

FY March 2026 1Q Financial Results

Seeking for the World Where
Skills Connect with One Another.

Forum Engineering Inc.

(TSE Prime Market: 7088)



- 1. Summary of 1Q Financial Results, FY March 2026**
- 2. Status of Each Domestic Service**
- 3. Status of Overseas Business Services**
- 4. Appendix**

01

Summary of 1Q Financial Results, FY March 2026

Consolidated - Summary of 1Q Financial Results, FY March 2026

The core engineer staffing business is progressing smoothly, resulting in increased revenue and profit compared to the previous quarter.

Revenue increased by 699 million yen (+8.2%), and operating profit increased by 44 million yen (+3.9%).

(million yen)

	FY 2026 Mar 1Q Result	FY 2025 Mar 1Q Result	Year on Year Change	
Net sales	9,228	8,528	+699	+8.2%
Gross profit	2,882	2,711	+170	+6.3%
Gross profit ratio (%)	31.2%	31.8%	-0.6%pts	-
Selling, general and administrative expenses	1,697	1,570	+126	+8.1%
Operating profit	1,185	1,141	+44	+3.9%
Operating profit ratio (%)	12.8%	13.4%	-0.5%pts	-
Ordinary profit	1,203	1,160	+43	+3.7%
Profit before income taxes	1,203	1,160	+43	+3.7%
Profit attributable to owners of parent	810	774	+36	+4.7%

Consolidated – Progress of First Half of FY March 2026

Progress toward the first half earnings forecast is also on track.

(million yen)

	First Quarter	First Half		Second Half
	FY 2026 Mar 1Q Result	Forecast for FY Mar 2026	Progress rate	Forecast for FY Mar 2026
Net sales	9,228	18,280	50.5%	19,920
Operating profit	1,185	1,920	61.7%	3,080
Ordinary profit	1,203	1,950	61.7%	3,085
Profit attributable to owners of parent	810	1,300	62.3%	2,100

By Company - Summary of 1Q Financial Results, FY March 2026

(million yen)

		FY Mar. 2026 1Q Result	FY Mar. 2025 1Q Result	Y on Y Change	
Forum Engineering	Net sales	9,222	8,523	+698	+8.2%
	Operating profit	1,261	1,242	+18	+1.5%
Cognavi India	Net sales	9	5	+4	-
	Operating profit	-81	-95	+14	-

Note: A dash (-) in the achievement rate and YoY comparison indicates a negative value or change of 1,000% or more.

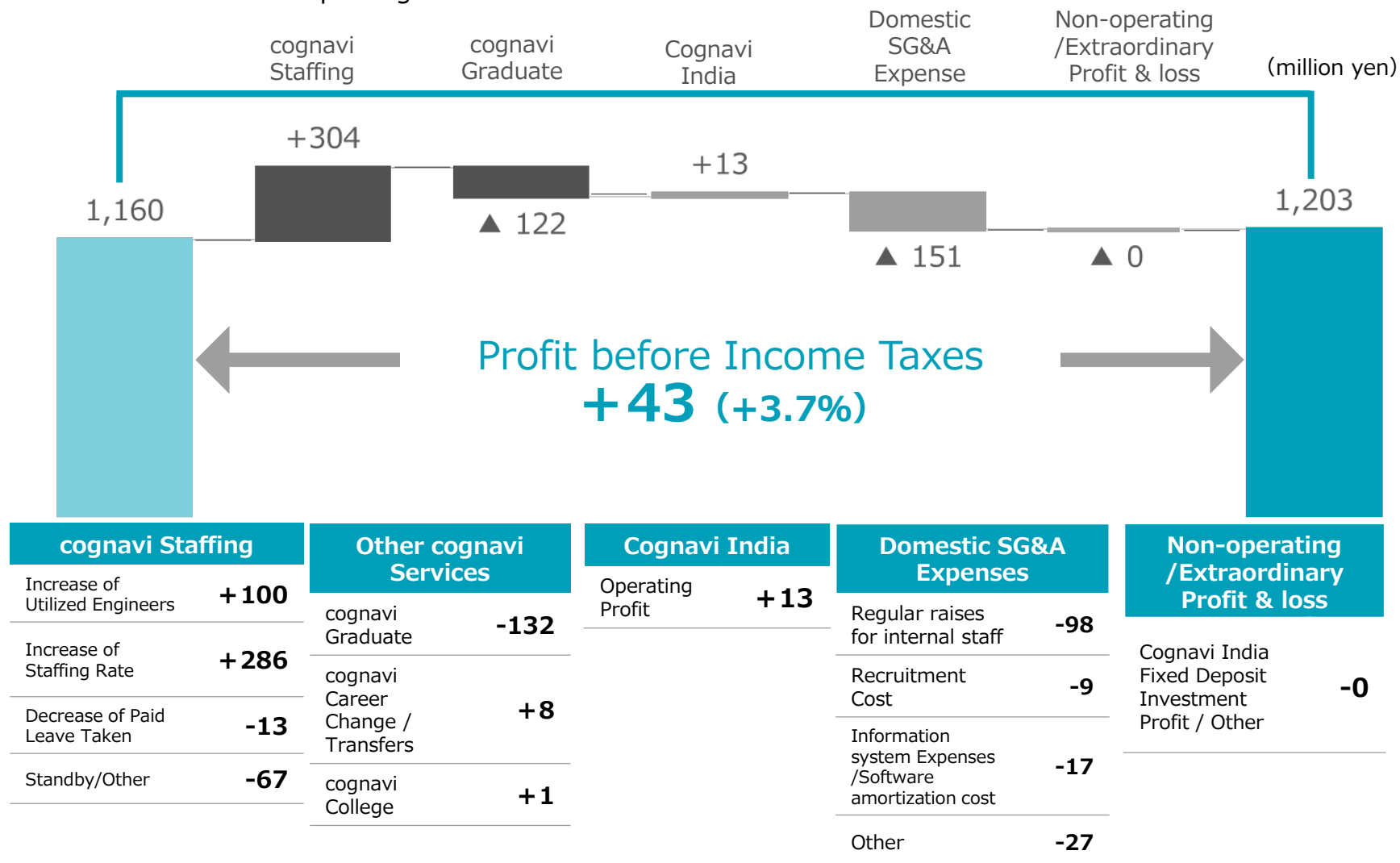
Note: Full-year forecasts are rounded down to the nearest million and set to zero, therefore totals may not add up.

Note: Consolidated adjustment journalizing, etc., was performed in the consolidation adjustment category at the time of consolidation.

Consolidated - Profit Before Income Taxes by YoY Comparison

Key growth drivers were an increase in utilized engineers and a higher average staffing rate for the cognavi Staffing.

The downturn in the cognavi Graduates stems from a shift in revenue recognition timing due to the change from a success-based to posting-fee model.



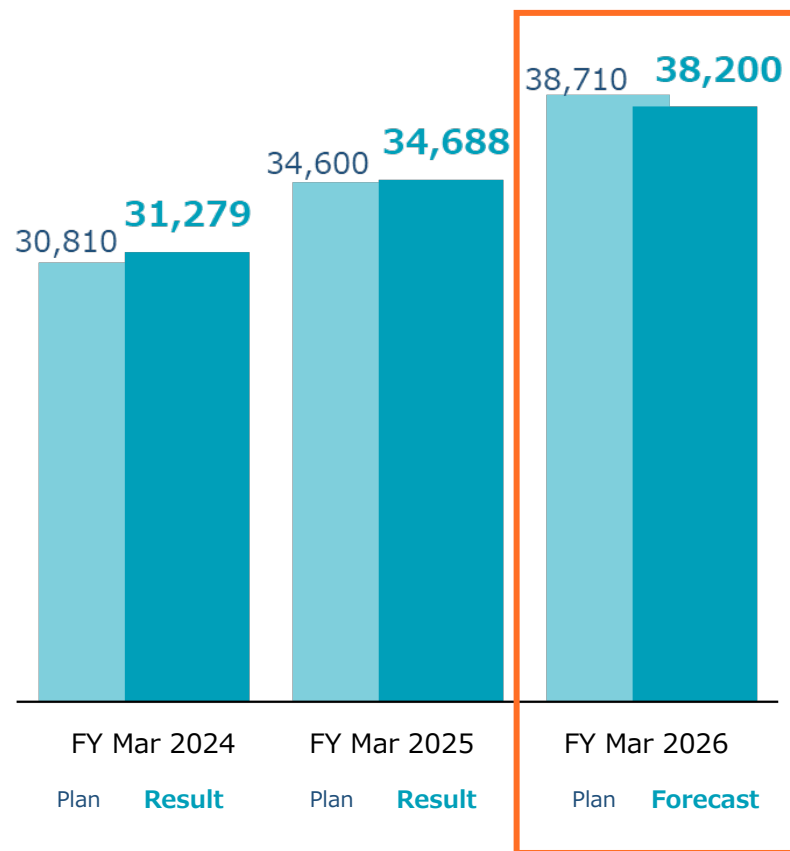
cognavi Vision 2026 (Medium-term Management Plan)

No change from cognavi Vision 2026 revised in May 2025.

The next medium-term management plan, “cognavi Vision 2029,” is scheduled to be announced at the interim financial results in November.

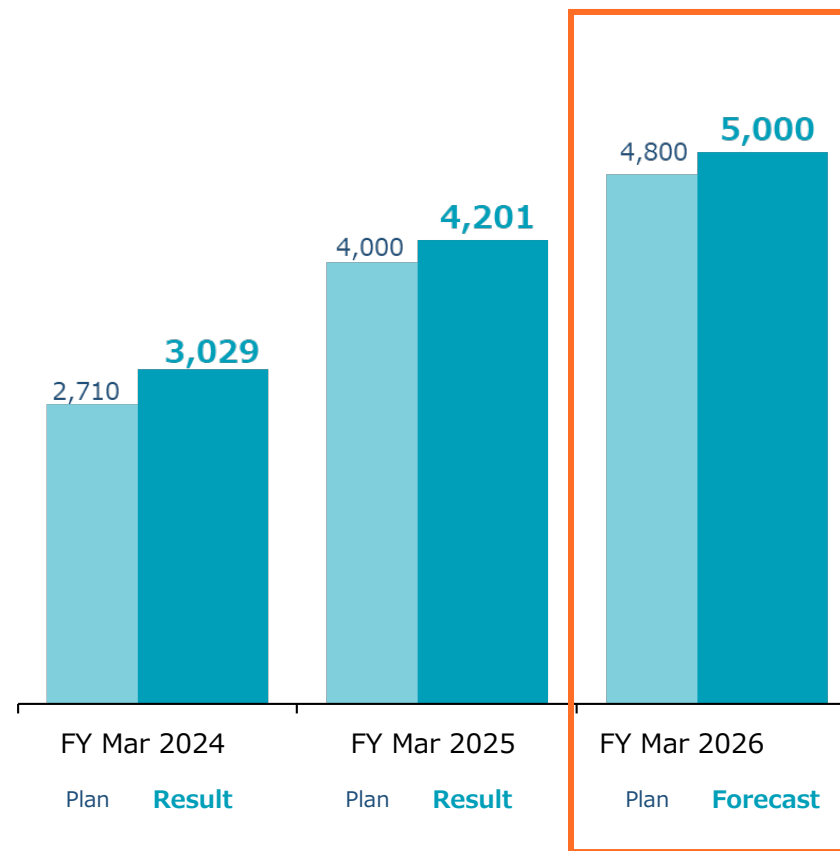
Net Sales

(million yen)



Operating Profit

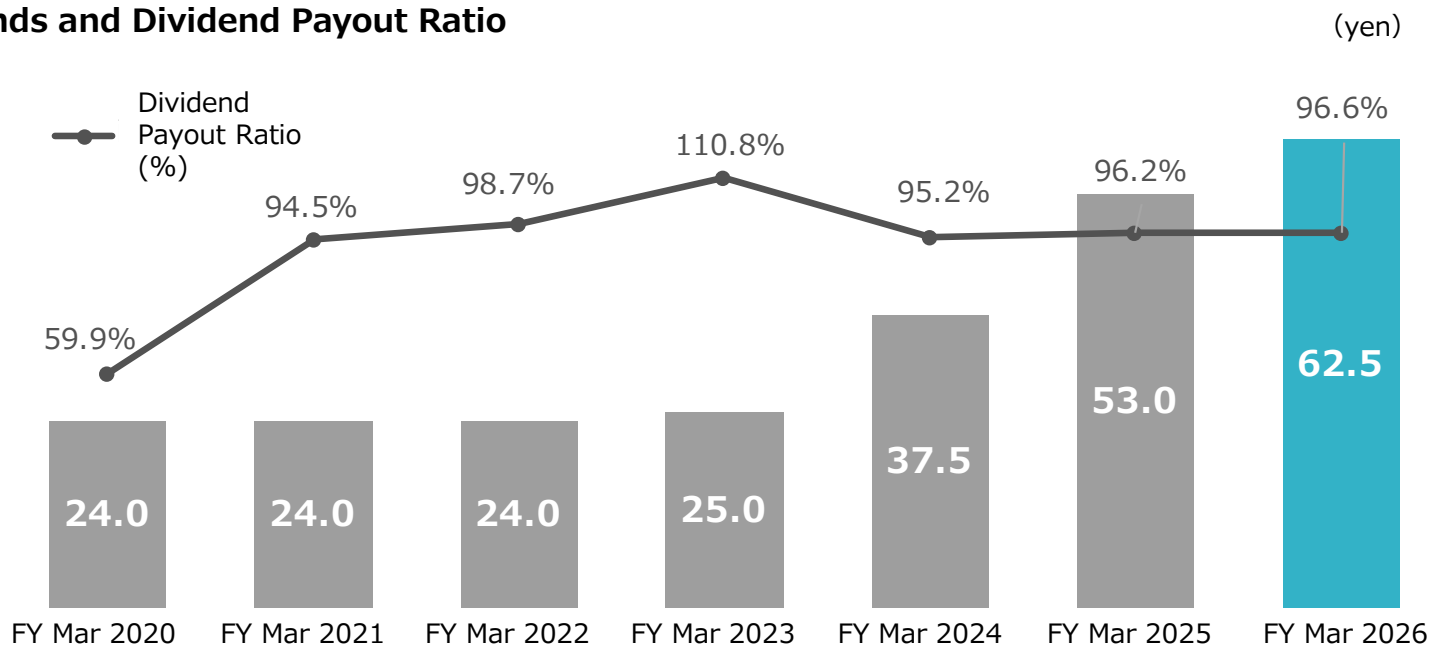
(million yen)



Dividend Per Share Forecast (FY March 2026)

Full year **62.5** yen
Interim forecast 31.0 yen
Year-end forecast 31.5 yen

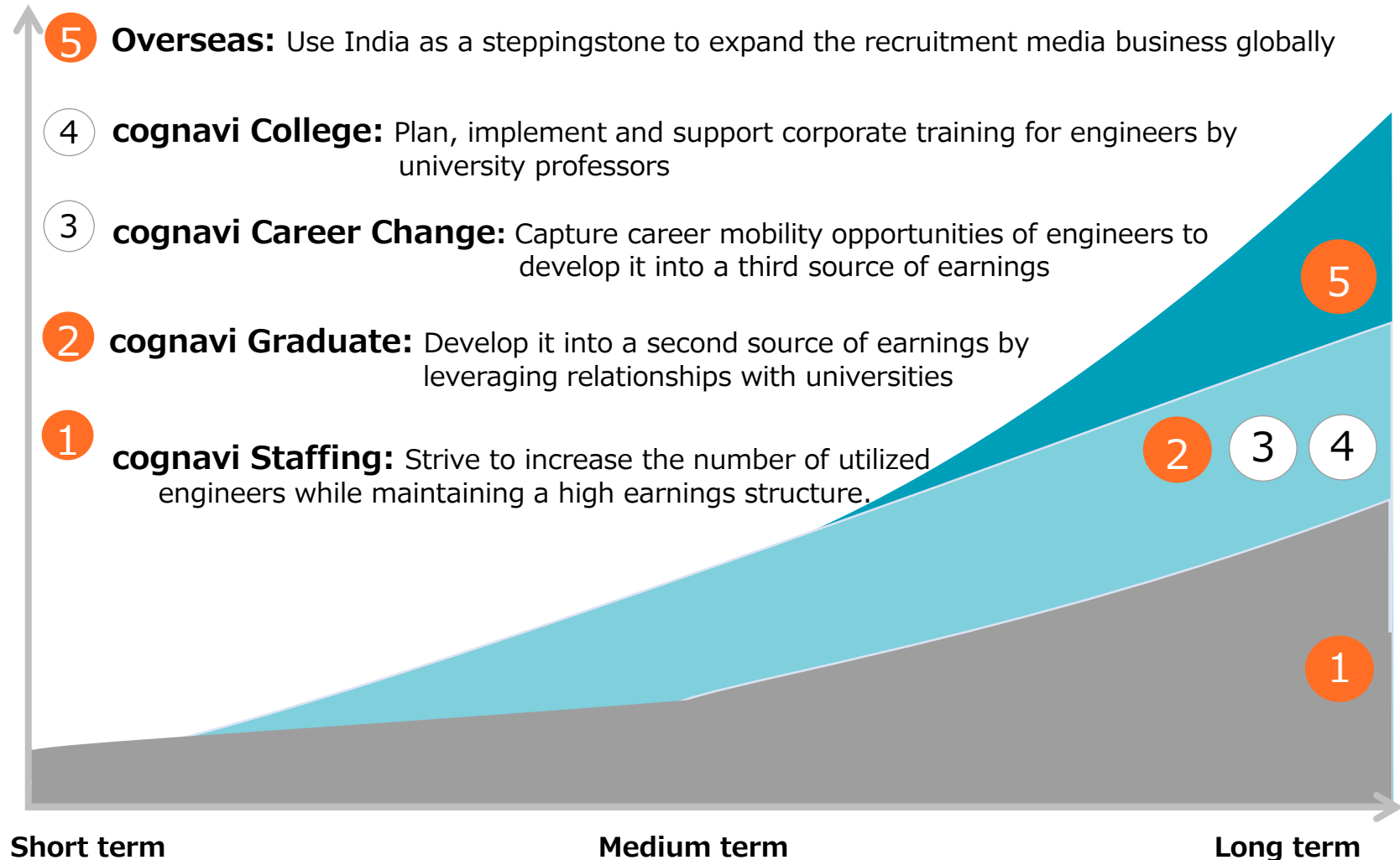
Dividends and Dividend Payout Ratio



02

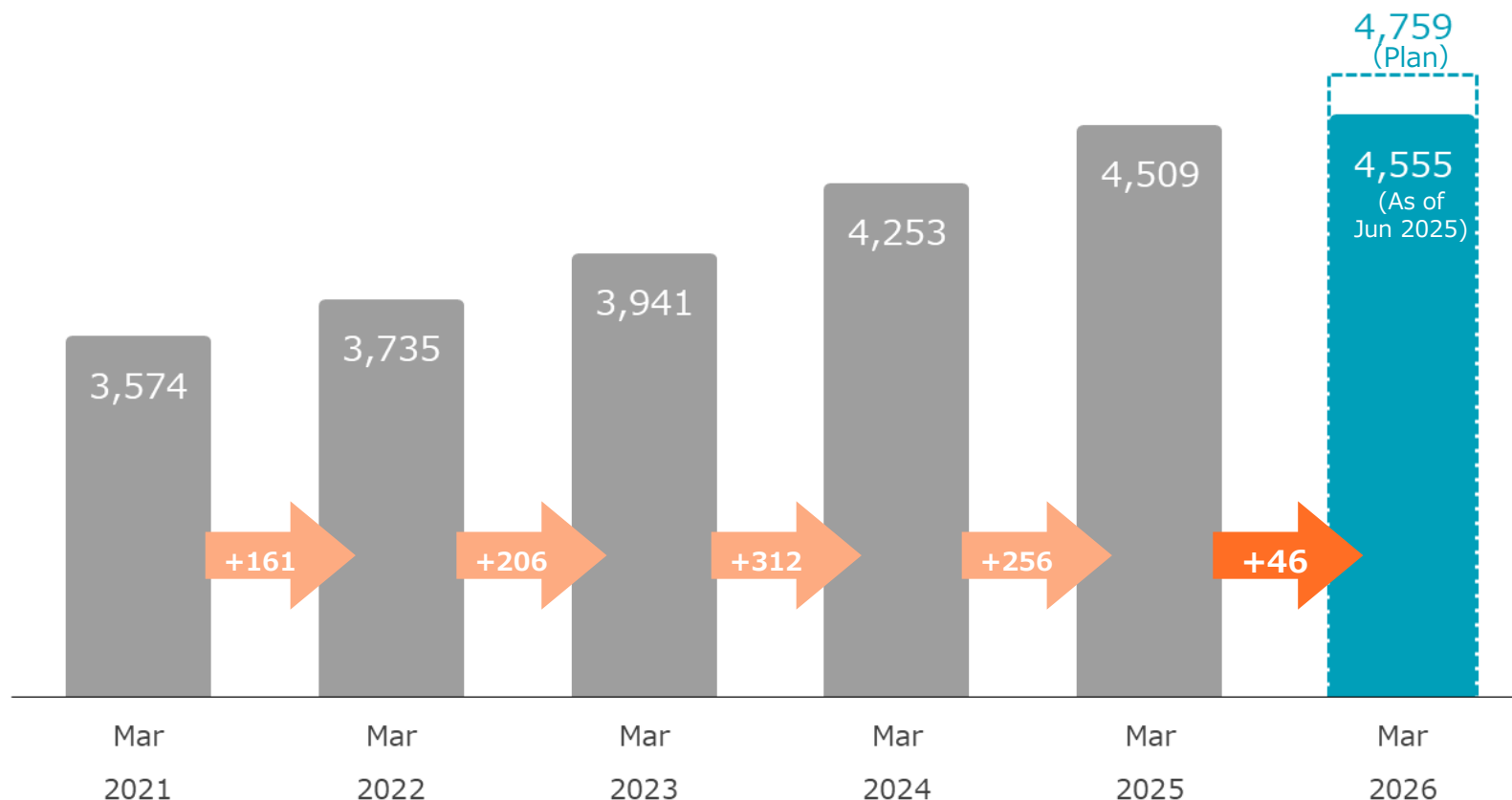
Status of Each Domestic Service

Net sales



cognavi Staffing - Number of Utilized Engineers

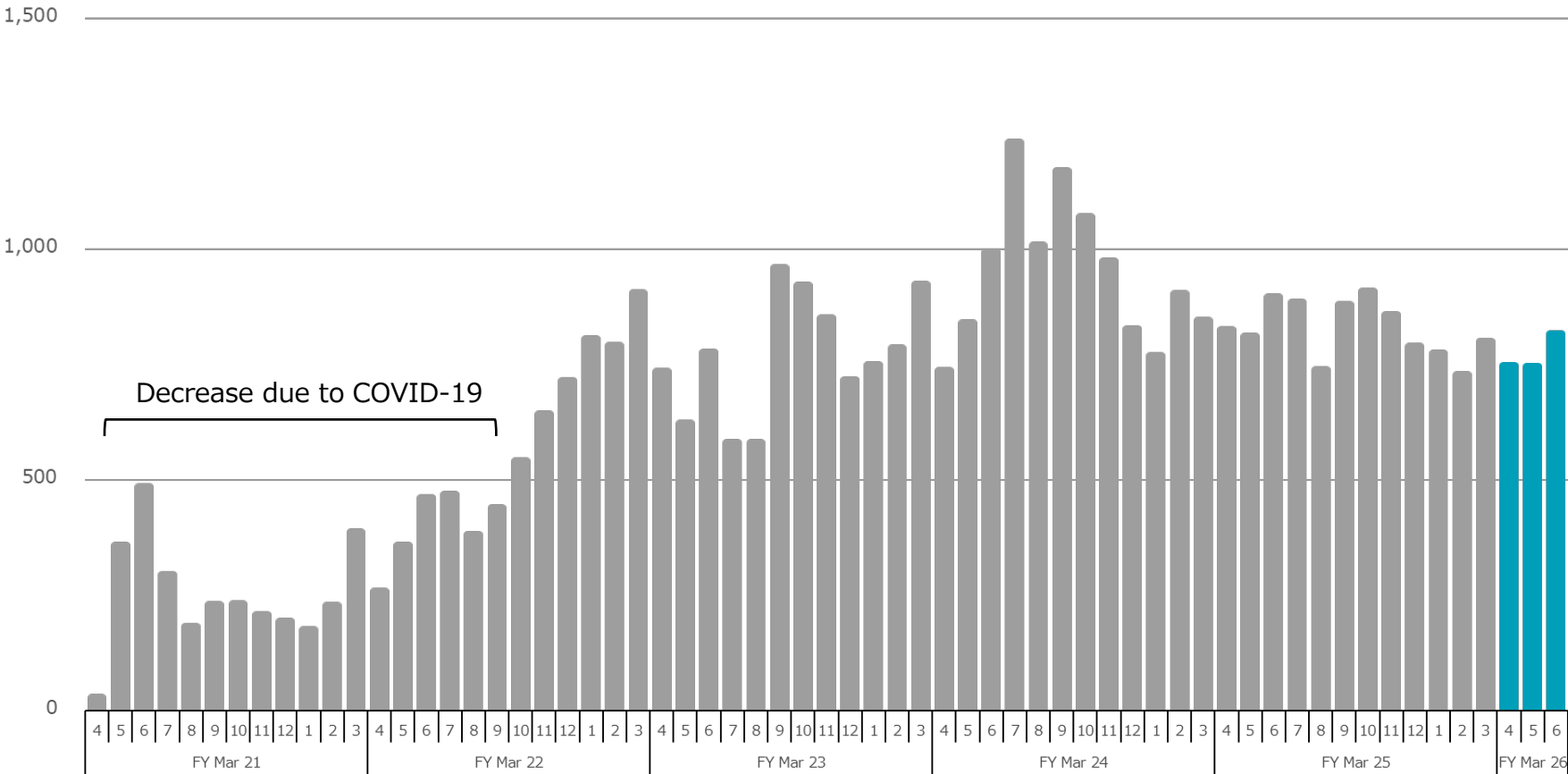
4,555 engineers have been utilized, increased by 46 from the beginning of this term.
Planning to increase the number of engineers by 250 to 4,759.



Note: Average figures of March for each fiscal year.

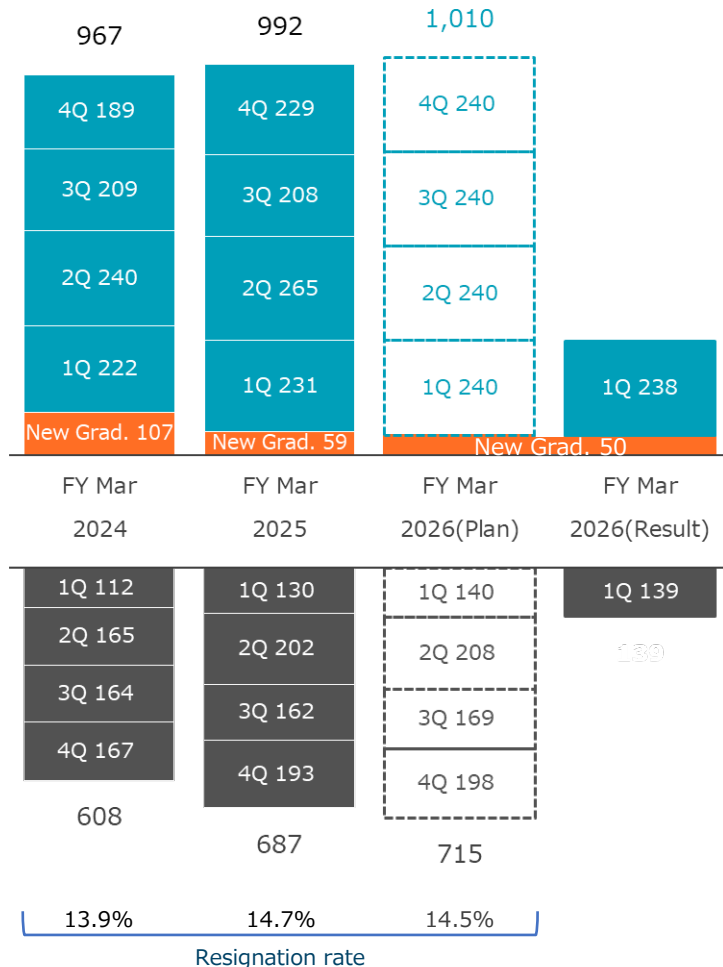
cognavi Staffing - Number of Projects

Approximately 800 to 900 job orders are steadily secured per month.

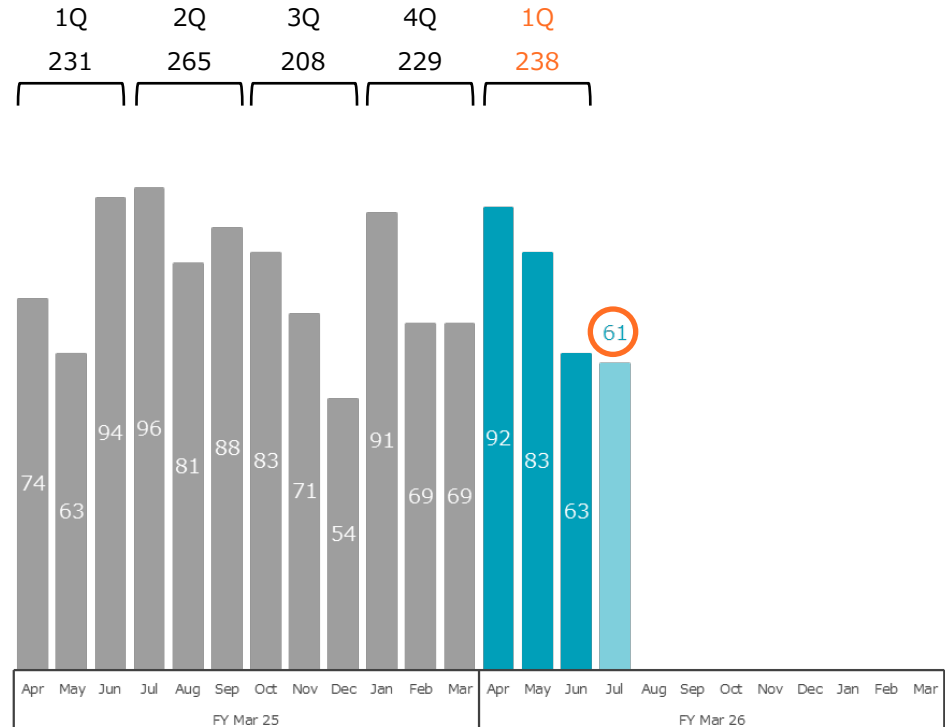


In terms of recruitment, 238 engineers hired in 1Q against a plan of 240.
As for resignation, 139 engineers left against a planned 140. Both are progressing almost exactly as planned.

Recruitment/Resignation (by quarter)



Number of engineers hired (by quarter and by month)

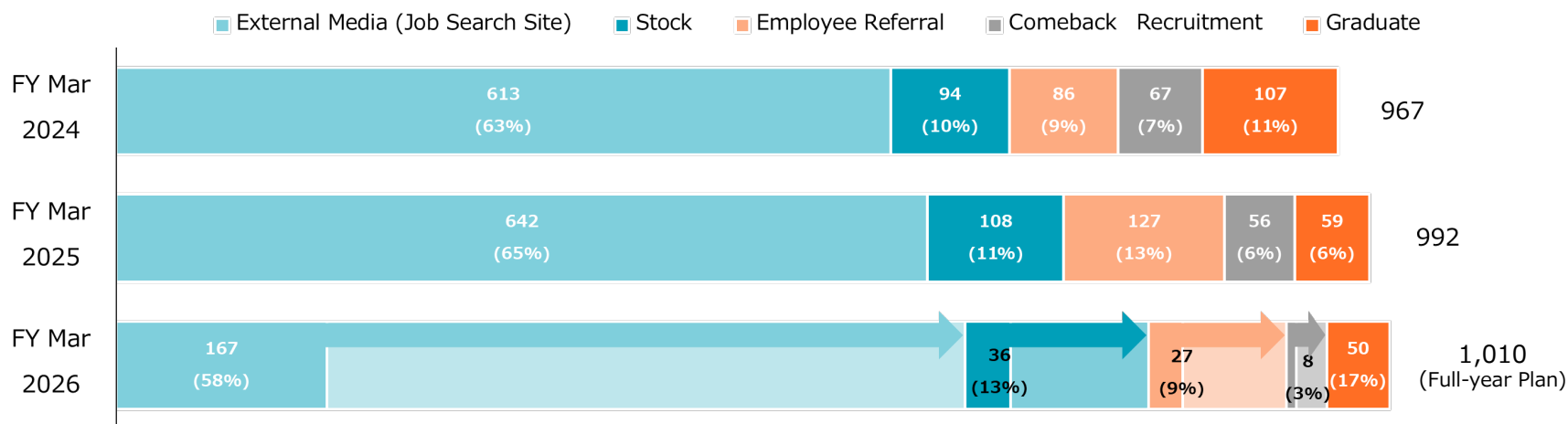


cognavi Staffing- Engineer Recruitment Strategy and Recruitment Breakdown by Channel

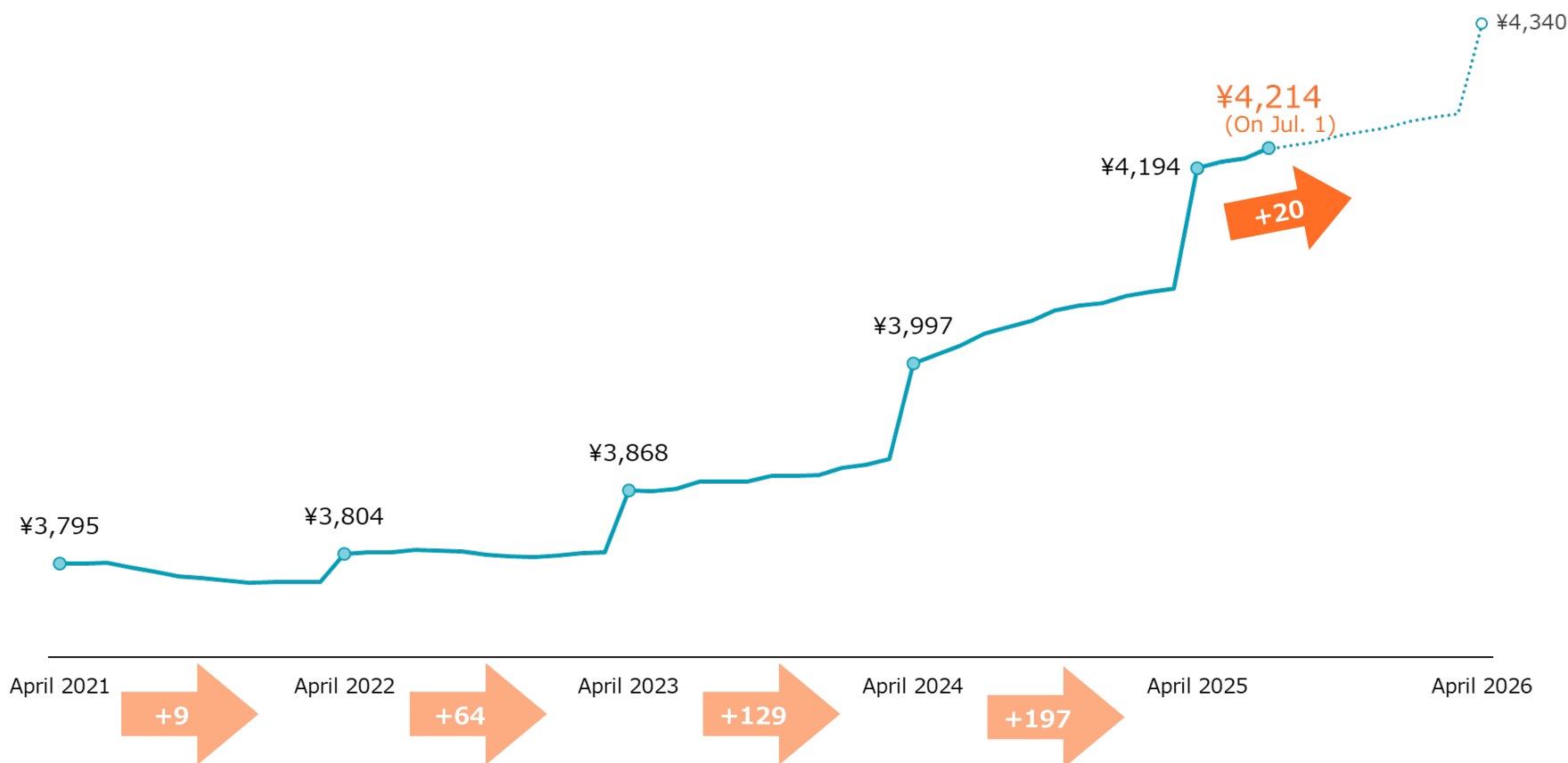
All 4 hiring channels are progressing smoothly.

- | | |
|-------------------------------|---|
| (1) External media: | Focus exclusively on experienced hires. The Company also established a system to increase the interview setting rate for applicants by 10%. |
| (2) Stock (Talent pool): | Regularly send follow-up emails to approximately 37,000 past applicants who had turned down the employment offer. |
| (3) Employee referral system: | Request for support from our employees by regularly sending them emails to ask for referrals. |
| (4) Comeback recruitment: | Regularly send follow-up emails approximately 7,000 former employees to return. |
| (5) New graduate recruitment: | Connect with professors through engineering seminars to receive referrals of job-seeking graduating students. |

Recruitment Breakdown by Channels

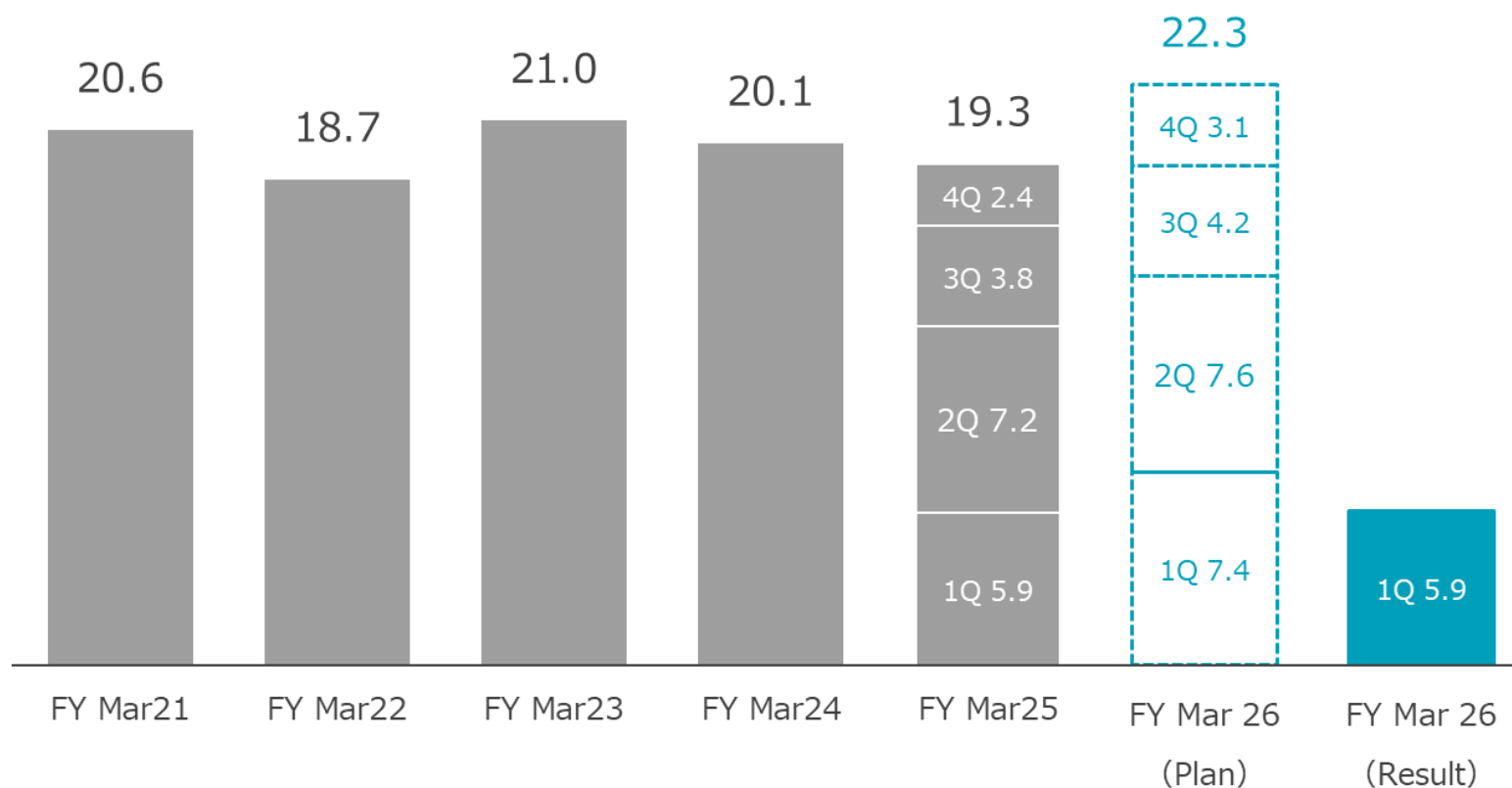


The average staffing rate has reached 4,214 yen, up 20 yen from the beginning of this term. The shortage of engineers due to population decline is continuing, the staffing rate is expected to continue rising in the future.



cognavi Staffing - Number of days of paid leave taken

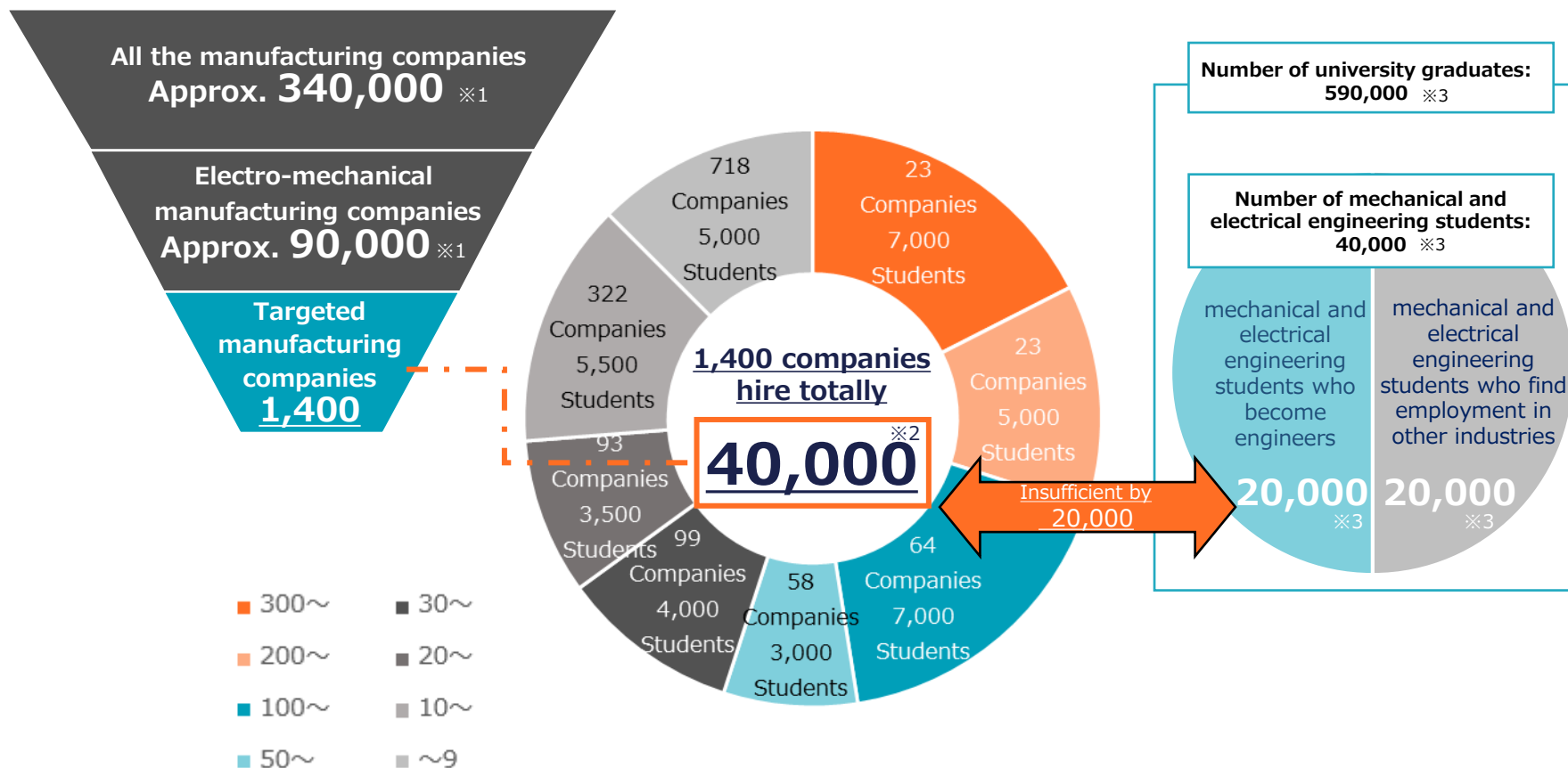
Assuming full utilization of annual paid leave planned for 7.4 days taken in 1Q, but the actual figure was 5.9 days.



02. Status of Each Domestic Service cognavi Graduate

Despite approximately 40,000 mechanical and electrical engineering students graduating each year, about half of them find employment in other industries.

Approximately 1,400 companies are competing for 40,000 positions among 20,000 mechanical and electrical engineering students who aspire to become engineers.



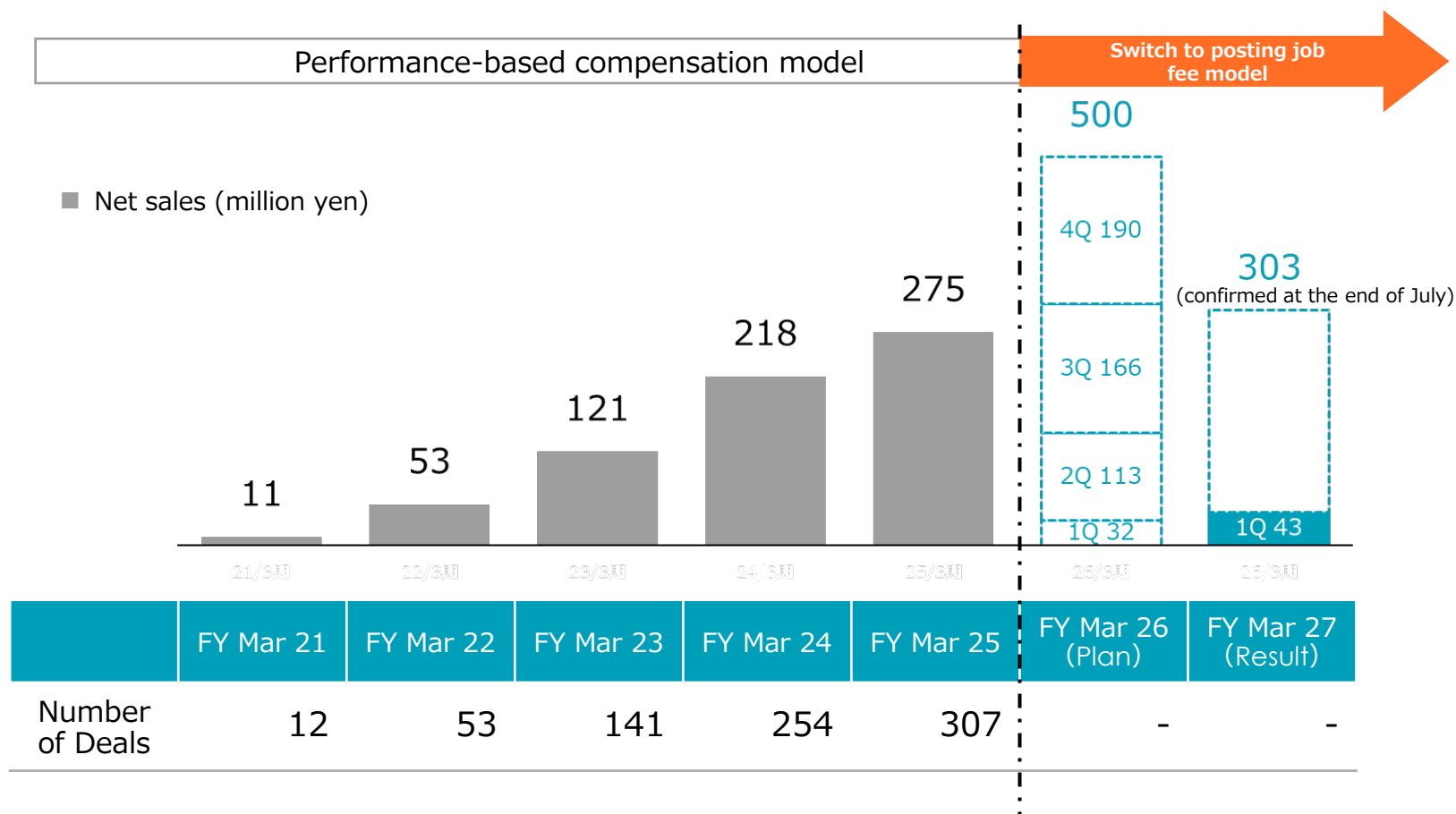
※1. The Company's estimate based on the Ministry of Internal Affairs and Communications' 2021 Economic Census - Activity Survey

※2. The Company's estimates for 1,400 target companies

※3. The Company's estimate based on the 2023 Ministry of Education, Culture, Sports, Science and Technology School Basic Survey

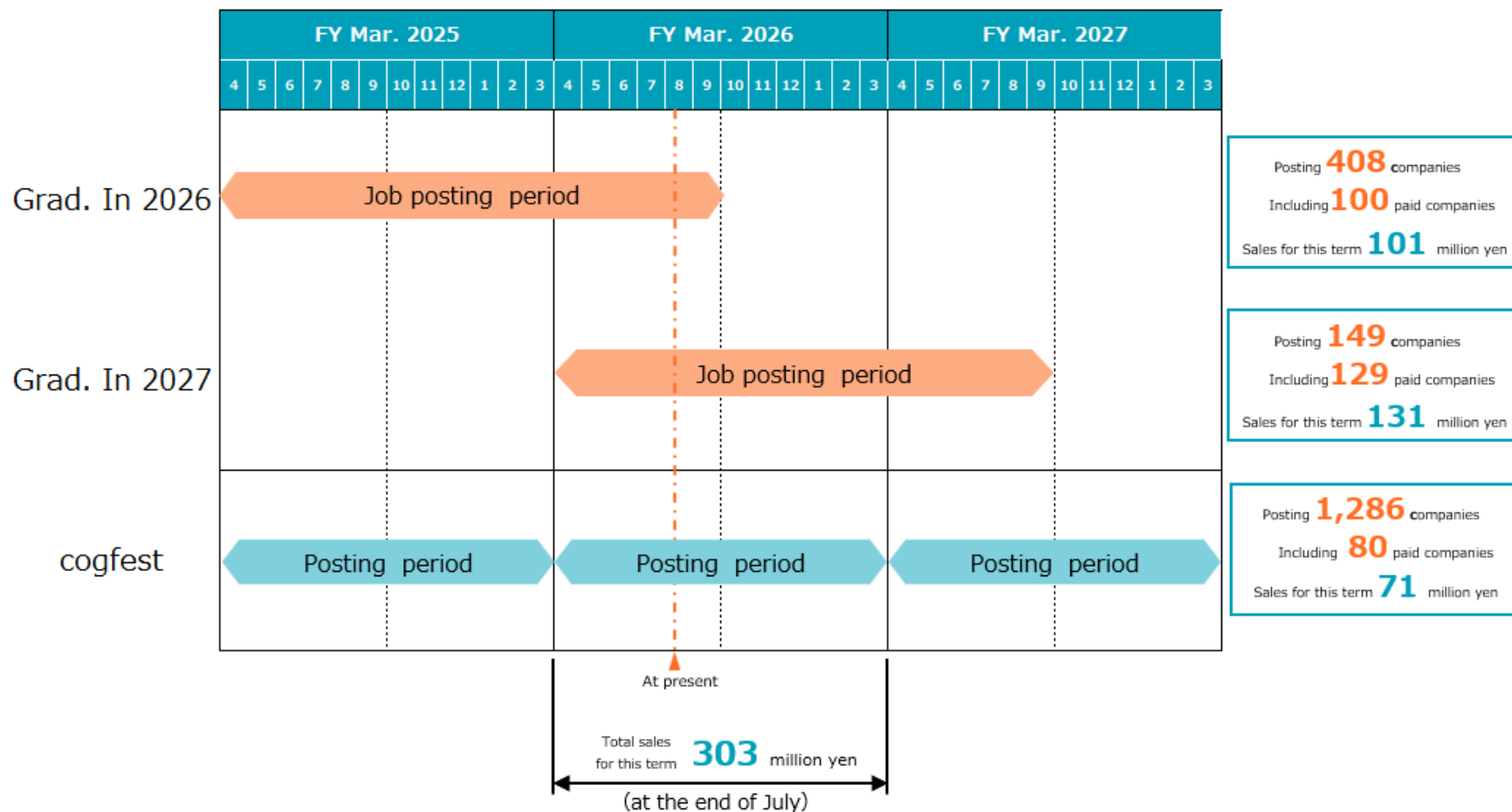
From the service for 2026/2027 graduates, pricing structure has been changed to a posting job fee model and generate sales of 500 million yen.

The results of 1Q exceeded the plan at 43 million yen, progressing smoothly.



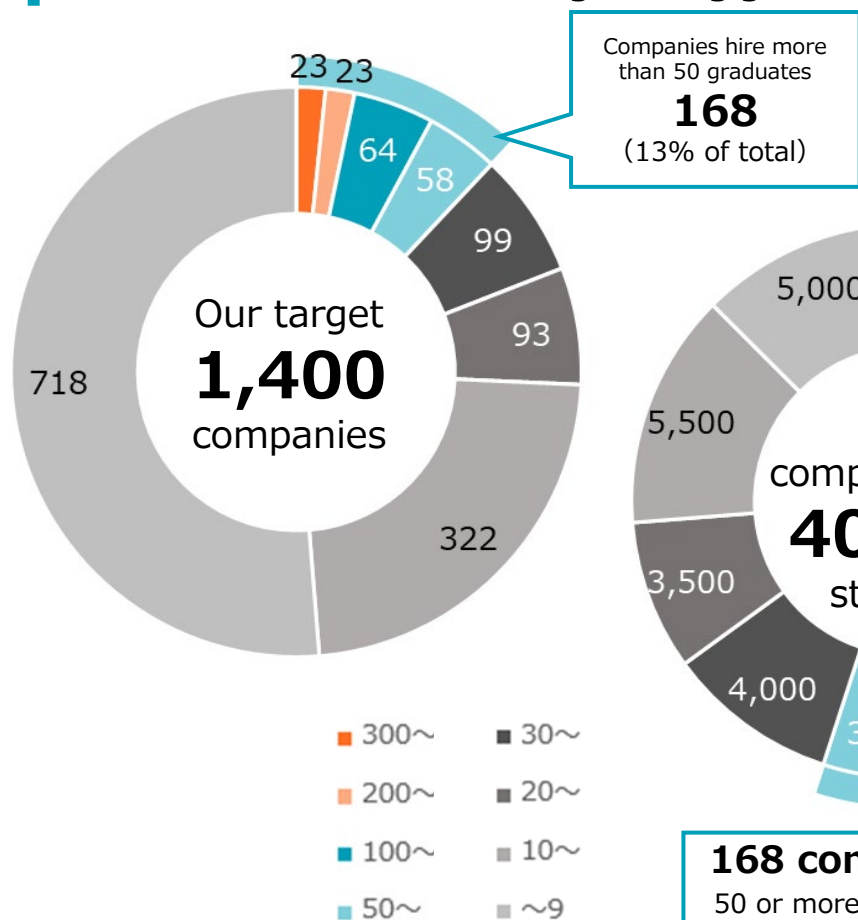
cognavi Graduate - Job Posting Acquisition Status

As of the end of July, sales for the current fiscal year are estimated at 303 million yen. The transition to paid services for the 2027 graduate is also progressing smoothly.

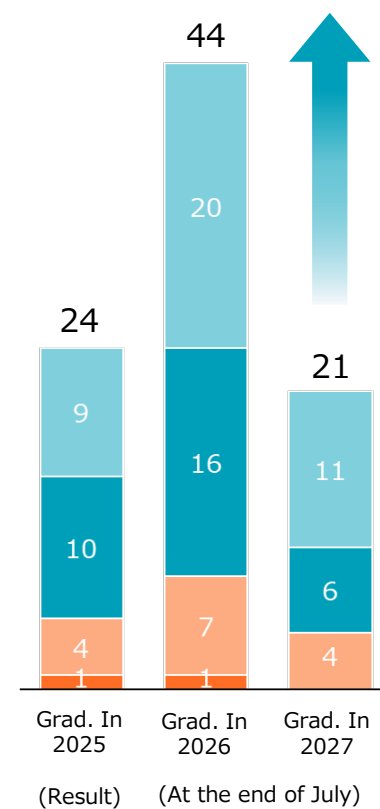
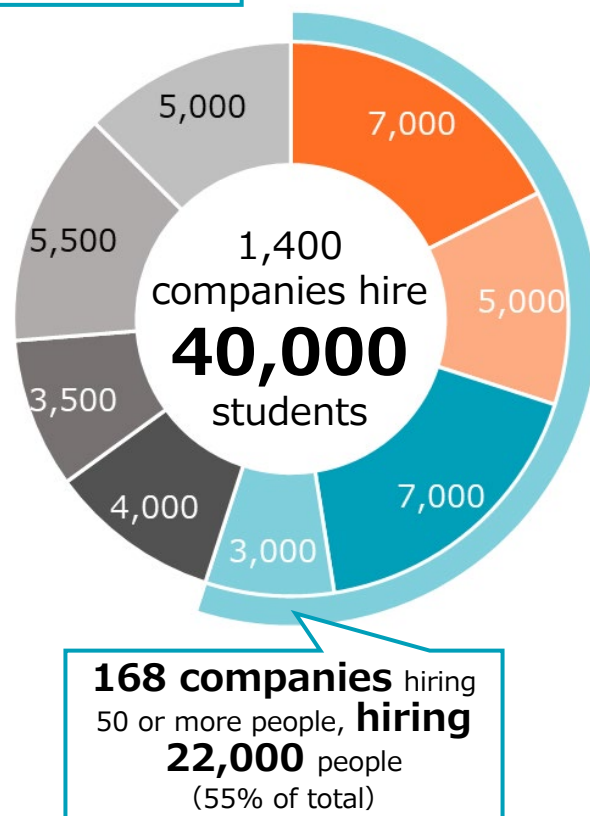


Of the 1,400 companies we cover, only 168 hired 50 or more new graduates. However, the total number of new graduates hired by these companies amounts to 22,000, accounting for 55% of the overall total. The transition to a posting job fee model will promote an increase in the number of postings from major manufacturers.

Number of new science and engineering graduates hired

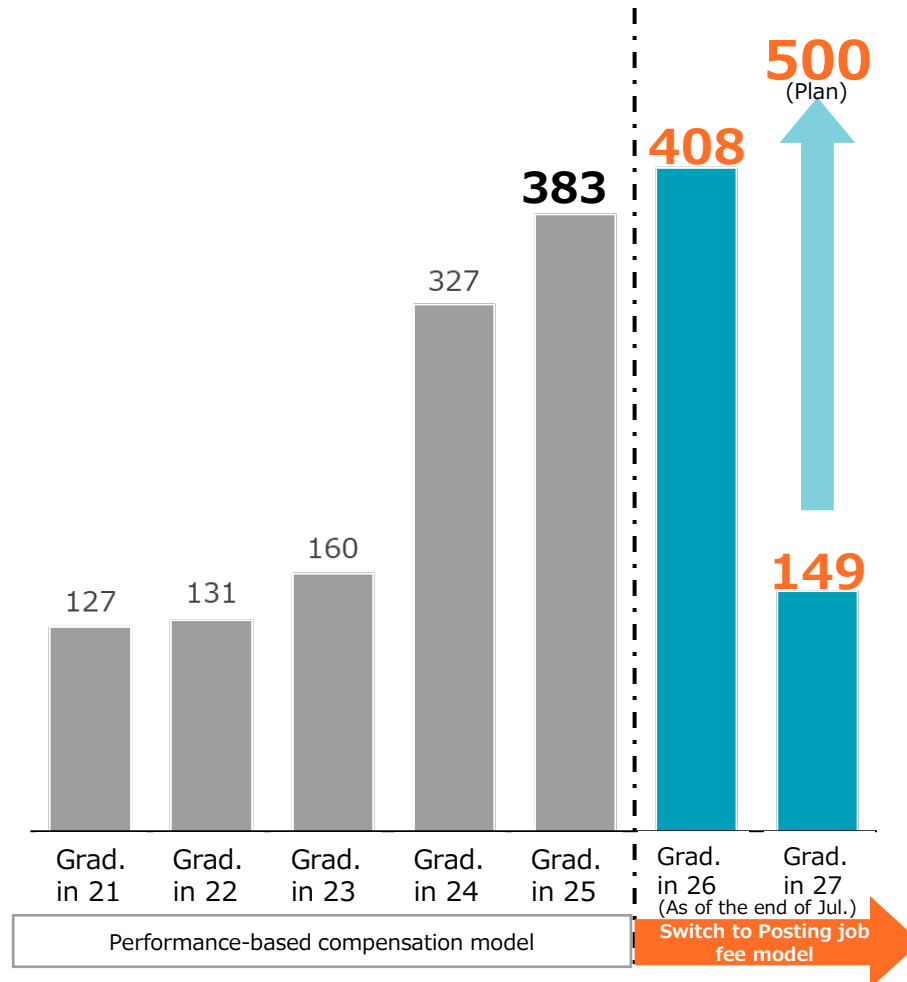


Number of companies using our system (hire more than 50 ppl)

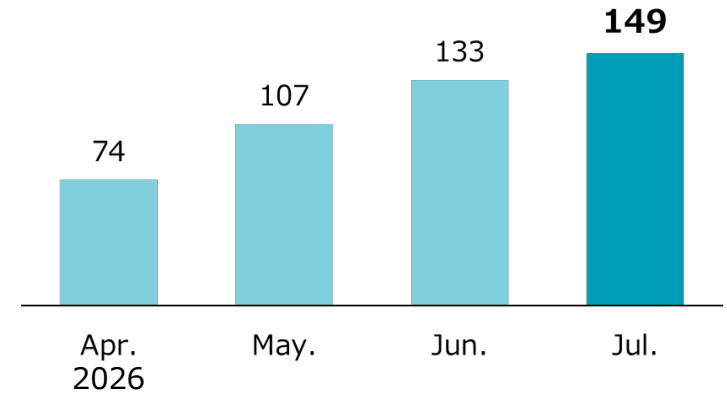


While job postings for the 2026 graduates remain free, the service will become fee-based for the 2027 graduates. Progressing smoothly toward posting 500 companies this term.

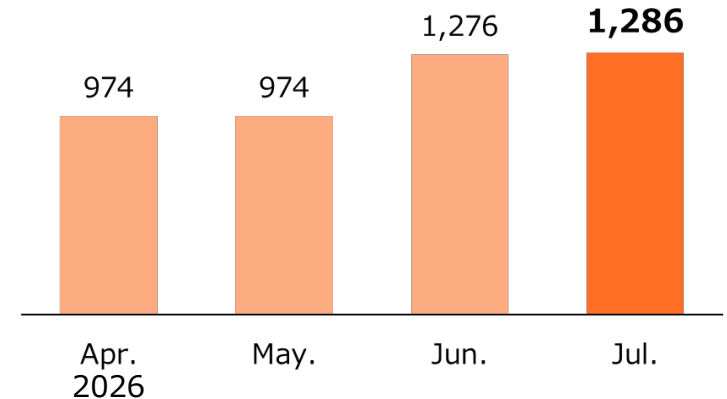
Number of companies posting job offers



Number of companies posting for 2027 graduates



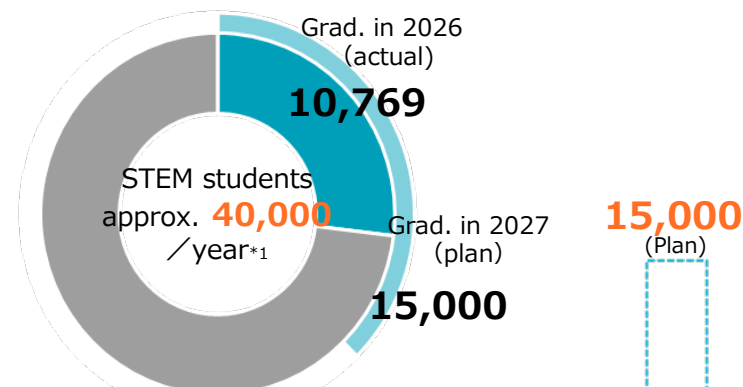
Number of companies listed on cogfes



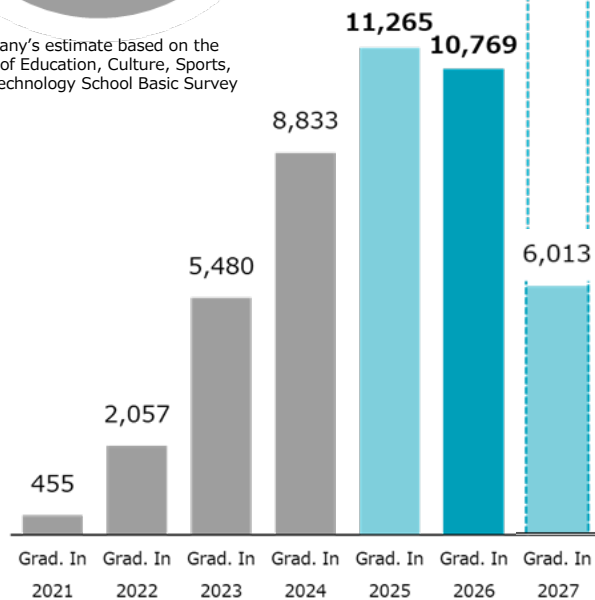
cognavi Graduate – Number of Registered Members

This term (for students graduating in 2027) the target is 15,000 people.
The number of universities that held engineering seminars also increased to 134.

Number of cognavi registered members

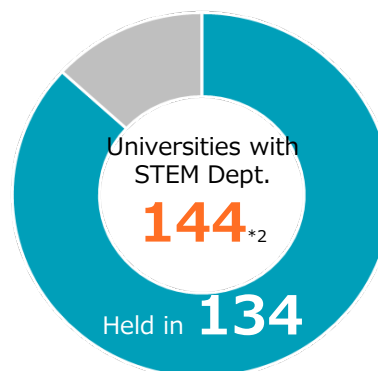


*1 The Company's estimate based on the 2023 Ministry of Education, Culture, Sports, Science and Technology School Basic Survey



(As of the end of Jul.)

Scene from a seminar in University



*2 The Company's estimate based on the 2023 Zenkoku Gakko Data, kyoiikusolution Corporation



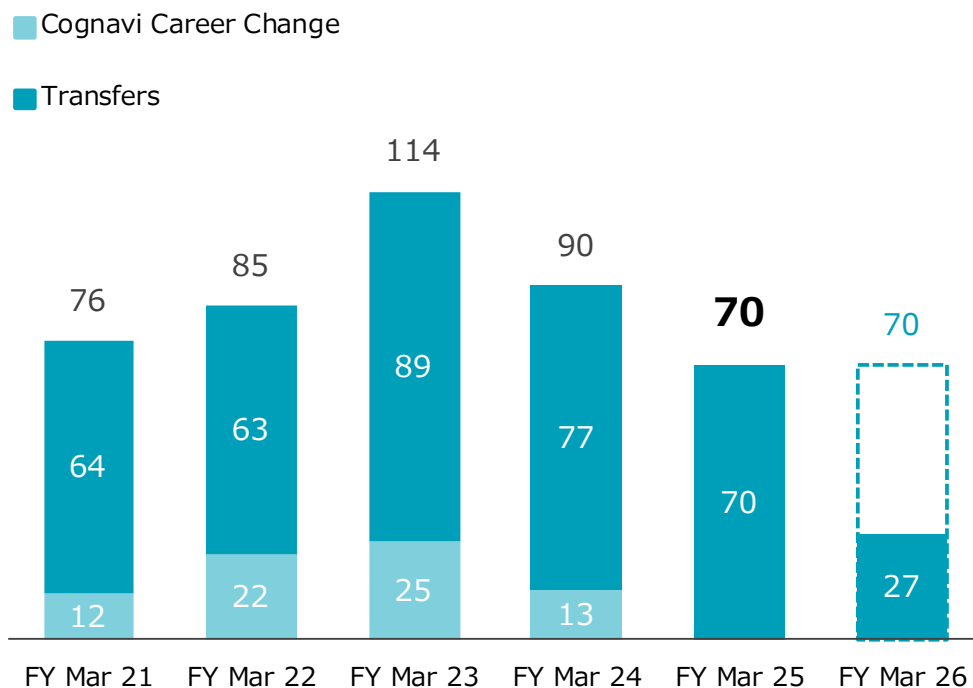
University	Chubu University
Departments and Courses	Mechanical Engineering, College of Engineering
Form	Scheduled class
Number of attendees	159
Number of new graduates who are registered at cognavi	154

2. Status of Each Domestic Service

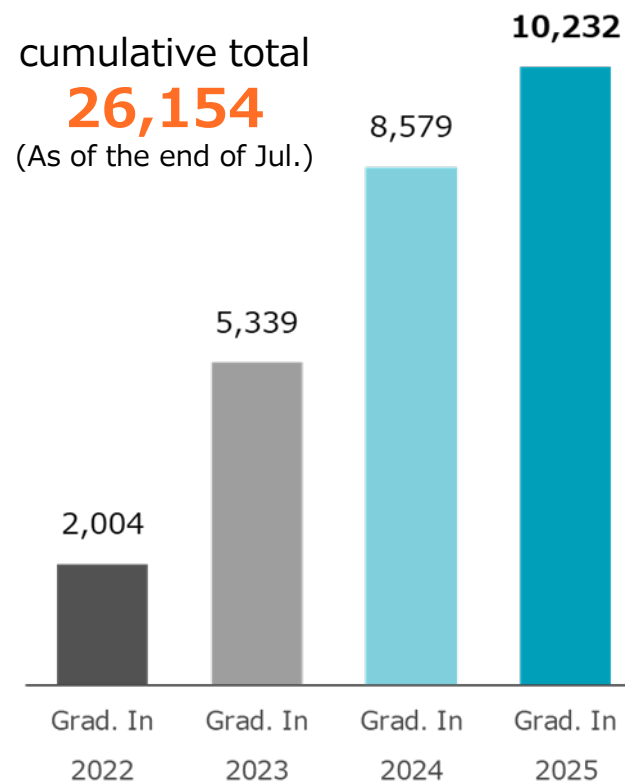
cognavi Career Change
cognavi College

Continue to refrain from spending money on web advertising, commercials, and other marketing activities, and will only implement “transfers” whereby engineers employed by our temporary staffing business are transferred to direct employment with client companies.

Number of Deals



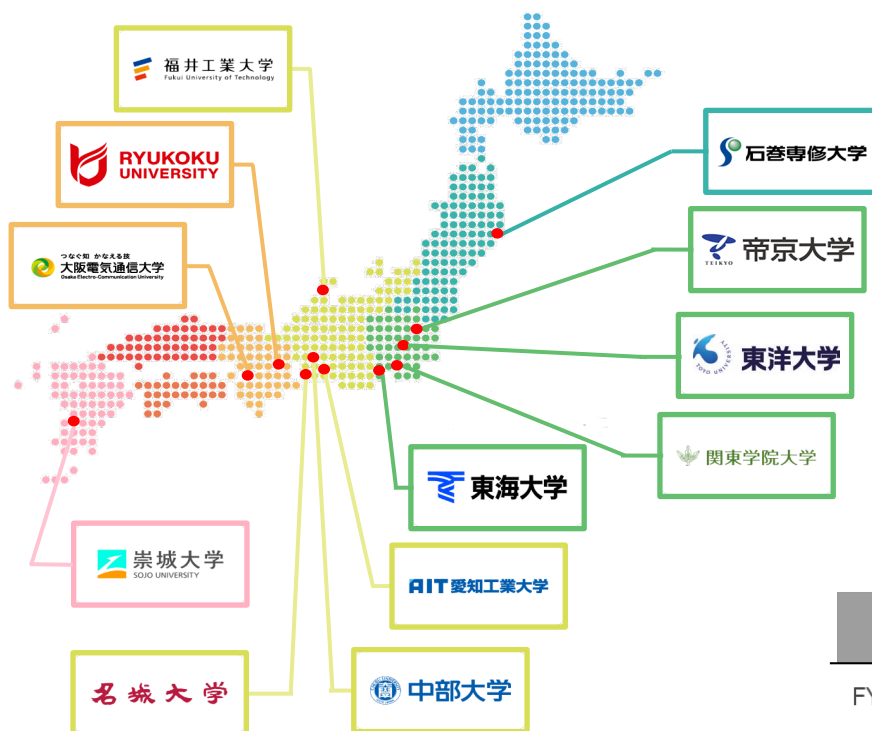
Number of cognavi Graduates



In 1Q, 260 participated in the trainings, significantly exceeding the previous quarter's results and the current quarter's target. 50 participants of these were new employees who joined the companies through “cognavi Graduate” and participated in the “Basic Training” program.

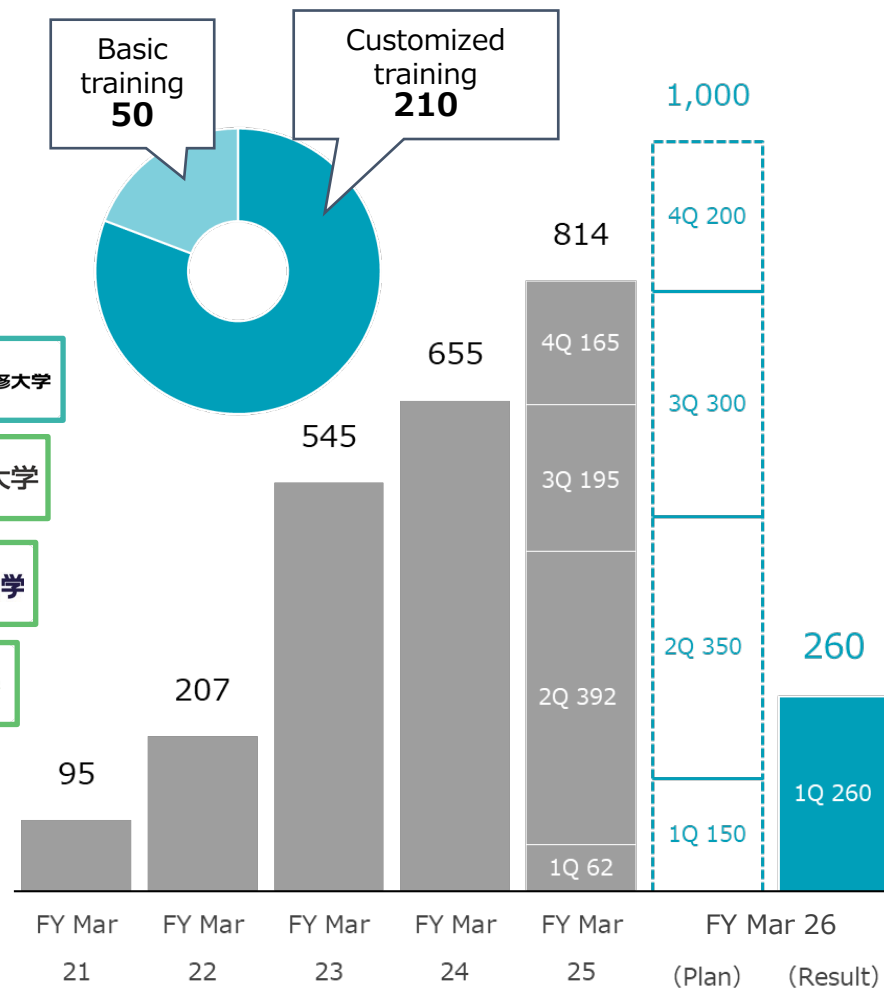
Partner Universities

In partnership with a total of 12 universities
Total number of professors: Approx. 850



*As of the end of May 2025

Number of attendees



03

Status of Overseas Business Services

Cognavi India – Forecast Figures

Aim to establish a revenue structure through paid services for participating companies and universities and achieve profitability by March 2027.

(million yen)

	FY Mar. 2024 Result	FY Mar. 2025 Result	FY Mar. 2026 Forecast	FY Mar. 2026 1Q Result
Net sales	0	20	310	9
Operating profit	-193	-371	-170	-81

As India's first media platform for new graduate recruitment, we first acquired universities and students. Established a platform that competitors cannot imitate.

Acquisition of student members

Acquisition of partner universities

Acquisition of listed companies

Due to the extremely low number of companies listed compared to the number of members, switched to online sales and created a system that allows users to view student data, resulting in a dramatic increase in the number of companies posting for free.

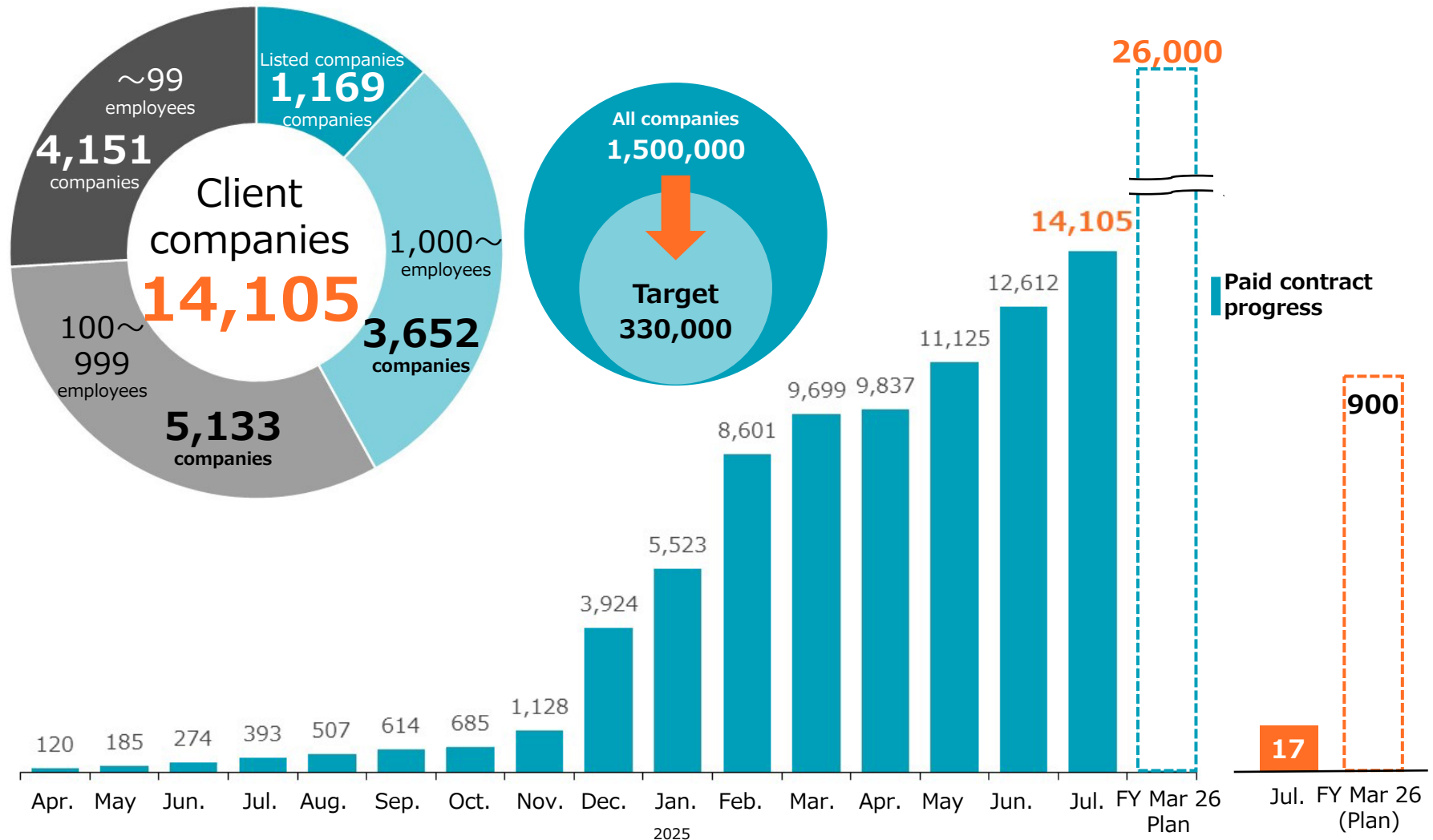
Promotion of paid contracts
~
monetization

Build up a track record of deals to gain recognition as a recruitment media, switch to paid contracts, and aim for early monetization.

**FY March 2027
Turning to profit**

Changed our strategy to acquire companies for free through online sales, and 14,105 companies have adopted our service.

The subscription model was introduced to promote the transition to paid services from this August.

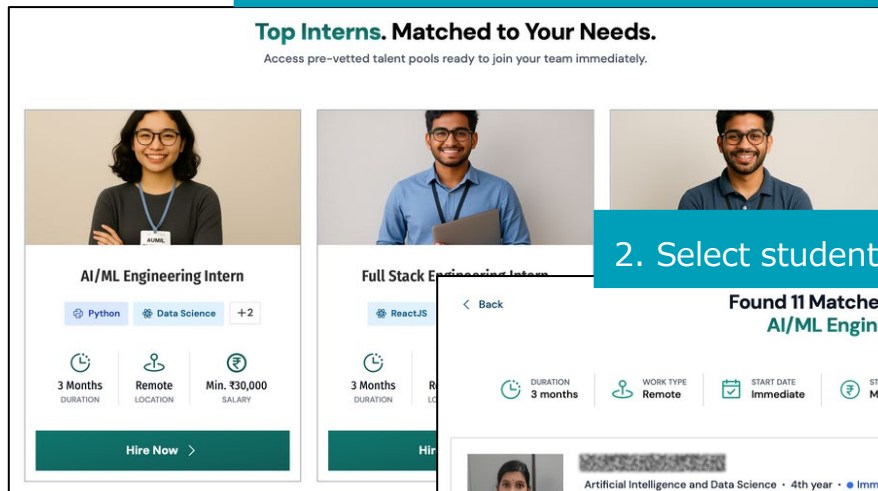


Service launched in August.

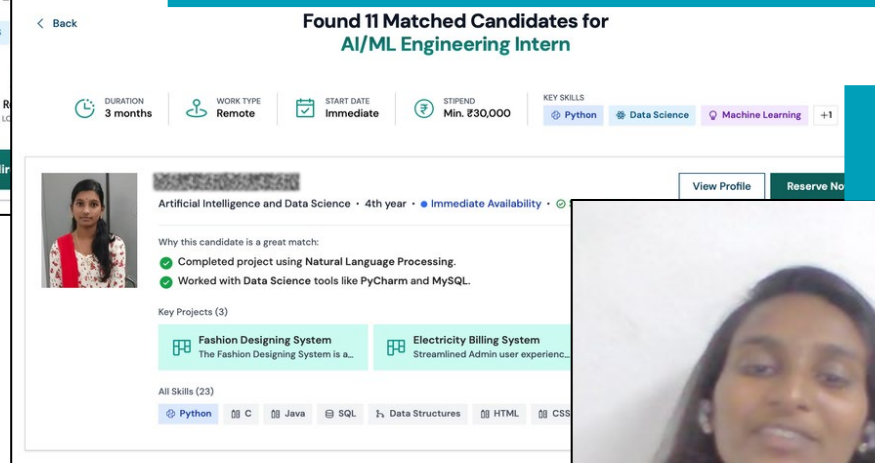
Able to access to a pre-compiled list of student candidates in 9 high-demand fields, ready for immediate hire.

3 pricing plans are available, depending on the number of viewable profiles.

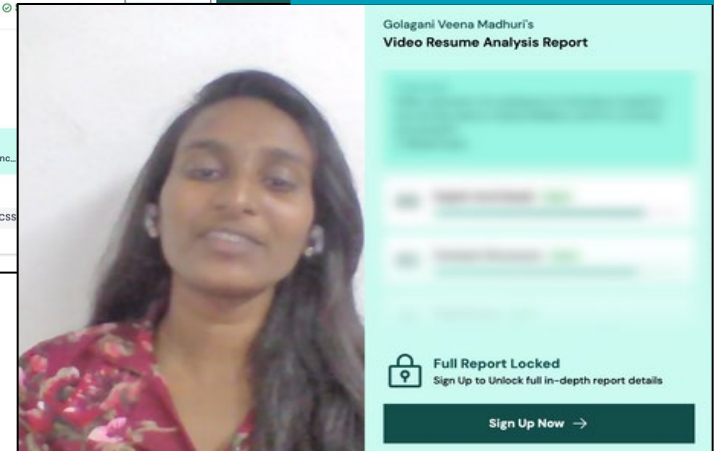
1. Select a list of candidates for the job



2. Select students interested in from the list

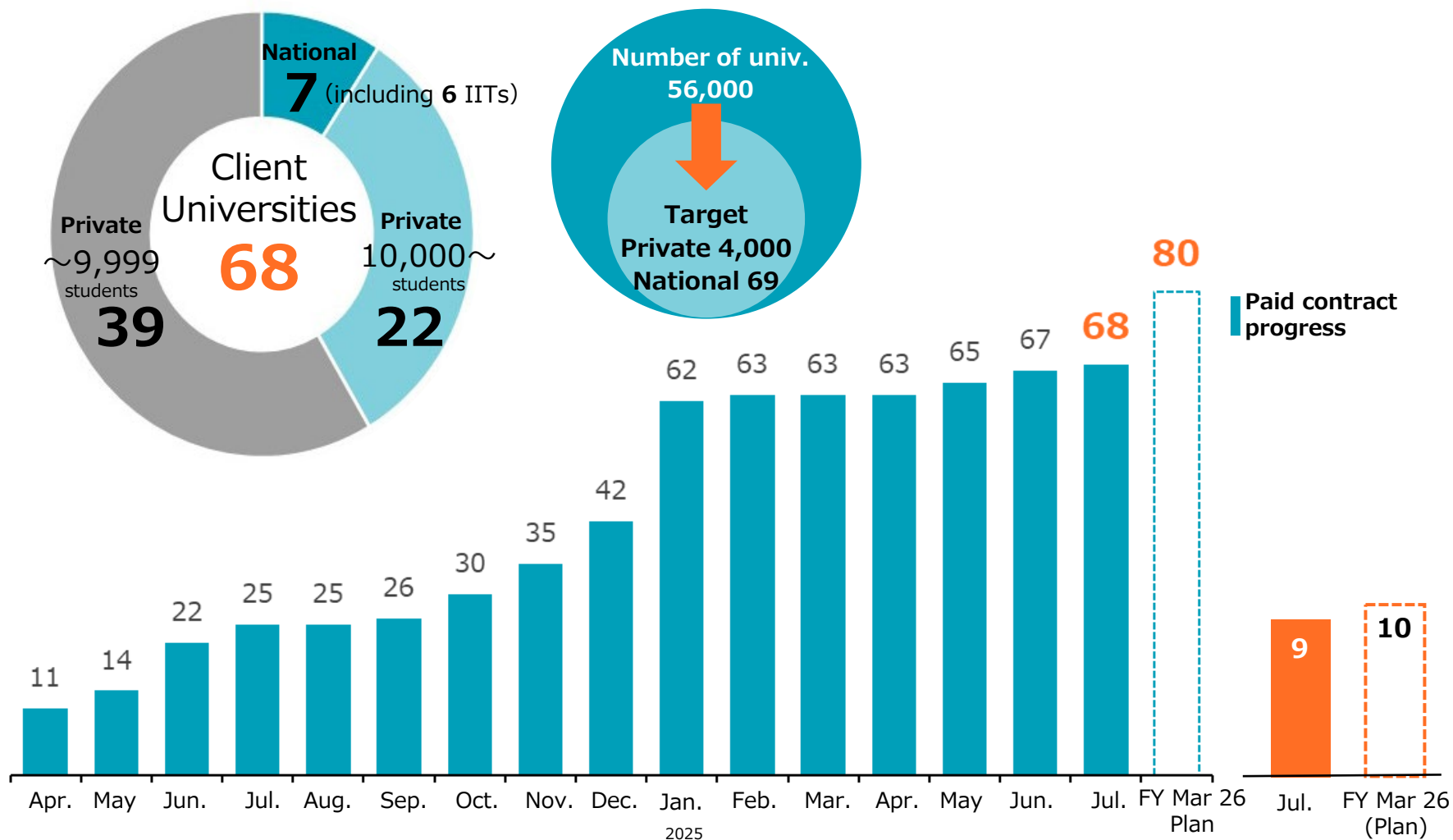


3. Self-introduction video are also viewable

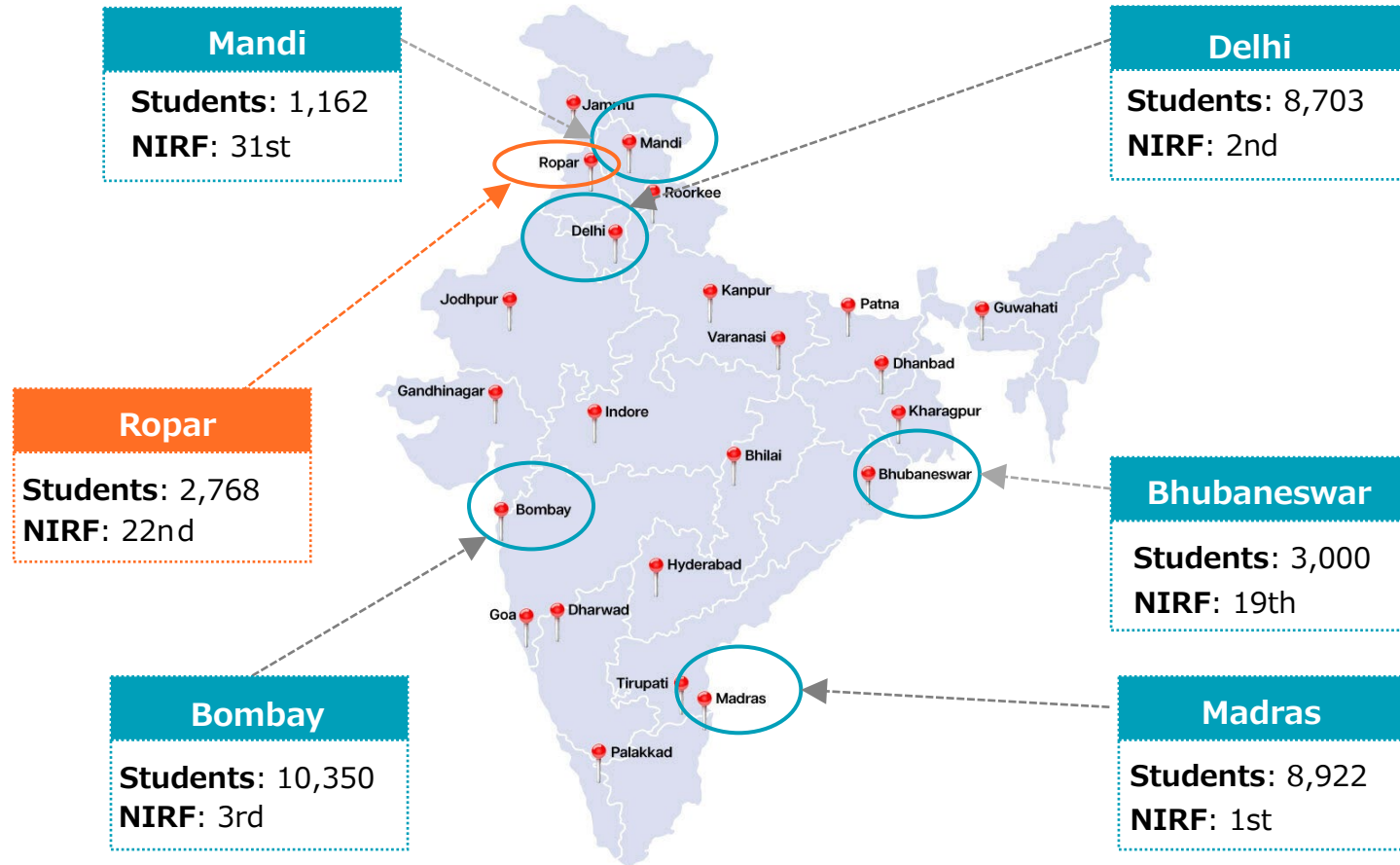


Cognavi India - Universities introduced the system

68 universities have adopted the system. Focus sales efforts on private universities with large student populations and switched 9 schools to paid services against planned 10.
Continuing to develop new universities for introduction at the same time, aiming to sign contracts with 80 universities.

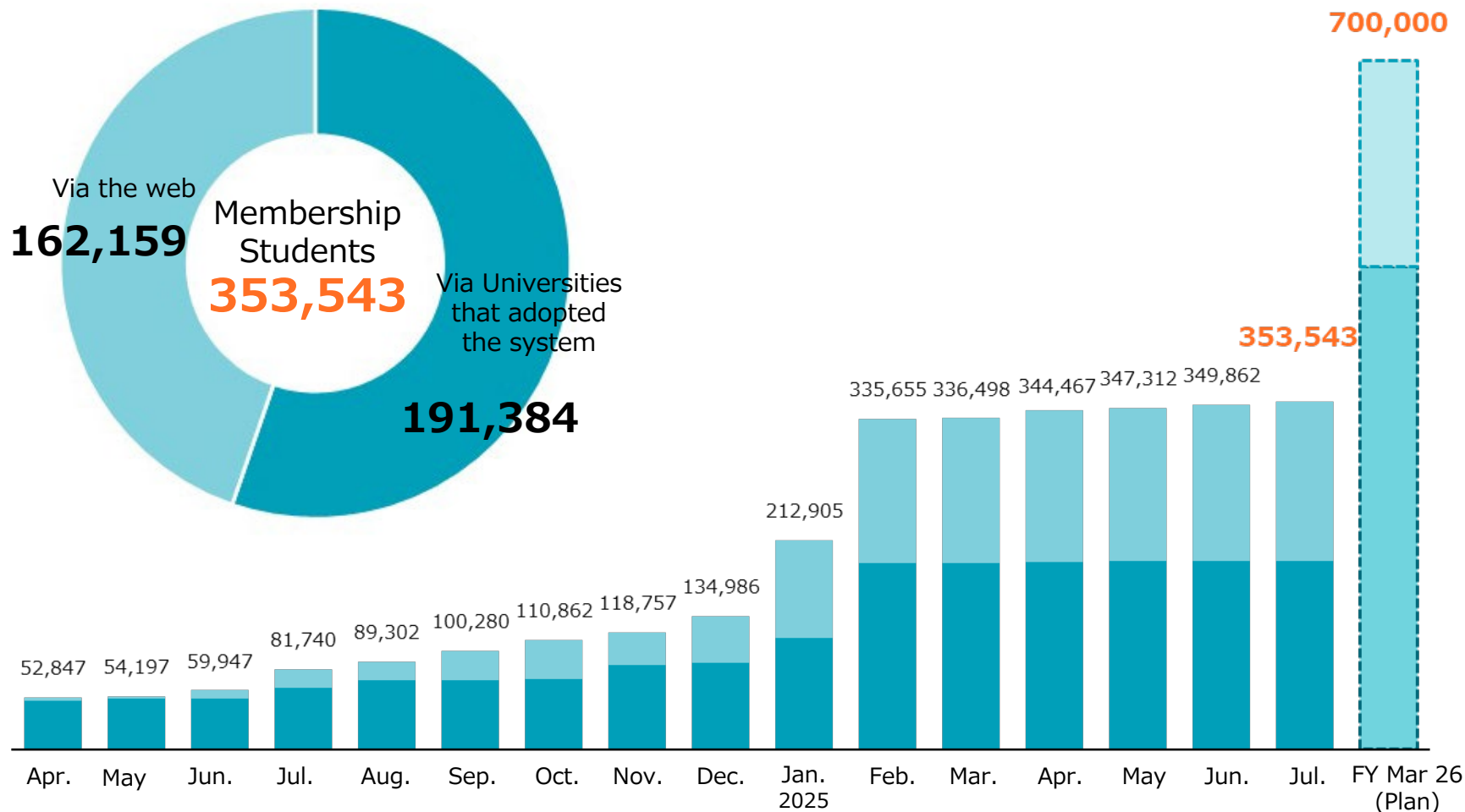


Begun providing services to one new campus, IIT Ropar, of the Indian Institute of Technology (IIT), which is world-renowned for producing outstanding engineers. Securing contracts with all campuses continues to be the goal.



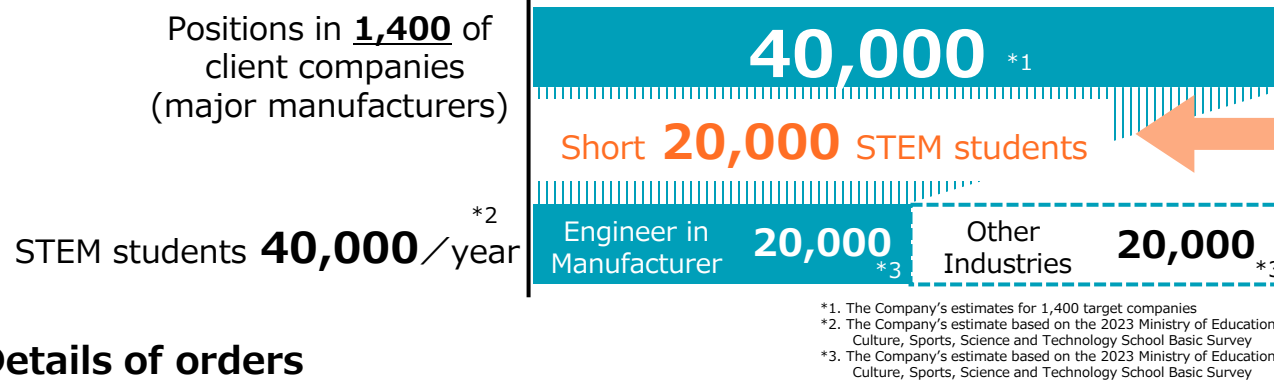
Cognavi India – Membership Students

The number of members has exceeded 350,000. With the increase in listed companies, the number of members is expected to grow, and the target is 700,000 by the end of March.



Launched a referral program to place Indian STEM students studying Japanese as engineers at major Japanese manufacturers through “cognavi Graduates”.

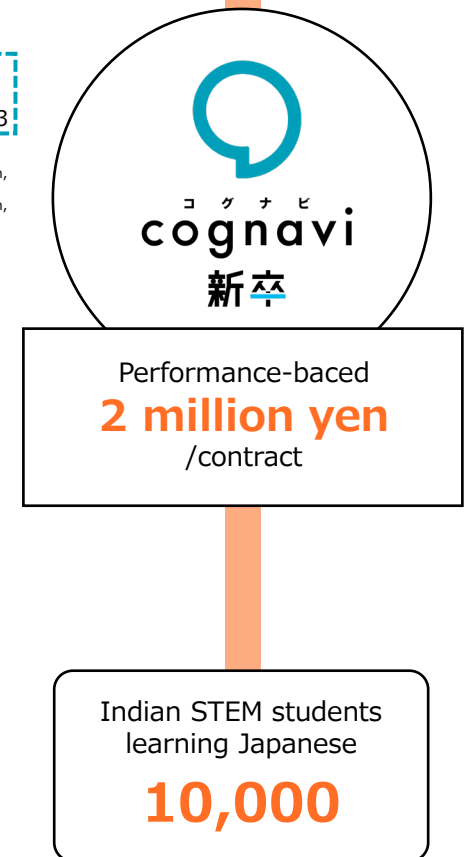
Problem in recruiting new graduates in Japan



Details of orders

Date of joining the company	Industry	Number of recruits
2025/10	Medical equipment manufacturer	2~3
	System integration	2
	Software development	3
2026/10	System integration	4~5
	Medical equipment manufacturer	2~3
	Measuring equipment manufacturer	2
	Packaging equipment manufacturer	2
	Internet media advertising	2
Total 8 companies		19~22

*As of the end of July



04

Appendix

E

Make active use of renewable energy and DX to reduce environmental impact.



S

Continue to hold engineering job seminars for students in mechanical and electrical engineering.

Plan and implement corporate training and re-skilling training for engineers at universities.

Use an original AI matching technology based on skills and learning.

Sponsor the RoboCup Japan Open and Rescue Robot contest.

Lecture at seminars for high school students aiming for science and engineering universities.

Carry out a normalization project.

Support exchanges between universities of India and Japan (Short-term Academic Exchange Programs).



G

Maintain a well-balanced governance structure.

Take measures for cybersecurity.



In collaboration with SRM Institute of Science and Technology AP, this program invites Japanese professors and students in engineering to this institute at the Company's expense. During the visit, the professors and students stay in accommodations on campus. They participate in lectures and tours of local firms to have exchanges with local professors and students.

→ 8 universities (14 professors and 46 students) participated in FY 2025, and 8 universities will participate in FY 2026.



FY 2025

Tokai University

Tokyo University of Science

Chiba Institute of Technology

Hiroshima Institute of Technology

Sojo University

Nihon University

Ryukoku University

Keio University

FY 2026

Keio University

Tokyo University of Science

Shibaura Institute of Technology

Nihon University

Kindai University

Meijo University

Chubu University

Meiji University



SRM Institute of Science and Technology, AP

Established in 1985, it is one of the top-ranked private universities in India, in terms of both size (52,000 students and 3,200 teaching staff) and academic level.

The university operates a total of eight campuses in six cities across India including Chennai, and is an interdisciplinary university with six faculties (Engineering & Technology, Management, Medicine & Health Sciences, Science & Humanities, Law and Agricultural Sciences).

The universities engages in joint development with companies from around the world including Japan, and actively engages in exchange programs with universities, among other endeavors.



* Latest facilities of SRM University AP

As climate change issues become more important on a global scale, the Company has set goals to achieve carbon neutrality.
The Company conducted information disclosure based on the Task Force on Climate-related Financial Disclosures (TCFD).



Risk Management

The Company defined its stance on and initiatives regarding sustainability as a companywide activity target in the cognavi Vision 2026 medium-term management plan. It will review the initiatives to achieve this target and will have internal meeting bodies monitor them.
The Company also prioritize actions to address sustainability-related risks and opportunities of high importance. Management Meeting and other organizations examine significant risks and opportunities related to its business activities and incorporate their findings into management strategies and risk management activities.

Metrics and Targets

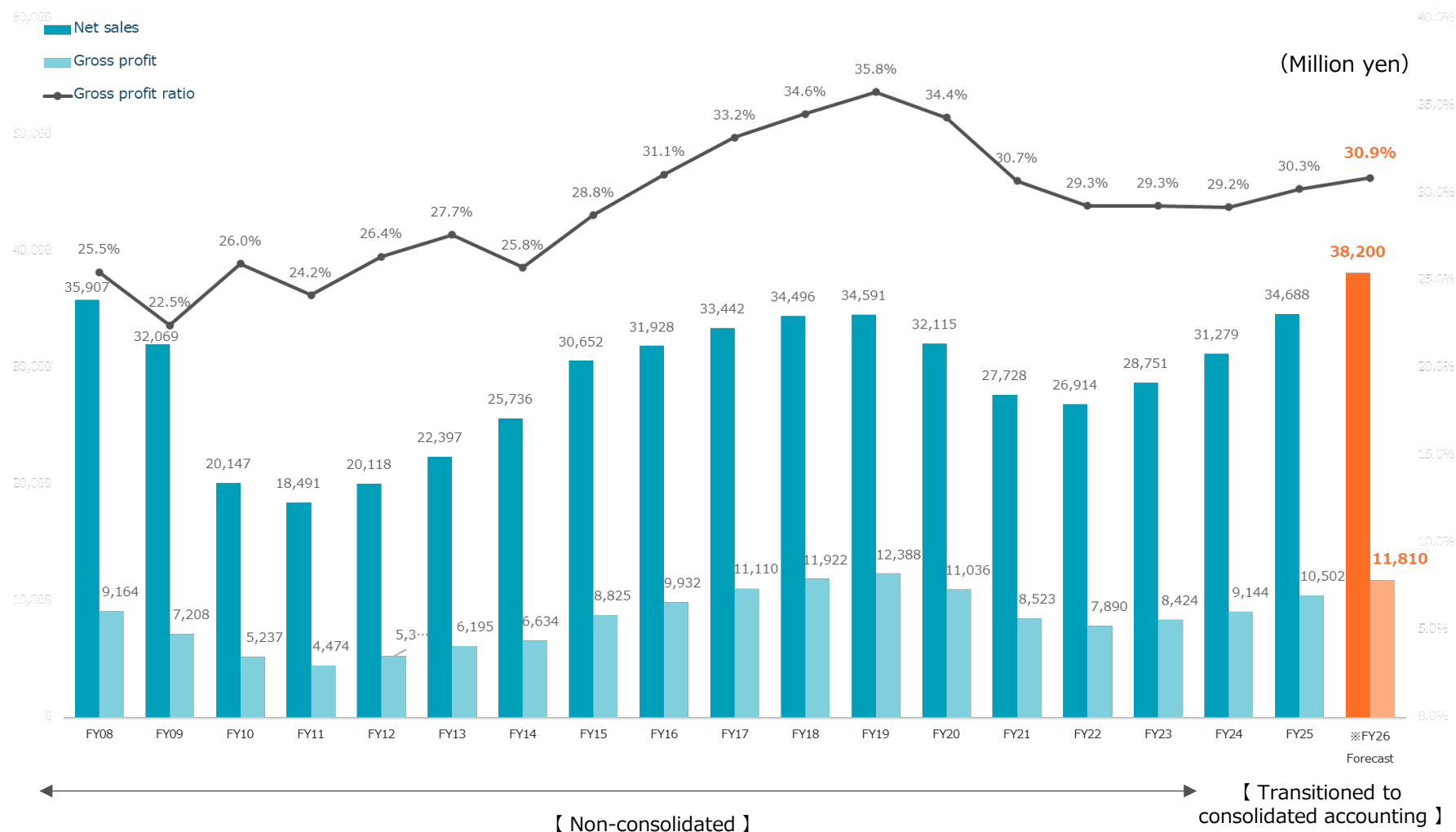
The Forum Engineering Group has set the long-term target of achieving carbon neutrality in 2050. In FY2024, the Company calculated our GHG emissions.
The Company will continue its efforts to accelerate the introduction of renewable energy and to minimize the CO2 emissions of its business activities.

(Unit: t-CO2)

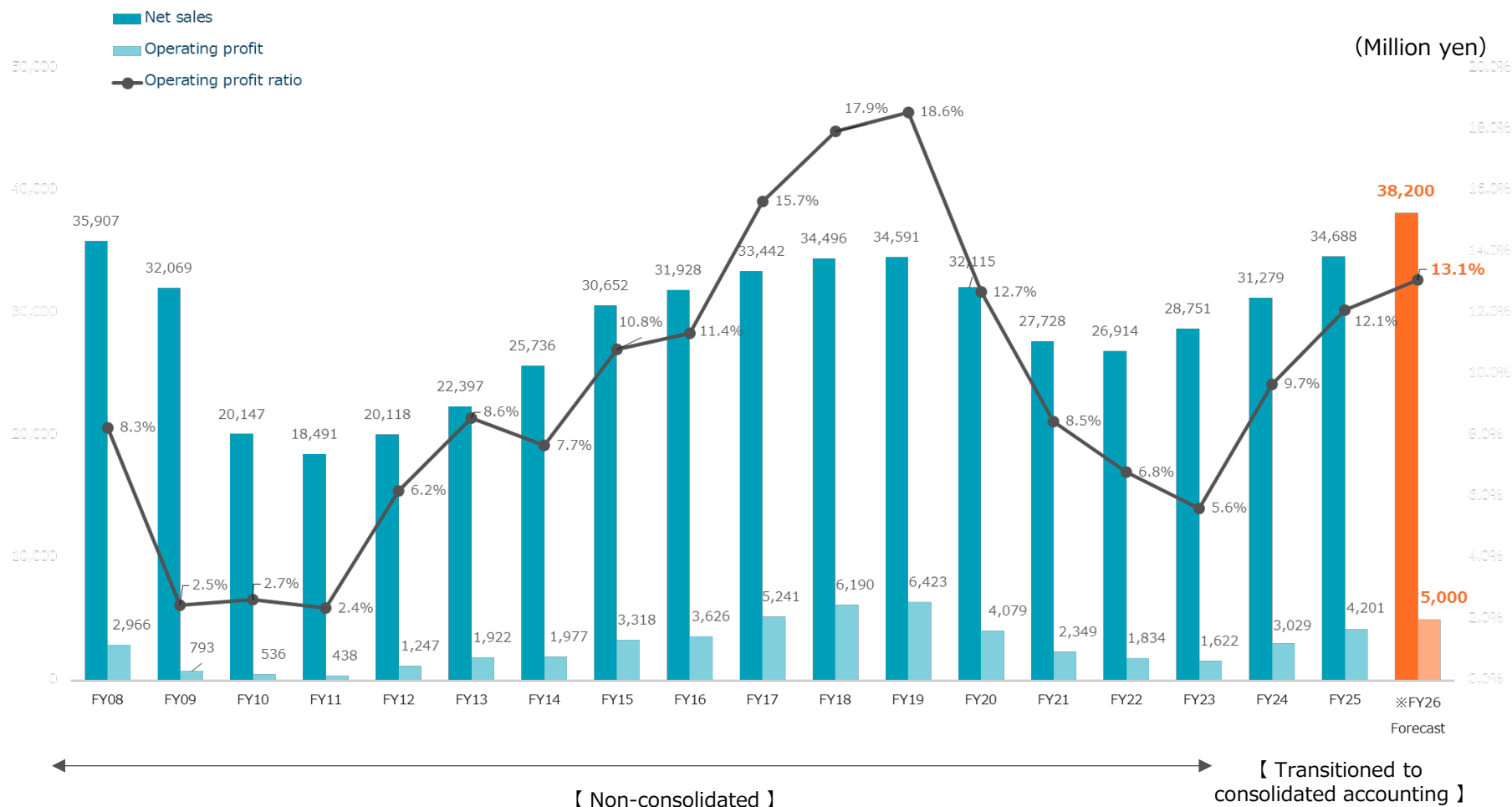
	FY2023 Result	FY2024 Result	2050 Target
Scope1	91	83	Carbon neutrality
Scope2	170	135	
Total	261	218	

Note: The above figures are the emissions of Forum Engineering Inc. only.

Changes in Net Sales, Gross Profit and Gross Profit Ratio



Changes in Net Sales, Operating Profit and Operating Profit Ratio



Transition to consolidated accounting from FY March 2024

Statement of income (million yen)

	Actual results		
	FY Mar 2024 [Consolidated]	FY Mar 2025 [Consolidated]	FY Mar 2026, 1Q [Consolidated]
Net sales	31,279	34,688	9,228
Gross profit	9,144	10,502	2,882
	29.2%	30.3%	31.2%
SG&A Expense	6,115	6,300	1,697
	19.5%	18.2%	18.4%
Operating profit	3,029	4,201	1,185
	9.7%	12.1%	12.8%
Profit attributable to owners of parent	2,039	2,884	810
	6.5%	8.3%	8.8%

Balance sheet (million yen)

		FY Mar 2024 [Consolidated]	FY Mar 2025 [Consolidated]	FY Mar 2026, 1Q [Consolidated]			FY Mar 2024 [Consolidated]	FY Mar 2025 [Consolidated]	FY Mar 2026, 1Q [Consolidated]
Current assets	Cash and deposits	11,006	11,633	10,932	Liabilities	Total current liabilities	4,618	5,526	6,176
	Total current assets	15,117	15,960	15,746		Total non-current liabilities	9	87	76
	Property, plant and equipment	417	500	481		Total liabilities	4,628	5,614	6,253
Non-Current assets	Intangible assets	1,157	1,077	1,045	Net assets	Total shareholders' equity	12,921	12,913	12,059
	Investments and other assets	1,225	1,239	1,233		Total net assets	13,289	13,164	12,253
	Total non-current assets	2,800	2,818	2,760		Total liabilities and net assets	17,918	18,778	18,506
Total assets		17,918	18,778	18,506					

Statement of cash flows (million yen)

	FY Mar 2024 [Consolidated]	FY Mar 2025 [Consolidated]	FY Mar 2026, 1Q [Consolidated]
Cash flows from operating activities	3,299	3,969	-
Depreciation	400	406	-
Cash flows from investing activities	-1,078	110	-
Purchase of property, plant, equipment and intangible assets	-209	-284	-
Free cash flow ¹	2,221	4,079	-
Cash flows from financing activities	-2,771	-2,970	-
Cash and cash equivalents at beginning of term	10,434	9,904	-
Cash and cash equivalents at end of term	9,904	10,990	-

Note¹ : Cash flows from operating activities + Cash flows from investing activities

〈KPIs〉	FY Mar. 24					FY Mar. 25					FY Mar. 26				
	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year
•Number of projects	2,572	3,410	2,872	2,519	11,373	2,534	2,504	2,556	2,303	9,897	2,310				
•Mid-career hires	222	240	209	189	860	231	265	208	229	933	238				
•New graduate hires	107	—	—	—	—	59	—	—	—	—	50				
•Resignations	112	165	164	167	608	130	202	162	193	687	139				
•Resignation rate (%)	—	—	—	—	13.9	—	—	—	—	14.7	—				
cognavi Staffing •Number of engineers registered	4,190	4,284	4,336	4,340	—	4,470	4,539	4,589	4,645	—	4,722				
•Number of utilized engineers	4,046	4,137	4,229	4,224	—	4,337	4,392	4,466	4,486	—	4,563				
•Utilization rate (%)	96.5	96.5	97.2	97.4	96.9	98.5	98.3	98.3	98.4	98.4	98.3				
•Working hours	157.6	153.1	163.6	153.7	—	157.9	154.5	164.1	154.6	—	157.9				
•Staffing rates (yen)	3,872	3,879	3,886	3,931	—	4,016	4,041	4,056	4,072	—	4,202				

- Notes:
- Number of engineers registered and number of utilized engineers are the numbers as of the last day of the quarter.
 - The Utilization rate is calculated by dividing the total number of utilized engineers by the total number of registered engineers at the end of each quarter.
Starting in FY March 2025, figures exclude unassigned engineers after being hired.
 - Unassigned Engineers after being hired are engineers who, after joining the company, have not yet been matched with their first client company.
 - Working hours are calculated as the average monthly working hours over the three months of each quarter.
 - Staffing rates are the average of contract unit prices as of the end of each quarter.
 - For each KPI regarding the cognavi Staffing, the Company discloses the aggregated value for regular employees, excluding employees on leave.

〈KPIs〉			FY Mar. 24				FY Mar. 25				FY Mar. 26			
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
cognavi New Graduates	Grad. in 2025	•Number of companies posting jobs	—	197	326	344	365	383	383	383	—	—	—	—
		•Registered members	4,973	6,296	10,587	11,154	11,265	11,265	11,265	11,265	—	—	—	—
		•Number of Deals	—	—	—	18	220	287	305	307	—	—	—	—
	Grad. in 2026	•Number of companies posting jobs	—	—	—	—	77	250	318	325	412			
		•Registered members	—	—	—	—	6,041	7,253	10,412	10,716	10,769			
	Grad. in 2027	•Number of companies posting jobs	—	—	—	—	—	—	—	—	133			
		•Registered members	—	—	—	—	—	—	—	—	5,208			

Note: All figures for companies posting job offers, registered members, and number of deals are cumulative.

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