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Financial Results (Japanese Accounting Standards) for the First Nine Months of Fiscal Year Ending March 2026 (Ended December 31, 2025)

February 5, 2026

Company name Forum Engineering Inc. Stock exchange listings: Tokyo Prime
 Stock code 7088 URL: <https://www.forumeng.co.jp>
 Representative Tsutomu Sato, Representative Director, President and CEO
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 Scheduled date of commencement of dividend payment: –
 Supplementary documents: No
 Financial results briefing: No

(Amount of less than one million yen are truncated)

1. Consolidated Results for the First Nine Months of the Fiscal Year Ending March 2026

(from April 1, 2025 to December 31, 2025)

(1) Consolidated Operating Results

(Percentages show year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
3Q/FY March 2026	28,155	8.1	3,979	16.5	3,617	4.0	2,417	3.7
3Q/FY March 2025	26,052	10.9	3,417	41.1	3,479	43.3	2,330	42.7

(Note) Comprehensive Income: 3Q/FY March 2026: 2,382 million yen (3.0%) 3Q/FY March 2025: 2,312 million yen (48.5%)

	Earnings per share (basic)	Earnings per share (diluted)
	Yen	Yen
3Q/FY March 2026	45.88	45.57
3Q/FY March 2025	44.53	44.11

(2) Consolidated Financial Position

	Total assets	Total net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
3Q/FY March 2026	18,649	14,138	74.6
FY March 2025	18,778	13,164	68.8

(Reference) Owner's equity: 3Q/FY March 2026: 13,915 million yen FY March 2025: 12,912 million yen

2. Dividends

	Dividend per share				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
FY March 2025	–	21.00	–	32.00	53.00
FY March 2026	–	0.00	–		
FY March 2026 (estimate)				0.00	0.00

(Note) Revision of the dividend forecast from the most recently published dividend forecast: No

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Full year	37,680	8.6	5,000	19.0	4,475	4.5	2,990	3.7	56.27

(Note) Revisions to the most recently published forecasts: Yes

For details regarding the revision of consolidated earnings forecasts, please refer to the "Notice Regarding the Recognition of Non-Operating Expenses and Revisions to the Full-year Results Forecast" announced today (February 5, 2026).

* Notes

(1) Significant changes to subsidiaries during the period: None

Newly added: – companies (Company name), Excluded: – companies (Company name)

(2) Application of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(Note) For details, please refer to “(3) Notes to Quarterly Consolidated Financial Statements (Notes to particular accounts procedures to the preparation of quarterly consolidated financial statements)” in “2. Quarterly Consolidated Financial Statements and Major Notes” on page 6 of the attached materials.

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatements

1. Changes in accounting policies associated with revisions in accounting standards, etc.: No

2. Changes in accounting policies other than 1. above: No

3. Changes in accounting estimates: No

4. Restatements: No

(4) Number of Issued Shares (Common Stock)

1. Number of issued and outstanding shares at the end of period (including treasury stock)

3Q/FY March 2026:	53,419,200 shares	FY March 2025:	53,419,200 shares
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2. Number of treasury stock at the end of period

3Q/FY March 2026:	279,269 shares	FY March 2025:	856,394 shares
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3. Average number of shares during the period (cumulative nine months)

3Q/FY March 2026:	52,698,811 shares	3Q/FY March 2025:	52,331,278 shares
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* Review of the accompanying quarterly consolidated financial statements by certified public accountants or audit corporations: None

* Proper use of earnings forecasts, and other special matters

(Note on forward-looking statements)

As stated in “Notice Concerning Opinion in Favor of, and Recommendation to Tender in the Tender Offer for the Company’s Shares, Etc. by KJ003 Co., Ltd.” announced on November 10, 2025, the Company’s stock is scheduled to be delisted due to the implementation of the tender offer and a series of subsequent procedures.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results

During the first nine months of the current consolidated fiscal period (April 1, 2025 to December 31, 2025), the Japanese economy overall maintained a moderate recovery trend on the back of a trend of steady improvement in corporate earnings, despite some weaknesses such as the shift to a careful stance in consumer confidence reflecting rising prices. Above all, business sentiment among major manufacturers, which represent our main customers, has continued to show moderate improvement, with demand remaining solid as concerns over the impact of tariffs between Japan and the U.S. subside. On the other hand, the future has remained uncertain due to ongoing concerns over slowdown in overseas economy and geopolitical risks that still continue rising.

Amid this environment, the engineering human resources market has continued to see an increasingly chronic shortage of human resources, and demand for the Company's mainstay engineer staffing service has remained at a high level. Reflecting the strong demand for engineering human resources, average unit rates for working engineers have risen. The average unit rate as of the end of the third quarter of the fiscal year under review was 4,230 yen, a year-on-year increase of 174 yen.

As a result, net sales totaled 28,155 million yen (up 8.1% year on year), operating profit stood at 3,979 million yen (up 16.5% year on year), ordinary profit was 3,617 million yen (up 4.0% year on year), and profit attributable to owners of parent came to 2,417 million yen (up 3.7% year on year) in the first nine months of the fiscal year under review. All figures were higher than in the same period of the previous year.

With its mission, "Seeking for the World Where Skills Connect with One Another," the Company is promoting the penetration and expansion of services through its unique matching system, Cognavi, which uses artificial intelligence (AI) to connect the learning of mechanical and electrical engineering students and engineers' skills with the skills wanted by companies. By making full use of Cognavi's matching technology in the human resources market in mechanical and electrical engineering, the Company aims to build a world where engineers are connected with companies through their skills. Cognavi will support engineers in all career-related settings, including job placement for new STEM graduates, career changes, temporary staffing and training.

In Cognavi Staffing, an engineer staffing service, the Company is taking steps to recruit engineers to increase the number of engineers to be dispatched, aiming to surely meet the demand at client companies. There were 4,588 active employees at the end of the third quarter of the fiscal year under review, an increase of 122 from the same period of the previous year.

With the goal of creating a world where all of the approximately 40,000 students of mechanical and electrical engineering can annually find jobs at manufacturers and work as engineers, Cognavi Graduate, a job placement service for STEM graduates, provides engineer job seminars in which former manufacturer engineers employed by the Company lecture at universities with mechanical and electrical engineering departments to convey the appeals of engineering to third-year university students. During the fiscal year under review, the Company is actively holding seminars for STEM students who will graduate in 2027 and is working to increase membership. The Company aims to leverage its connections with universities fostered through the implementation of these seminars to make it a second source of revenue. While our model was previously a success-based fee from companies, we have changed our billing system to a fixed listing-fee model starting with the service for 2026 graduates. At the end of the third quarter of the fiscal year under review, there were 9,774 members who will graduate in 2027.

Cognavi Career Change, an engineer referral service for hiring experienced engineers, serves engineers hired by manufacturers through Cognavi Graduate who are seeking to change jobs mid-career. The goal is to seize these opportunities for people to change jobs and make it a third source of earnings for the Company in the medium to long term.

Cognavi College, a service that supports collaborations between companies and colleges to provide training for engineers at universities, provides highly specialized training at partner universities in line with the reskilling demand generated by companies by creating a database of the skills of university professors. As of the end of the third quarter of the fiscal year under review, the number of those taking the training stood at 991. This surpassed the figure at the same time of the previous fiscal year, specifically 649, by a margin of 342.

Cognavi, India's first job portal website using artificial intelligence (AI) matching technology, is being operated by Cognavi India Private Limited, a consolidated subsidiary. The local staff designed a business model tailored to India's market environment, including the needs of universities and companies, and is working to develop a medium for recruiting new graduates, targeting students of mechanical and electrical engineering as well as other fields. At the end of the third quarter of the fiscal year under review, the number of registered student members reached approx. 400,000. In March 2025, we also launched the "WORK IN JAPAN" initiative, which connects Indian students who are learning Japanese and wish to work in Japan with Japanese companies seeking talented Indian students.

Because the Group's sole segment is the engineer staffing and job referral business, the statement of operating results

by segment is omitted.

(2) Overview of Financial Position

(Assets)

Current assets at the end of the third quarter of the fiscal year under review stood at 16,087 million yen, an increase of 126 million yen from the end of the previous fiscal year. This was largely due to an increase of 375 million yen in accounts receivable - trade. Non-current assets amounted to 2,562 million yen, a decrease of 255 million yen from the end of the previous fiscal year. This primarily reflects a decrease of 244 million yen in software.

As a result, total assets decreased by 128 million yen from the end of the previous fiscal year, to 18,649 million yen.

(Liabilities)

Current liabilities at the end of the third quarter of the fiscal year under review resulted in 4,442 million yen, which is a decrease of 1,084 million yen from the previous fiscal year end. This was mainly due to a decrease of 971 million yen in the provision for bonuses. Non-current liabilities amounted to 68 million yen, a decrease of 19 million yen from the end of the previous fiscal year. This chiefly reflects a decrease of 20 million yen in lease liabilities.

As a result, total liabilities decreased by 1,103 million yen from the end of the previous fiscal year, to 4,510 million yen.

(Net assets)

Net assets totaled 14,138 million yen at the end of the third quarter of the fiscal year under review, an increase of 974 million yen from the end of the previous consolidated fiscal year. This was chiefly attributable to an increase of 735 million yen in retained earnings.

As a result, the equity ratio stood at 74.6% (compared to 68.8% at the end of the previous fiscal year).

(3) Consolidated Financial Forecasts and Other Forward-looking Statements

The Group revised its results forecast after comprehensively taking into account results from the first nine months of the fiscal year under review. Refer to the "Notice Regarding the Recognition of Non-Operating Expenses and Revisions to the Full-year Results Forecast" released today.

The above forecast has been prepared based on the information available as of the date of the announcement of this financial report. Actual results of operations may differ from forecast due to many factors that may arise in the future.

In addition, as stated in "Notice Concerning Opinion in Favor of, and Recommendation to Tender in the Tender Offer for the Company's Shares, Etc. by KJ003 Co., Ltd." announced on November 10, 2025, the Company's stock is scheduled to be delisted due to the implementation of the tender offer and a series of subsequent procedures.

2. Quarterly Consolidated Financial Statements and Major Notes
(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	11,633	11,214
Accounts receivable - trade	4,134	4,509
Other	192	362
Total current assets	15,960	16,087
Non-current assets		
Property, plant and equipment	500	447
Intangible assets	1,077	886
Investments and other assets		
Other	1,239	1,227
Total investments and other assets	1,239	1,227
Total non-current assets	2,818	2,562
Total assets	18,778	18,649
Liabilities		
Current liabilities		
Accounts payable - other	921	1,294
Income taxes payable	1,026	520
Provision for bonuses	1,900	929
Other	1,677	1,697
Total current liabilities	5,526	4,442
Non-current liabilities		
Lease liabilities	73	53
Other	14	15
Total non-current liabilities	87	68
Total liabilities	5,614	4,510
Net assets		
Shareholders' equity		
Share capital	117	117
Capital surplus	129	130
Retained earnings	13,067	13,803
Treasury shares	-401	-131
Total shareholders' equity	12,913	13,919
Accumulated other comprehensive income		
Foreign currency translation adjustment	-0	-4
Total accumulated other comprehensive income	-0	-4
Share acquisition rights	-	3
Non-controlling interests	251	220
Total net assets	13,164	14,138
Total liabilities and net assets	18,778	18,649

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net sales	26,052	28,155
Cost of sales	17,921	19,299
Gross Profit	8,130	8,855
Selling, general and administrative expenses	4,713	4,876
Operating profit	3,417	3,979
Non-operating income		
Interest income	58	63
Other	12	9
Total non-operating income	70	73
Non-operating expenses		
Interest expenses	4	5
Commission for syndicated loans	2	2
Tender offer-related expenses	–	426
Other	0	1
Total non-operating expenses	7	435
Ordinary profit	3,479	3,617
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit income taxes	3,479	3,617
Income taxes	1,192	1,229
Profit	2,287	2,387
Profit (loss) attributable to non-controlling interests	-42	-30
Profit attributable to owners of parent	2,330	2,417

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Profit	2,287	2,387
Other comprehensive income		
Foreign currency translation adjustment	25	-4
Total other comprehensive income	25	-4
Comprehensive income	2,312	2,382
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,351	2,413
Comprehensive income attributable to non-controlling interests	-38	-31

(3) Notes to Quarterly Consolidated Financial Statements

(Notes to particular accounts procedures to the preparation of quarterly consolidated financial statements)

(Calculation of Tax Expenses)

Taxes are calculated by determining a reasonable estimate of the effective tax rate, after the application of tax effect accounting, for profit before income taxes in the current fiscal year (including the third quarter). Profit before income taxes is then multiplied by this estimated effective tax rate to calculate taxes.

(Notes to Segment Information, etc.)

[Segment information]

I. Nine months ended December 31, 2024

The Company Group operates in a single segment, the Engineer Staffing and Recruitment Business; therefore, segment information is omitted.

II. Nine months ended December 31, 2025

The Company Group operates in a single segment, the Engineer Staffing and Recruitment Business; therefore, segment information is omitted.

(Note to Significant Changes in Shareholders' Equity)

Not applicable.

(Note to Going Concern Assumptions)

Not applicable.

(Notes to quarterly consolidated statement of cash flows)

The Company did not prepare quarterly consolidated statements of cash flows for the first nine months under review. Depreciation (including amortization of intangible assets excluding goodwill) for the nine months under review is as follows.

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Depreciation	299 million yen	303 million yen

(Additional Information)

(Results of the Tender Offer)

At the Company's Board of Directors meeting held on November 10, 2025, the Company resolved to express its opinion in favor of a tender offer for the common shares of the Company ("the Company's Stock") and share options ("the Tender Offer") by KJ003 Co., Ltd. ("the Tender Offeror") and recommend that the shareholders of the Company tender their shares in the Tender Offer, and resolved to leave the decision on whether or not to tender share options in the Tender Offer to the discretion of the holders of the share options.

The Tender Offer was carried out from November 11, 2025 to December 23, 2025. As a result, as of December 30, 2025 (settlement commencement date of the Tender Offer), the Tender Offeror had come to hold 29,761,258 common shares of the Company's Stock (ownership ratio: 55.89%).

For details, please refer to "Notice Concerning Result of Tender Offer for the Company's Shares, Etc. by KJ003 Co., Ltd. and Change of the Parent Company, the Largest Shareholder that is a Major Shareholder, and a Major Shareholder" announced on December 24, 2025.