Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2027 (under Japanese GAAP)

August 6, 2026

Company name: for Startups, Inc.
Listing: Tokyo Stock Exchange
Securities Code: 7089
URL: https://ir.forstartups.com/en
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Scheduled date to commence dividend payments: -
Preparation of supplementary material for financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the first quarter of the Fiscal Year ending March 31, 2027 (from April 1, 2026 to June 30, 2026)

(1) Consolidated Operating Results (Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2026	1,543	38.3	449	112.0	419	98.3	283	87.2
Three months ended June 30, 2025	1,116	28.9	212	168.8	211	169.8	151	154.9

(Note) Comprehensive income:
Three months ended June 30, 2026: 277 million yen (up 91.8 %)
Three months ended June 30, 2025: 144 million yen (up 172.2%)

	Basic net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2026	43.88	43.85
Three months ended June 30, 2025	22.84	22.79

(Note) The Company conducted a 2-for-1 stock split of its common shares, effective January 1, 2026. Assuming that this stock split had been effective at the beginning of the previous consolidated fiscal year, “Basic net income per share” and “Diluted net income per share” have been calculated accordingly.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2026	4,842	3,489	62.7
As of March 31, 2026	4,961	3,151	55.5

(Reference) Equity: As of June 30, 2026: 3,035 million yen As of March 31, 2026: 2,751 million yen

2. Dividend Status

	Annual Dividends				
	1Q-end	2Q-end	3Q-end	4Q-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		0.00	-	0.00	0.00

(Note) Revisions to the dividend forecasts announced most recently: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary profit		Profit attributable to owners of parent		Basic net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	6,400	21.5	1,400	25.0	1,300	23.3	940	15.0	145.68

(Note) Revisions to the earnings forecasts announced most recently: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2026	6,613,200 shares
As of March 31, 2026	6,613,200 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2026	160,482 Shares
As of March 31, 2026	160,482 Shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2026	6,452,718 shares
Three months ended June 30, 2025	6,623,068 shares

(Note): The Company conducted a 2-for-1 stock split of its common shares, effective January 1, 2026. Assuming that this stock split had been effective at the beginning of the previous consolidated fiscal year, “Total number of issued shares at the end of the period,” “Number of treasury shares at the end of the period,” and “Average number of shares outstanding during the period” have been calculated accordingly.

*Review of consolidated financial statements by certified public accountants or audit corporation: None

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the first three months of the current consolidated fiscal year (the "first quarter"), the environment surrounding our Group and the startup industry remained one where investments in sectors with growth potential continued, despite the impact of domestic and international economic trends and policies. While the amount of funds raised by startups in the first half of 2026 remained solid (Source: STARTUP DB), the number of companies that executed fundraising decreased significantly, indicating an accelerating trend toward the selection and concentration of investments in promising companies.

Meanwhile, structural changes have also occurred in the exit environment. Following the raising of the listing maintenance criteria for the TSE Growth Market, the number of IPOs has decreased, and there is a steady shift toward positioning M&A and secondary transactions as positive alternatives for startup growth strategies.

Under these circumstances, our Group has established a management policy centered on the growth of our core Human Capital Business and the expansion of our newly launched Startup M&A Brokerage service. We are actively working toward achieving the performance targets outlined in our Medium-Term Management Plan, which concludes in the fiscal year ending March 2028.

During the first quarter, the Human Capital Business and other services performed steadily. As a result, net sales were 1,543,993 thousand yen (up 38.3% year-on-year), operating profit was 449,681 thousand yen (up 112.0% year-on-year), ordinary profit was 419,996 thousand yen (up 98.3% year-on-year), and profit attributable to owners of parent was 283,136 thousand yen (up 87.2% year-on-year).

The business environment and operating results by segment and service are as follows:

Human Capital Business

In the talent placement service, we continued to strengthen our sales strategy by emphasizing the expansion of touchpoints with candidates, focusing on improving the "number of placements per employee" as a productivity indicator. Consequently, the number of talent placement transactions improved significantly year-on-year. Furthermore, driven by factors such as an increase in the annual salaries of placed candidates, the average unit price of talent placements rose substantially, leading to a significant year-on-year increase in talent placement service net sales.

The key performance indicators (KPIs) for the talent placement service are as follows:

Indicator	Previous Q1 Cumulative Period (April 1, 2025 - June 30, 2025)	Current Q1 Cumulative Period (April 1, 2026 - June 30, 2026)
Number of talent placement transactions (Persons)	239	287
Average unit price of talent placements (Thousands of yen)	3,868	4,608

Notes:

1. The "number of talent placement transactions" represents the number of full-time employees placed during the specified period, excluding outsourcing contracts. In accordance with contracts, a certain percentage of the introduction fee received from the client company is refunded if the introduced candidate resigns for personal reasons within a certain period (early resignation) after joining. However, such refund-applicable transactions are still included in the total number of transactions.
2. The "average unit price of talent placements" is calculated by dividing only the managerial talent placement net sales recorded during the specified period (contingency-fee-based consulting fees, excluding outsourcing contracts) by the above number of talent placement transactions. If an introduced candidate resigns for personal reasons within a certain period (early resignation) after joining, a certain percentage of the fee received is refunded based on the contract; however, these refund amounts are not deducted when calculating the managerial talent placement net sales.

In the consulting service, we focused on raising remuneration unit prices to improve the value-added nature of our services. In addition to the success of this initiative, we successfully captured demand, resulting in a steady increase in the number of contracted companies. As a result of these factors, net sales for the Human Capital Business in the first quarter were 1,432,995 thousand yen (up 41.8% year-on-year), and segment profit was 722,565 thousand yen (up 60.0% year-on-year).

Open Innovation Business

The Open Innovation Business operates services such as the paid membership service for large enterprises on our Group's "STARTUP DB" database, and "Acceleration," which supports industry-academia-government collaboration by undertaking startup-related projects for government agencies and local municipalities. Additionally, we have newly launched a "Startup M&A Brokerage" service to provide exit and growth strategy support through M&A for startups.

During the first quarter, "Acceleration" acquired new projects but also experienced a reactionary decline following the completion of large-scale projects, resulting in only a slight year-on-year increase in net sales. "STARTUP DB" performed steadily due to an increase in net sales from upselling, such as business meeting arrangement support, in addition to fixed usage fees. Regarding the newly launched "Startup M&A Brokerage," while we have made progress in expanding touchpoints with potential seller companies and facilitating multiple matchings with potential buyer companies, no deals have been closed yet. As a result, net sales for the Open Innovation Business in the first quarter were 110,997 thousand yen (up 5.4% year-on-year), and segment profit was 148 thousand yen (compared to a segment loss of 4,706 thousand yen in the same period of the previous year).

Regarding the "Conference" service, considering the recent business environment surrounding startups, we have decided to postpone hosting events for the time being.

Venture Capital Business

This segment includes the subsidiary for Startups Capital LLC and the for Startups 1st Investment Limited Partnership formed through it. In this business, we engage in investment activities aimed at strengthening support for investee companies and generating non-linear revenue by investing in the human capital support targets of our Human Capital Business.

During the first quarter, as only management expenses continued to be incurred, the segment loss amounted to 2,221 thousand yen (compared to a segment loss of 2,151 thousand yen in the same period of the previous year).

(2) Explanation of Financial Position

(Unit: Thousands of yen)

Item	Previous Consolidated Fiscal Year (March 31, 2026)	Current First Quarter (June 30, 2026)	Change
*Assets (1)	4,961,355	4,842,429	(118,926)
*Liabilities (2)	1,809,637	1,353,241	(456,395)
(of which, interest-bearing debt)	399,000	370,500	(28,500)
*Net Assets (3)	3,151,717	3,489,187	337,469

Main Components of Change:

- *(1) Assets: Accounts receivable - trade and contract assets (-404,000 thousand yen), Cash and deposits (+314,401 thousand yen), Deferred tax assets (-64,825 thousand yen), Operational investment securities (+47,584 thousand yen)
- *(2) Liabilities: Income taxes payable (-281,170 thousand yen), Provision for bonuses (-102,762 thousand yen), Consumption taxes payable (-75,069 thousand yen)
- *(3) Net Assets: Retained earnings (+283,136 thousand yen), Non-controlling interests (+53,873 thousand yen)

(3) Explanation of Consolidated Earnings Forecast and Other Forward-Looking Information

There are no changes to the consolidated financial forecasts for the fiscal year ending March 2027 from those announced on May 8, 2026.

Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Units: thousand yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	2,162,898	2,477,300
Accounts receivable - trade, and contract assets	910,205	506,204
Operational investment securities	488,224	535,808
Prepaid expenses	50,821	78,468
Other	5,799	4,859
Allowance for doubtful accounts	(2,369)	(1,294)
Total current assets	3,615,579	3,601,347
Non-current assets		
Property, plant and equipment	306,785	297,956
Investments and other assets		
Investment securities	566,961	537,782
Other	472,029	405,343
Allowance for doubtful accounts	(0)	(0)
Total Investments and other assets	1,038,990	943,125
Total non-current assets	1,345,775	1,241,081
Total assets	4,961,355	4,842,429
Liabilities		
Current liabilities		
Accounts payable - other	307,033	255,767
Current portion of long-term borrowings	114,000	114,000
Accrued Expenses	198,903	205,614
Income taxes payable	370,141	88,970
Accrued consumption taxes	183,566	108,497
Provision for bonuses	184,328	81,566
Other	166,663	242,326
Total current liabilities	1,524,637	1,096,741
Non-current liabilities		
Long-term borrowings	285,000	256,500
Total non-current liabilities	285,000	256,500
Total liabilities	1,809,637	1,353,241
Net assets		
Shareholders' equity		
Share capital	239,490	239,490
Capital surplus	239,807	239,807
Retained earnings	2,472,461	2,755,597
Treasury shares	(200,145)	(200,145)
Total shareholders' equity	2,751,614	3,034,751
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	276	735
Total accumulated other comprehensive income	276	735
Share acquisition rights	7	7
Non-controlling interests	399,819	453,692
Total net assets	3,151,717	3,489,187
Total liabilities and net assets	4,961,355	4,842,429

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Consolidated Statement of Income)

(Units: thousand yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	1,116,128	1,543,993
Cost of sales	192,818	270,486
Gross profit	923,310	1,273,507
Selling, general and administrative expenses	711,166	823,825
Operating income	212,143	449,681
Non-operating income		
Grant income	3,300	-
Outsourcing fee	376	405
Miscellaneous income	301	577
Total non-operating income	3,977	983
Non-operating expenses		
Interest expenses	1,656	1,304
Investment loss on equity method	-	27,897
Loss on investments in investment partnerships	2,397	1,465
Commission for purchase of treasury shares	262	-
Total non-operating expenses	4,317	30,668
Ordinary profit	211,803	419,996
Extraordinary income		
Gain on reversal of share acquisition rights	884	-
Total extraordinary income	884	-
Extraordinary losses		
Loss on disposal of non-current assets	-	0
Total extraordinary losses	-	0
Profit before income taxes	212,687	419,996
Income taxes - current	52,310	77,872
Income taxes - deferred	15,282	64,613
Total income taxes	67,593	142,486
Profit	145,094	277,509
Profit (loss) attributable to non-controlling interests	(6,173)	(5,626)
Profit attributable to owners of parent	151,267	283,136

(Consolidated statements of comprehensive income)

(Units: thousand yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	145,094	277,509
Other comprehensive income		
Valuation difference on available-for-sale securities	(132)	459
Total other comprehensive income	(132)	459
Comprehensive income	144,962	277,969
Total comprehensive income attributable to:		
Owners of parent	151,135	283,596
Non-controlling interests	(6,173)	(5,626)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)
Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)
Not applicable.

(Notes on Quarterly Consolidated Statement of Cash Flows)
A quarterly consolidated statement of cash flows for the first quarter cumulative period has not been prepared. Depreciation (including amortization of intangible assets) for the first quarter cumulative period is as follows:

(Unit: Thousands of yen)

Item	Previous Q1 Cumulative Period (April 1, 2025 - June 30, 2025)	Current Q1 Cumulative Period (April 1, 2026 - June 30, 2026)
Depreciation	10,862	8,829

(Segment Information)
I. Previous First Quarter Cumulative Period (From April 1, 2025 to June 30, 2025)
1. Information on net sales and profit or loss by reportable segment

(Unit: Thousands of yen)

	Human Capital	Open Innovation	Venture Capital	Total	Adjustment (Note 2)	Consolidated Amount (Note 1)
Net Sales						
Sales to external customers	1,010,785	105,343	-	1,116,128	-	1,116,128
Inter-segment sales or transfers	-	-	-	-	-	-
Total	1,010,785	105,343	-	1,116,128	-	1,116,128
Segment profit or loss (-)	451,641	-4,706	-2,151	444,784	-232,640	212,143

Notes:
1. Segment profit or loss is based on operating profit recorded in the quarterly consolidated statement of income.
2. The adjustment amount for segment profit or loss (-232,640 thousand yen) represents general and administrative expenses not allocated to each reportable segment.

II. Current First Quarter Cumulative Period (From April 1, 2026 to June 30, 2026)
1. Information on net sales and profit or loss by reportable segment

(Unit: Thousands of yen)

	Human Capital	Open Innovation	Venture Capital	Total	Adjustment (Note 2)	Consolidated Amount (Note 1)
Net Sales						
Sales to external customers	1,432,995	110,997	-	1,543,993	-	1,543,993
Inter-segment sales or transfers	-	-	-	-	-	-
Total	1,432,995	110,997	-	1,543,993	-	1,543,993
Segment profit or loss (-)	722,565	148	-2,221	720,491	-270,810	449,681

Notes:
1. Segment profit or loss is based on operating profit recorded in the quarterly consolidated statement of income.
2. The adjustment amount for segment profit or loss (-270,810 thousand yen) represents general and administrative expenses not allocated to each reportable segment.

(Significant Subsequent Events)
Not applicable.