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Financial Results (Japanese Accounting Standards) for the First Six Months of Fiscal Year Ending March 2026 (Ended September 30, 2025)

November 10, 2025

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 filing the semi-annual financial report: November 11, 2025
Scheduled date of commencement of dividend payment: —
Supplementary documents: Yes
Financial results briefing: Yes (For institutional investors and analysts)

(Amount of less than one million yen are truncated)

1. Consolidated Results for the First Six Months of the Fiscal Year Ending March 2026 (from April 1, 2025 to September 30, 2025)

(1) Consolidated Operating Results (Percentages indicate 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	%
2Q/FY March 2026	18,480	9.0	2,426	19.6	2,468	19.5	1,663	20.7
2Q/FY March 2025	16,955	10.8	2,028	58.9	2,065	61.9	1,378	61.1

(Note) Comprehensive Income: 2Q/FY March 2026: 1,589 million yen (27.6%) 2Q/FY March 2025: 1,244 million yen (43.5%)

	Earnings per share (basic)	Earnings per share (diluted)
	Yen	Yen
2Q/FY March 2026	31.62	31.39
2Q/FY March 2025	26.37	26.11

(2) Consolidated Financial Position

	Total assets	Total net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
2Q/FY March 2026	18,514	13,161	69.9
FY March 2025	18,778	13,164	68.8

(Reference) Owner's equity: 2Q/FY March 2026: 12,939 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: Yes
As announced today in the "Notice Concerning Opinion in Favor of, and Recommendation to Tender in the Tender Offer for the Company's Shares, Etc. by KJ003 Co., Ltd. and the "Notice Regarding Revision of Dividend Forecast for the Fiscal Year Ending March 31, 2026 (No Dividend)" announced today, the Company has resolved not to pay an interim or a year-end dividend for the fiscal year ending March 2026, in light of the commencement of the tender offer by KJ003 Co., Ltd. for our common stock and share options.

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	38,200	10.1	5,000	19.0	5,035	17.5	3,400	17.9	64.68

(Note) Revisions to the most recently published forecasts: No

* Notes

(1) Significant Changes in the Scope of Consolidation During the Period: No

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

(2) Application of Accounting Treatment Specific to the Preparation of Semi-annual Consolidated Financial Statements: Yes

(Note) For details, please refer to “2. Semi-annual Consolidated Financial Statements and Major Notes, (4) Notes to Semi-annual Consolidated Financial Statements (Notes to Accounting Treatment Specific to the Preparation of Semi-annual Consolidated Financial Statements)” on page 10 of the attached materials.

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

(i) Changes in accounting policies due to revisions of accounting standards, etc.: No

(ii) Changes in accounting policies due to other reasons: No

(iii) Changes in accounting estimates: No

(iv) Restatement: No

(4) Number of Issued Shares (Common Stock)

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

2Q/FY March 2026:	53,419,200 shares	FY March 2025:	53,419,200 shares

2. Number of treasury stock at the end of fiscal year

2Q/FY March 2026:	728,659 shares	FY March 2025:	856,394 shares

3. Average number of shares (cumulative six months)

2Q/FY March 2026:	52,626,302 shares	2Q/FY March 2025:	52,297,533 shares

* Review by a certified public accountant or an auditing firm of the attached semi-annual consolidated financial statements: No

* Proper use of earnings forecasts, and other special matters

(Note on forward-looking statements)

As stated in the “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 today, the Company's shares are scheduled to be delisted following the implementation of the Tender Offer and subsequent procedures.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results

During the first six months of the current consolidated fiscal period (April 1, 2025 to September 30, 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, the business confidence of major manufacturers as our main customers has continued to see a moderate recovery, with a decline in some concerns mainly due to the progress in tariff negotiations between Japan and the U.S. 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 personnel, the average unit price per job has also been rising, reaching 4,221 yen at the end of the first six months of the current fiscal year, up 171 yen from the same period of the previous year. On the other hand, the number of new engineers hired was 492 as of the end of the first six months of the current consolidated fiscal period, 38 below the target value, despite introducing measures such as reviewing the content of our job advertisements, the system of employee referrals of engineer employees, and a "comeback" hiring system for former employees.

As a result of these factors, for the first six months of the current consolidated fiscal period, net sales were 18,480 million yen (a 9.0% increase year-on-year), operating profit was 2,426 million yen (a 19.6% increase year on year), ordinary profit was 2,468 million yen (a 19.5% increase year on year), and profit attributable to owners of parent was 1,663 million yen (a 20.7% increase year on year)), with all figures surpassing 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 4,527 active employees at the end of the second quarter of the fiscal year, an increase of 135 from the same period of the previous year. With the goal of creating a world where all of the approximately 40,000 new STEM graduates can 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 first six months of the current consolidated fiscal period, there were 6,762 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 second quarter of the fiscal year under review, the number of those taking the training stood at 454. This surpassed the figure at the same time of the previous fiscal year, specifically 454, by a margin of approx. 300.

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 first six months of the current consolidated fiscal period, the number of registered student members reached approx. XXX, and the number of paid service contracts has also been increasing. 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

(i) Assets, liabilities and net assets

(Assets)

Current assets at the end of the second quarter of the fiscal year under review stood at 15,861 million yen, a decrease of 98 million yen from the end of the previous fiscal year. This was mainly due to an increase of 322 million yen in accounts receivable-trade and a decrease of 508 million yen in cash and deposits. Non-current assets amounted to 2,652 million yen, a decrease of 165 million yen from the end of the previous fiscal year. This primarily reflects a decrease of 164 million yen in software.
As a result, total assets decreased by 264 million yen from the end of the previous fiscal year, to 18,514 million yen.

(Liabilities)

Current liabilities at the end of the second quarter of the fiscal year under review resulted in 5,283 million yen which is a decrease of 242 million yen from the previous fiscal year end. This was mainly attributable to decreases of 148 million yen in income taxes payable and 127 million yen in accounts payable - other. Non-current liabilities amounted to 69 million yen, a decrease of 18 million yen from the end of the previous fiscal year. This chiefly reflects a decrease of 17 million yen in lease liabilities.
As a result, total liabilities decreased by 261 million yen from the end of the previous fiscal year, to 5,352 million yen.

(Net assets)

Net assets totaled 13,161 million yen at the end of the second quarter of the fiscal year under review, a decrease of 2 million yen from the end of the previous consolidated fiscal year. This was mainly due to decreases of 44 million yen in foreign currency translation adjustment and 18 million yen in retained earnings, more than offsetting an increase of 59 million yen in treasury shares.
As a result, the equity ratio stood at 69.9% (compared to 68.8% at the end of the previous fiscal year).

(ii) Analysis of cash flows

Cash and cash equivalents (hereinafter “cash”) as of the end of the second quarter of the fiscal year under review amounted to 10,243 million yen, an increase of 785 million yen from the end of the previous fiscal year.
The status of cash flows from each type of activity at the end of the second quarter of the fiscal year under review and contributing factors are as follows.

(Cash flows from operating activities)

Cash provided by operating activities was 1,279 million yen (1,595 million yen provided in the same period of the previous year).
This primarily reflects profit before income taxes of 2,468 million yen, which was partially offset by payment of income taxes of 970 million yen.

(Cash flows from investing activities)

Cash used in investing activities was 337 million yen (95 million yen provided in the same period of the previous year).
This was mainly due to an outflow of 439 million yen from deposits into time deposits, which was partially offset by proceeds from the withdrawal of time deposits of 174 million yen.

(Cash flows from financing activities)

Cash used in financing activities was 1,665 million yen (1,922 million yen used in the same period of the previous year).
This was mainly due to dividends paid of 1,681 million yen.

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

As stated in the “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 today, the Company's shares are scheduled to be delisted following the implementation of the Tender Offer and subsequent procedures.

2. Semi-annual Consolidated Financial Statements and Major Notes

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	11,633	11,125
Accounts receivable - trade	4,134	4,457
Other	192	279
Total current assets	15,960	15,861
Non-current assets		
Property, plant and equipment	500	460
Intangible assets	1,077	961
Investments and other assets		
Other	1,239	1,229
Total investments and other assets	1,239	1,229
Total non-current assets	2,818	2,652
Total assets	18,778	18,514
Liabilities		
Current liabilities		
Accounts payable - other	921	794
Income taxes payable	1,026	877
Provision for bonuses	1,900	2,050
Provision for bonuses for directors (and other officers)	–	9
Other	1,677	1,550
Total current liabilities	5,526	5,283
Non-current liabilities		
Lease liabilities	73	56
Other	14	13
Total non-current liabilities	87	69
Total liabilities	5,614	5,352
Net assets		
Shareholders' equity		
Share capital	117	117
Capital surplus	129	158
Retained earnings	13,067	13,049
Treasury shares	-401	-341
Total shareholders' equity	12,913	12,983
Accumulated other comprehensive income		
Foreign currency translation adjustment	-0	-45
Total accumulated other comprehensive income	-0	-45
Share acquisition rights	–	1
Non-controlling interests	251	221
Total net assets	13,164	13,161
Total liabilities and net assets	18,778	18,514

(2) Semi-annual Consolidated Statements of Income and Semi-annual Consolidated Statements of Comprehensive Income

Semi-annual Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	16,955	18,480
Cost of sales	11,791	12,747
Gross Profit	5,164	5,732
Selling, general and administrative expenses	3,135	3,306
Operating profit	2,028	2,426
Non-operating income		
Interest income	39	45
Other	2	2
Total non-operating income	41	48
Non-operating expenses		
Interest expenses	2	3
Commission for syndicated loans	1	1
Other	0	0
Total non-operating expenses	5	5
Ordinary profit	2,065	2,468
Extraordinary losses		
Loss on retirement of non-current assets	0	–
Total extraordinary losses	0	–
Profit before income taxes	2,065	2,468
Income taxes	715	825
Profit	1,349	1,643
Loss attributable to non-controlling interests	-29	-20
Profit attributable to owners of parent	1,378	1,663

Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	1,349	1,643
Other comprehensive income		
Foreign currency translation adjustment	-104	-54
Total other comprehensive income	-104	-54
Comprehensive income	1,244	1,589
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,293	1,619
Comprehensive income attributable to non-controlling interests	-48	-30

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	2,065	2,468
Depreciation	197	204
Increase (decrease) in provision for bonuses	170	149
Increase (decrease) in provision for bonuses for directors (and other officers)	-4	9
Interest and dividend income	-39	-45
Interest expenses	2	3
Commission for syndicated loans	1	1
Decrease (increase) in trade receivables	-79	-324
Increase (decrease) in accounts payable - other	-16	-106
Increase (decrease) in accrued expenses	35	-0
Increase (decrease) in deposits received	18	28
Other	-25	-162
Subtotal	2,325	2,225
Interest and dividends received	22	27
Interest paid	-2	-3
Income taxes paid	-749	-970
Net cash provided by (used in) operating activities	1,595	1,279
Cash flows from investing activities		
Payments into time deposits	–	-439
Proceeds from withdrawal of time deposits	–	174
Purchase of property, plant and equipment and intangible assets	-96	-76
Payments of guarantee deposits	-14	-5
Proceeds from refund of guarantee deposits	15	10
Net cash provided by (used in) investing activities	-95	-337
Cash flows from financing activities		
Repayments of lease liabilities	-7	-11
Proceeds from disposal of treasury shares	43	26
Dividends paid	-1,956	-1,681
Other	-1	0
Net cash provided by (used in) financing activities	-1,922	-1,665
Effect of exchange rate change on cash and cash equivalents	-23	-22
Net increase (decrease) in cash and cash equivalents	-445	-746
Cash and cash equivalents at beginning of period	9,904	10,990
Cash and cash equivalents at end of period	9,458	10,243

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes to Accounting Treatment Specific to the Preparation of Semi-annual 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 first six months). Profit before income taxes is then multiplied by this estimated effective tax rate to calculate taxes.

(Notes to Segment Information, etc.)

[Segment information]

I. For the six months ended June 30, 2024 (from April 1, 2024, to September 30, 2024)

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

II. For the six months ended June 30, 2025 (from April 1, 2025, to September 30, 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

(Significant Subsequent Events)

(Tender Offer)

At a meeting of the Company's Board of Directors held on November 10, 2025, the Company expressed its approval of the tender offer (the "Tender Offer") by KJ003 Co., Ltd. ("Tender Offeror") for the common shares of the Company ("Company's Stock") and the Share Options (defined in "2.(2) Prices of Purchase" below), and to recommend that our shareholders tender their shares in the Tender Offer and to leave the decision on whether or not to tender in the Tender Offer to the discretion of the holders of the Share Options ("Share Option Holders").

Furthermore, the above resolution by the Board of Directors was made on the premise that the Tender Offeror intends, by means of the Tender Offer and the tender offer for own shares (the "Tender Offer for Own Shares"; the Tender Offer and the Tender Offer for Own Shares are collectively referred to as the "Two Tender Offers"), which the Company announced on November 10, 2025, in the "Notice Concerning the Planned Tender Offer for Own Shares" ("Press Release for Planned Company Tender Offer for Own Shares"), and through the subsequent series of procedures, to make the Company a wholly-owned subsidiary of the Tender Offeror, and that the Company's shares are scheduled to be delisted.

For details, please refer to the separate announcement dated November 10, 2025, titled "Notice Concerning Opinion in Favor of, and Recommendation to Tender in the Tender Offer for the Company's Shares, Etc. by KJ003 Co., Ltd.".

1. Overview of the Tender Offeror

(1)	Name	KJ003 Co., Ltd.
(2)	Location	11F, Meiji Yasuda Life Building, 1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo
(3)	Representative's Title and Name	Burk Marek, Representative Director
(4)	Business Description	All businesses related to commerce and ancillary commercial activities
(5)	Capital	¥10,000
(6)	Date of Establishment	October 22, 2025
(7)	Major Shareholders and Shareholding Ratios	KJ003 Group Co., Ltd. (Ownership ratio: 100.00%)

(8)	Relationship Between Our Company and the Tender Offeror	
	Capital Relationship	Not applicable.
	Personnel Relationship	Not applicable.
	Transaction Relationship	Not applicable.
	Status as Related Party	Not applicable.

2. Overview of the Tender Offer

(1) Tender Offer Period
November 11, 2025 to December 23, 2025 (30 Business Days)

(2) Prices for Purchase
① JPY1,710 per common share (“Tender Offer Price”)
② Share options ((i) to (iii) collectively referred to as “Share Options”)
(i) For each unit of the first series share options (“First Series Share Options”) issued based on a resolution of the Company's Board of Directors held on March 22, 2017 (exercise period: March 24, 2019 to March 22, 2027),1yen (“First Series Share Options Tender Offer Prices ”)
(ii) For each unit of the second series share options (“Second Series Share Options”) issued based on a resolution of the Company's Board of Directors held on June 26, 2018 (exercise period: June 28, 2020 to June 26, 2028), 1yen (“Second Series Share Options Tender Offer Price”)
(iii) For each unit of the third series share options (“Third Series Share Options”) issued based on a resolution of the Company's Board of Directors held on June 25, 2019 (exercise period: June 27, 2021 to June 25, 2029), 1yen (“Third Series Share Options Tender Offer Price”).

(3) Number of Shares to be Purchased
Number to be Purchased: 33,509,741shares (no upper limit)
Minimum Number to be Purchased: 15,613,500shares

3.Other

Important Events Related to the Going-concern Assumption

Not applicable