



**FRONTIER
MANAGEMENT
INC.**

FY2021 3Q Financial Results

Ending December 2021

November 12, 2021

Frontier Management Inc.
(TSE First Section Code No. 7038)

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Section 1

FY2021 3Q Financial Results



Summary

- Sales increased 11% due to the successful Management Consulting Business, especially in the retail industry which is one of our strength areas.
- Sales decreased in the Revitalization Support Business, and incomes decreased in the Financial Advisory Business due to the lack of large-scale M&A projects, so the full-year earnings forecast is revised.
- Expenses continued to increase due to aggressive recruitment, which has been strategically ongoing since last year.

(JPY Mil.)

	FY2020 3Q results	FY2021 3Q results	YoY +/-	YoY %	Forecast (as of Nov 12, '21)
Net sales	3,495	3,892	+397	+11%	5,700
Operating income	116	76	-41	-35%	500
Ordinary income	109	85	-24	-22%	510
Net income	71	49	-22	-31%	340

Earnings Forecast Revision

- Management Consulting Business
 - Exceeded forecast due to the positive effects of aggressive recruitment, the continual large-scale client projects, smooth launch of Digital Strategy Office and SR/IR Strategy Office.

- Revitalization Support Business
 - Demand for revitalization support has not expanded more than expected due to the continual emergency loans to companies by financial institutions.

- Financial Advisory Business
 - Large-scale M&A projects expected to be closed during this fiscal year haven't been closed.
 - The trend of concentrating in 4Q continues this fiscal year as well.

- Recruitment
 - Aggressive recruitment continues for medium-term growth.
 - Net increase of employees is expected approximately 30 this fiscal year while initial forecast was 40.

- Impact on Medium-Term Management Plan
 - No change this time.

Net Sales Breakdown

Management Consulting Business:

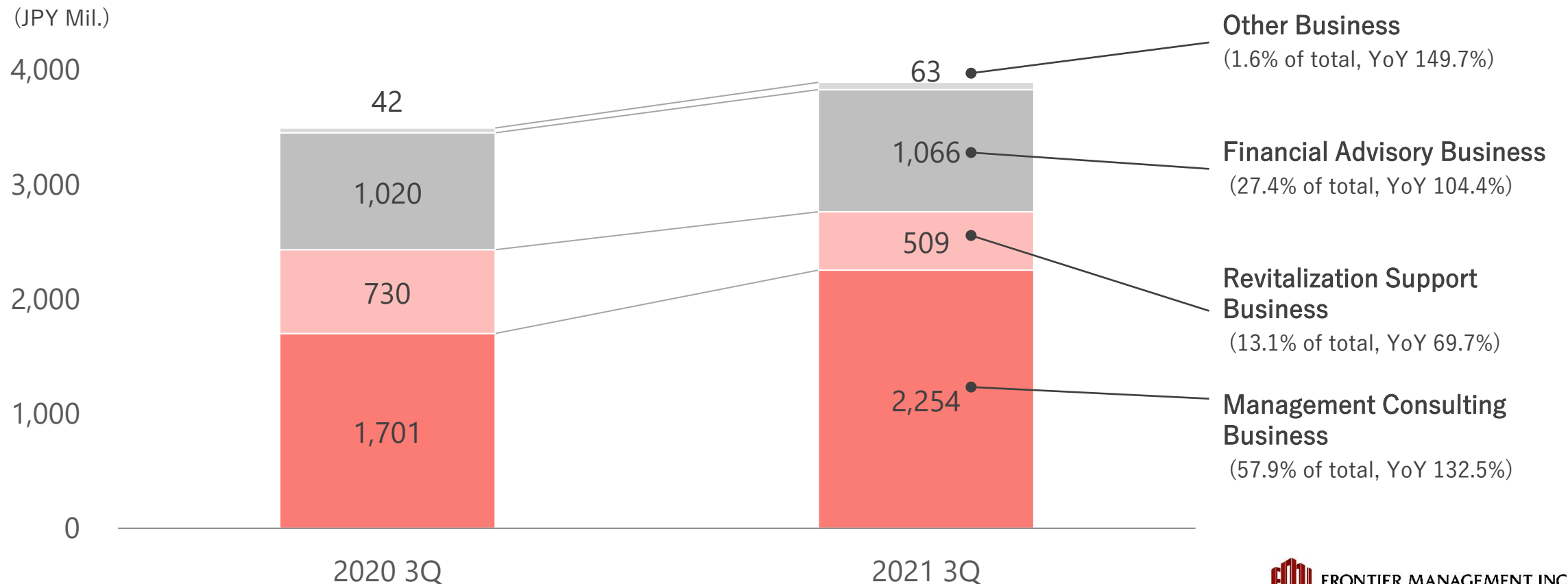
Increased 33% due to expanding customers in the retail and logistics industries which are our strongest areas, and continued large-scale projects.

Revitalization Support Business:

Decreased because the demand hasn't reached full scale.

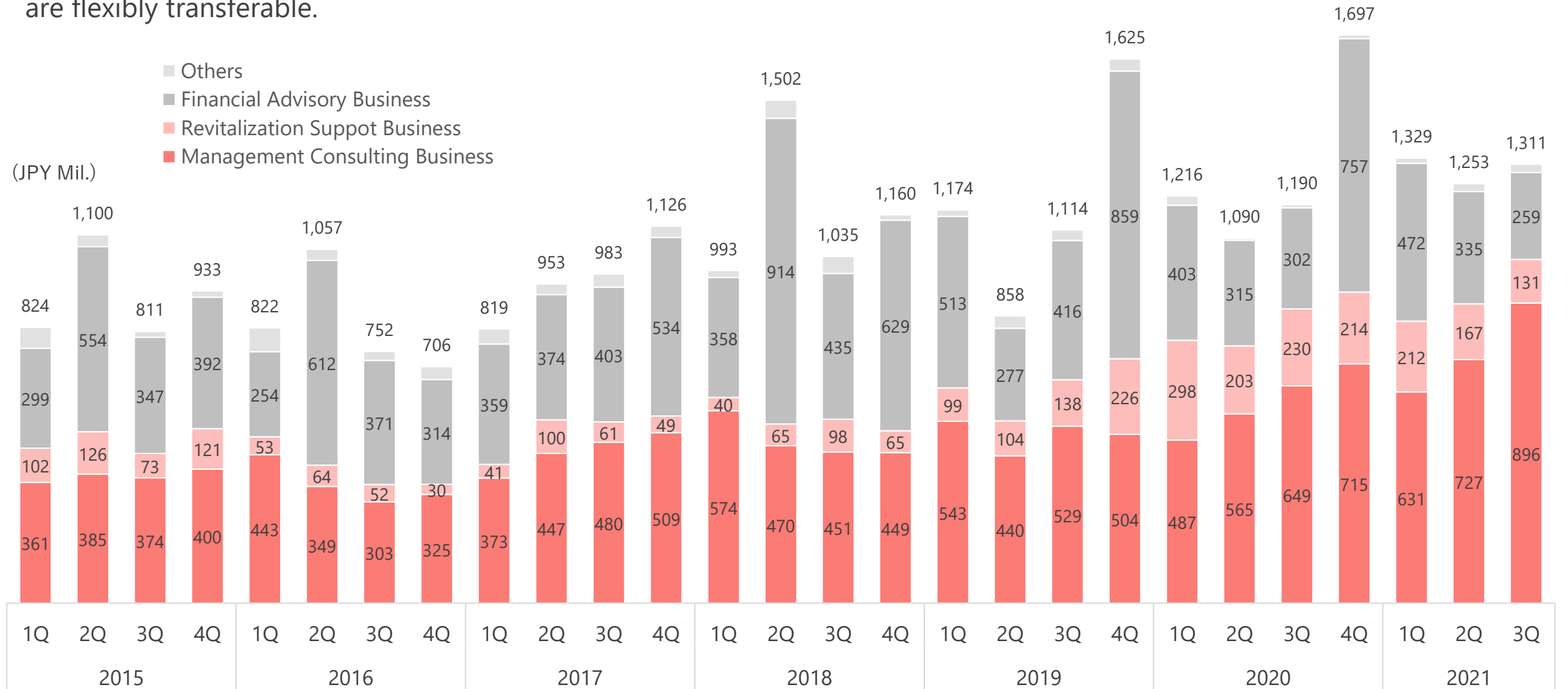
Financial Advisory Business:

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



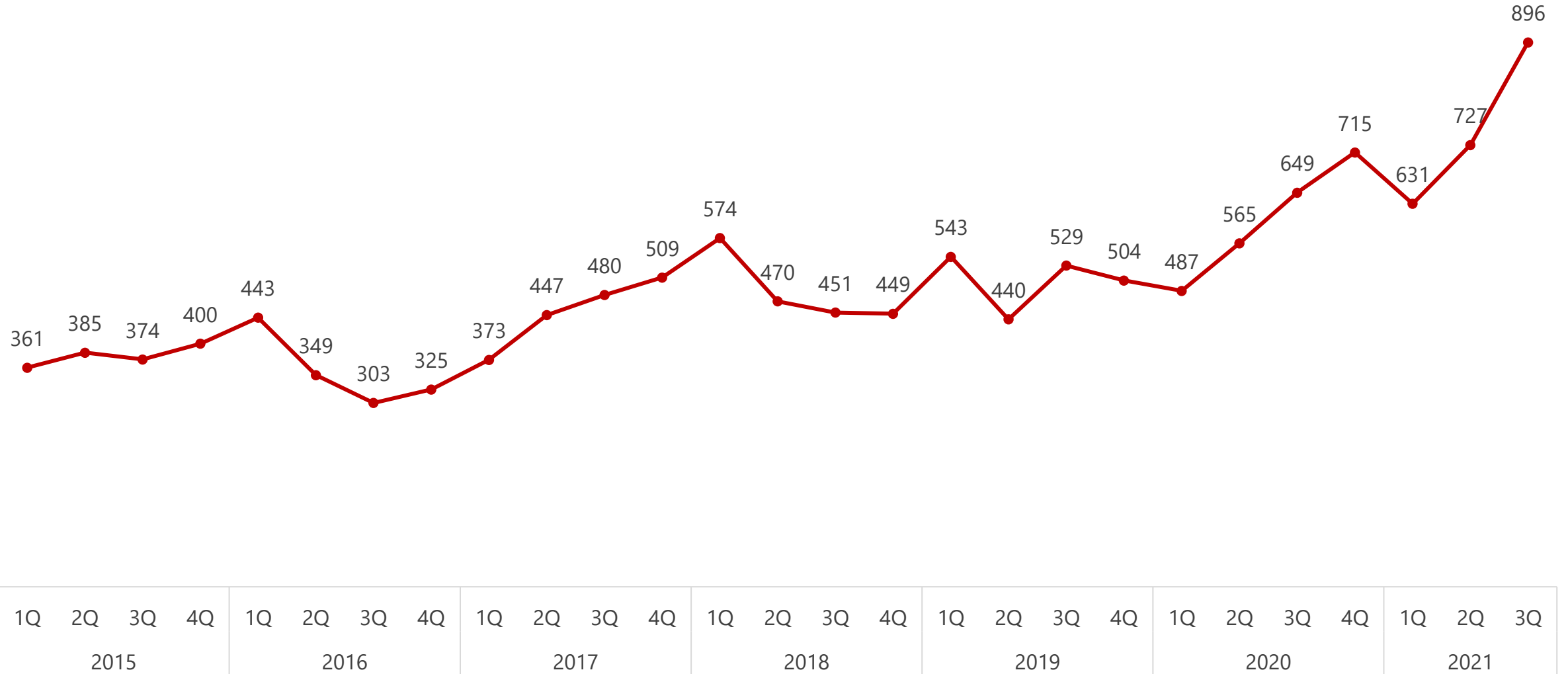
Quarterly Sales Trends (1/4)-Total

- Steady growth in the total of Management Consulting Business and Revitalization Support Business where human resources are flexibly transferable.



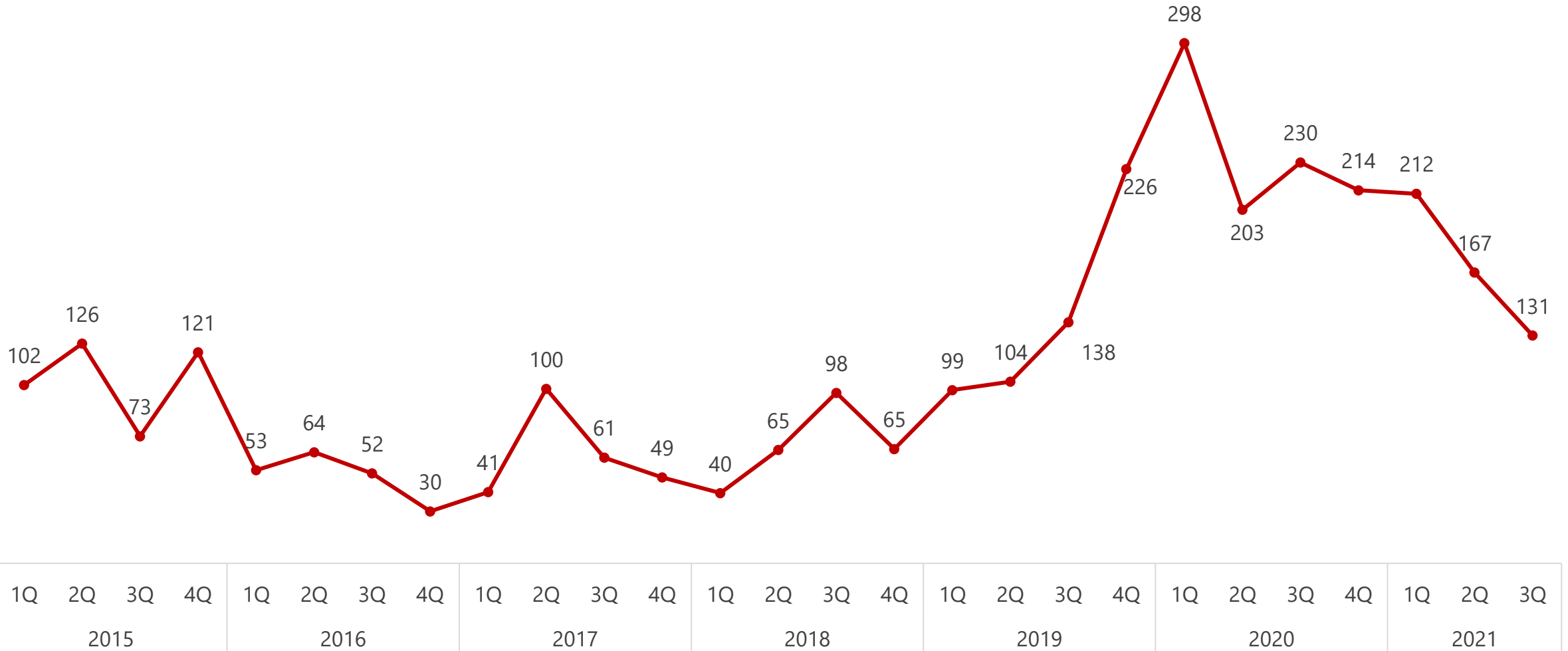
Quarterly Sales Trends (2/4)-Management Consulting Business

(JPY Mil.)



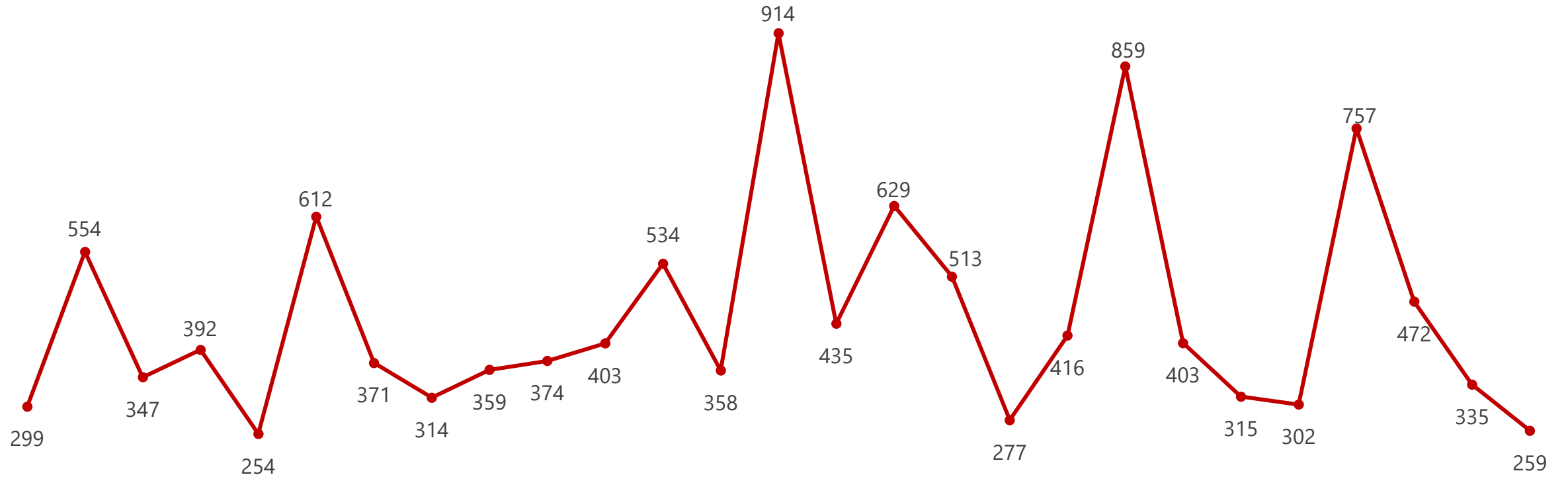
Quarterly Sales Trends (3/4)-Revitalization Support Business

(JPY Mil.)



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

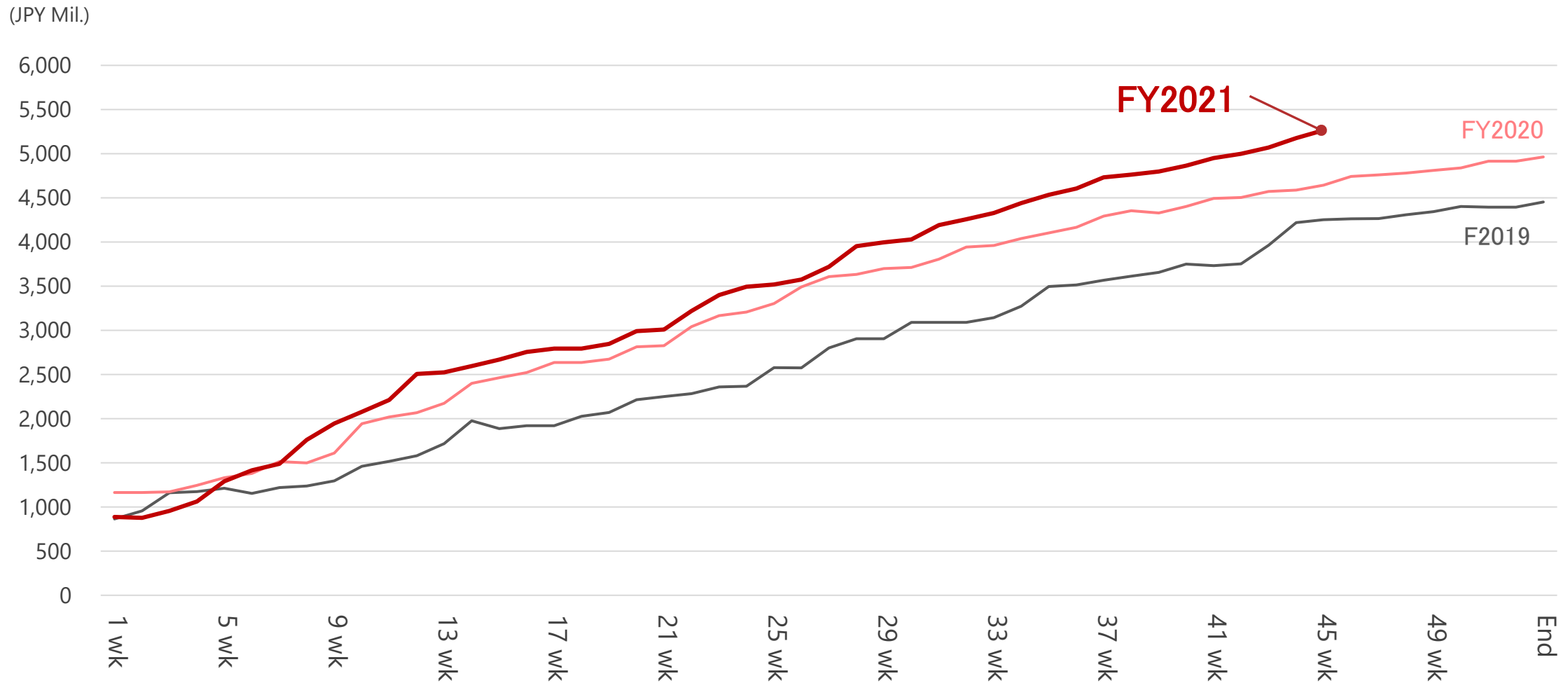
(JPY Mil.)



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	3Q
2015				2016				2017				2018				2019				2020				2021		

Received Orders Progress

- Trending beyond previous fiscal year.



PL Overview

- Personnel expenses increased due to aggressive recruitment.

(JPY Mil.)

	FY2020 3Q results	FY2021 3Q results	YoY %
Net sales	3,495	3,892	+11%
Operating expenses	3,379	3,816	+13%
Outsourcing	153	124	-19%
Personnel	2,367	2,805	+19%
Recruitment	174	181	+4%
Others	683	705	+3%
Operating income	116	76	-35%
Ordinary income	109	85	-22%
Net income before tax	109	85	-22%
Net income	71	49	-31%
Depreciation and amortization	28	27	- 6%
EBITDA	139	114	-18%
Number of employees (person)	223	254	+14%

+438



BS Overview

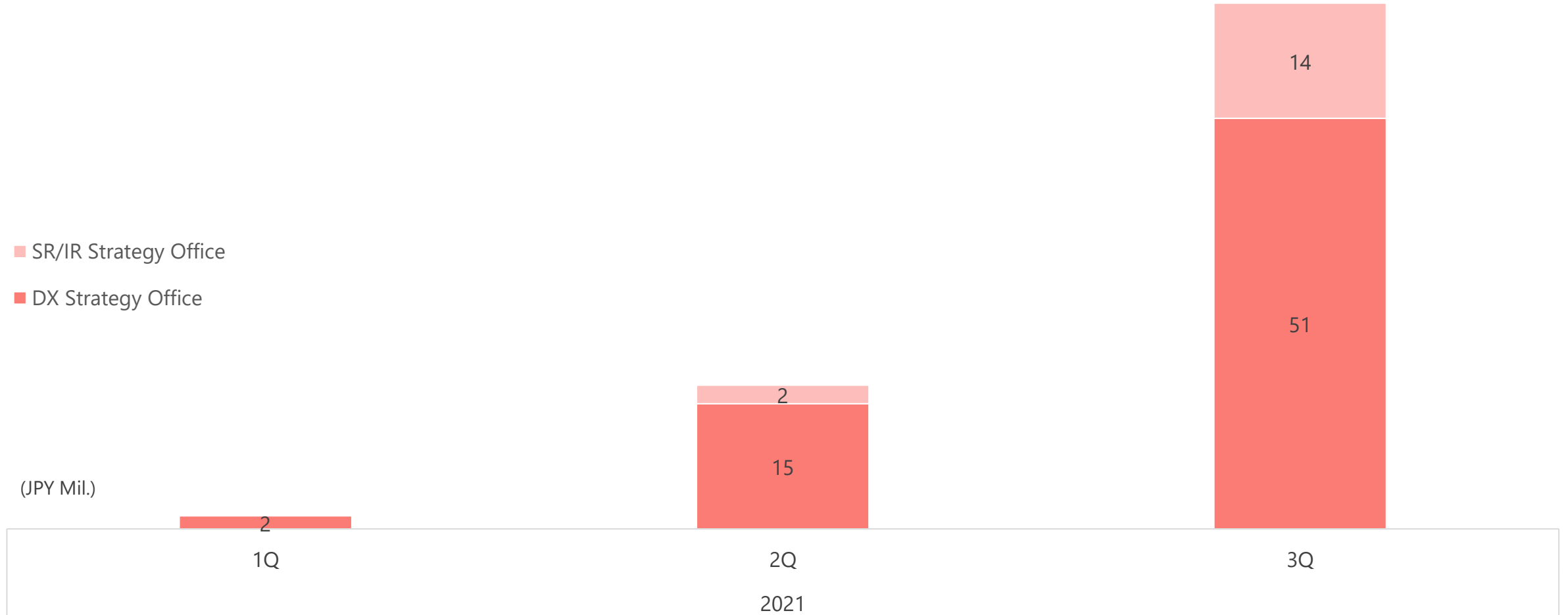
- Current assets decreased due to decreases in cash & deposits and accounts receivable.
- Current liabilities decreased due to decreases in provision for bonuses and income taxes paid.
- Shareholders' equity decreased due to dividend payments, etc.

(JPY Mil.)

	End of December 2020	End of September 2021	YoY +/-
Current assets	2,994	2,176	-818
Fixed assets	798	747	-52
Total assets	3,792	2,923	-870
Current liabilities	1,261	701	-561
Fixed liabilities	82	82	+0
Shareholder equity	2,436	2,099	-338
Other net assets	11	40	+28
Total liabilities and net assets	3,792	2,923	-870
Cash and deposits	1,899	1,270	-629
Interest-bearing debt	-	-	-
Net Debt	-1,899	-1,270	+629

Sales Trend in New Products in Management Consulting Business

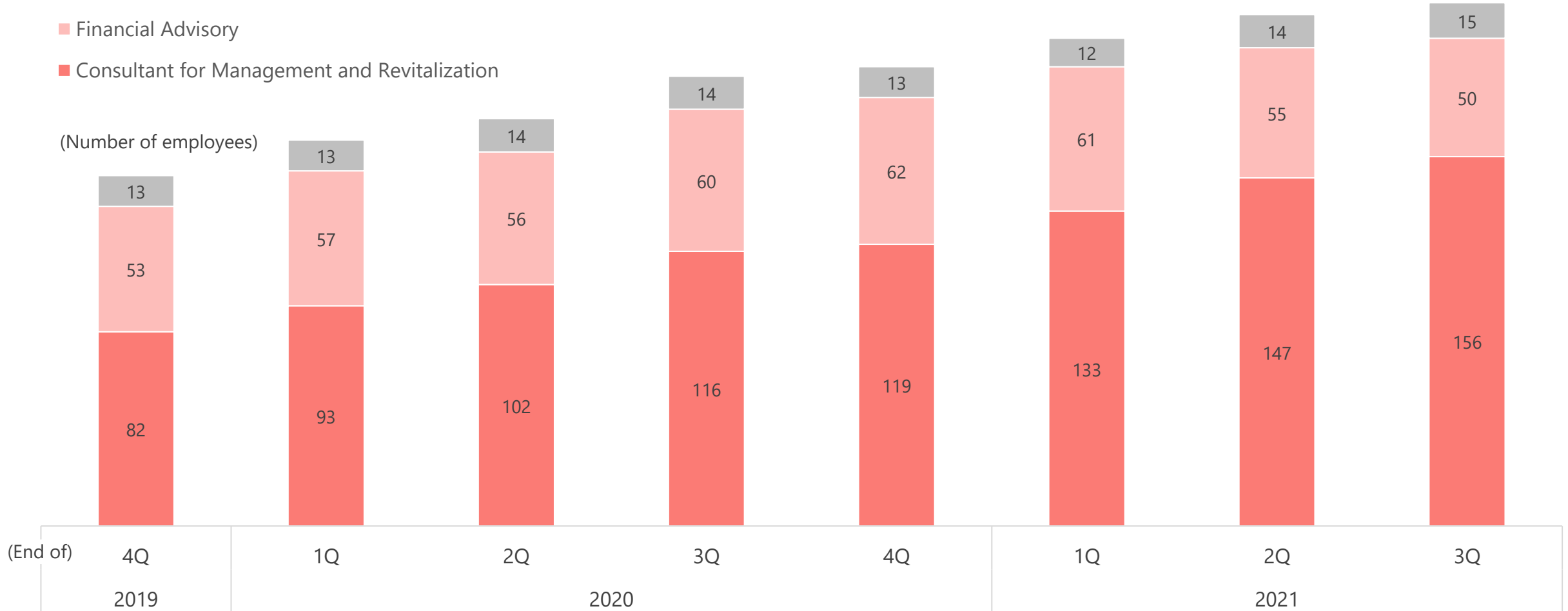
- Steady growth in Digital Strategy Office and SR/IR Strategy Office established in June this fiscal year.



Number of Front Employees Trend

- Others
- Financial Advisory
- Consultant for Management and Revitalization

(Number of employees)



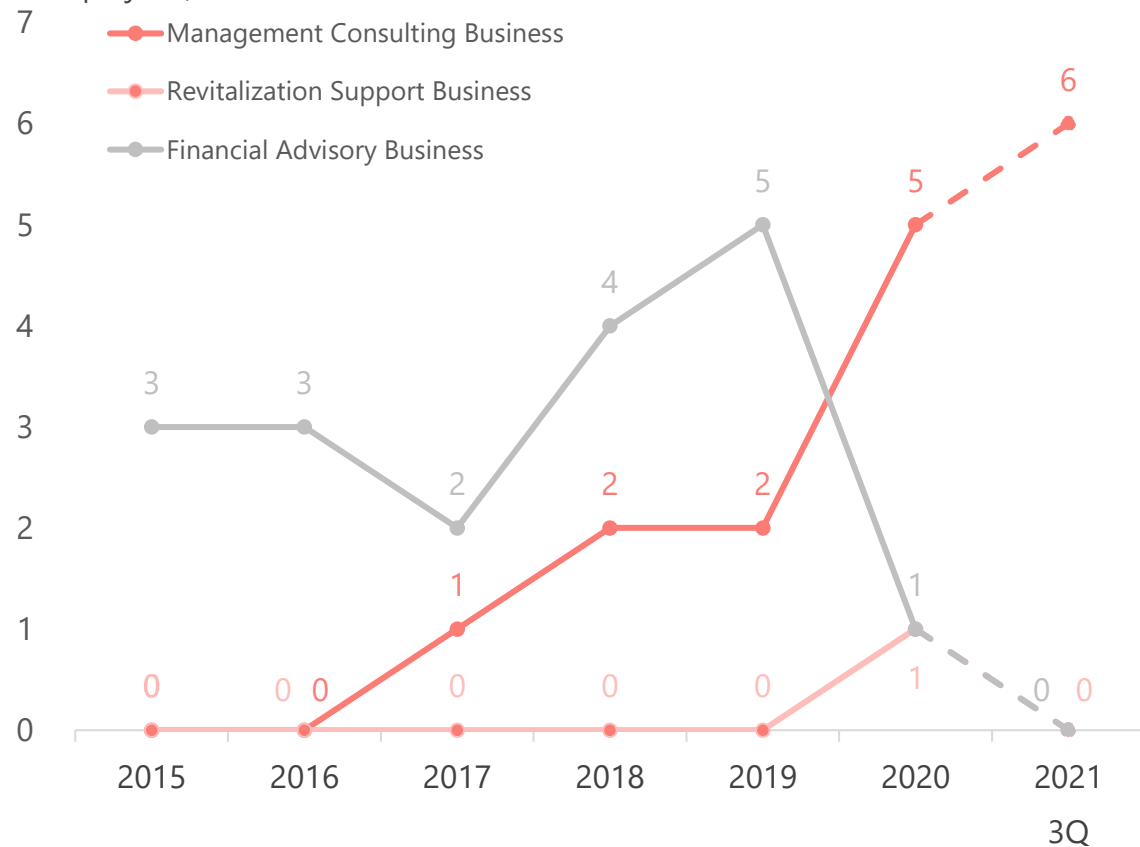
Note: "Others" refers to employees who are dedicated to marketing, etc.

Large-Scale Project Trends

- In Management Consulting Business, large-scale projects more than JPY100 Mil steadily increased and contributing to incomes.
- In Financial Advisory Business, large-scale projects which had been the driving force behind earnings decreased.

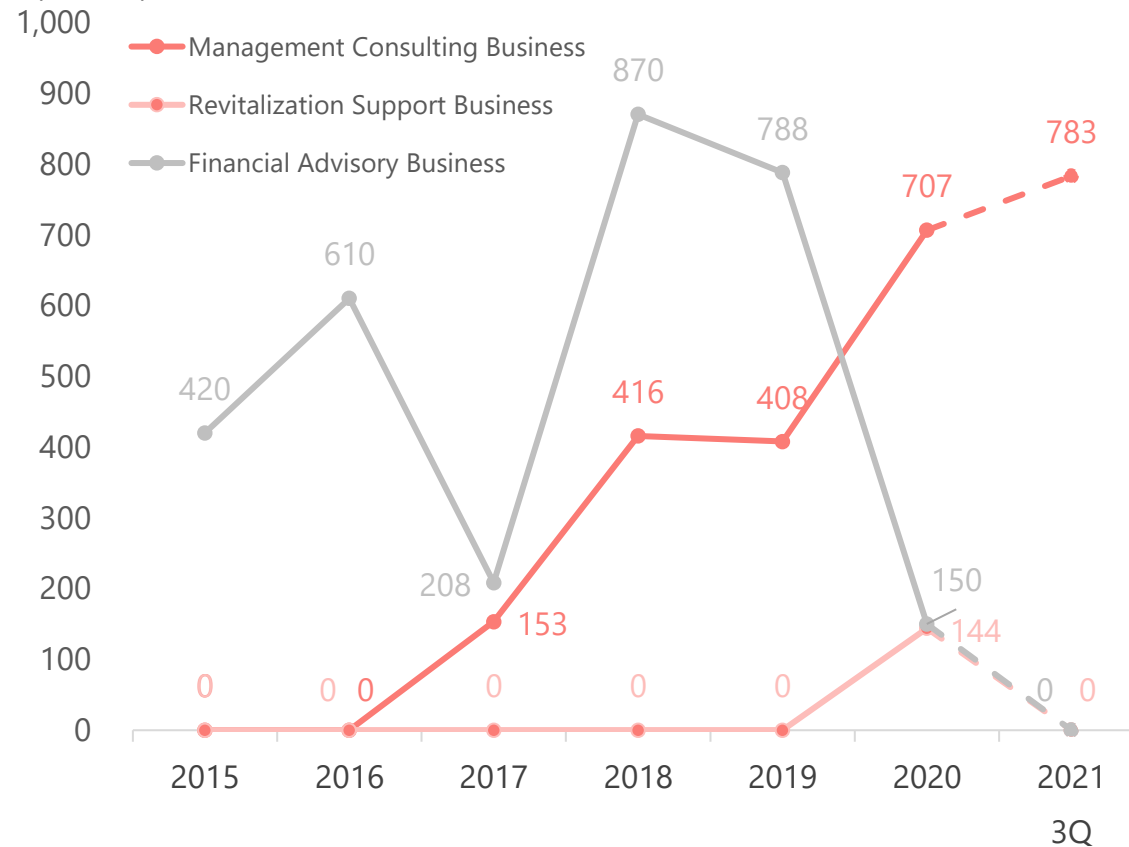
Large-Scale Project Trends (number basis)

(Number of projects)



Large-Scale Project Trends (value basis)

(JPY Mil.)





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Section 2

Various Progress

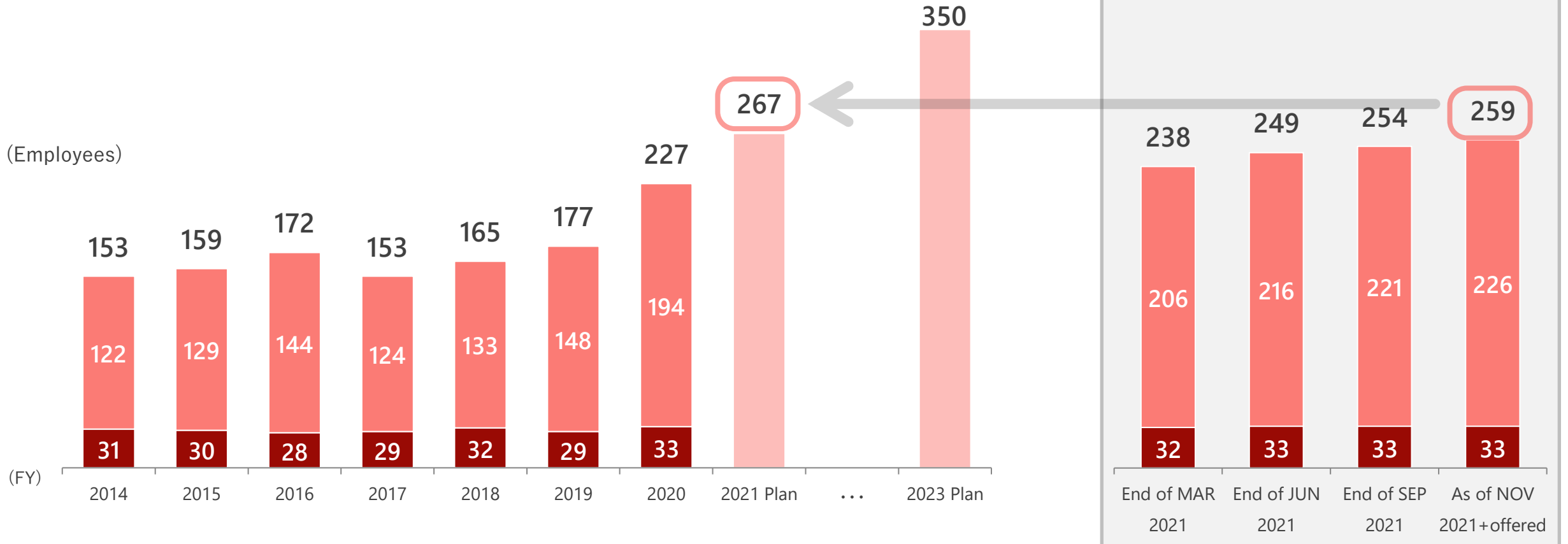


Recruitment

- Continued aggressive recruitment to achieve 300-400 employees which is the critical mass of independent firms.
- Expected net increase of 32 employees and achieved 80% of targeted 40 in FY2021.

Number of employees at EOFY

Steady progress

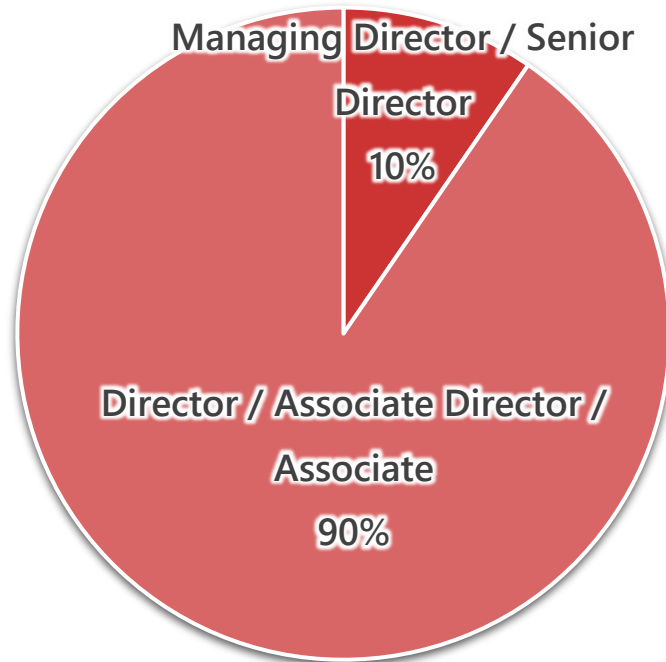


Recruitment by Position

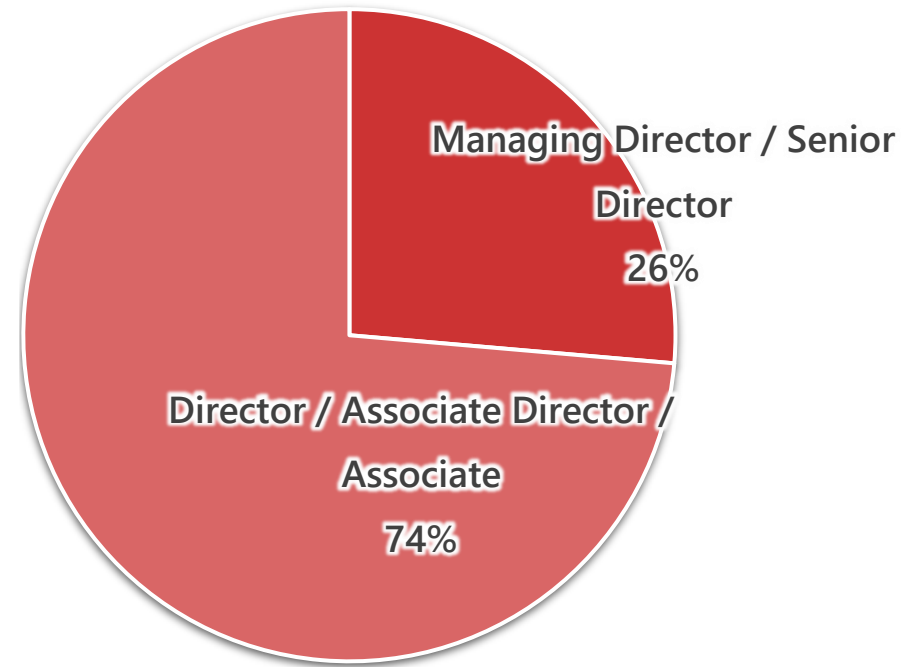
- Recruited more high talented professionals (Managing Directors / Senior Directors) in FY2021 to strengthen the organizational functions.

Recruitment by Position

FY2020



by November FY2021 (including offered)

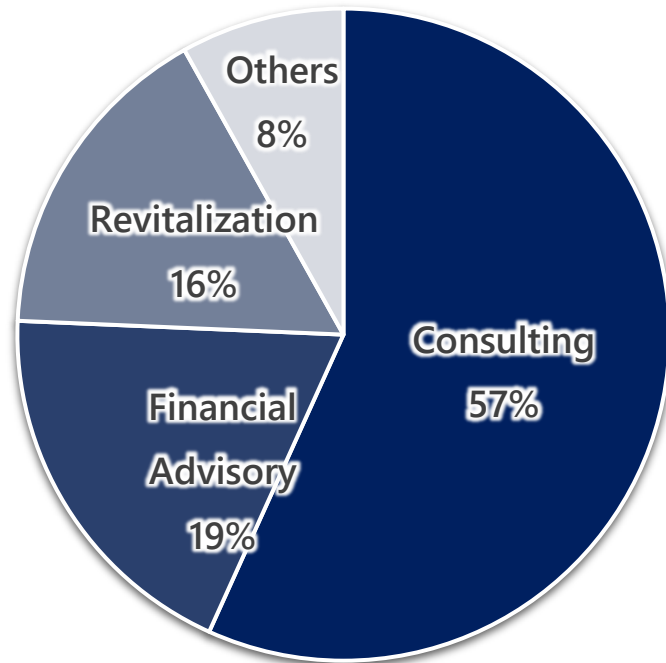


Recruitment by Segment

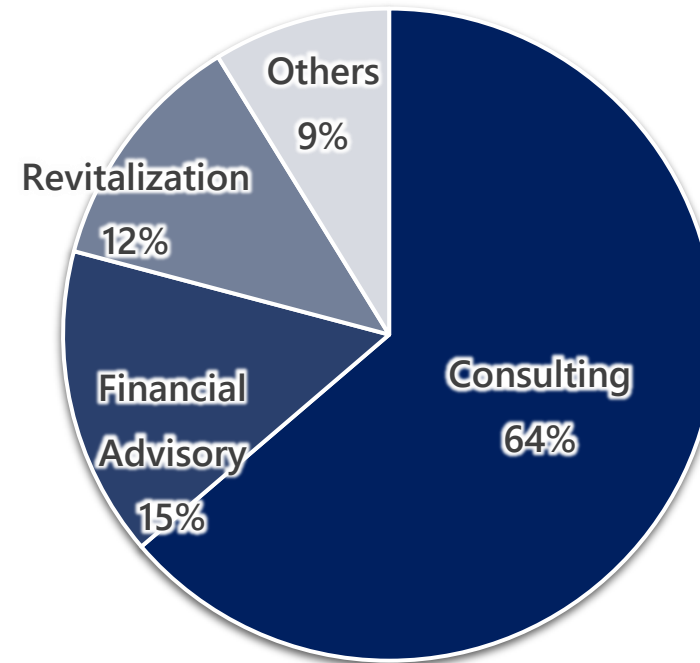
- Focus on recruitment of consulting with growth trends.

Recruitment Composition

FY2020



by November FY2021 (including offered)



M&A Deals in FY2021 3Q

- Increased in the projects for the sale of businesses of large enterprises to private equities.
- The number of publications on our website was 17 from January to September 2021 (12 in the same period of the previous year).

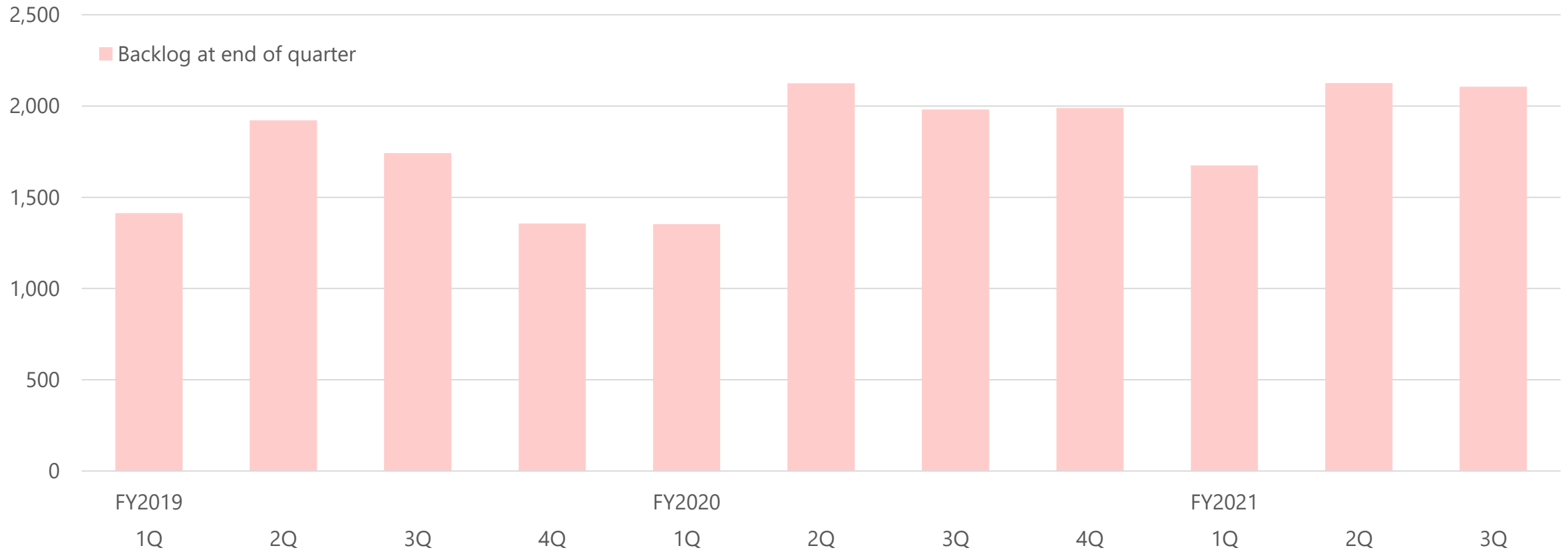
No.	Month	Buyer	Seller	Summary	Characteristics
①	August	Kabushiki Kaisha Shinshifuku Nakanishi	ONLY corporation	FA services related to the tender offer from Nakanishi to ONLY.	MBO projects
②	August	Foot Locker, Inc. (US)	Text Trading Co., Ltd.	Sell-side support related to the acquisition of Text Trading by Foot Locker.	Cross-border deals
③	September	Uniden Holdings Co., Ltd.	ATTOWAVE CO., LTD. (Korea)	FA services related to the acquisition of ATTOWAVE by Uniden Holdings	Cross-border deals
④	October	T-Capital Partners Co., Ltd./ WITH Holding Co., Ltd.	Sojitz Corporation/Anjelica Co., Ltd.	FA services related to the transfer of Angelica shares held by Sojitz to WITH Holdings held by T Capital Partners	Large enterprise carve-out, buyer PE
⑤	October	Nippon Mirai Capital Co., Ltd.	Hitachi, Ltd.	FA services related to the sale of the radiation measurement equipment business and the industrial X-ray CT equipment business by Hitachi, Ltd.	Large enterprise carve-out, buyer PE

Red: Companies where we advised.

Financial Advisory Business Backlog

- Large-scale M&A projects expected to be closed during this fiscal year haven't been closed.
- New orders are robust, and backlog remains at a high level.
- 5 projects' backlog is more JPY100 Mil each.

(JPY Mil.)





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Section 3

Corporate Profile



Background of Establishment



Representative Director
Shoichiro Onishi

- After registering as an attorney with the Tokyo Bar Association in 1992 (44th term), joined the law firm of Okuno & Partners and was 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.
- Engaged as an equity analyst with the retail industry for a total of 10 years.



Joined



Industrial Revitalization Corporation Japan

Onishi

Engaged in turnaround projects as an auditor in Mitsui Mining Co., and a director in Kanebo, Ltd. and The Daiei, Inc.

Matsuoka

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



Jointly established in 2007

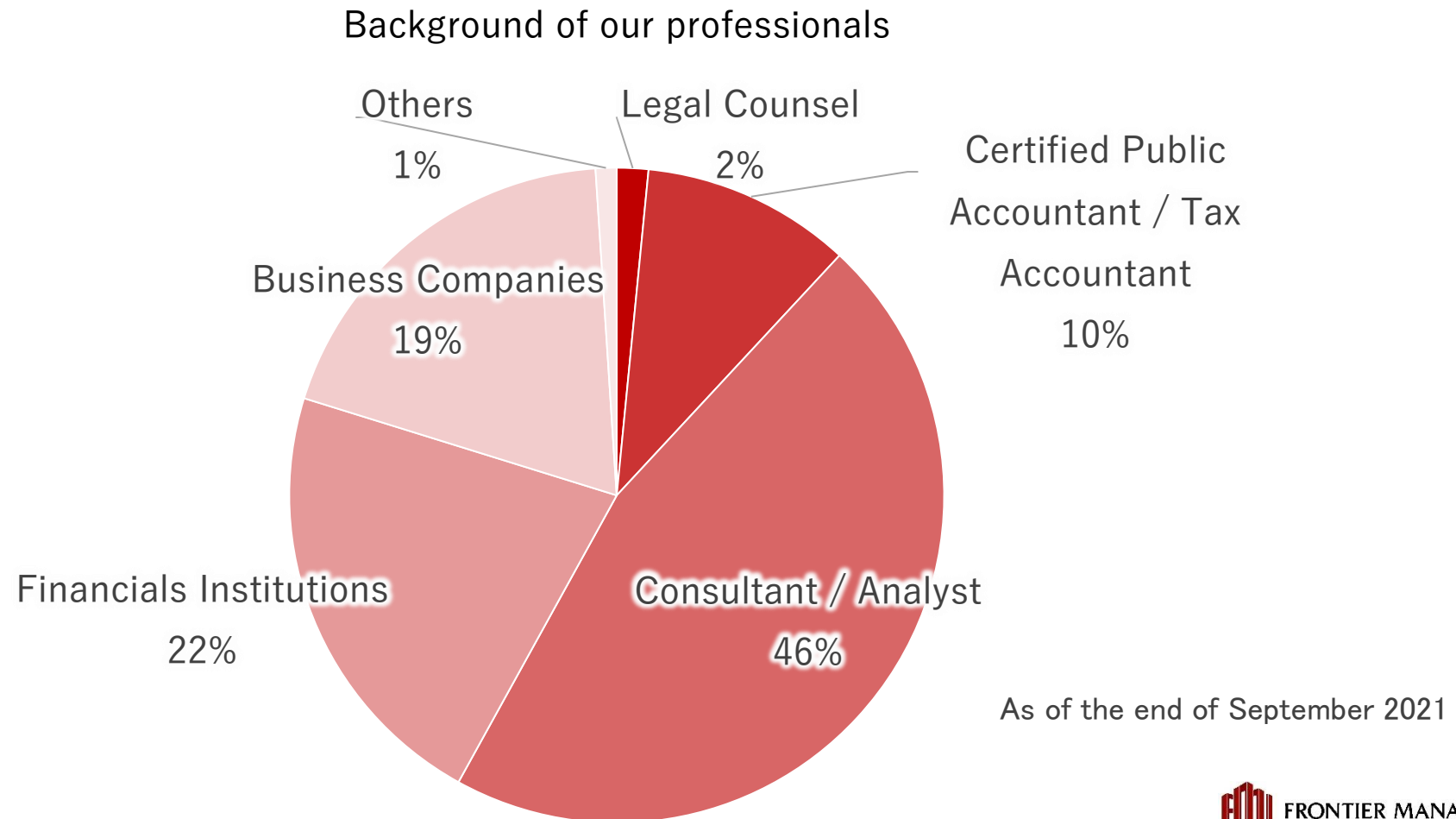


FRONTIER MANAGEMENT INC.



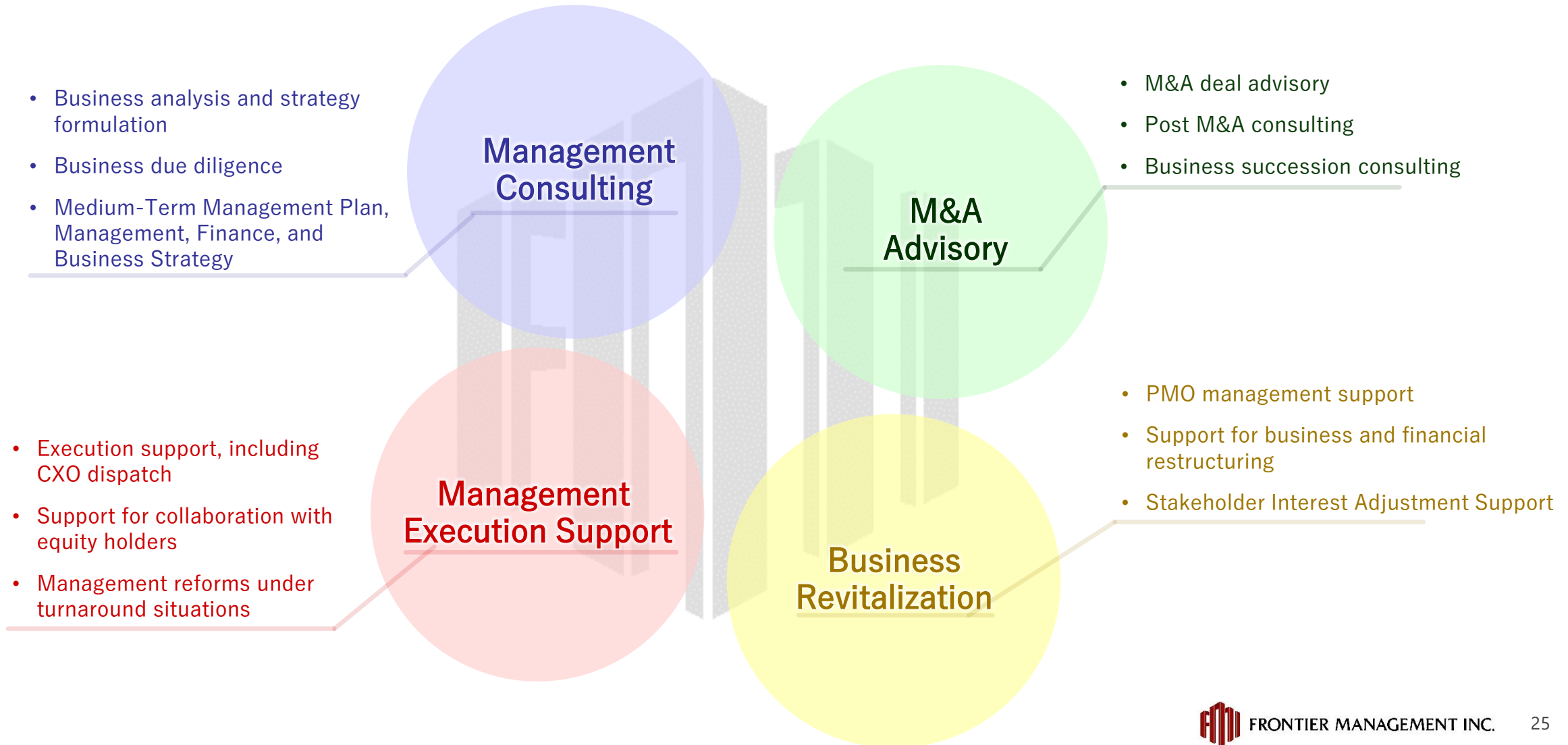
Vision

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



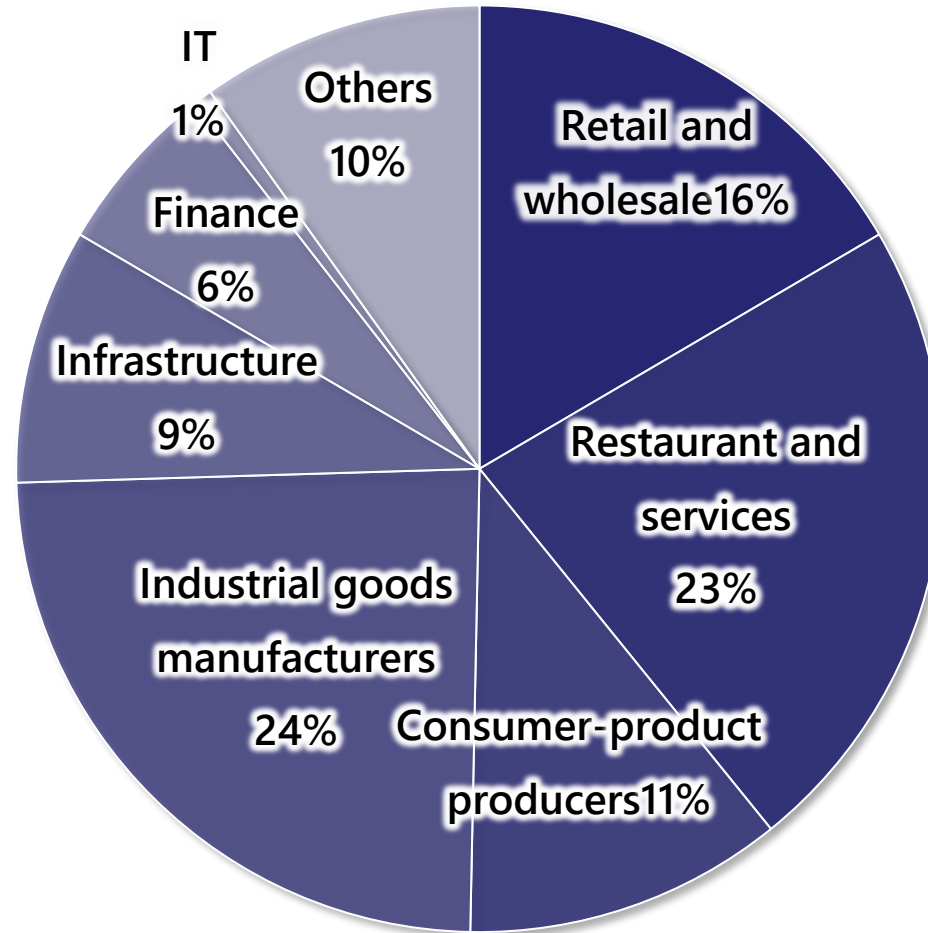
Business

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



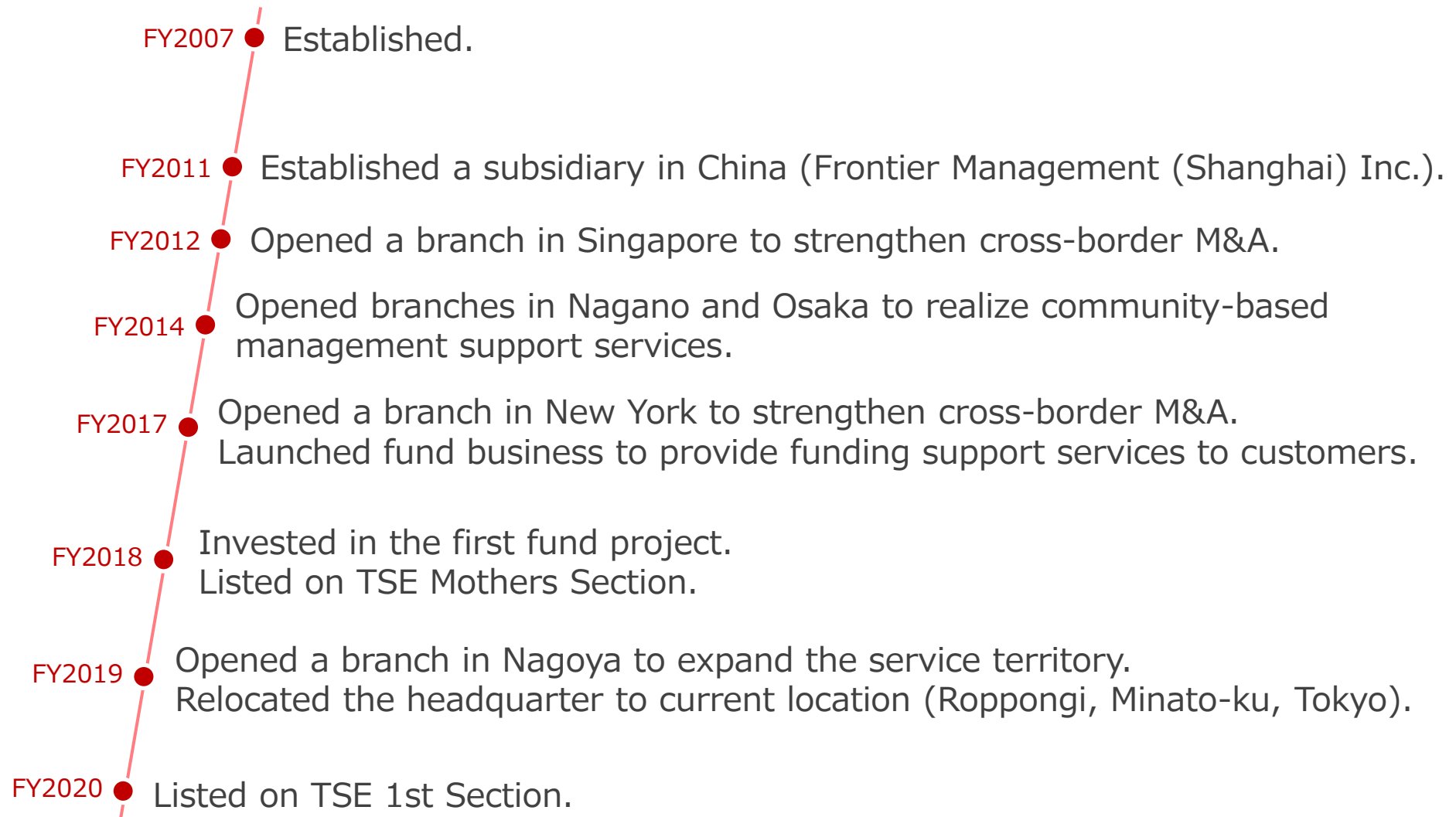
Customer Segments

Providing services to diverse industries.



Result of FY2020

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 Directors

Corporate Strategy Department

Management Consulting Department

Management Execution Support Department

Financial Advisory Department

Industrial Research Department

Business Development Department

Company Planning and Administration 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

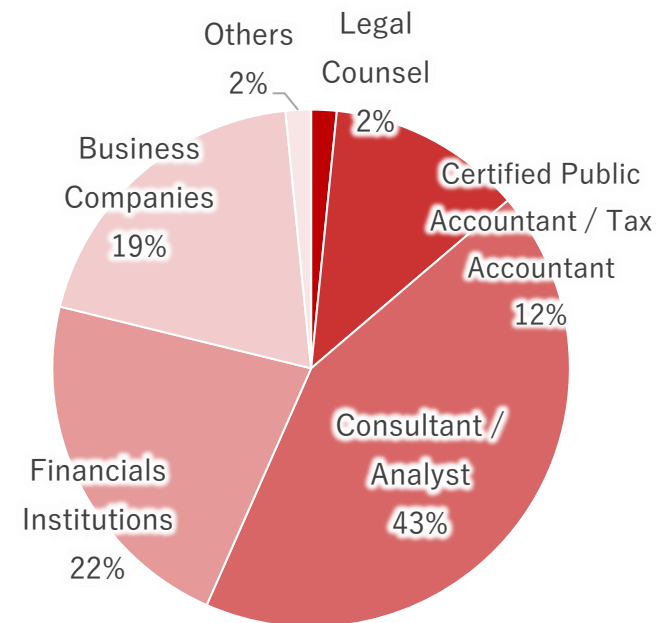
Company Overview

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, Representative Co-president, Representative Director of the Board Outside Director of the Board Outside Director of the Board Audit & Supervisory (full-time) Audit & Supervisory (part-time) Audit & Supervisory (part-time) Senior Managing Executive Officer Managing Executive Officer Managing Executive Officer Executive Officer Executive Officer Executive Officer Executive Officer Executive Officer	Shoichiro Onishi Masahiro Matsuoka Yoshiaki Takahashi Kazuhito Osugi Keiko Unotoro Takeshi Umemoto Kazuhiko Shimokobe Nobumichi Hattori Toshi Mitsuzawa Sumio Nishizawa Akinori Nishida Masaya Yajima Shinji Hikoe Hitoshi Kuriyama Tomohiro Murata Hiroaki Hamada
No. of employees	254 (consolidated)	as of end of September 2021
Branch	Osaka, Nagoya, Nagano, Singapore, New York	
Group Companies	Frontier Management (Shanghai) Inc. (Wholly owned)	
Associated company	FCD Partners Inc.	

Business Descriptions

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

Professional Composition Ratio



- ✓ Composed of experts to management such as legal counsel, CPA, tax accountant, consultants, industry analysts, and persons involved in banking, enterprises and others.
- ✓ Form the best team of experts to each customer's challenge and propose comprehensive solutions.

As of end of September 2021

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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