



## Consolidated Financial Results for the 3Q of the Fiscal Year Ending December 31, 2021 [Japanese GAAP]

November 12, 2021

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 Scheduled date to file Quarterly Securities Report November 12, 2021 Scheduled date of commencement of dividend payment -

Preparation of supplementary material on

quarterly financial results: Yes

Quarterly results briefing: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen.)

### 1. Quarterly consolidated results for FY2021 3Q (January 1, 2021-September 30, 2021)

#### (1) Consolidated Operating Results (Cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	JPY Mil.	%	JPY Mil.	%	JPY Mil.	%	JPY Mil.	%
FY2021 3Q	3,892	11.4	76	△34.6	85	△21.7	49	△30.5
FY2020 3Q	3,495	11.1	116	△12.8	109	△23.7	71	96.6

(NOTE) Comprehensive income FY2021 3Q 47JPY Mil. (△33.7%) FY2021 2Q 71JPY Mil. (84.9%)

	Net income per share	Fully diluted net income per share
	JPY	JPY
FY2021 3Q	4.34	4.28
FY2020 3Q	6.27	6.12

(NOTE) We conducted a 2-for-1 stock split on January 1, 2021. Calculations of "Quarterly net income per share" and "Diluted net income per share" are based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

#### (2) Consolidated Financial Position

	Total assets	Net Asset	Equity ratio
	JPY Mil.	JPY Mil.	%
End of FY2021 3Q	2,923	2,140	72.2
End of FY2020	3,792	2,448	64.6

Reference: Shareholders' equity FY2021 3Q 2,109JPY Mil. End of FY2020 2,448JPY Mil.

### 2. Dividend Status

	Yearly dividend				
	End of 1Q	End of 2Q	End of 3	End of period	Total
	JPY	JPY	JPY	JPY	JPY
FY2020	-	0.00	-	24.00	24.00
FY2021	-	0.00	-	-	-
FY2021 (forecast)	-	-	-	-	-

(NOTE) 1. Revisions to the most recently announced dividend forecasts: None

2. We plan to pay a dividend for the fiscal year ending December 31, 2021, but we have not yet determined the expected amount.

3. We conducted a 2-for-1 stock split on January 1, 2021. The actual amount of dividends for the fiscal year ending December 31, 2020 is before the stock split.

3.Forecasts for FY2021 (January 1, 2021 to December 31, 2021)

(Percentages indicate year-on-year changes.)

Full Year	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	JPY Mil.	%	JPY Mil.	%	JPY Mil.	%	JPY Mil.	%	JPY
	5,700	9.8	500	△13.9	510	△11.4	340	△19.1	29.81

(NOTE)Revisions to the most recently announced earnings forecasts: Yes

※ Notes

(1) Changes in significant subsidiaries during the quarter (changes in specified subsidiaries accompanied by changes in the scope of consolidation): None

(2) Adoption of special accounting methods for preparing quarterly consolidated financial statements: None

(3) Changes in accounting policies and changes or restatement of accounting estimates

① Changes in accounting policies due to revisions to accounting standards, etc.: None

② Changes in accounting policies other than ①: None

③ Changes in accounting estimates: None

④ Restatement of revisions: None

(4) Number of shares of common stock outstanding

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

FY2021 3Q	11,418,398Shares	FY2020	11,555,800Shares
FY2021 3Q	25,080Shares	FY2020	63,080Shares
FY2021 3Q	11,408,082Shares	FY2020 3Q	11,374,316Shares

② Number of treasury stock at the end of the period

③ Average number of shares during the period (quarterly consolidated cumulative period)

(NOTE)We conducted a 2-for-1 stock split on January 1, 2021. The numbers of the above ①, ② and ③ during the period are calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

※ Quarterly financial results are not subject to quarterly review by certified public accountants or auditing firms.

※ Explanations and other special notes concerning the appropriate use of business performance forecasts

(Cautionary Statement with Respect to Forward-Looking Statements)

The earnings forecasts and other forward-looking statements herein are based on information currently available to us and certain assumptions that we believe to be reasonable, and are not intended to guarantee the achievement of the forecasts.

Actual results may differ materially from the forecast depending on a range of factors. Please refer to "1. Overview of Quarterly Financial Results, (3) Future Outlook" on page 3 of the attached material for the assumptions underlying the forecasts and notes on the use of the forecasts.

○Accompanying Materials - Contents

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## 1. Overview of Quarterly Financial Results

### (1) Operating Results

During the 3Q of the current fiscal year (from January 1, 2021 to September 30, 2021), Japanese economy continued to face severe conditions due to the impact of the new coronavirus infectious disease (COVID-19). The outlook is uncertain, as the global energy price is rising and there are concerns about the negative impact on the economy, although vaccination will progress, infectious diseases will be resolved and economic activities will be normalized.

Under such a business environment, our Group continued to focus on proposals aimed at resolving corporate issues in an integrated manner by providing comprehensive services that leverage management consulting, financial advisory, revitalization support, and other functions.

As a result of the above, our Group's financial results for the 3Q of the fiscal year were favorable in the Management Consulting Business, and net sales were JPY3,892,955 K (up 11.4% from the same period of the previous fiscal year). In addition, personnel expenses increased significantly due to the aggressive recruitment that has been ongoing since last fiscal year. As a result, operating income was JPY76,217 K (down 34.6%), ordinary income was JPY85,983 K (down 21.7%), and net income attributable to owners of parent was JPY49,586 K (down 30.5%).

Operating results by segment are as follows.

#### < Management Consulting Business >

Net sales were JPY2,254,006 K (up 32.5%). The positive effect of aggressive recruitment was realized, the continual large-scale client projects also contributed, and the smooth launch of Digital Strategy Office, which was established during the fiscal year, resulted in a significant increase.

#### < Financial Advisory Business >

Net sales were JPY1,066,068 K (up 4.4%). Cross-border M&A deals still continued to be in a difficult situation.

#### < Revitalization Support Business >

Net sales were JPY509,073 K (down 30.3%). Demand for revitalization support had been expected to expand due to the impact of COVID-19. However, many companies have not faced a tight cash position due to the continual emergency loans to companies by financial institutions despite the deterioration in business performance. Demand has not expanded more than expected. As a result, net sales decreased compared with the same period of the previous fiscal year.

#### < Other Business >

Net sales were JPY63,807 K (up 49.7%).

### (2) Financial Position

#### <Assets>

The Group's assets at end of the 3Q of the current fiscal year were JPY2,923,681 K, decreased JPY869,049 K from the end of the previous fiscal year (JPY3,792,731 K).

This was mainly due to decreases of JPY628,717 K in cash and deposits, and JPY195,923 K in notes and accounts receivable-trade.

#### <Liabilities>

The Group's liabilities at end of the 3Q of the current fiscal year were JPY783,597 K, decreased JPY560,535 K from the end of the previous fiscal year (JPY1,344,132 K).

This was mainly due to a decrease of JPY213,829 K in income taxes payable, a decrease of JPY153,930 K in provision for bonuses, a decrease of JPY62,777 K in accounts payable-other, and a decrease of JPY104,138 K in other current liabilities mainly due to a decrease in accrued consumption taxes.

#### <Net assets>

The Group's net assets at end of the 3Q of the current fiscal year were JPY2,140,084K, decreased JPY308,514 K from the end of the previous fiscal year (JPY2,448,598 K),

This was mainly due to an increase of JPY49,586 K in net income attributable to owners of parent, which was partially offset by a decrease in dividends of JPY137,912 K from retained earnings and the purchase of treasury stock of JPY270,080 K.

(3)Future Outlook

The consolidated earnings forecast announced on February 9, 2021 is revised. For details, please refer to the "Notice of Revision of Consolidated Earnings Forecast " announced today (November 12, 2021).

## 2. Quarterly Consolidated Financial Statements

### (1) Balance Sheets

(Thousands of yen)

	The previous fiscal year (As of December 31, 2020)	The 3Q of current fiscal year (As of September 30, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	1,899,100	1,270,382
Notes and accounts receivable	962,644	766,721
Operational investment securities	1,364	957
Others	146,795	153,502
Allowance for doubtful accounts	△15,633	△15,139
Total current assets	2,994,271	2,176,424
Fixed assets		
Tangible assets		
Buildings (net)	198,844	200,407
Tools, furniture, and fixtures (net)	19,951	16,028
Total tangible assets	218,795	216,435
Intangible assets		
Software	11,043	12,322
Others	102	102
Total intangible assets	11,145	12,424
Investments and other assets		
Investment securities	56,800	56,800
Stocks of subsidiaries and affiliates	37,127	41,852
Lease deposits	211,126	212,027
Deferred tax assets	224,236	189,086
Others	39,228	18,630
Total investments and other assets	568,518	518,396
Total fixed assets	798,459	747,257
Total assets	3,792,731	2,923,681

(Thousands of yen)

	The previous fiscal year (As of December 31, 2020)	The 3Q of current fiscal year (As of September 30, 2021)
<b>Liabilities</b>		
Current liabilities		
Accounts payable	59,407	32,225
Accounts payable-other	147,912	85,134
Income taxes payable	228,587	14,757
Provision for bonuses	505,736	351,806
Provision for directors' bonuses	1,000	-
Provision for shareholder benefit program	-	2,319
Others	319,230	215,092
Total current liabilities	1,261,874	701,335
Fixed liabilities		
Asset retirement obligations	82,257	82,261
Total fixed liabilities	82,257	82,261
Total liabilities	1,344,132	783,597
<b>Net assets</b>		
Shareholders' equity		
Paid-in Capital	163,530	165,127
Capital surplus	835,220	563,277
Retained earnings	1,496,027	1,407,701
Treasury stock	△58,163	△36,575
Total shareholders' equity	2,436,614	2,099,531
Other accumulated comprehensive income		
Foreign currency translation adjustments	11,984	9,967
Total other accumulated comprehensive income	11,984	9,967
Stock acquisition right	-	30,584
Total net assets	2,448,598	2,140,084
Total liabilities and net assets	3,792,731	2,923,681

(2) Statements of Income and Comprehensive Income  
(Statements of Income)  
(3Q Cumulative Period)

(Thousands of yen)

	3Q of previous fiscal year (January 1, 2020 to September 30, 2020)	3Q of current fiscal year (January 1, 2021 to September 30, 2021)
Net sales	3,495,604	3,892,955
Cost of sales	1,466,300	1,587,480
Gross income	2,029,303	2,305,474
Selling, general and administrative expenses	1,912,777	2,229,257
Operating Income	116,526	76,217
Non-operating income		
Interest income	57	96
Equity in earnings of affiliates	5,915	4,724
Insurance dividend income	968	1,125
Income from insurance claim	72	-
Reversal of allowance for doubtful accounts	2,266	493
Foreign exchange gains	-	4,124
Others	3,677	2,649
Total non-operating income	12,958	13,214
Non-operating expenses		
Interest expense	667	1,228
TSE market change expense	17,376	-
Charges for stock compensation	-	1,963
Foreign exchange loss	1,361	-
Others	256	256
Total non-operating expenses	19,661	3,448
Ordinary income	109,823	85,983
Current net income for the quarter before income taxes and minority interests	109,823	85,983
Income taxes	1,006	1,247
Income taxes-deferred	37,423	35,150
Total income taxes	38,430	36,397
Net income	71,393	49,586
Net income attributable to owners of parent	71,393	49,586



(Statements of Comprehensive Income)  
(3Q Cumulative Period)

(Thousands of yen)

	3Q of previous fiscal year (January 1, 2020 to September 30, 2020)	3Q of current fiscal year (January 1, 2021 to September 30, 2021)
Net income	71,393	49,586
Other comprehensive income		
Foreign currency translation adjustments	368	△2,016
Total other comprehensive income	368	△2,016
Quarterly comprehensive income	71,761	47,570
(Comprehensive income attributable to)		
Quarterly comprehensive income attributable to owners of the parent	71,761	47,570
Quarterly comprehensive income attributable to non-controlling shareholders	-	-

(3)Notes to Quarterly Consolidated Financial Statements

(Going Concern)

Not applicable.

(Significant Changes in Shareholders' Equity)

Not applicable.

(Additional Information)

(Accounting Estimate of the Impact of spread of COVID-19)

There have been no material changes in the assumptions described in (additional information) in the previous fiscal year's financial statements in the accounting estimates related to the impact of spread of COVID-19.

(Segment Information)

Previous 3Q (January 1, 2020 to September 30, 2020)

Disclosure is omitted because the business segments of the Group are a single segment.

Current 3Q (January 1, 2021 to September 30, 2021)

Disclosure is omitted because the business segments of the Group are a single segment.