



**FRONTIER
MANAGEMENT
INC.**

FY2021 1H Financial Results

Ending December 2021

August 12, 2021

Frontier Management Inc.

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FRONTIER
MANAGEMENT
INC.

Section 1

FY2021 1H Financial Results



Summary

- Sales increased 12% due to the successful Management Consulting Business, especially in the retail industry which is one of our strength areas.
- Income decreased due to the accelerated recruitment that has been strategically ongoing since the last fiscal year.

(JPY1,000,000)

	FY2020 1H results	FY2021 1H results	YoY change (amount)	YoY change (percentage)	Forecast (as of Feb 9, '21)	Achievement rate
Net sales	2,305	2,582	+276	+12%	6,500	40%
Operating income	118	74	△45	△38%	1,000	7%
Ordinary income	126	81	△45	△35%	1,007	8%
Net income	81	51	△31	△38%	693	7%

Net Sales by Industry Segment

Management Consulting Business:

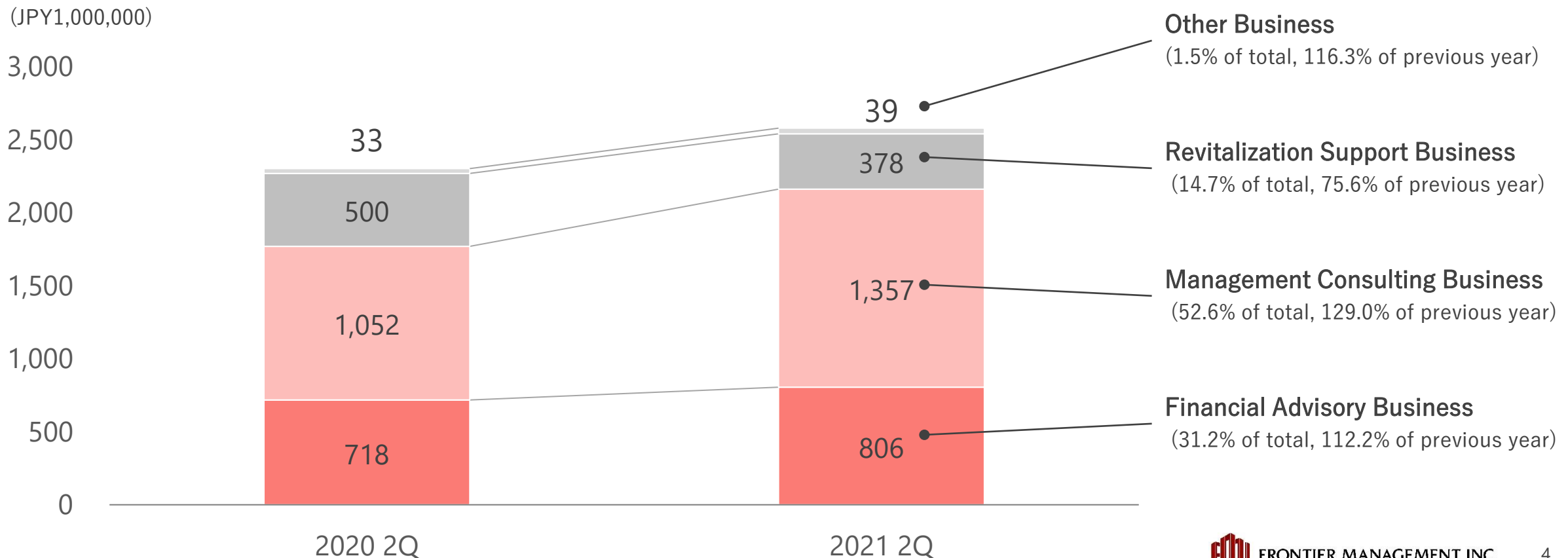
Increased 29% due to expanding customers in the retail and logistics industries which are our strongest areas, and continued large-scale projects.

Revitalization Support Business:

Decreased because the needs didn't reach full scale.

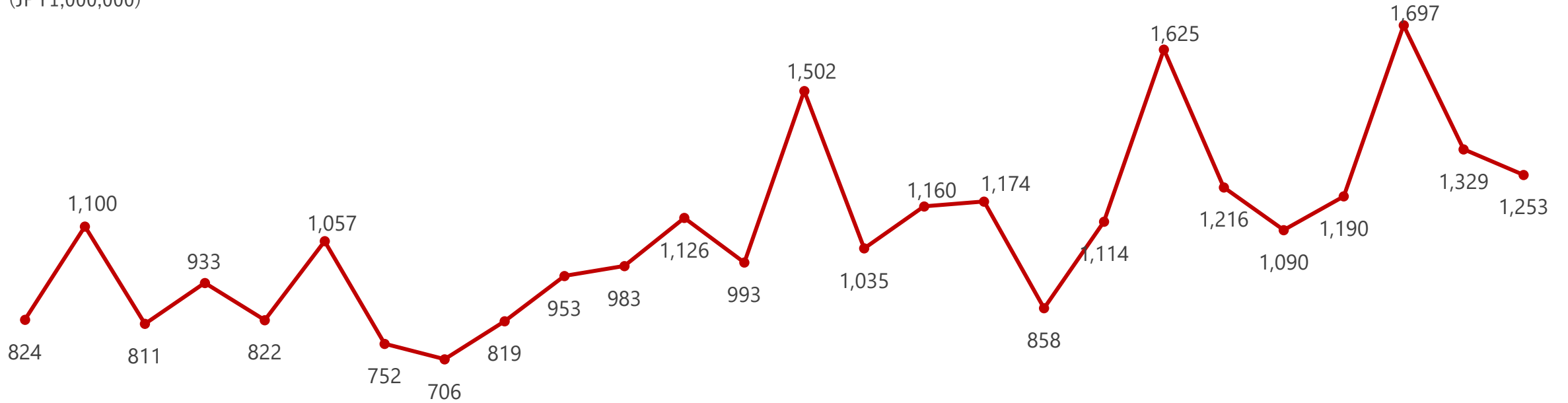
Financial Advisory Business:

Increased as a result that numerous medium-sized M&A deals closed.



Quarterly Sales Trends (1/4)-Total

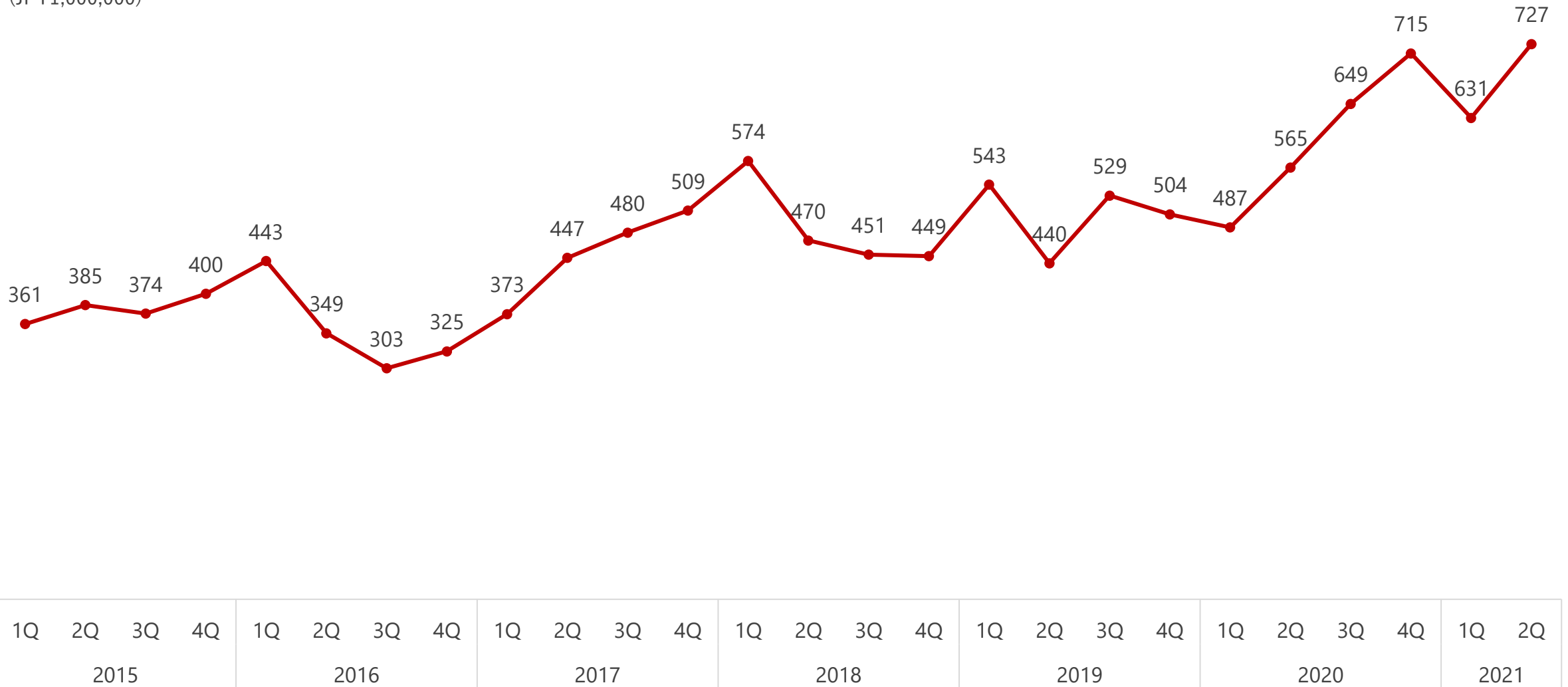
(JPY1,000,000)



1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q				
2015				2016				2017				2018				2019				2020				2021	

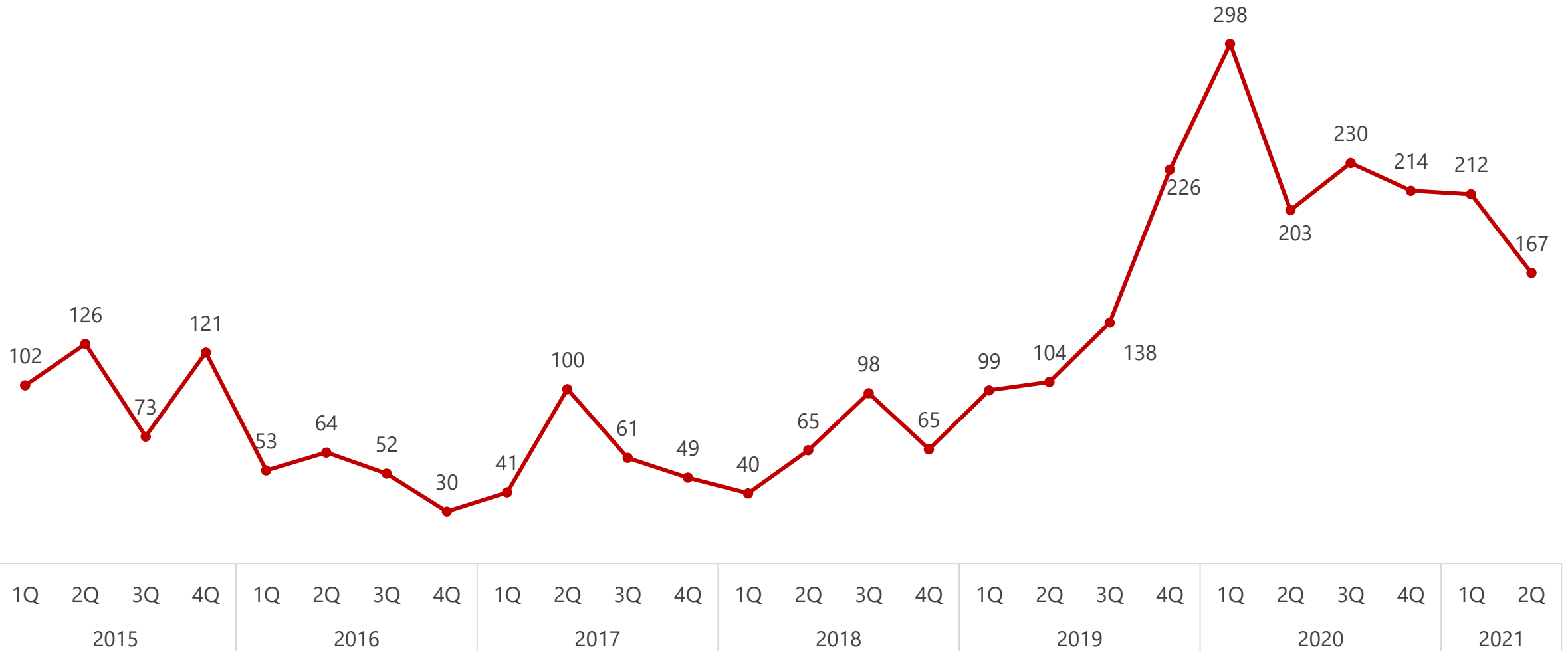
Quarterly Sales Trends (2/4)-Management Consulting Business

(JPY1,000,000)



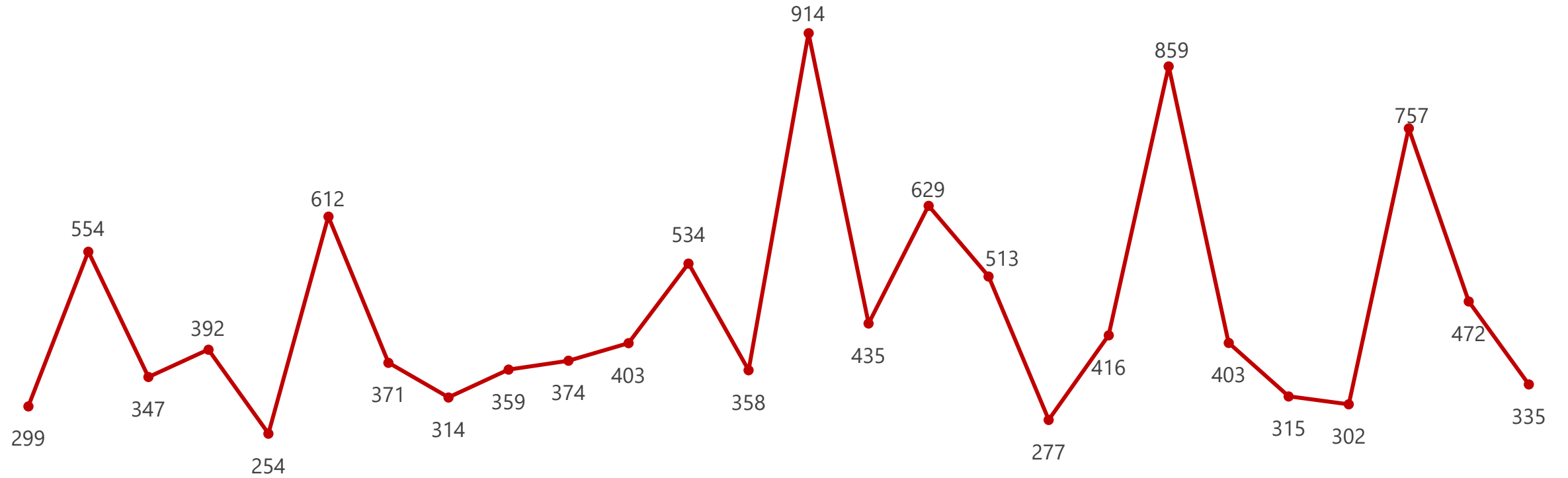
Quarterly Sales Trends (3/4)-Revitalization Support Business

(JPY1,000,000)



Quarterly Sales Trends (4/4)-Financial Advisory Business

(JPY1,000,000)

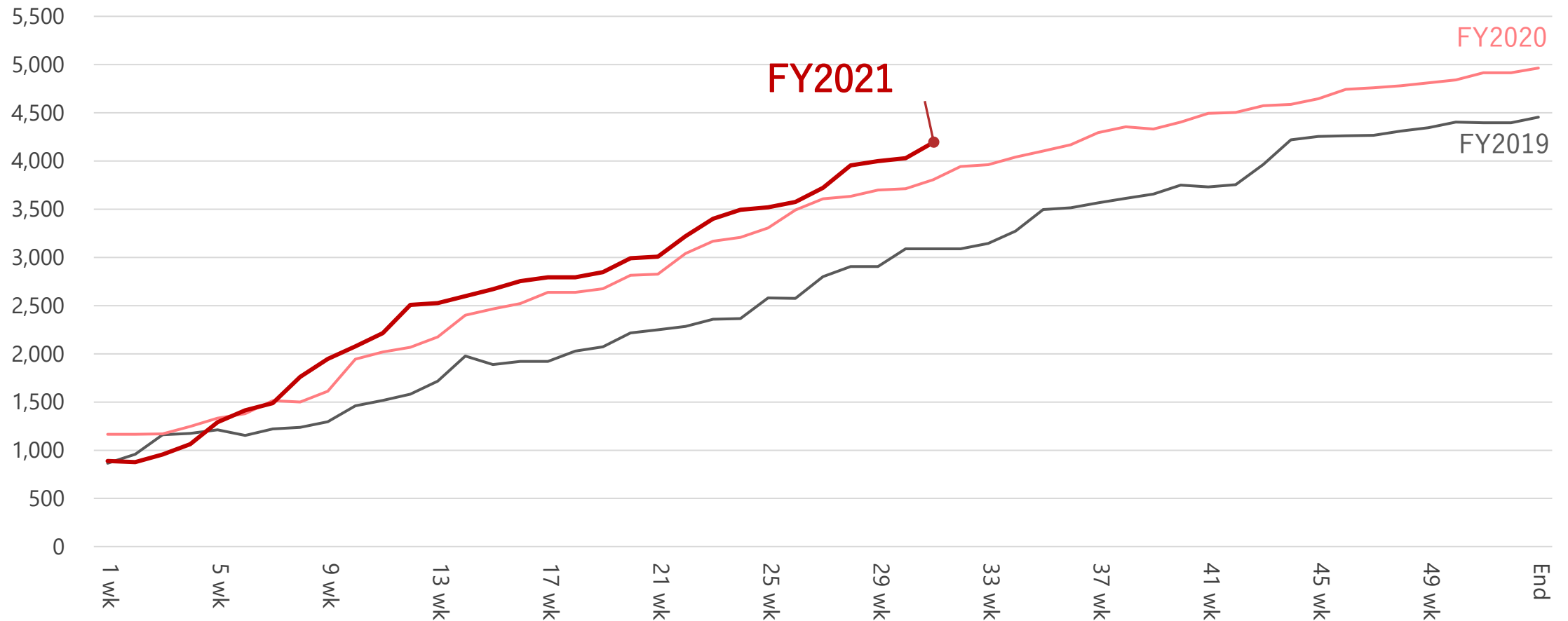


1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
2015				2016				2017				2018				2019				2020				2021	

Received Orders Progress

- Trending beyond previous fiscal year.

(JPY1,000,000)



PL Overview

- Personnel expenses increased due to accelerated recruitment.

(JPY1,000,000)

	FY2020 1H results	FY2021 1H results	Percentage change
Net sales	2,305	2,582	+12%
Operating expenses	2,187	2,508	+15%
Outsourcing costs, etc.	98	81	△17%
Personnel expenses	1,531	1,830	+20%
Recruitment costs	108	112	+3%
Other expenses	449	484	+8%
Operating income	118	74	△38%
Ordinary income	126	81	△35%
Net income before Tax	126	81	△35%
Net income	81	51	△38%
Depreciation and amortization	19	17	△ 7%
EBITDA	145	100	△31%
Number of employees (person)	203	249	+23%

JPY +298

BS Overview

- Current assets decreased due to a decrease in cash and deposits and accounts receivable.
- Current liabilities decreased due to a decrease in accrued bonuses and income taxes paid while short-term loans payable increased.
- Shareholders' equity decreased due to dividend payments, etc.

(JPY1,000,000)

	End of December 2020	End of June 2021	Change
Current assets	2,994	2,517	△478
Fixed assets	798	757	△42
Total assets	3,792	3,274	△519
Current liabilities	1,261	1,076	△185
Long-term liabilities	82	82	+0
Shareholders' equity	2,436	2,090	△346
Other net assets	11	24	+12
Total liabilities and net assets	3,792	3,274	△519
Cash and deposits	1,899	1,671	△227
Interest-bearing debt	-	500	+500
Net Debt	△1,899	△1,171	+728



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Section 2

Our Various Progress

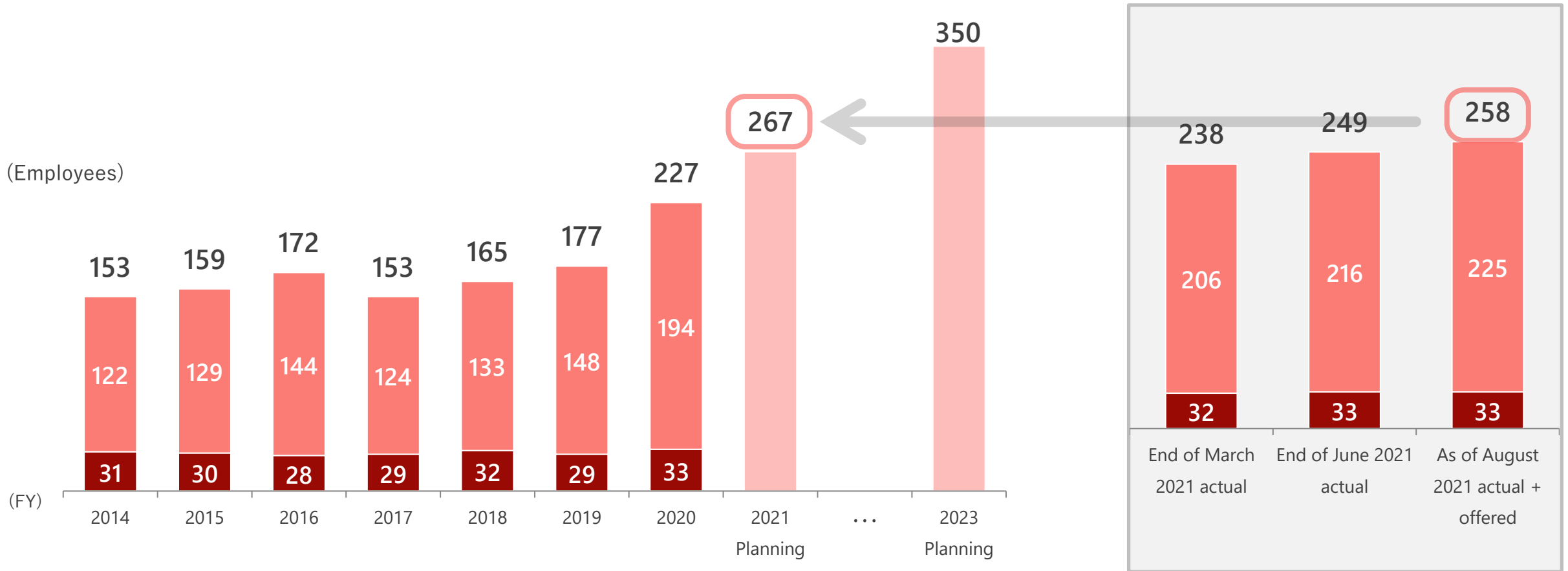


Recruitment

- Continued accelerated recruitment to achieve 300-400 employees which is the critical mass of independent firms.
- Expected net increase of 31 employees and achieved 78% of targeted 40 net increase in FY2021.

Number of employees at EOFY

Steady progress

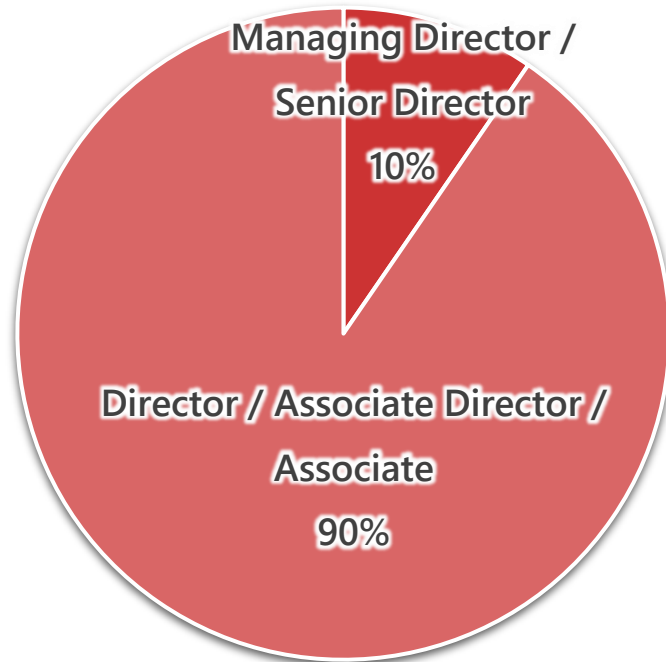


Recruitment by Position

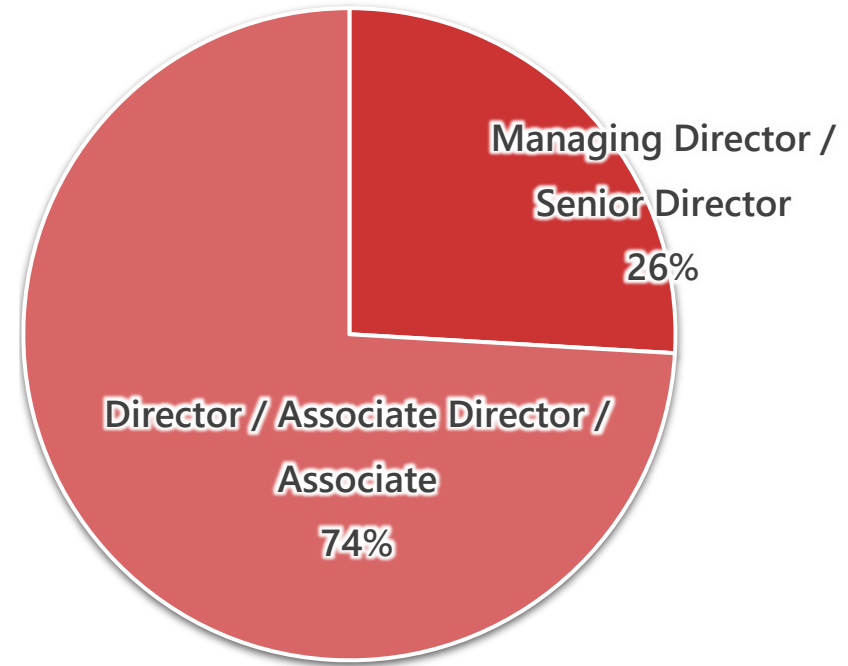
- Recruited more high talented professionals (Managing Directors / Senior Directors) in FY2021 to strengthen the organizational functions.

Recruitment by Position

FY2020



Up to August FY2021 (including offered)

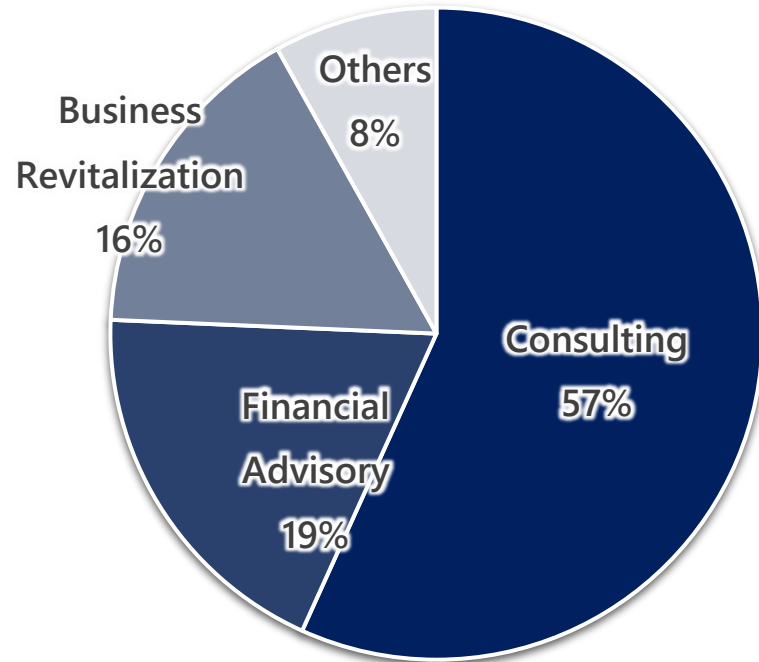


Recruitment by Segment

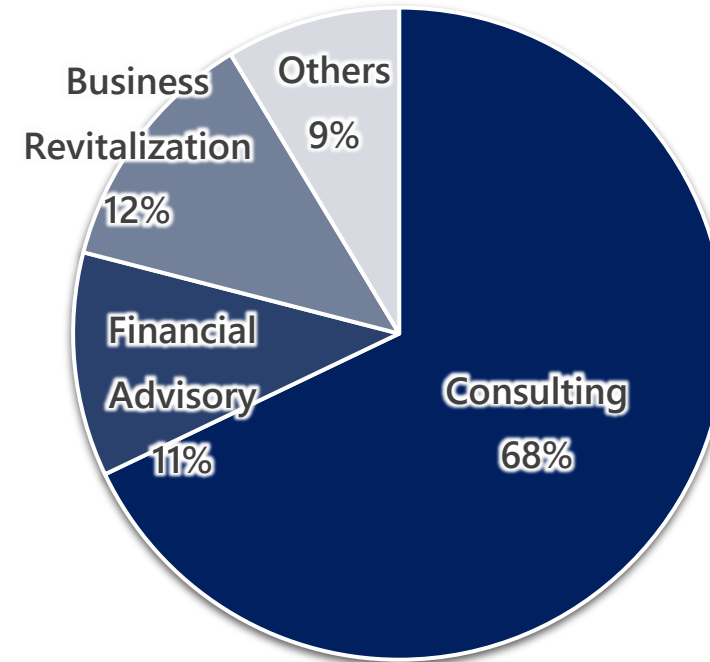
- Focus on recruitment of consulting departments where business is in growth trends.

Recruited

FY2020



Up to August FY2021 (including offered)



Industrial Coverage Expansion

-Hidetoshi Shioda and Kazuhiro Harada as senior analysts in the Industrial Research Department to expand industrial coverage.

Technology	Electronic Devices / Material	Retail	Energy / Utility
<ul style="list-style-type: none"> ■ AV equipment ■ FPD ■ Car electronics ■ Home Appliances ■ Game machine 	<ul style="list-style-type: none"> ■ Electronic parts ■ Electronic materials ■ High-tech trading company ■ Electric storage/ Natural energy ■ Auto parts ■ EMS 	<ul style="list-style-type: none"> ■ Department store ■ Convenience store ■ Retail specialty stores ■ GMS/SM ■ Apparel ■ E-commerce 	<ul style="list-style-type: none"> ■ Electricity ■ LP Gas ■ Trading Company ■ City Gas ■ Petroleum ■ Chemical
<p>Hitoshi Kuriyama Head of Industry Research Division Hitoshi Kuriyama has consistently served as a technology analyst for the past 22 years. He has nearly covered all domestic technology-related entities including those of the consumer-electronics, general electrical, electronic parts, precision equipment and game industries. He has also researched upstream technology industries such as lifestyle-related industries and electronic materials. Since 1994, he has continued to maintain the top 3 spot in analyst rankings both in Japan and overseas.</p>	<p>Tomohiro Murata Managing Director, Industry Research Division Tomohiro Murata has been an industrial analyst for the past 17 years. He has researched telecommunications equipment, semiconductors, semiconductor-manufacturing equipment, the software industry and electronic parts. He has always been at the top of various rankings including first place in the 2001 Nikkei Analyst Ranking.</p>	<p>Taketo Yamate Managing Director, Industry Research Division Taketo Yamate joined Warburg Dillon Read LLC (now UBS Securities Japan Co., Ltd.) in 1999, and was appointed as a senior analyst in charge of the retail sector of the stock research department in 2003. In 2010, he was transferred to Credit Suisse Securities LLC, working concurrently as an analyst in charge of the retail sector and as a research group leader for consumer-related industries. He joined Frontier Management Inc. in 2017.</p>	<p>Hidetoshi Shioda Senior Analyst, Industry Research Division Hidetoshi Shioda Joined Frontier Management after working at Nomura Research Institute, Ltd., Nomura Securities Co., Ltd., Mizuho Securities Co., Ltd., SMBC Nikko Securities Co., Ltd., Circle Cross Corporation, and so forth. He consistently engaged in analyst business related to the energy sector for more than 20 years. Surveys sub-sectors such as electricity, city gas, LP gas, oil and natural gas development, oil refining and primary distribution, trading companies, and chemicals. He won first place in the Starmine Analyst Awards in 2008, 2010 and 2013. Served as a member of the Advisory Committee for Natural Resources and Energy of the Ministry of Economy, Trade and Industry.</p>
Media / Entertainment	Cosmetics and Toiletries / Healthcare	Real Estate / Construction	Steel / Non-ferrous metal
<ul style="list-style-type: none"> ■ Advertising ■ Game ■ Animation ■ Broadcast ■ Movie ■ Internet 	<ul style="list-style-type: none"> ■ Cosmetics ■ Medical Devices ■ Medical and Healthcare Services ■ Toiletries 	<ul style="list-style-type: none"> ■ Real estate ■ Construction ■ Housing 	<ul style="list-style-type: none"> ■ Iron and steel (blast furnace, electric furnace, special steel) ■ Iron and steel trading company ■ Non-ferrous smelting ■ Electric wire
<p>Soichiro Fukuda Senior Analyst, Industry Research Division For the past 18 years, Soichito Fukuda has consistently been involved in the entertainment industry both as an analyst and as a member of a business corporation. Additionally, he has done research on the media industry, the Internet industry and the IT services industry.</p>	<p>Atsumi Miura Senior Analyst, Industry Research Division Atsumi Miura was engaged in the cosmetics/toiletries sector and the healthcare sector for 19 years until 2009. She then joined Deloitte Touche Tohmatsu LLC and gave advice on cross-border offerings, consultations based on financial analysis and IR consultation services. She joined Frontier Management Inc. in 2019. She was ranked first in the cosmetics / toiletries sector in the 2005 and 2006 analyst rankings of The Economist.</p>	<p>Toshihiko Okino Senior Analyst, Industry Research Division For 26 years, Toshihiko Okino consistently researched companies in the real estate, housing and construction sectors. For 12 consecutive years, from 2004 to 2015, a survey by Institutional Investor ranked him No.1 among analysts in the housing and real estate sectors. A survey by Nikkei Veritas also ranked him No.1 among analysts in the housing and real estate sectors for 14 consecutive years, from 2003 to 2016, as well as in 2018.</p>	<p>Kazuhiro Harada Senior Analyst, Industry Research Division Joined Frontier Management Inc. after working at Credit Suisse Trust Bank, Deutsche Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., and SMBC Nikko Securities Co., Ltd. For 34 years, he has consistently engaged in analyst businesses on the sell side and the buy side. In the Nikkei Veritas analyst ranking, continued to rank top 3 for 12 years from 2005 to 2016 in charge of the steel, non-ferrous metal, and wire industries. Since 2017, in charge of small-and medium-sized stocks and engaged in surveys of the service industries.</p>



Senior analyst
 Industrial Research Dept.
HIDETOSHI SHIODA



Senior analyst
 Industrial Research Dept.
KAZUHIRO HARADA

New Business Progress

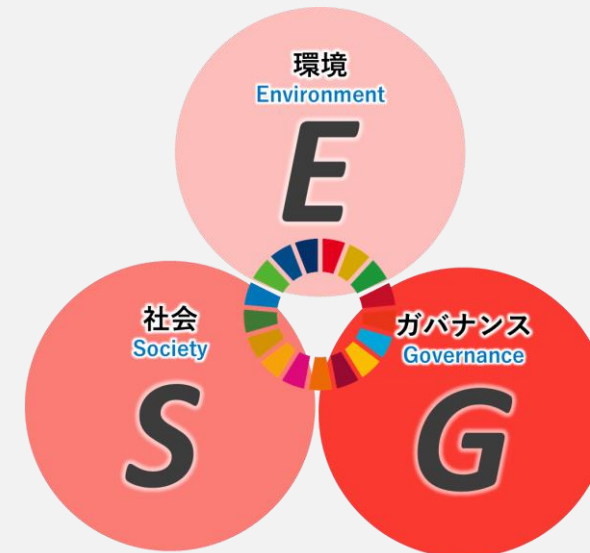
Digital Strategy Businesses

- Expansion of the Digital Strategy Office
 - Built a team of 10 members with fruitful experience in DX.
- Projects acquired in FY2021
 - Support for system development at major department stores.
 - Support for the implementation of DX programs at major retailers.
 - Dispatch of CDOs (Chief Digital Officer) to healthcare-related service companies.

DX
Digital Transformation

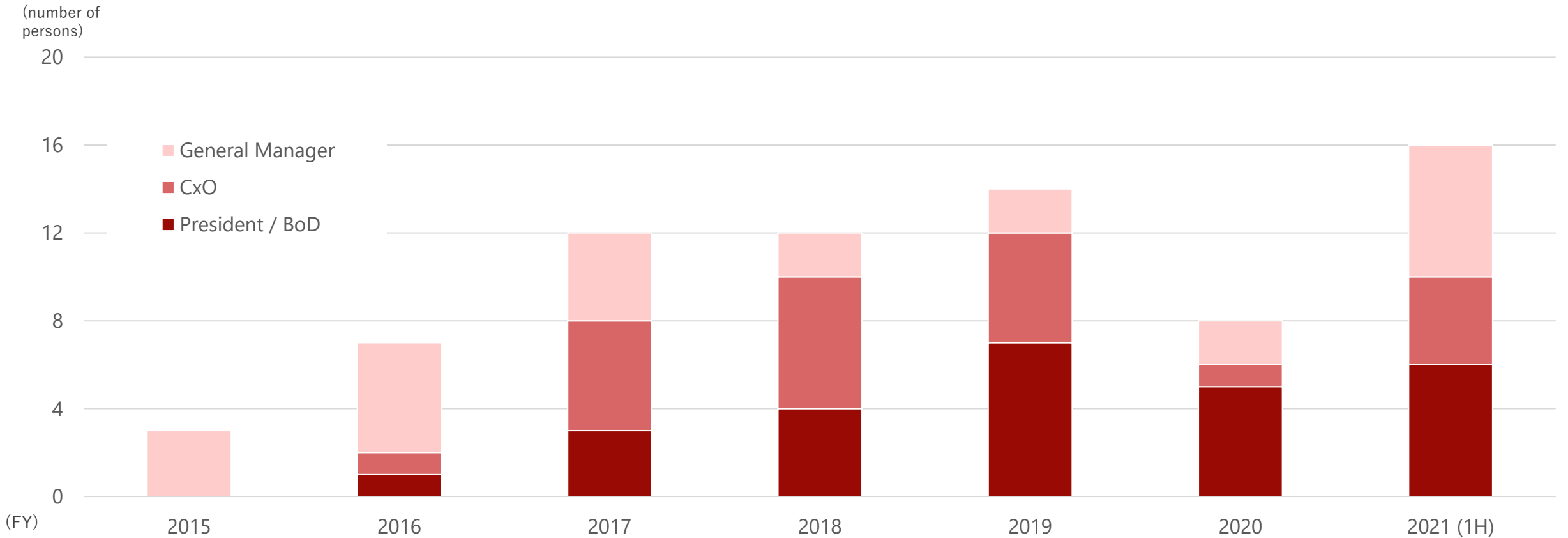
SR/IR Business

- Projects acquired in FY2021
 - Support for SDGs/ESG promotion at restaurant companies.
 - Support for IR measures and medium-term plan formulation for apparel companies.
- Projects with inquiries in FY2021
 - Support for ESG disclosure at hair care companies.
 - Support for ESG strategy formulation and SR consulting at manufacturers.



Increase in Management Personnel Dispatch

- Increasing the results of management personnel dispatch.
- Temporary decreased in FY2020 (due to a decrease in face-to-face opportunities by the impact of COVID-19).



Launch of Consulting Business with Capital

- Established the Investment Business Promotion Office to invest in client companies where that are provided management execution support.
- Increase opportunities to acquire long term projects and commit to increase corporate value of investees.

Establish the Investment Business Promotion Office

Management Execution Support Division

Head: Akitoku Nishida, Managing Executive Officer

Investment Business Promotion Office

- Newly established as of August 12, 2021.
- Implement the consulting business with capital.

CxO dispatch and financial support

Frontier Management

Consulting
CxO dispatch
Financial support

Clients

Headquarters

Subsidiaries

Initiate new business
Realize growth and revitalization

M&A Deals in FY2021 2Q

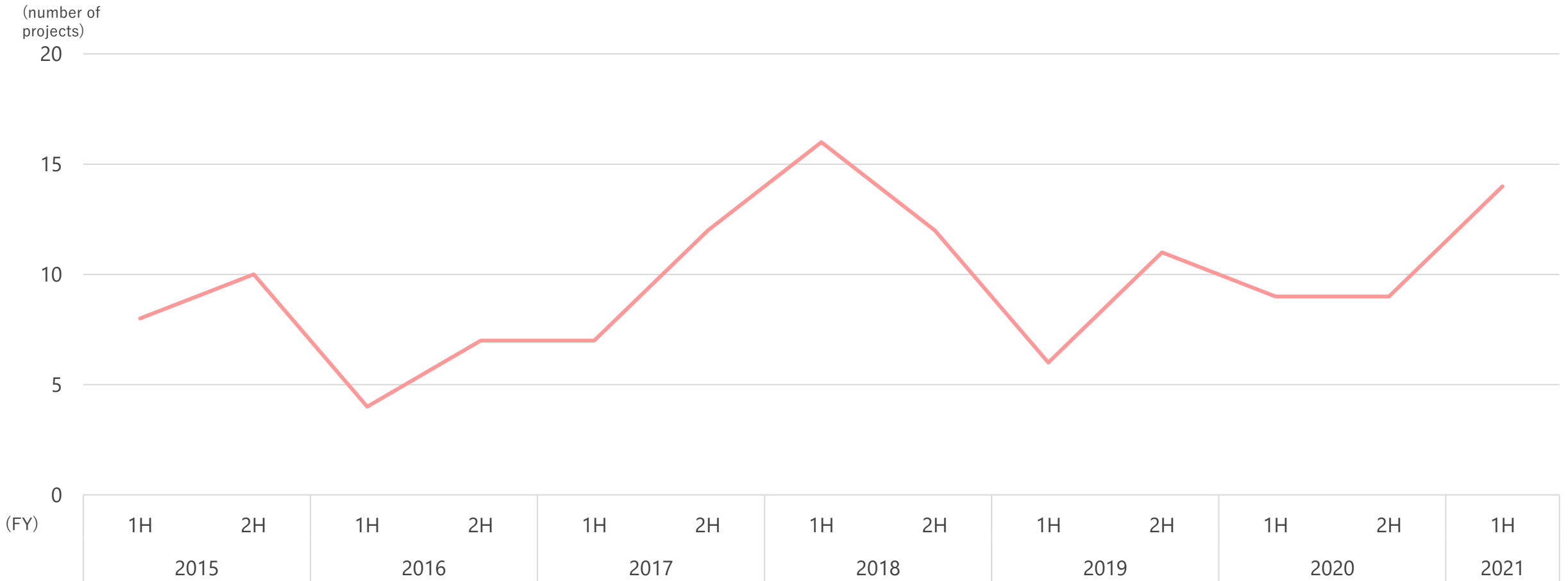
- Increase in advisory services related to third-party allotment of new shares due to severe environment and projects supported by funds and financial institutions.

No.	Month	Buyer	Seller	Summary	Characteristics
①	April	Advantage Partners Co., Ltd.	The Longreach Group Inc. / Via Mechanics, Ltd	FA services related to Advantage Partners' acquisition of Via Mechanics owned by the Longrach Group	
②	April	Hitachi, Ltd.	Kyoto Robotics Corporation	FA services related to the acquisition of Kyoto Robotics by Hitachi	
③	April	AFC-HD AMS Life Science Co., Ltd.	Saikaya Co., Ltd.	FA-services related to third-party allotment by Saikoya to AFC-HD AMS Life Science	COVID-19, retail
④	May	Kintetsu Group Holdings, Inc./ (same) Akari/ (same) Matsukazu	KNT-CT Holdings Co., Ltd.	FA services related to third-party allotment of class shares by KNT-CT Holdings to Kintetsu Group Holdings and to each LLC funded by Mitsubishi UFJ Bank and Sumitomo Mitsui Banking Corporation	COVID-19, retail
⑤	May	Shin-Etsu Polymer Co., Ltd.	Showa Denko Materials Co., Ltd./Kitchenista Co., Ltd. (planned)	FA services related to the acquisition of a newly established company taking over the food wrapping film business of Showa Denko Materials by Shin-Etsu Polymer	
⑥	June	RKD Encollege Fund Investment Limited Liability Partnership, and other 7 parties	amana inc.	FA services related to third-party allotment of class shares by amana to the funds invested by the Resona Bank and the Development Bank of Japan	

Red: Companies where we advised

M&A Results Posted at Website

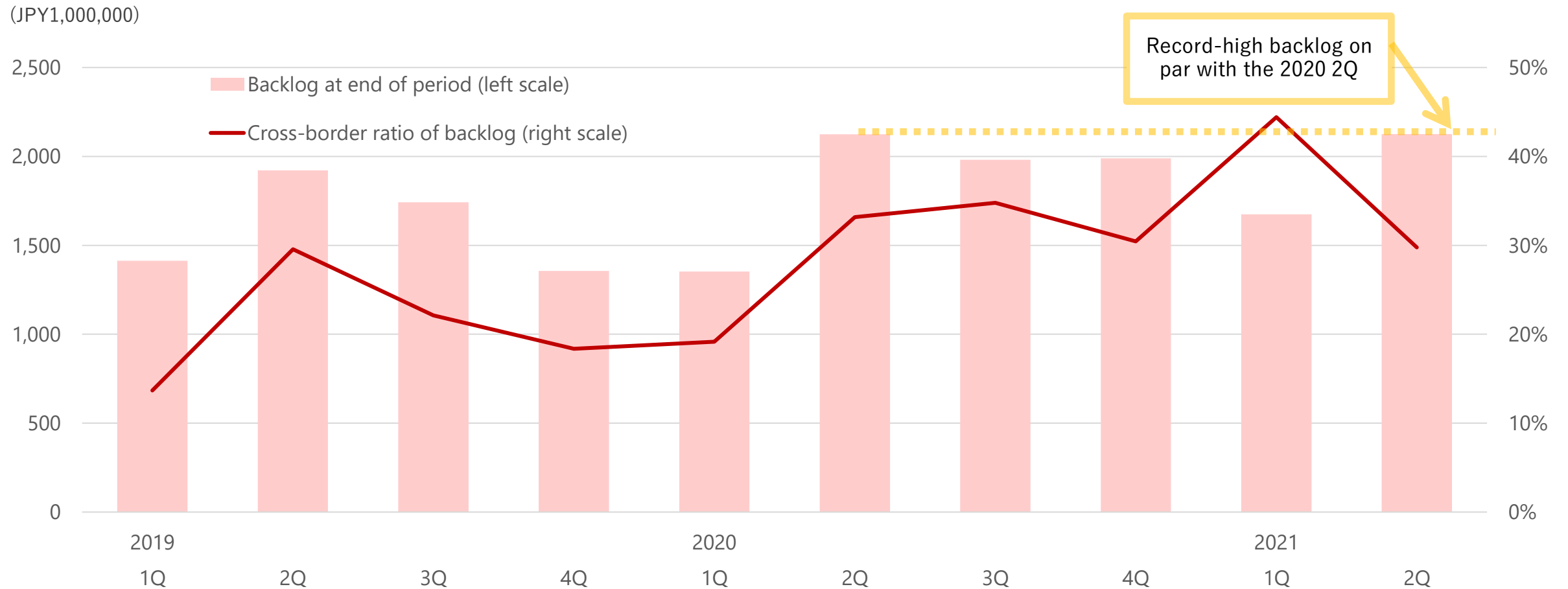
- Achieved at the record level in FY2021 1H as a result that numerous medium-sized M&A deals closed.



Source: Our website

Financial Advisory Business Backlog

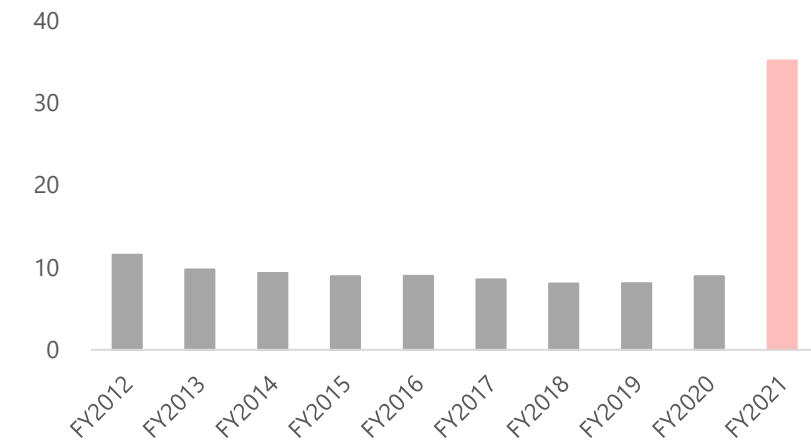
- Record-high backlog in FY2021 2Q.
- Cross-border ratio is on uptrend, so lead time is prolonged.



Revitalization Projects Status

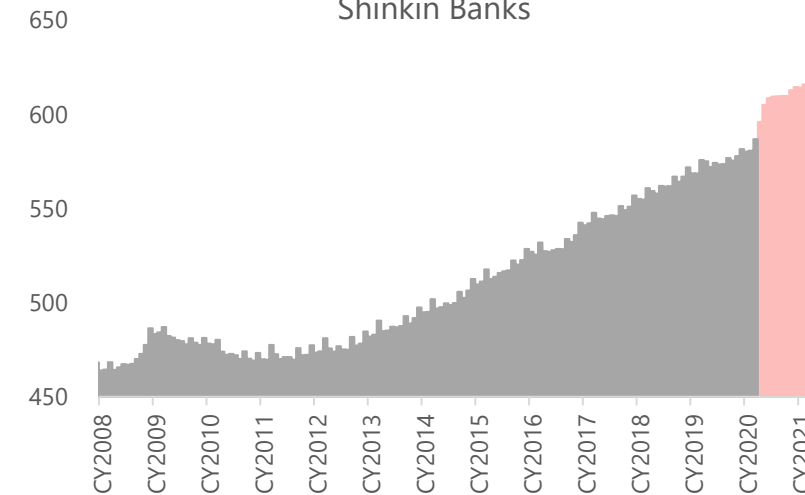
- Credit guarantees by government-affiliated financial institutions surged, and bank lending surged. Resulted ample cash flow for companies.
- Business revitalization projects have been unlikely to occur, and lead times lengthened.
- The sharp increase in revitalization projects expected at the beginning of this fiscal year for financial institution referrals has not yet occurred.

(Trillions of yen)
Trends in Credit Guarantees by Government-Affiliated Financial Institutions



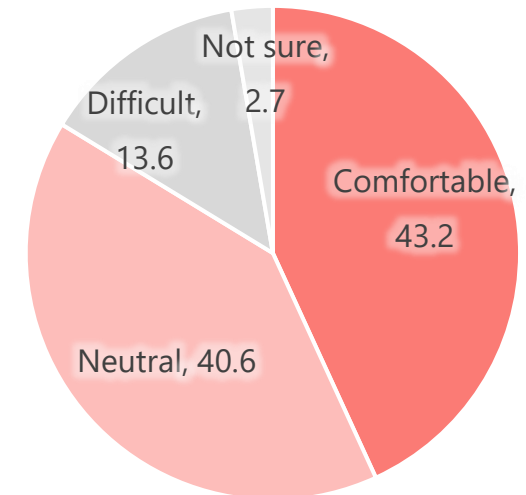
Source: National Federation of Credit Guarantee Corporations

(Trillions of yen)
Trends in Loans Outstanding by Banks and Shinkin Banks



Source: Bank of Japan

Companies' Cash Position (as of March, 2021)

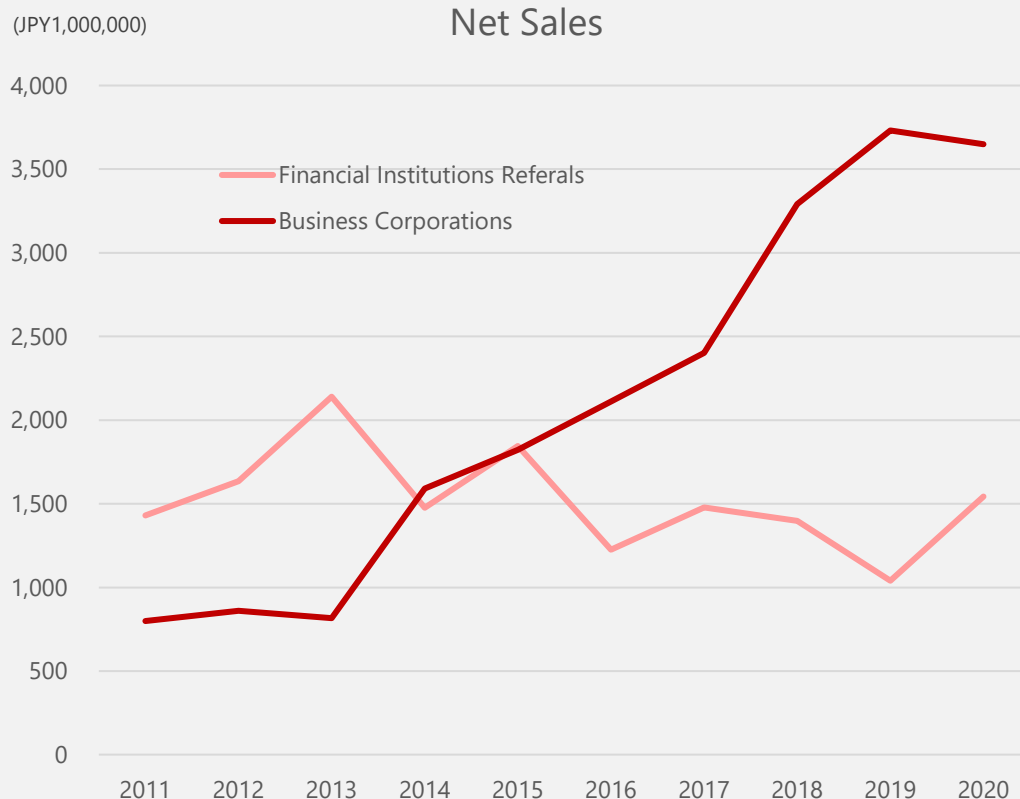


Source: Teikoku Databank, April 14, 2021
"Company Awareness Survey on Business Forecasts for FY2021"

Invite Deputy President and Strengthen Corporations Sales Capabilities

- Form a new sales team to further strengthen corporate sales (including funds) that have driven our growth in recent years.
- Invite Mr. Komori, who is familiar with corporate sales. as deputy president and executive officer in August 2021.

Corporations Sales Trend



Invite Deputy President

Deputy President and Executive Officers
Tadaaki Komori



Sumitomo Bank, Ltd.

1985 Entered in 1985
1989-1996 Transferred to London, U.K.

Sumitomo Mitsui Banking Corporation

2003-2004 Transferred to London, U.K.
2006-2013 Head of Financial Sponsor Dept, Corporate Advisory Div.
2013-2016 Head of Corporate Sales Dept at Yokohama
(Appointed as Vice President in 2015)
2016-2017 Vice President, Deputy Head of Corporate Advisory Div.

SMBC Nikko Securities Co., Ltd.

2017-2018 Executive Officer, Head of Corporate Business Div.
2018-2019 Managing Executive Officer, Head of Investment Banking Div.
2019-2020 Managing Executive Officer, Head of M&A Advisory Div.
2020-2021 Managing Executive Officer, Deputy Head of Wholesale Business
Head of M&A Advisory Div.

Sumitomo Mitsui Financial Group, Inc.

2020-2021 Managing Executive Officer, Deputy Head of Wholesale Business

Compliance with New Market Segment (Prime Market)

- Received a notification from the Tokyo Stock Exchange and confirmed the compliance with the listing maintenance standards for the new market segment.
- In the future, proceed with the application in accordance with the schedule provided by the Tokyo Stock Exchange after a resolution of the Board of Directors regarding the selection of new market segment.



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Section 3

Corporate Profile



Background of Establishment



Representative Director
Shoichiro Onishi

- After registering as an attorney, joined the law firm of Okuno & Partners Law Office and appointed as a partner in 1997.
- Engaged in the corporate reorganization proceedings of Japan Lease, Life Co., Ltd., and The Taisei Fire & Marine Insurance Co., Ltd. as an acting trustee or other capacity.



Joined



Representative Director
Masahiro Matsuoka

- After working at Nomura Research Institute, Ltd. and Barclays Bank PLC, joined UBS Securities Japan Ltd, and was subsequently appointed concurrently as Head of Equity Research and Managing Director in 1999.
- Activities as a securities analyst with a focus on the retail industry more than 10 years.



Joined

IRCJ Industrial Revitalization Corporation Japan

Engaged in Mitsui Mining Co.'s business turnaround project as an auditor and Kanebo, Ltd. and The Daiei, Inc.'s turnaround project as a director.

Engaged in the turnaround projects of Kanebo, Ltd. and The Daiei, Inc. as a director.

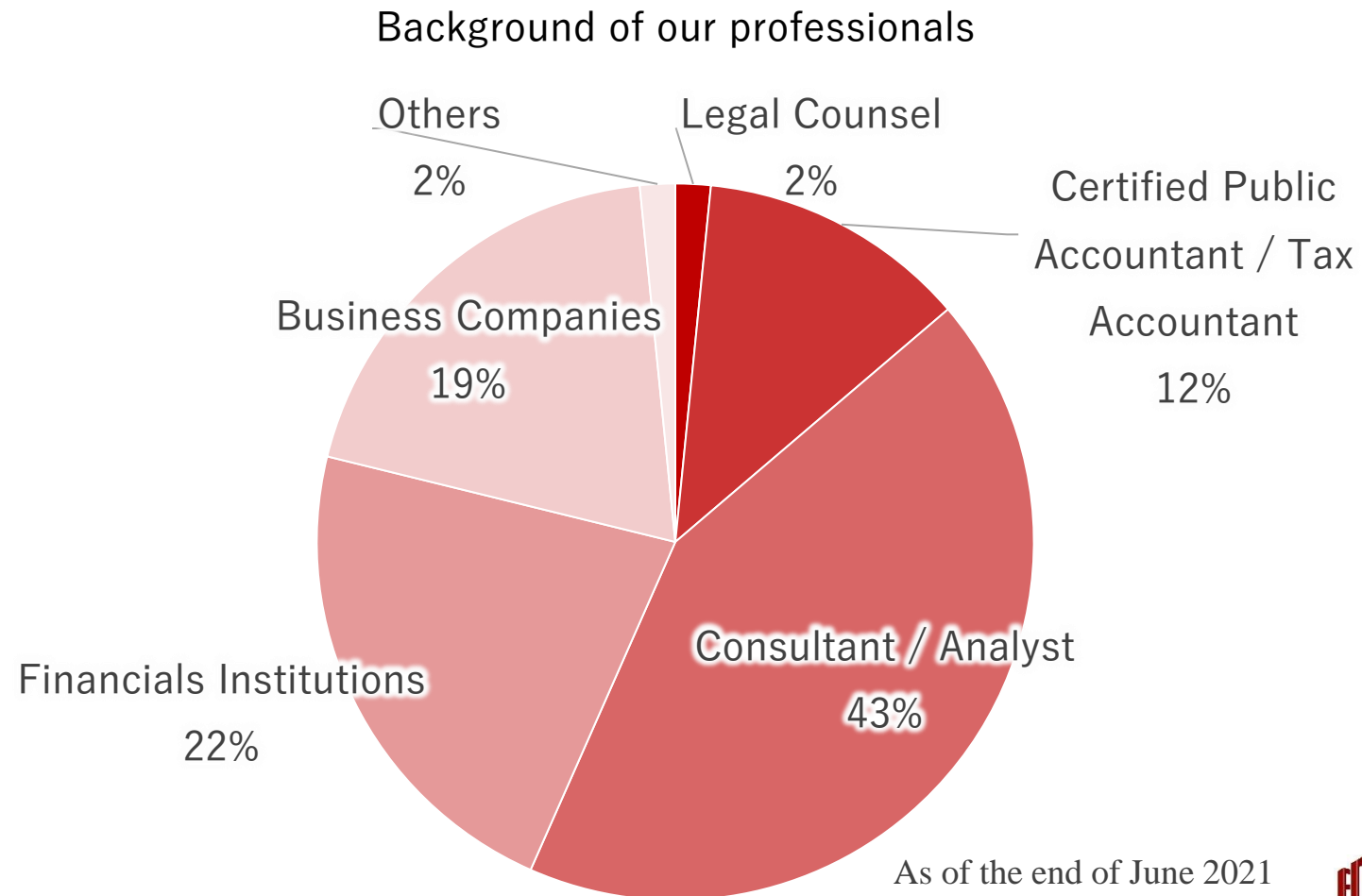
Jointly established in 2007



FRONTIER MANAGEMENT INC.

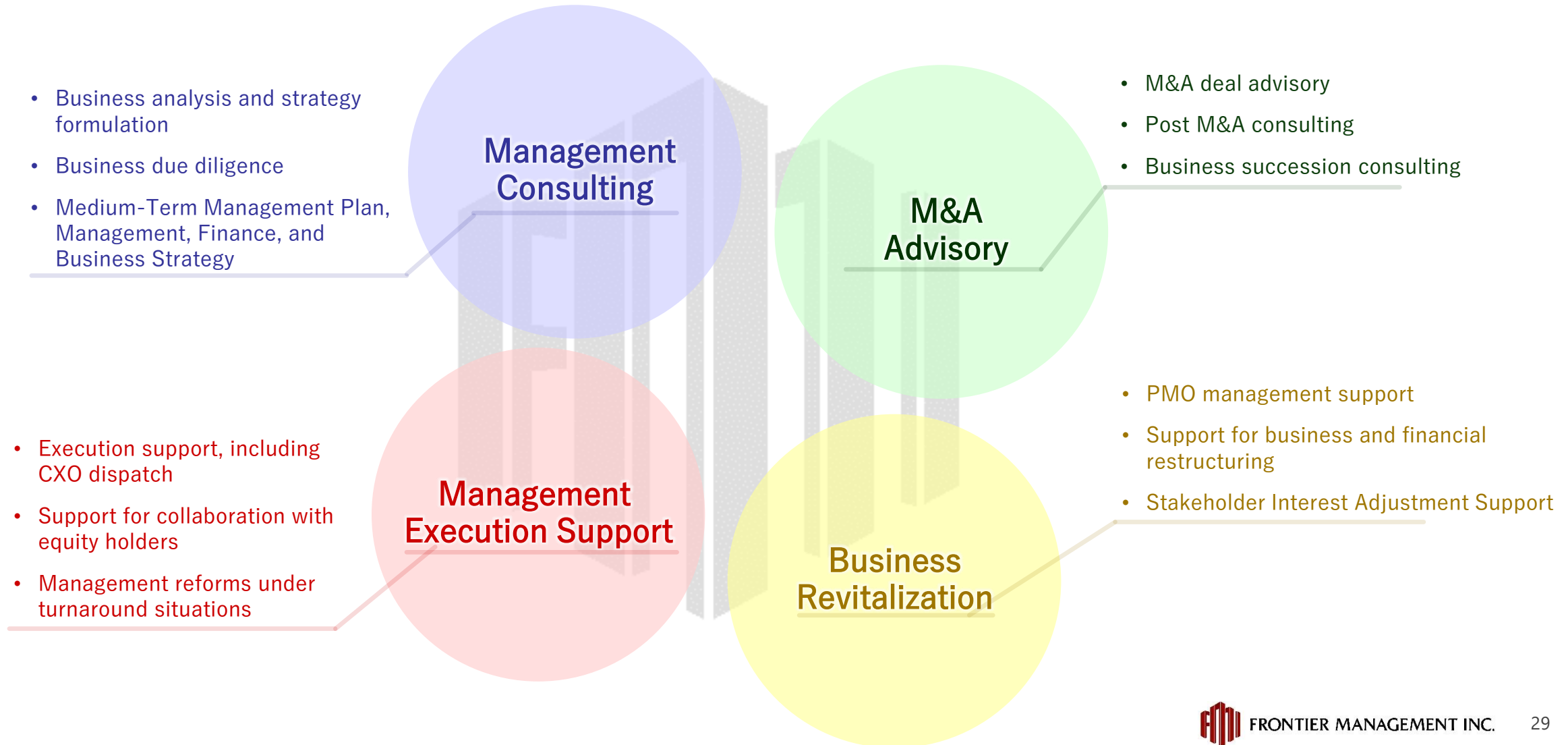
Vision

- Contribute to enhancing corporate value and building a sustainable society by gathering wisdom from around the world and solving complex corporate issues as a group of experts with diverse backgrounds.



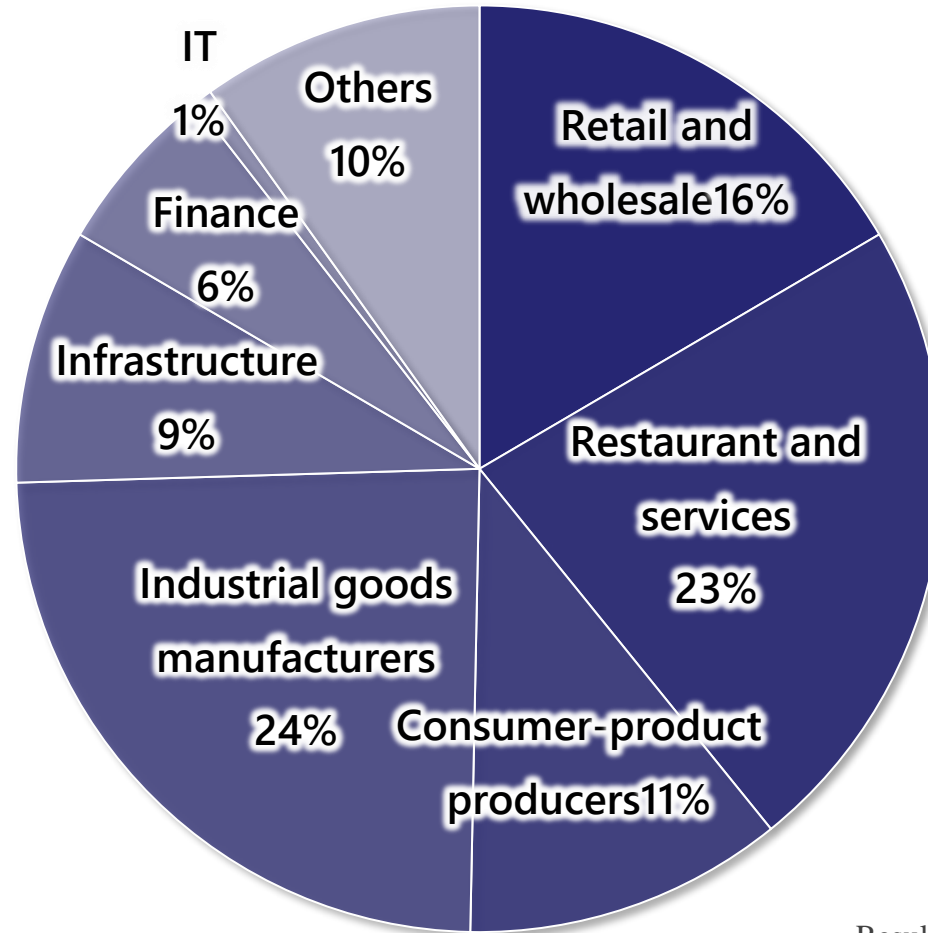
Business

- Providing a wide range of services in response to corporate issues at all stages.

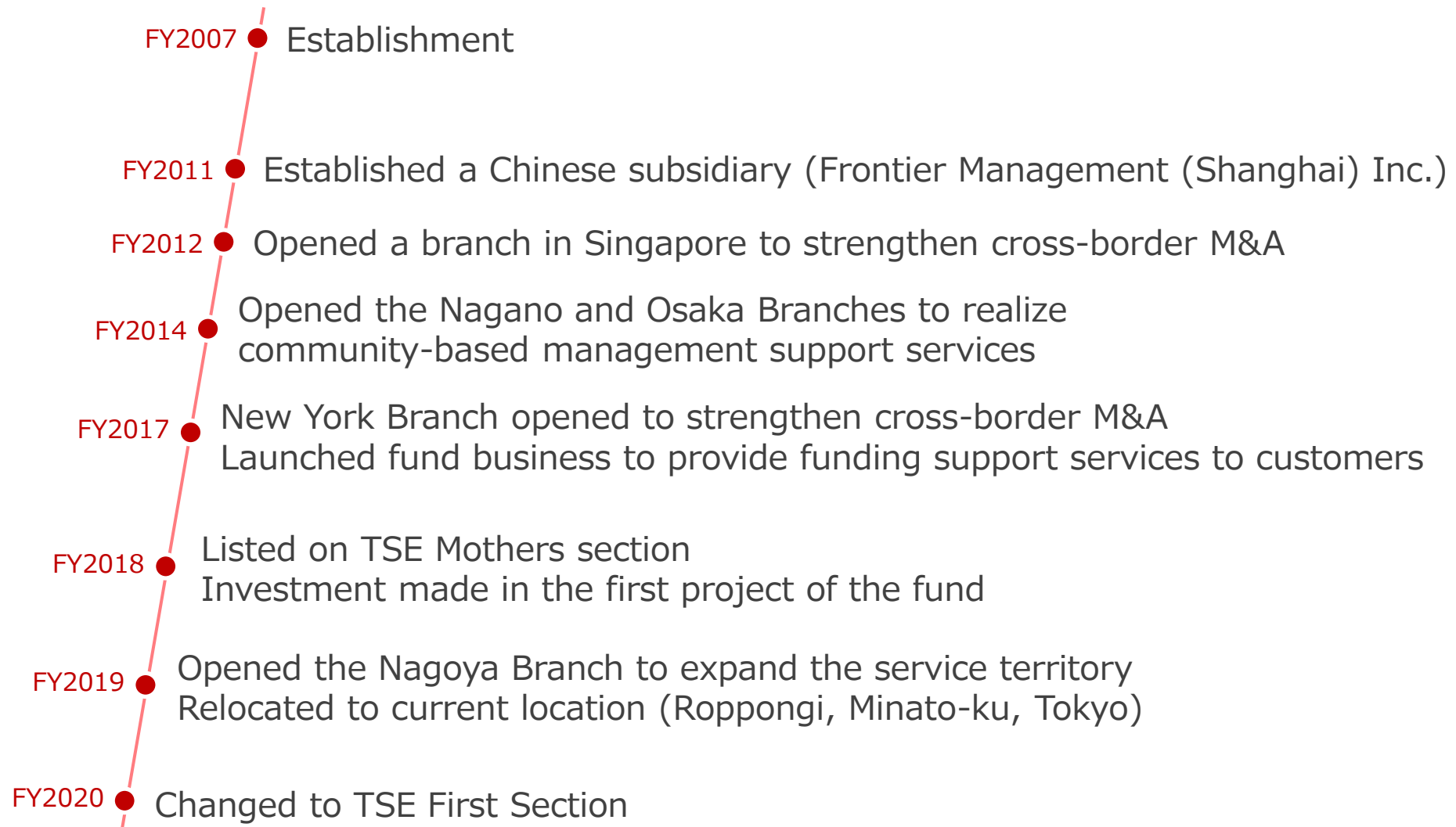


Customer Segments

- Provide services to diverse industries.



History



Board of Directors and Organizational Chart



代表取締役
大西 正一郎
SHOICHIRO ONISHI



代表取締役
松岡 真宏
MASAHIRO MATSUOKA



取締役
高橋 義昭
YOSHIAKI TAKAHASHI



社外取締役
大杉 和人
KAZUHITO OSUGI



社外取締役
鵜瀬 恵子
KEIKO UNOTORO

Representative Director

Corporate Strategy Department

Management Consulting Department

Management Execution Support Department

Financial Advisory Department

Industrial Research Department

Business Development Department

Company Strategy Department



Contributions to the benefit of clients

- We work for the benefit of our clients by enhancing corporate value.

Contributions to the benefit of stakeholders

- By offering well balanced solutions, we work for the benefit of business owners and managers, employees, business partners, customers, creditors, and other stakeholders.

Contributions to society

- We contribute to society by raising the value (goods & services) provided by our client companies.

Corporate Information

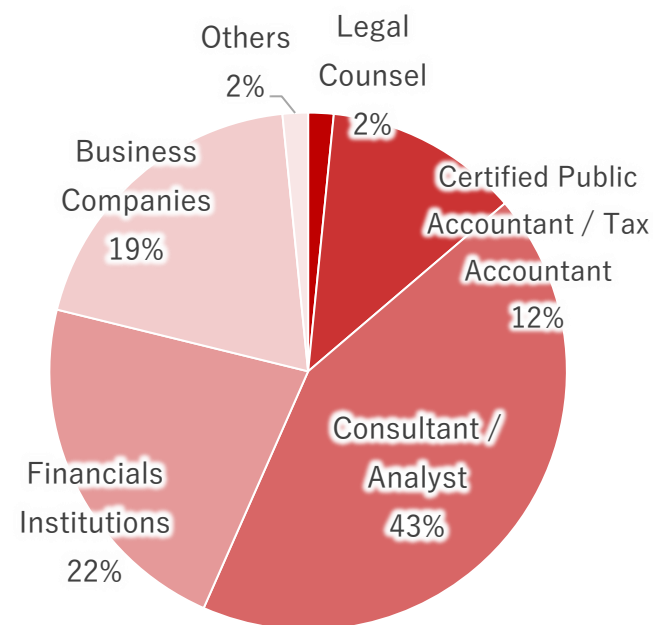
Company Overview

Company Name	Frontier Management Inc.	
Established	January 4, 2007	
Listed	First Section of the Tokyo Stock Exchange (Code Number : 7038)	
Location	Sumitomo Fudosan Roppongi Grand Tower 41F, 3-2-1 Roppongi, Minato-ku, Tokyo	
TEL/FAX	<TEL>+81-3-6862-5180 (general) <FAX>+81-3-6862-8611	
Website	https://www.frontier-mgmt.com	
Officers, etc	Co-president	Shoichiro Onishi
	Co-president	Masahiro Matsuoka
	Director of the Board	Yoshiaki Takahashi
	Outside Director of the Board	Kazuhito Osugi
	Outside Director of the Board	Keiko Unotoro
	Audit & Supervisory (full-time)	Takeshi Umemoto
	Audit & Supervisory (part-time)	Kazuhiko Shimokobe
	Audit & Supervisory (parttime)	Nobumichi Hattori
	Senior Managing Executive Officer	Toshi Mitsuzawa
	Managing Executive Officer	Sumio Nishizawa
	Managing Executive Officer	Akinori Nishida
	Executive Officer	Masaya Yajima
	Executive Officer	Shinji Hikoe
	Executive Officer	Hitoshi Kuriyama
	Executive Officer	Tomohiro Murata
	Executive Officer	Junko Koshino
No. of employees	249(consolidated)	as of end of June 2021
Branch	Osaka, Nagoya, Nagano, Singapore, New York	
Group Companies	Frontier Management (Shanghai) Inc. (Wholly owned)	
Associated company	FCD Partners Inc.	

Business Activities

1. Management Consulting
2. M&A Advisory
3. Management Executive Support
4. Business Revitalization Support

Professional Composition Ratio



As of end of June 31

- ✓ The Company has experts in fields associated with business management: business, finance, accounting, tax practice, and law. (1) attorneys at law, accountants, and tax attorneys, (2) consultants and industry analysts, and (3) persons involved in investment banking and business management, and others.
- ✓ We form the best team of experts in accordance with each company's business challenges and propose solutions from a comprehensive perspective.

Handling of this material

- This document contains forward-looking statements, plans for the future, and management objectives related to us. These forward-looking statements are based on current assumptions about future events and trends, and there can be no assurance that such assumptions will always be accurate. A number of factors could cause actual results to differ materially from those described in this document. Forward-looking statements such as earnings forecasts and other projections contained in this release are based on information available at this time and assumptions that management believes to be reasonable, and do not constitute guarantees of future performance. Actual results may differ materially from those expectations due to various factors.
- Unless otherwise indicated, the financial data presented herein is presented in accordance with accounting principles generally accepted in Japan.
- Regardless of the occurrence of future events, we will not necessarily revise the forward-looking statements that have already been made, except as required by disclosure rules.
- Information about companies other than ours relies generally on publicly available information.



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