision of "transforming clients' businesses through AI." AI-related revenue covers revenue from cases where proposals refer to AI as an item for consideration, as well as projects that involve consideration of AI in reports and other documents. Expertise acquired through developing and providing products in the AI Business is also applied to Consulting Business sites, supporting growth in orders for AI-related projects.

3. AI Business

The Company provides cloud products and AI agents which embody the advanced expertise it has accumulated in the Consulting Business, such as strategy formulation, business transformation, and DX promotion. The problem with ordinary consulting is that expertise tends to be accumulated by the support provider, making it difficult for the client to act independently. However, the Company has solved this issue by delivering its expertise via products and AI. With regard to the use of AI, it does not depend on its own specific AI technology; instead, it has established a system whereby it flexibly incorporates fast-evolving external AI technology, leading to improved value and enabling advances in cutting-edge AI platforms and generative AI models to directly improve the capabilities of its products. As external AI technology advances and AI-powered business execution becomes more independent, the value of the expertise and support incorporated into the Company's products will also increase, which is expected to improve clients' productivity. In 1Q FY5/26, the Company renamed this business from the Cloud Product Business to the AI Business. The purpose of this was to accurately indicate to external parties that the business does not just provide cloud products using the Company's consulting expertise; instead, the core of the business has evolved into developing and providing AI agents that take over and refine key tasks performed by consultants.

In terms of business development, the Company is focusing on areas that have a significant impact on management, with the core products being Sales Suite, which has been used commercially since 2023, and Spend Intelligence Suite, which it is currently developing. Sales Suite, which is intended to improve companies' sales productivity, visualizes sales results by incorporating sales statement data, provides recommendations on which customers to follow and when to approach them, and forecasts business potential following its introduction. With the aim of optimizing external spending, Spend Intelligence Suite incorporates analysis and cost-reduction techniques based on the expertise the Company has developed so far. It enhances procurement and indirect operations and increases efficiency through features such as automated supplier selection, generation of price negotiation scenarios, automated collection and evaluation of supplier information, and misconduct detection.

Furthermore, the Company is also developing Globe-ing-kun, an AI agent that supports planning, and AI Giji-Con, which supports meeting and project management. Globe-ing-kun is an interface equipped to perform various planning personnel roles, including strategy and plan formulation, tactical design, material creation, and market research and analysis, through function-specific AI agents. It is a collaboration-based system in which people handle decision-making and AI handles analysis, consideration, and output generation. AI Giji-Con is an AI agent that provides integrated support covering project management, task management, meeting preparation and management, and collection of related data, thereby enhancing the productivity of meetings. By combining these products, the Company is able to provide end-to-end support for everything from plan formulation to execution and management, improving the quality and speed of white-collar work.

Business overview

At present, the Company is jointly pursuing proof of concept (PoC) and requirement definition for Spend Intelligence Suite, Globe-ing-kun, and AI Giji-Con with major clients and working on specific details with actual operation in mind. A distinguishing characteristic of the AI Business is that it does not just increase operational efficiency; it promotes the use of AI agents for companies' core tasks. By addressing the social problem of insufficient white-collar workers, the Company is aiming to create added value in the medium to long term.

Balancing low prices and high utilization rates through AI use and JI-type consulting

4. Competitors

The Company's main competitors are strategic consulting firms such as McKinsey & Company, Boston Consulting Group, and Kearney (formerly A.T. Kearney).

While the Company has a high share of high-value-added senior-level consultants, it can offer services at lower prices than its competitors by reducing the working hours of young consultants, through the use of AI tools and other means. Additionally, with the consulting services offered by competitors, there can be standby days varying from several weeks to around one month between project renewals and the start of the next contract, which introduces the risk of losses in the consultant utilization rate. However, because JI-type consulting is involved in clients' internal processes, the risk of a decrease in the consultant utilization rate is relatively lower, allowing for more efficient deployment of consultants.

Results trends

In the 1H FY5/26 results, achieved new record highs for 1H for both revenue and operating profit

1. Overview of 1H FY5/26 results

In the 1H FY5/26 results, revenue was ¥5,651mn (up 45.9% YoY), operating profit was ¥2,103mn (up 47.3%), ordinary profit was ¥2,116mn (up 50.6%), and profit attributable to owners of parent was ¥1,562mn (up 77.5%). Both revenue and operating profit achieved record highs for 1H results.

The Company maintained high revenue growth as consulting demand grew steadily in light of companies' increasing need to invest in DX, AI use, and new business development. In particular, it promoted the use of JI-type consulting, and as a result, the size of contracts and scope of transactions increased for existing customers and it acquired more large accounts. Furthermore, the number of consultants increased by 56 YoY to 194, as it made steady progress in expanding its human resources to support business growth.

Results trends

On the profit front, it maintained a high utilization rate for consultants as well as ensuring an appropriate profitability level on a per-project basis. Furthermore, it actively assigned personnel involved in the AI Business to joint development JI-type consulting projects, thereby helping to limit the AI-related R&D investment which had previously occurred before revenue was generated. Due to the effect of higher revenue and cost optimization, the operating profit margin improved by 0.3 percentage points (pp) YoY to 37.2%. As a result of eliminating the effect of accumulated earnings tax that had been putting pressure on profits until the previous fiscal year, the profit margin attributable to owners of parent improved considerably, rising 4.9pp to 27.6%.

Results for 1H FY5/25

	(¥mn)					
	1H FY5/25		1H FY5/26		YoY	
	Results	vs. revenue	Results	vs. revenue	Change	% change
Revenue	3,874	-	5,651	-	1,777	45.9%
Cost of sales	1,180	30.5%	1,866	33.0%	685	58.1%
Gross profit	2,693	69.5%	3,785	67.0%	1,091	40.5%
SG&A expenses	1,265	32.7%	1,681	29.7%	415	32.9%
Operating profit	1,428	36.9%	2,103	37.2%	675	47.3%
Ordinary profit	1,405	36.3%	2,116	37.4%	710	50.6%
Profit attributable to owners of parent	879	22.7%	1,562	27.6%	682	77.5%

Source: Prepared by FISCO from the Company's financial results

Significant growth in both business segments due to expansion of JI consulting and ramping up of joint development

2. Results trends by business for 1H FY5/26

(1) Consulting Business

In the Consulting Business, revenue was ¥5,438mn (up 40.4% YoY) and operating profit was ¥2,524mn (up 34.1%), due to factors such as winning new projects in areas related to strategy formulation, DX promotion, etc. and enlarging existing projects. Along with continuing to acquire new projects, expansion of existing projects progressed steadily, especially for DX promotion and AI use. As the Company did not just pursue one-shot projects, the proportion of JI-type consulting projects increased, which improved project continuity and customer retention. The Company increased the size per project and expanded its support areas while maintaining a high utilization rate, leading to increased earnings.

Looking at KPIs, each of the four main indicators performed well. At the end of 1H FY5/26, the adjusted number of consultants had increased by 56 YoY to 194 as mid-career and new graduate recruitment progressed steadily. The growth of the workforce proceeded according to plan, as the Company moved forward with developing a supply system that enables it to meet growing project demand. While the ratio of junior consultants increased due to starting to use new graduate consultants, consultants remained involved in high-value projects. As a result, the average annual income of consultants remained at a high level, exceeding ¥20.00mn in 2Q FY5/26 (non-consolidated). The business balanced increasing personnel with maintaining the project value level, indicating the high quality of its projects.

Results trends

The JI revenue ratio, which the Company has positioned as a growth driver, rose from 44% in FY5/25 (full year) to 52% in 1Q FY5/26 and 58% in 2Q FY5/26. The Company increased JI-type support that embeds its consultants in clients' processes and organizations and made solid progress in shifting its dealings with clients from the short term to the medium to long term. The AI-related revenue ratio increased from 30% in FY5/25 to 41% in 1Q FY5/26 and 48% in 2Q FY5/26, reflecting steady growth of joint development projects with clients, etc. A feature of JI-type consulting and AI-related projects is that they both contribute to clients' core business on an ongoing basis, which means earnings have a high level of stability and reproducibility. Rather than simply increasing monthly man-hours, the Company is making steady progress in shifting toward high-added-value projects that combine JI-type support and advanced technological value. Furthermore, increasing joint development with clients and long-term projects reduces cancellation risk and facilitates the generation of additional projects. The Company may therefore be viewed as developing an earnings base that is resistant to the impact of short-term market volatility.

KPI performance

	FY5/24	FY5/25	1Q FY5/26	2Q FY5/26
Adjusted number of consultants	119	178	194	194
Average annual income of consultants	¥19.74mn	¥20.12mn	¥20.25mn	¥20.09mn
JI revenue ratio	30%	44%	52%	58%
Amount	¥1.24bn	¥3.60bn	¥1.38bn	¥1.73bn
AI-related revenue ratio	11%	30%	41%	48%
Amount	¥0.47bn	¥2.47bn	¥1.08bn	¥1.43bn

Source: Prepared by FISCO from the Company's results briefing materials

(2) AI Business

Revenue in the AI Business was ¥213mn (¥2mn in 1H FY5/25) and operating profit was ¥135mn (loss of ¥74mn), returning to profitability. The key factor behind the increased earnings was the ramping up of joint development projects undertaken with major client companies. In FY5/26, Spend Intelligence Suite, Globe-ing-kun, and AI Giji-Con are progressing from the PoC phase to the actual development phase with a view to operation at client sites.

In AI agent joint development with a leading automobile OEM, the Company is providing joint development JI-type consulting focusing on Globe-ing-kun and AI Giji-Con. With the participation of client-side team members, it is integrating the planning experience it has developed in the field, its systematized planning capabilities, and AI engineers' technical abilities to realize practical products. Rather than automating simple tasks, it is moving into areas where AI agents will take over or complement core tasks such as planning and meetings and play a role in autonomously driving improvements in operational productivity and enhancing decision-making.

Furthermore, Spend Intelligence Suite, which is being jointly developed with the procurement subsidiary of a major electronics manufacturer, supports advanced decision-making in the procurement area. It is equipped with functions such as formulating procurement strategies to design and manage negotiation scenarios and creating and comparing estimates optimized by cost category. As a platform to support these, the Company is building a centralized database for spending data. Through the use of AI engineering, it is creating a product that embodies the client's practical knowledge of procurement negotiations and the Company's expertise in optimizing procurement costs. With procurement DX and data-driven purchasing strategies growing in importance, the Company aims to offer this product as a system that will continue enabling anyone to use specialized knowledge and achieve a high level of reproducibility.

At present, while attention should be paid to issues such as the level of dependence on specific clients and development resource limitations, the AI Business has made a strong start and is reaching the stage where it may be expected to be a driver of medium- to long-term growth.

Results trends

3. Financial position and management indicators

Looking at the Company's financial position at the end of 1H FY5/26, total assets decreased ¥209mn from the end of the previous fiscal year to ¥8,557mn. Current assets dropped ¥798mn to ¥7,033mn, primarily reflecting a decrease in cash and deposits. Non-current assets increased ¥588mn to ¥1,524mn, mainly due to increases in plant, property, and equipment and deposits. Total liabilities fell ¥697mn to ¥2,200mn. Current liabilities were down ¥792mn to ¥1,988mn, as income taxes payable and accrued consumption taxes decreased. Non-current liabilities increased ¥95mn to ¥212mn. Total net assets were ¥487mn, an increase of ¥6,357mn. This was mainly due to an increase in retained earnings associated with recording profit attributable to owners of parent.

From a financial soundness perspective, the equity ratio climbed 8.7pp YoY to 74.3%, remaining at a high level. The current ratio also maintained a high level, at 353.8%, as the Company ensured its short-term payment capabilities and surplus working capital. Furthermore, based on the medium-term growth forecast, the Company decided to start issuing dividends in FY5/26. With sustainable dividend growth expected in light of its stable profit-generating capacity, the Company should be able to balance investment in human capital and shareholder returns while maintaining a high level of profitability, which is a key point in evaluating its medium- to long-term corporate value.

Consolidated balance sheets and major management indicators

	End-FY5/24	End-FY5/25	1H FY5/26	Change
	(¥mn)			
Current assets	2,061	7,831	7,033	-798
Cash and deposits	1,388	6,612	5,400	-1,211
Accounts receivable — trade, electronically recorded monetary claims, and contract assets	603	1,122	1,408	286
Non-current assets	532	935	1,524	588
Property, plant and equipment	99	180	443	262
Intangible assets	209	381	412	30
Investments and other assets	223	373	668	295
Total assets	2,593	8,767	8,557	-209
Current liabilities	947	2,780	1,988	-792
Income taxes payable	9	1,080	567	-513
Accrued consumption taxes	122	425	219	-206
Non-current liabilities	93	117	212	95
Asset retirement obligations	41	46	132	86
Total liabilities	1,041	2,897	2,200	-697
Total net assets	1,551	5,869	6,357	487
Retained earnings	936	2,705	4,267	1,562
Total liabilities and net assets	2,593	8,767	8,557	-209
<Management indicators>				
Equity ratio	57.5%	65.6%	74.3%	8.7pp
Current ratio	217.5%	281.7%	353.8%	72.1pp

Source: Prepared by FISCO from the Company's financial results

■ Outlook

After upwardly revising the forecasts, expects significant increases in revenue and profits in FY5/26, with further upside possible

For its FY5/26 results, the Company forecasts significant increases in revenue and profits, with revenue of ¥11,800mn (up 42.9% YoY), operating profit of ¥4,000mn (up 42.8%), ordinary profit of ¥4,012mn (up 44.1%), and profit attributable to owners of parent of ¥2,809mn (up 58.9%). Based on its steady progress through 1H, the Company revised its full-year forecasts upward from the initial guidance (revenue of ¥11,555mn, operating profit of ¥3,750mn, ordinary profit of ¥3,760mn, and profit attributable to owners of parent of ¥2,557mn) on January 14, 2026. In particular, it expects that joint development-style JI consulting originating with the AI Business will continue to grow and that there will be an improvement in operating profit margin in 2H. Furthermore, reduction in tax expenses due to the application of the tax system to promote wage increases is another factor that will boost profits. Given the current ordering environment and utilization conditions, the Company's forecasts seem somewhat conservative, leaving a certain margin for improvement. With medium- to long-term growth in mind, the Company expects to continue investing in talent recruitment and R&D, but in light of its steady progress through 1H, it seems likely that there is further upside.

With the aim of growing revenue in 2H, the Company plans to hire around 10 to 15 immediately effective consultants each quarter in the Consulting Business, steadily increasing net headcount over the course of the year. In addition, by advancing the use of AI and DX in internal operations, productivity per consultant is expected to rise, leading to revenue growth beyond that from simple headcount expansion. At present, demand for JI-type consulting is growing steadily and a high utilization rate is being stably maintained. In light of these conditions, it seems highly likely that the current phase of significant revenue growth will continue in 2H. In the AI Business, the Company will continue to pursue joint development with clients focusing on AI agents and cloud products. Its goal is to enlarge projects through synergistic effects with the Consulting Business while also continuing to steadily move forward with the intent of establishing the business's position as a medium- to long-term earnings pillar via its products.

The Company has enhanced its ability to deliver consulting and AI solutions in an integrated manner, demonstrating an accurate understanding of the market environment characterized by growing demand for DX and generative AI in Japan and overseas. At the same time, it is reinforcing its medium- to long-term earnings base by combining workforce expansion with AI-driven productivity gains, ensuring that its overall growth trajectory remains intact. Supported by solid and sustained market demand, the Company appears to be firmly positioned within a continued high-growth phase.

Outlook for FY5/26

	FY5/25		FY5/26		YoY	
	Results	vs. revenue	Forecast	vs. revenue	Change	% change
Revenue	8,255	-	11,800	-	3,544	42.9%
Operating profit	2,800	33.9%	4,000	33.9%	1,199	42.8%
Ordinary profit	2,783	33.7%	4,012	34.0%	1,228	44.1%
Profit attributable to owners of parent	1,768	21.4%	2,809	23.8%	1,040	58.9%

Source: Prepared by FISCO from the Company's financial results

■ Medium- to long-term growth strategy

Building on its Consulting Business as a foundational pillar, the Company is expanding its business model through AI implementation and the extension of its offerings into adjacent domains

1. Conceptual overview of future growth

Leveraging its Consulting Business as the core engine of past growth, the Company is advancing the expansion of its business model by integrating AI agents, cloud products, and Dynamic Equilibrium management capabilities aimed at further scaling the business and accelerating its growth trajectory. At the same time, it is moving beyond its traditionally human-resource-dependent consulting model and pursuing higher value creation through AI-driven productivity gains and expansion into adjacent business domains.

The Company is building on its core Consulting Business by strengthening its DX execution and implementation capabilities and expanding into new industries and geographic markets. For its AI agents and cloud products, the Company aims not only to streamline and enhance the work of its internal consultants but also to eventually offer AI-enabled consulting services and commercialize jointly developed cloud tools. This would create product-driven revenue opportunities in addition to its traditional consulting business. In parallel, the Company is systematizing its Dynamic Equilibrium management framework into a broadly applicable methodology suited to Japanese corporate practice, with potential expansion into overseas markets also under consideration.

2. Proposed management structure

The Company is envisioning a management structure that positions its Consulting Business as the central vehicle for growth, while integrating AI agents, cloud products, and multiple subsidiaries into a unified multi-business platform. Rather than operating each business independently, it aims to generate synergies by promoting cross-business collaboration. As a concrete strategic initiative, the Company plans to expand its business domains through roll-up acquisitions of domestic AI-related firms and through collaborations with overseas startups in partnership with both domestic and global investment funds. By layering AI and cloud-based product businesses on top of its Consulting Business, the Company seeks to build a management model capable of generating higher value than a single-business structure. To realize this vision, it intends to flexibly review and adjust its management structure and business configuration in line with the evolution of its business portfolio.

3. Strategic growth plan for the Consulting Business

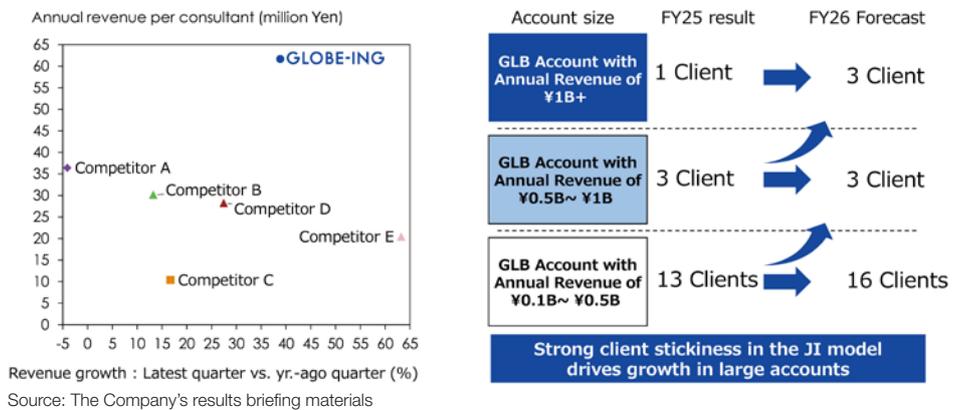
The Company's Consulting Business is characterized by its focus on high-value-added service domains, particularly in areas such as strategic planning and execution support. While major domestic full-service consulting firms typically enter the market through relatively low-fee service areas and gradually shift toward higher-fee segments, the Company has targeted high-fee, high-margin domains as its primary arena from the outset. Looking ahead, it plans to broaden its service coverage from these high-fee domains into more scalable areas, including strategy execution and operational transformation support. By expanding project scale while maintaining its pricing discipline, the Company aims to achieve growth with sustained high profitability.

Medium- to long-term growth strategy

In the area of human resources, the Company is strengthening three core components: its compensation framework, its performance evaluation and development systems, and its recruitment initiatives. On the compensation front, it is establishing mechanisms that link individual performance with corporate growth through annual salary increases, additional compensation adjustments, and the introduction of restricted stock. In performance evaluation and talent development, the Company has incorporated criteria that recognize behaviors contributing to long-term growth in addition to short-term project outcomes, and it provides training programs aimed at developing the next generation of management talent. In recruitment, the Company is enhancing its hiring capabilities by strengthening direct and referral hiring and expanding its recruitment channels through the establishment of a dedicated team. Leveraging its high operating profit margins, the Company aims to further enhance consultant compensation to support the recruitment and retention of high-caliber talent.

Based on recent performance, revenue per consultant exceeds approximately ¥60.00mn per year, a level that significantly surpasses the roughly ¥10.00mn to ¥35.00mn reported by the five major domestic consulting firms. At the same time, the Company continues to maintain a revenue growth rate of around 40%, demonstrating its ability to achieve both high billing rates and strong growth. Account size and number are also trending favorably. For FY5/26, the number of large-scale accounts generating over ¥1.0bn in annual revenue is expected to reach three, an increase of two YoY, while accounts in the ¥0.1bn to ¥0.5bn range are projected to rise to 16, up by four. Supporting this momentum is the Company's high retention, JI-type consulting model, which enables it to deepen relationships with existing clients while simultaneously acquiring new accounts—trends that are clearly reflected in its recent performance indicators.

Annual revenue per consultant and account size: actuals and forecasts in the Consulting Business



Promoting the resolution of corporate structural challenges through the integration of AI agents and Dynamic Equilibrium management

4. Expansion of AI-enabled consulting services

The Company is enhancing its consulting services through the use of AI, while simultaneously developing and deploying the AI agents that form the foundation of these offerings. Advances in AI technologies, including generative AI, are creating a favorable environment, and the Company intends to elevate the value of its services by leveraging ongoing improvements in external AI models. AI agents are software that autonomously perform data collection, analysis, and operational tasks based on user defined objectives, replacing or augmenting work that has traditionally relied on human labor. Recent progress in AI—particularly large language model-based generative AI—has dramatically improved the accuracy of information retrieval, summarization, reasoning, and document creation, making these technologies highly compatible with consulting workflows. Productivity has increased significantly as AI agents take on tasks that consultants previously spent substantial time on, such as research, document preparation, and minutes creation, enabling consultants to devote more time to high value activities including thinking, decision making, hypothesis development, and client engagement. The Company has also adopted a model agnostic approach, combining the most suitable models and tools while flexibly incorporating advances in external AI. As a result, AI advancements do not represent a cost burden but instead serve as a structural driver that enhances the Company's value proposition and competitive strength. Building on this foundation, the Company is driving expansion across the following three areas.

The first area is the AI consulting domain, which focuses on supporting core activities such as planning and strategy development. "Globe-ing-kun," the Company's flagship planning-support AI agent, serves as the central product in this domain. By assisting with idea generation and hypothesis development during strategy and initiative formulation, it aims to enhance white-collar productivity. The Company has implemented the product across its internal operations and continues to advance functional enhancements informed by performance validation in real-world use. Functions confirmed to be effective are subsequently productized and rolled out to external clients.

The second area is the AI outsourcing domain. As many companies outsource non-core operations, the Company integrates AI into these processes to drive further labor savings and operational efficiency. By automating routine, standardized tasks through AI and reallocating personnel to core activities that require planning and judgment, organizations can achieve improvements in overall productivity.

The third area is the AI management domain. Effective integration of AI into business operations requires well-structured data, continuous feature enhancements, and the ability to adapt to ongoing technological advances. The Company intends to strengthen its offerings as a provider of AI lifecycle management, supporting the ongoing operation and continuous improvement of AI systems post-deployment.

The integrated deployment of AI consulting, AI outsourcing, and AI management is aimed at addressing the structural challenges facing enterprises, including a shrinking labor force and persistently low productivity. Building on this foundation, the Company plans to use its initial expansion in the Japanese market as a strategic springboard for future international growth, with the broader objective of helping to alleviate global labor shortages.

Medium- to long-term growth strategy

Regarding the progress of product development and co-development, Globe-ing-kun: Phase 1 essential functionalities have already been completed, and implementation has begun within a department of about 50 employees. In the planning and promotion process, a workflow has been established in which proposals that do not reach AI-defined evaluation criteria cannot proceed to discussions with supervisors. This framework operates under an integrated decision-making model in which AI-driven assessments and human judgment work in a coordinated and mutually complementary manner. Client trials have demonstrated measurable effects, and full company-wide deployment is scheduled to commence in April 2026. The basic development of the AI Giji-Con has also been completed. The Company is currently designing its application for real-world operations and plans to roll it out across multiple departments from April 2026 onward. The product is expected to become a standard internal tool used by thousands of employees, and adoption talks with multiple companies are underway.

These products are positioned not merely as operational efficiency tools, but as core components of the Company's proposed Management OS. Management OS refers to a comprehensive framework that embeds strategy consulting expertise into AI and integrates both internal and external data—including unstructured information—to support corporate decision making. Leveraging the data accumulated within the Company's cloud platform Octagon, the Company aims to create an environment in which AI agents provide real time insights, enabling management to focus exclusively on strategic decision making.

5. Expansion of Dynamic Equilibrium management

The Company is advancing its Dynamic Equilibrium management framework, a systematized approach to Japan's distinctive people centric management philosophy positioned as a counterpoint to Western top-down governance models. Inspired by biologist Shinichi Fukuoka's concept that "life phenomena are sustained through the interactions among constituent elements," the framework applies this principle to organizational management by viewing the Company as a living organism and its people as individual cells. It is redefining this as a management approach that synchronizes individual self-realization with organizational transformation through co-creation enabled by JI-type support and the strategic use of AI and data. Building on the belief that "management is a way of life," the Company aims to embed this methodology into AI agents and scale its deployment across domestic and global markets.

To further advance its Dynamic Equilibrium management initiatives, the Company is planning executive retreats and is considering the establishment of a "Dynamic Equilibrium Management Consortium." The consortium aims to develop executives who can engage shareholders and external stakeholders with a clear and grounded managerial philosophy. It envisions recruiting approximately 10 to 20 member companies representing leading firms across various industries, with each company nominating two to three next generation executive candidates. For these selected members, the consortium plans to deliver an annual development program built around "lectures × dialogue × practice," consisting of roughly six group training sessions supplemented by project-based assignments. Several companies have already expressed support, and the consortium is expected to form a network of 40 to 60 next generation executive candidates per cohort. The Company views the creation of this talent network as a long-term foundation for expanding client relationships and for integrating more advanced management expertise into its AI agents.

6. FISCO's view

Based on the above, we at FISCO assess that the Company's medium- to long-term growth potential will depend on its ability to codify the knowledge and operational processes accumulated through its consulting activities and translate them into AI agents and cloud-based products that can serve as an enterprise level management system for client organizations.

Medium- to long-term growth strategy

Although the rapid evolution of AI technologies—including generative AI—is increasing the automation risk for certain traditional consulting tasks, the Company is positioned not as a player vulnerable to displacement but as one that leverages AI to redesign core workflows and decision-making architecture. Its efforts to move beyond conventional IT tool provision and instead re-engineer organizational operations—grounded in consulting expertise refined through real-world engagements—are rare both domestically and internationally. Rather than relying on a proprietary, single model approach, the Company adopts a strategy of combining the most suitable external AI models and tools, assuming continuous technological advancement—an approach that represents a rational strategy in a highly dynamic market environment. Consequently, the advancement of AI does not constitute a threat to the Company; instead, it is structurally positioned such that AI enhances both its value proposition and its operational productivity.

In addition, the formation of an executive network through Dynamic Equilibrium management has the potential to enhance the quality of the Company's client base and create a continuous flow of management insights. As practical knowledge enhanced through AI is shared and refined within the network, the outcomes generated from individual projects can accumulate and be converted into reusable management assets. Looking ahead, as these initiatives are scaled and executed with repeatability, the Company is expected to evolve into a leader driving structural transformation within the consulting industry, thereby underpinning sustainable growth and contributing to the enhancement of its medium- to long-term corporate value.

■ Shareholder return policy

Will start paying dividends with a target dividend payout ratio of 30%. In FY5/26, plans to issue a ¥15.0 dividend at year-end

Taking into account its robust balance sheet, sustained earnings momentum, and medium-term growth outlook, the Company has decided to initiate dividend payments beginning with FY5/26. For that fiscal year, it forecasts a year-end dividend of ¥15.0 per share. Going forward, the Company aims to maintain a dividend payout ratio of approximately 30% and continue paying dividends twice a year, at the interim and year-end.

The Company has historically prioritized growth investments, including the expansion of its human capital, the strengthening of its technology infrastructure, and the development of AI-driven products. As its core Consulting Business has scaled, it has established an operating structure capable of generating revenue growth that outpaces consultant headcount expansion while maintaining a high operating profit margin. More recently, joint-development-based JI consulting originating from its AI Business has become a key driver, contributing to a simultaneous acceleration in both revenue growth and profitability.

Against the backdrop of this strengthened earnings base, the Company has determined that it has entered a phase in which it can pursue a more advanced balance among growth investments, financial soundness, and shareholder returns, and has accordingly updated its capital allocation policy. It intends to continue investing in its “Consulting × AI” initiatives while maintaining a disciplined approach to shareholder returns, anchored by a target dividend payout ratio of around 30%. The initiation of dividend payments serves as a positive indication that the Company's earnings base has evolved into a more robust foundation. Going forward, attention will shift to how effectively the Company advances its management approach by achieving a higher-level balance between continued growth investments and shareholder returns.



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