



**FRONTIER  
MANAGEMENT  
INC.**

## **FY2021 Q1 Financial Results**

Ending December 2021

May 13, 2021

Frontier Management Inc.

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FRONTIER  
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Section 1

## FY2021 1Q Financial Results



## Summary

- Sales increased 9% 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.

(JPY1,000,000)

	FY2020 1Q results	FY2021 1Q results	YoY change (amount)	YoY change (percentage)	Forecast (as of Feb 9, '21)	Achievement rate
Net sales	1,214	<b>1,329</b>	+114	+9%	6,500	20%
Operating income	135	<b>93</b>	△42	△31%	1,000	9%
Ordinary income	150	<b>99</b>	△52	△34%	1,007	10%
Net income	100	<b>68</b>	△32	△32%	693	10%

# Net Sales by Industry Segment

**Management Consulting Business:**

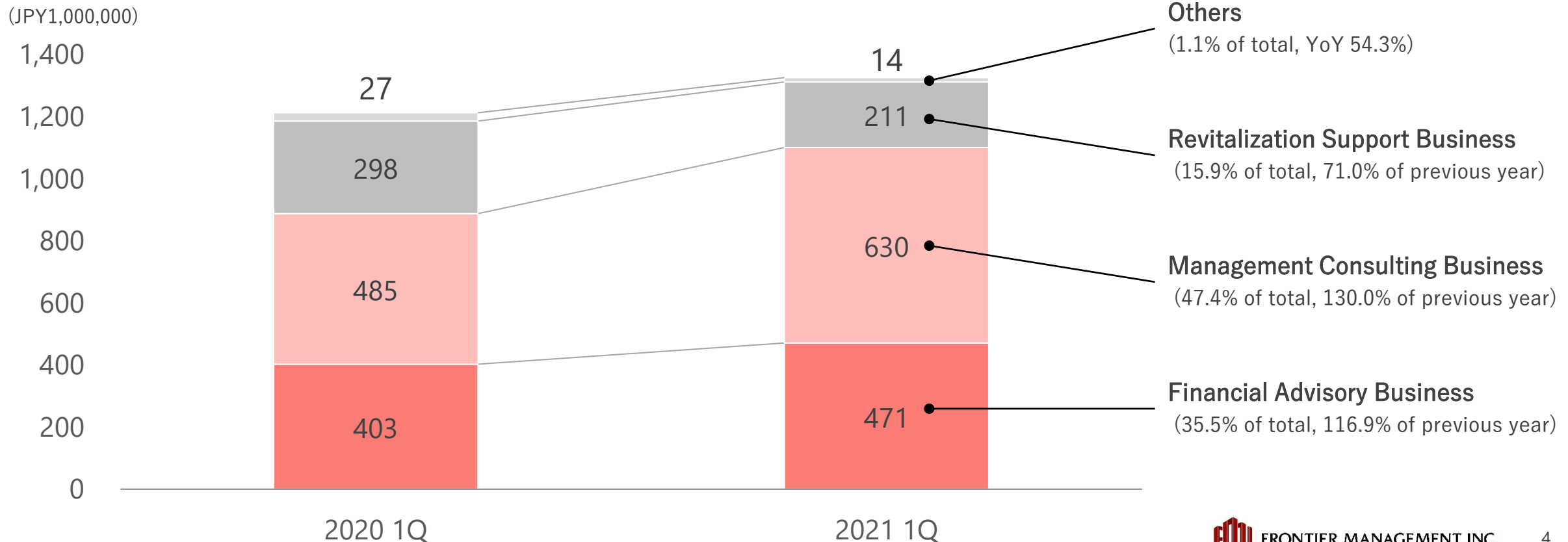
Increased due to expanding customers in the retail, retail equipment, and logistics industries which are our strongest areas, and continued large-scale projects.

**Revitalization Support Business:**

Decreased because needs didn't reach full scale

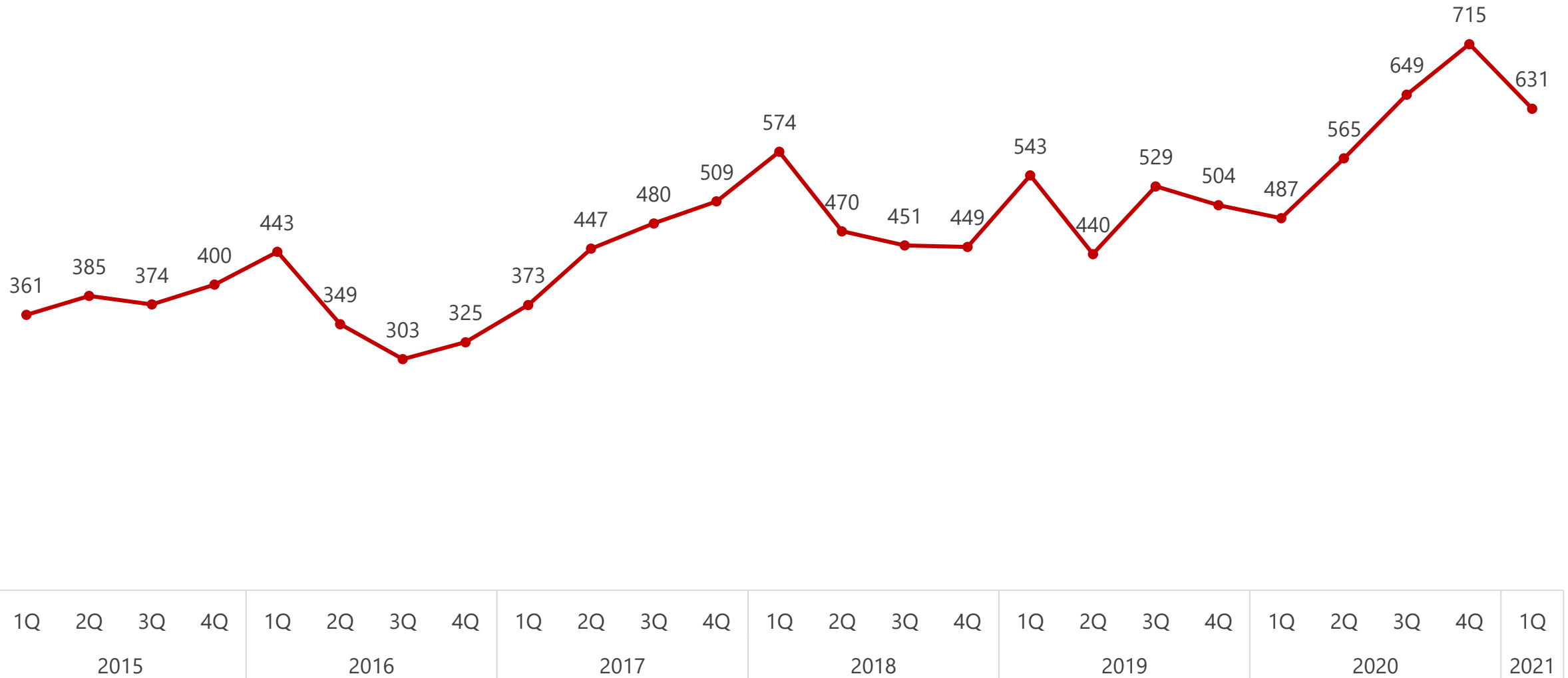
**Financial Advisory Business:**

Continued for large-scale projects since previous fiscal year, and increased medium-sized M&A deals.



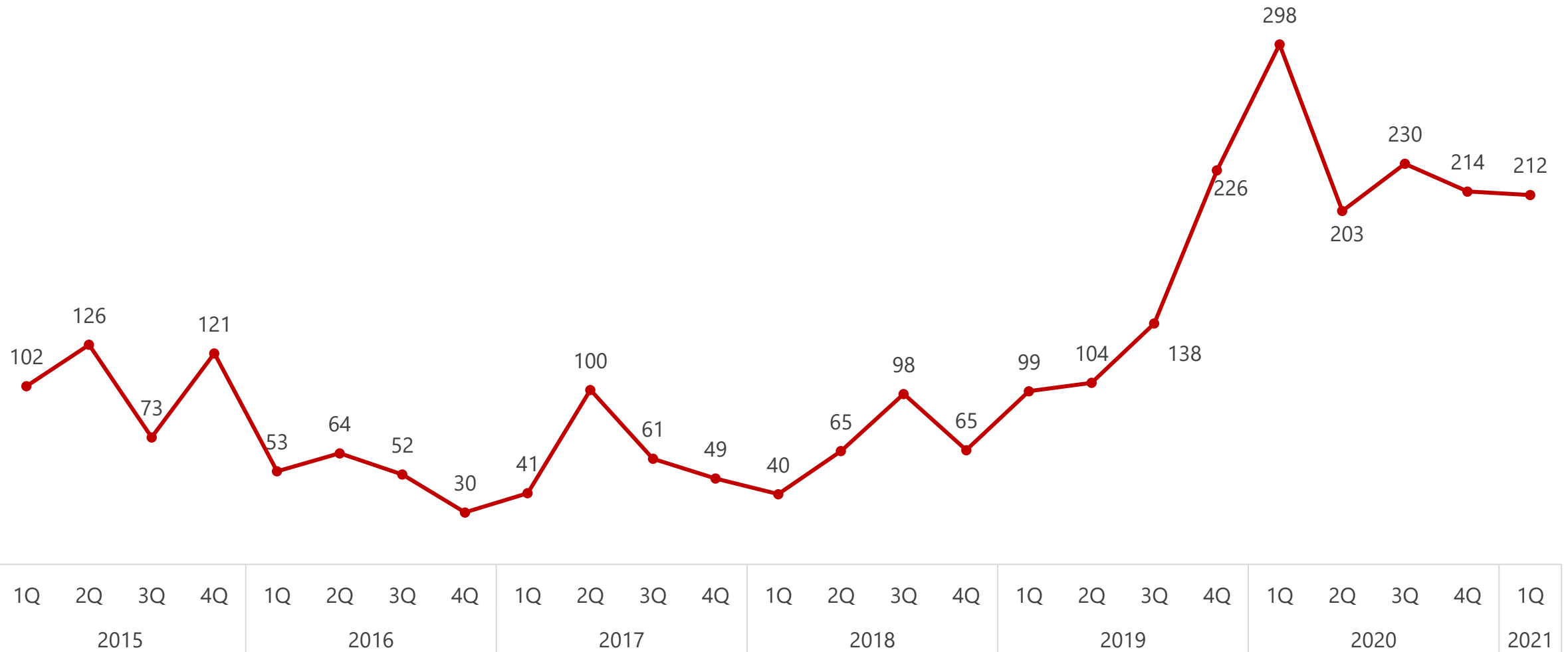
# Quarterly Sales Trends (1/4)-Management Consulting Business

(JPY1,000,000)



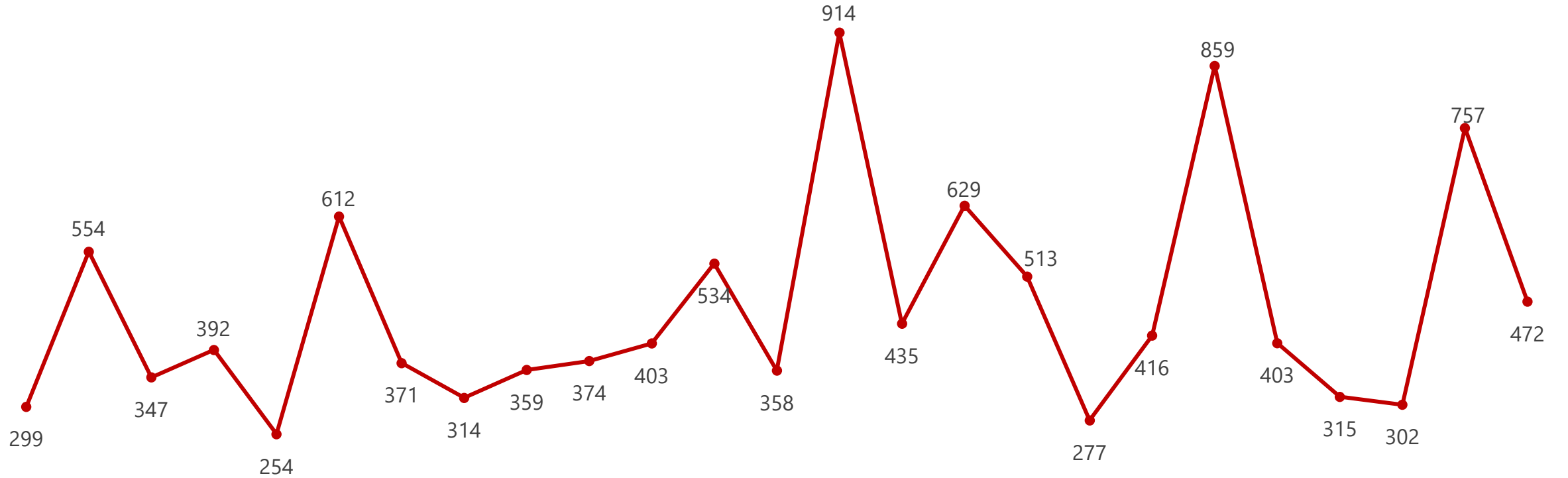
# Quarterly Sales Trends (2/4)-Revitalization Support Business

(JPY1,000,000)



# Quarterly Sales Trends (3/4)-Financial Advisory Business

(JPY1,000,000)

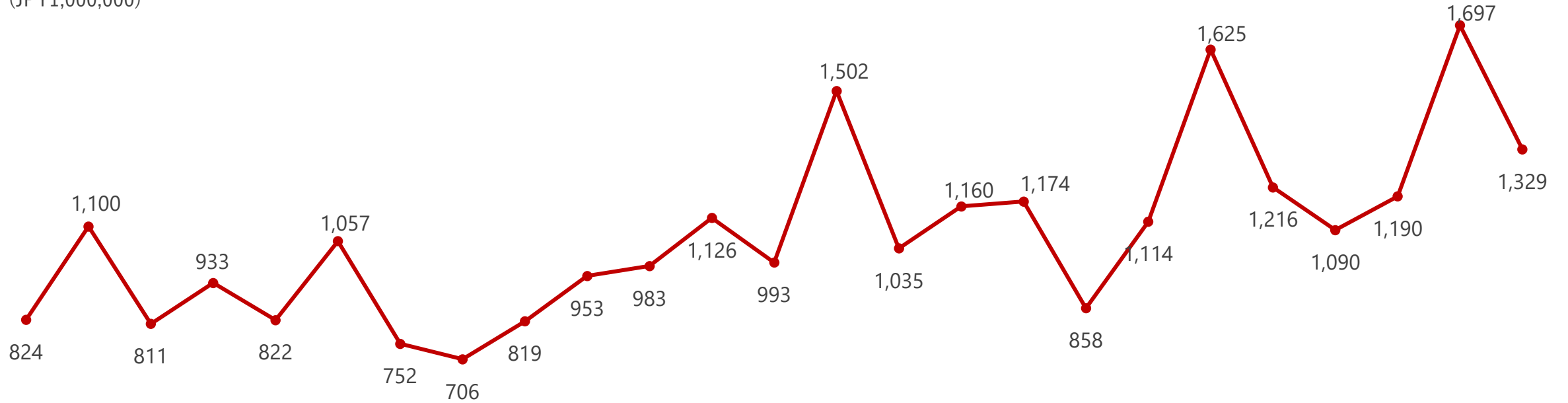


1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
2015				2016				2017				2018				2019				2020				2021



# Quarterly Sales Trends (4/4)-Total

(JPY1,000,000)

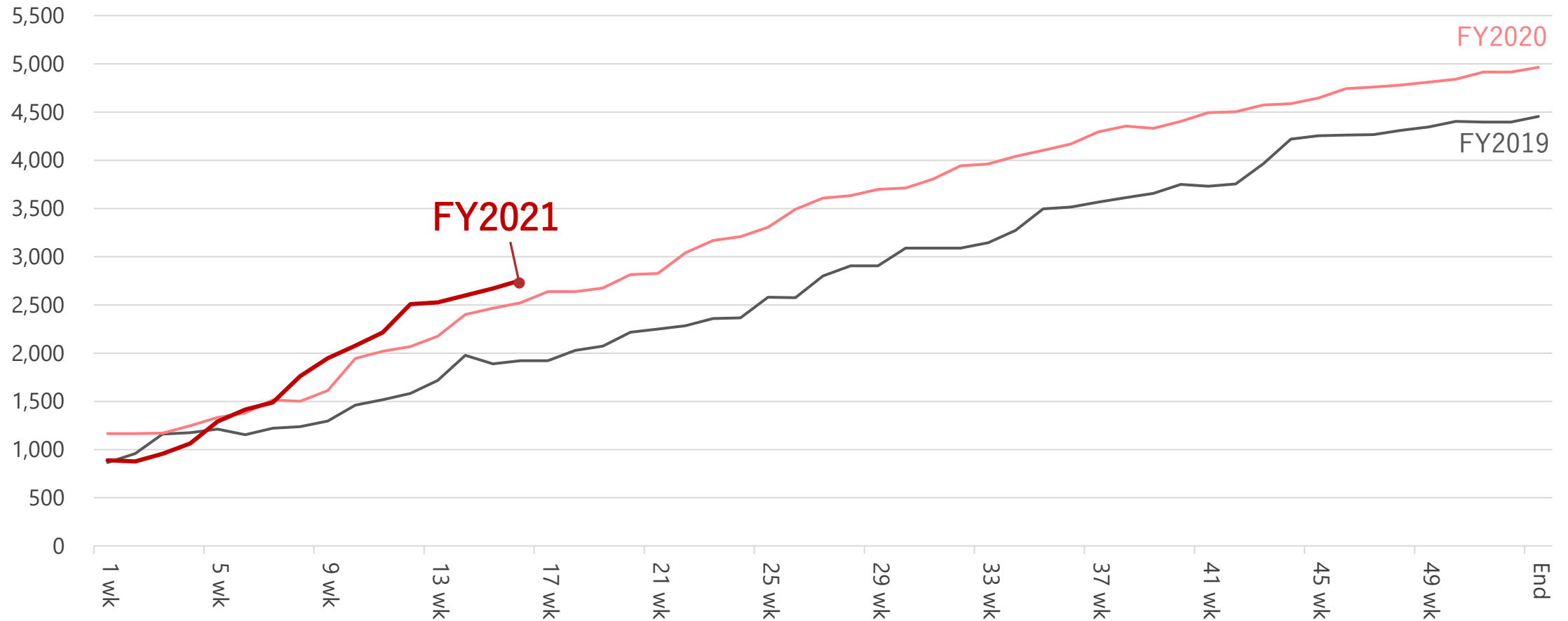


1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
2015				2016				2017				2018				2019				2020				2021

# Received Orders Progress

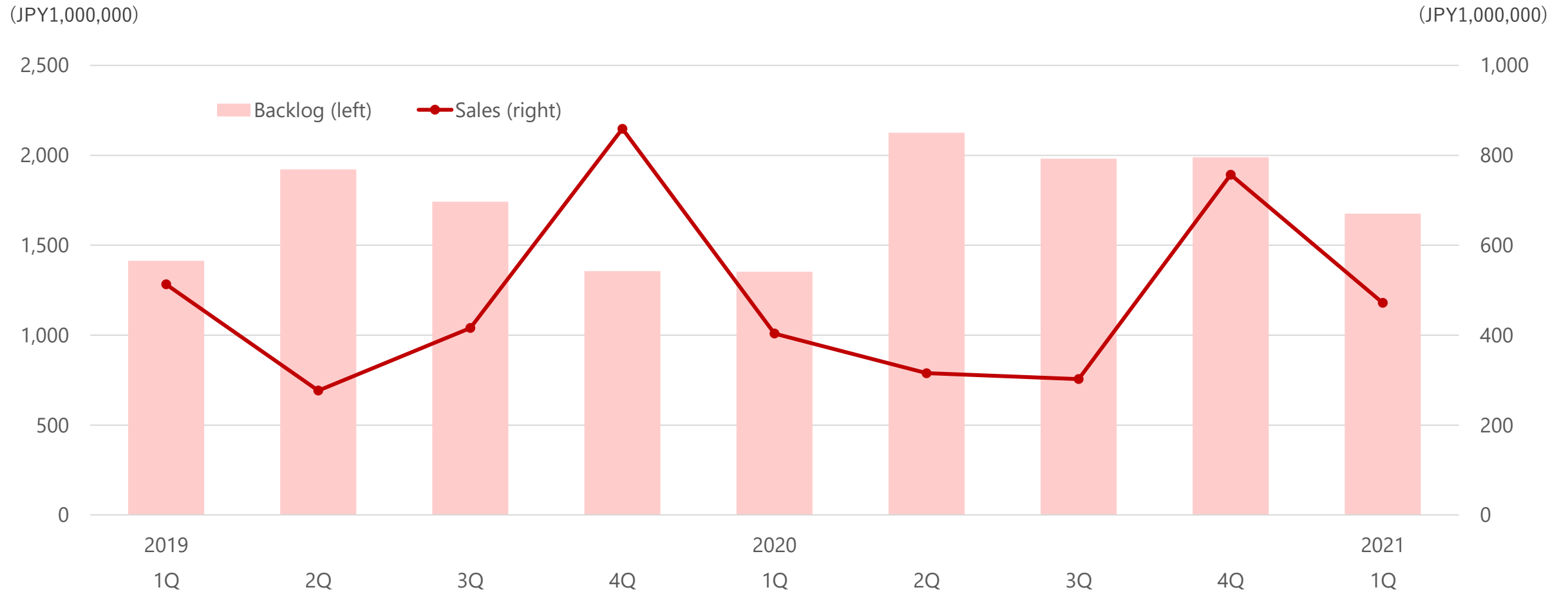
- Trending beyond previous fiscal years.

(JPY1,000,000)



# Financial Advisory Business Sales and Backlog

- 1Q sales remained positive comparing FY2020 and backlog is at the highest level in 1Q of the past three years.



## PL Overview

- Personnel and recruitment expenses increased due to accelerated recruitment.

(JPY1,000,000)

	FY2020 1Q results	FY2021 1Q results	Percentage change
Net sales	1,214	1,329	+ 9%
Operating expenses	1,079	1,235	+14%
Outsourcing costs, etc.	40	52	+27%
Personnel expenses	732	876	+20%
Recruitment costs	56	68	+22%
Other expenses	249	238	△ 4%
Operating income	135	93	△31%
Ordinary income	150	99	△34%
Profit before Tax	150	99	△34%
Net income	100	68	△32%
Depreciation and amortization	9	9	△ 5%
EBITDA	160	108	△32%



JPY +155

## BS Overview

- Current assets decreased due to a decrease in cash and deposits.
- Current liabilities decreased due to a decrease in provision for bonuses and income taxes paid.
- Shareholders' equity decreased due to dividend payments and purchase of treasury stock.

(JPY1,000,000)

	End of December 2020	End of March 2021	Change
Current assets	2,994	2,460	△534
Fixed assets	798	752	△46
Total assets	3,792	3,213	△580
Current liabilities	1,261	1,022	△240
Long-term liabilities	82	82	+0
Shareholders' equity	2,436	2,098	△339
Other net assets	11	10	△1
Total liabilities and net assets	3,792	3,213	△580
Cash and deposits	1,899	1,404	△495
Interest-bearing debt	-	500	+500
Net Debt	△1,899	△904	+994



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Section 2

## Our Various Progress

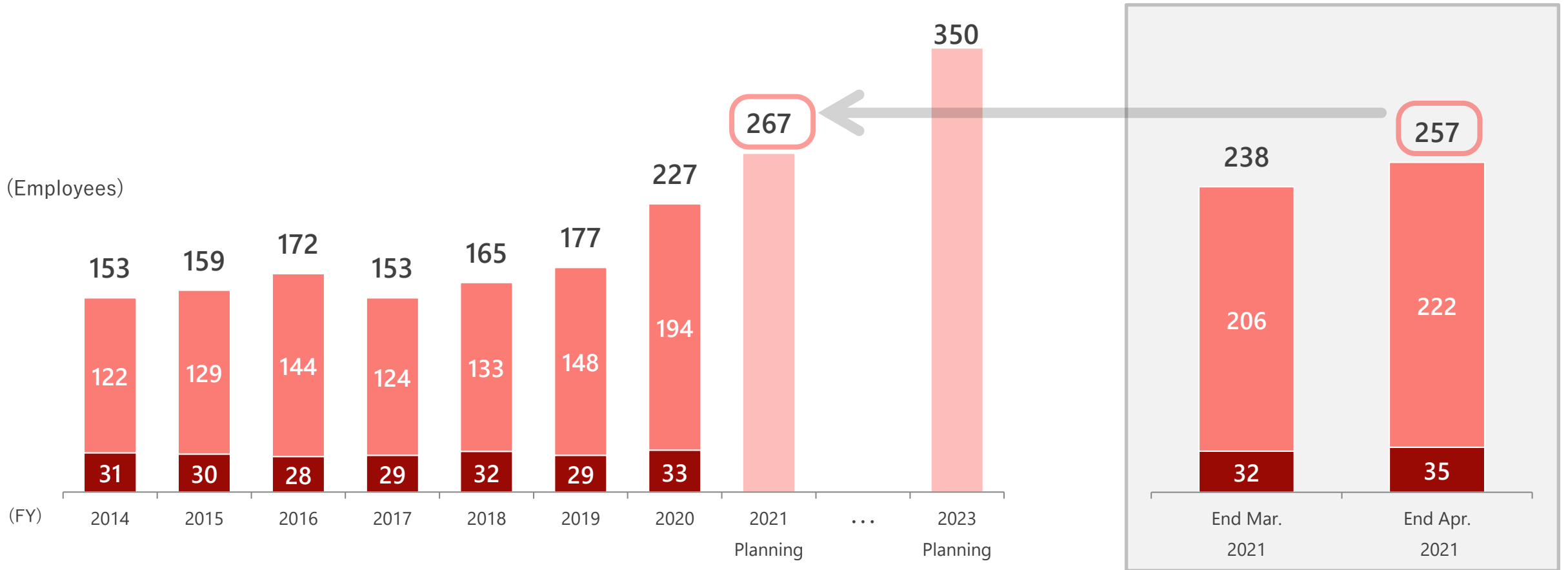


# Recruitment

- Continued accelerated recruitment to strengthen the organizational functions.
- Increased 30 employees already and achieved 75% of targeted 40 net increase in FY2021.

Number of employees at EOFY

Steady progress

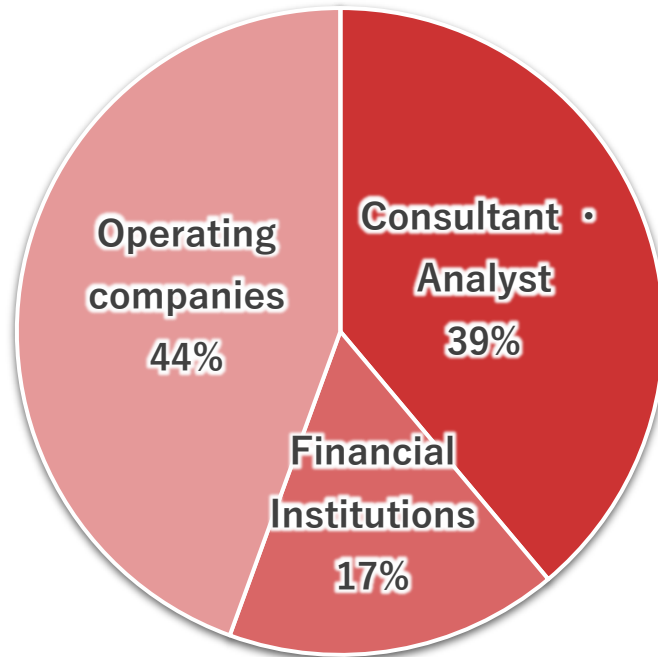


## Personnel Background

- Recruited talents with diverse backgrounds mainly in the fast-growing Management Consulting Business.

### Recruited in FY2021 1Q

Background



Assigned Departments

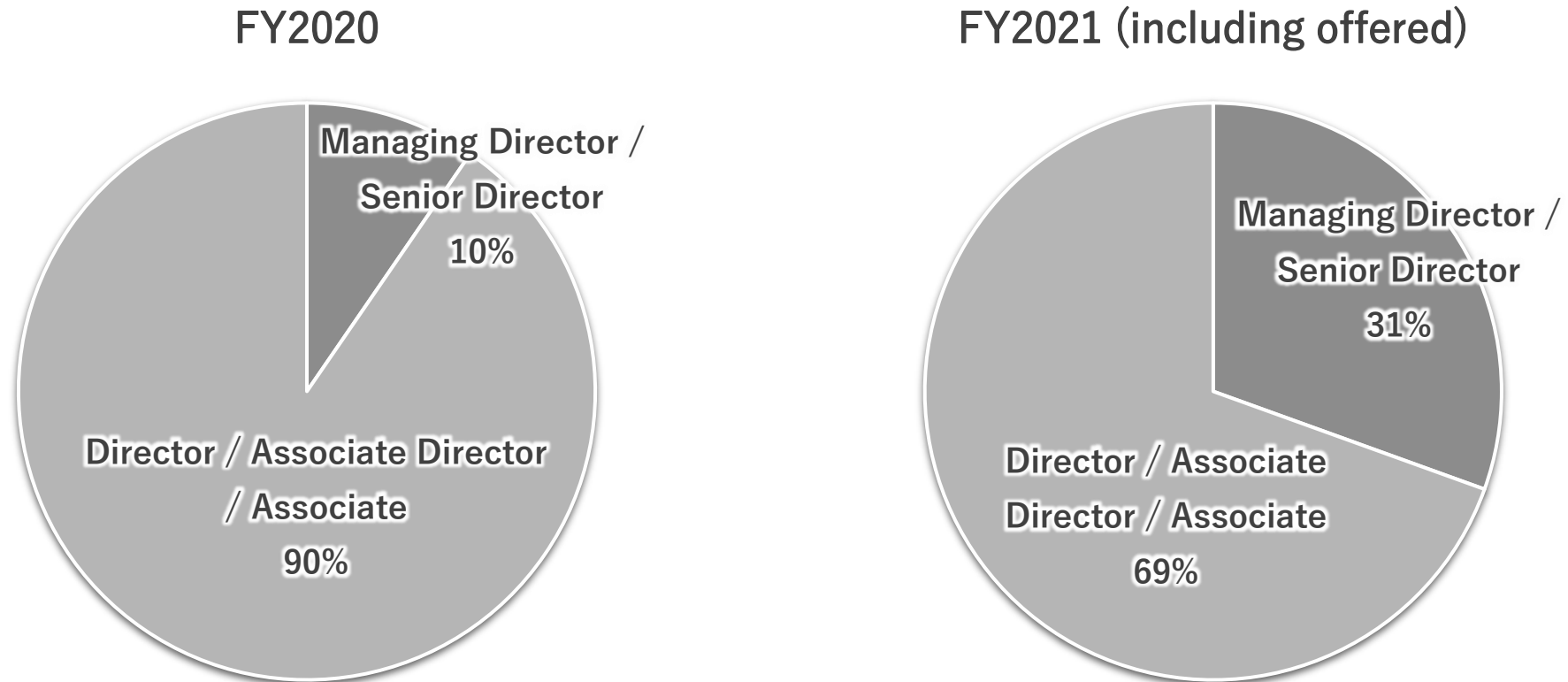




## Recruitment by Position

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

### Recruitment by Position



## Recruitment for Business Scope Expansion

Recruiting department	Title *	Background
-	Adviser	Experienced corporate sales and cross-border operations managers and executive officers at megabanks
Corporate Strategy	MD	After consulting on foreign-affiliated strategy, experienced in the planning department of global Japanese automakers in the Japanese head office and Hong Kong branch office
Corporate Strategy	MD	He serves as head of the Japanese corporate consulting division of a global top BPO company. Has experience in launching and expanding the DX consulting business in Japan
Corporate Strategy	SD	Leading projects for major department stores and supermarkets, e-commerce renovation and strengthening CRM foundations, at a Japanese subsidiary of a global top BPO company
Corporate Strategy	SD	At a Japanese subsidiary of a global top BPO company, he has experience supporting major domestic automakers in improving operational efficiency, assessing major domestic manufacturers for establishing business services in Europe, and formulating roadmaps.
Corporate Strategy	SD	Listed Japanese consulting firm Head of Shanghai base Experience in market entry and exit support for manufacturers in China and Hong Kong
Corporate Strategy	SD	Major Domestic Investment Banking Analyst Over 2010 Years Experienced Research and Analysis in the Machinery, Electrical, and Precision Instruments Sectors
Management Consulting	MD	Large strategic consulting firm and a business revitalization specialist who handled a number of revitalization projects at a major accounting FAS
Management Consulting	SD	Heads of global eDiscovery companies, international cartel research, AMLs, FCPA, fraud investigations and other specialists
Industrial Research	SA	Specialists who have been involved in the industry for more than 2020 years at major domestic think tanks and securities companies, such as corporate surveys in the energy industry (oil, electricity, and gas), stock price forecasts, and the writing of corporate analysis reports
Industrial Research	SA	In charge of the steel and non-ferrous industries, he has a broad network of contacts over 2010 years, including major companies rated by the Nikkei Analyst Ranking Top3 and leaders of industry associations
Financial Advisor	MD	Over 2016 years of experience as a coverage banker at major domestic securities companies and major overseas investment banks
Management Execution Support	SD	After working for a foreign-affiliated strategy consultant, he founded a consumer-related startup and became a vice president. He has experience in PMM support for global consumer goods companies, CRM project support for retail companies, and purchasing optimization projects at financial institutions and medical device manufacturers

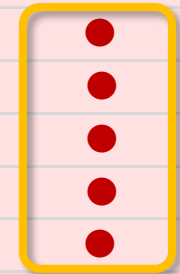
\* MD: Managing Director, SD: Senior Director, SA: Senior Advisor

# Progress of Medium-Term Management Plan: Key Industrial Coverage

Areas to be strengthened by recruitment



Industry	2019	2020	2021~2023
Machinery, Plant			●
Transportation			●
Chemical, paper, materials			●
Steel, non-ferrous metals			●
ICT			●
Banks, securities, insurance			●
Utility			●
Motor vehicles and equipment			●
Construction, real estate		●	●
Food products		●	●
Medical, Healthcare, Pharmaceuticals		●	●
Toiletries, cosmetics	●	●	●
Entertainment, entertainment	●	●	●
Industrial electronic equipment	●	●	●
Appliances, Electronic Components	●	●	●
Precision machinery, Semiconductor	●	●	●
Accommodations	●	●	●
Wholesale, retail, distribution	●	●	●

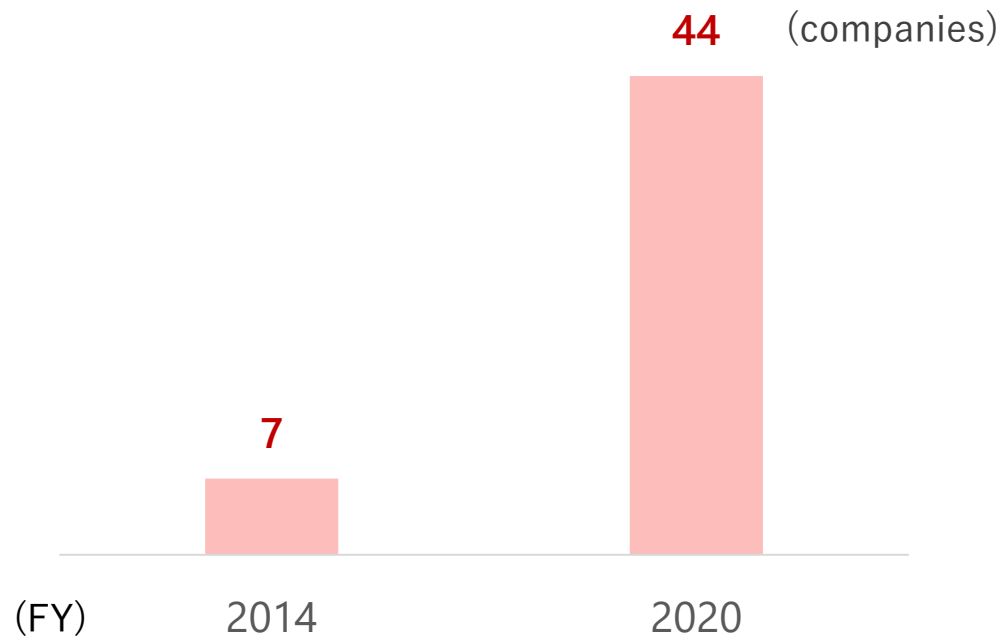




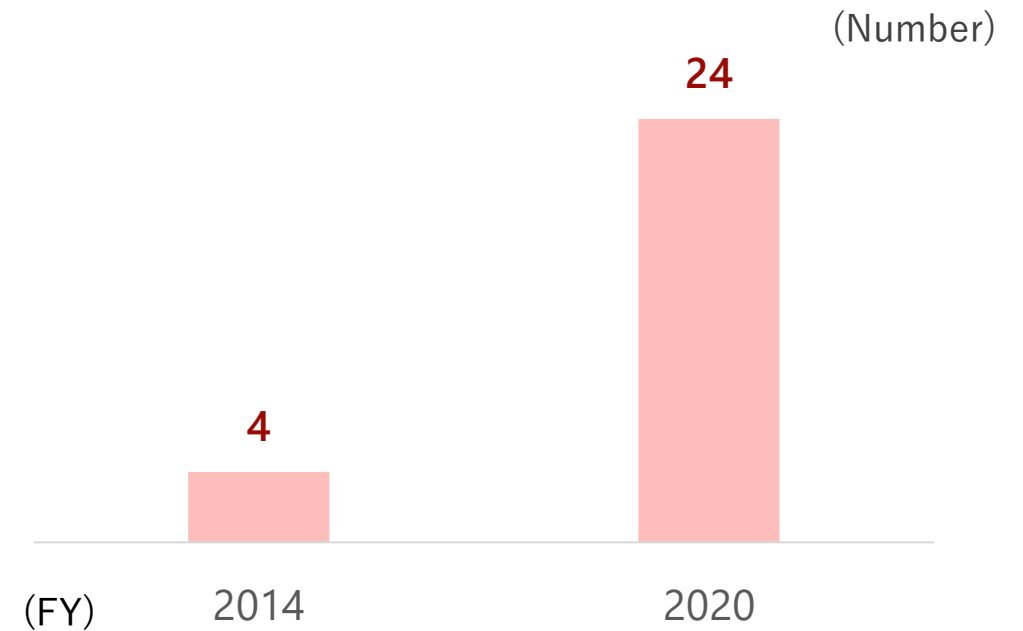
## SR/IR Areas in Japan

- Increasing shareholder proposals by activist funds.
- 3 of 24 proposals by activist funds were voted in favor including the director election in 2020.
- Approval rate of institutional investors for anti-takeover measures was 10% from overseas investors and 14% from domestic investors at the General Meetings of Shareholders held in 2020.
- Companies tend to incorporate the activist funds' proposals as their growth strategy.

Number of activist funds in Japan



Number of shareholder proposals by activist funds



# SR/IR Strategy Support Business

Establish SR/IR Strategy Office as a new organization under the Corporate Strategy Department and collaborate with WILLs Inc. to provide comprehensive SR/IR strategy advices for clients' corporate value.

**- Summary**

- Agreed with WILLs Inc. for collaboration in the field of SR/IR support services.
- WILLs is a company expanding the platform business and promoted DX conversion in the field of shareholder management.
- Establish SR/IR Strategy Office as a new organization under the Corporate Strategy Department.

**- Aim**

- Comprehensive SR/IR strategy support services

Profit improvement  
(Short-term issues)

(Stock price)

Corporate value

=

(EPS)

Profit

×

(PER)

Multiple

Multiple improvement  
(mid-/long-term issues)



Management issues	Services provided	expertise area	
		WILLs	FMI
Business strategy	• Formulation and implementation of growth strategies and cost improvement		✓
	• Support for response and revitalization of financial institutions		✓
Organizational and HR development	• Organizational Development and Human Resource Education		✓
Optimize the business portfolio	• M&A support and investment banking advisory		✓
	• Capital policy advice		✓
SR/IR strategy	• Equity Story Development Support		✓
	• Response to activists and shareholder proposals, etc.		✓
	• Institutional Investor Survey (Fund Manager, etc.)	✓	
	• Online General Meeting of Shareholders and IR Briefings	✓	
	• Support for the utilization of shareholder benefits	✓	
ESG strategy	• Support for preparation of integrated reports and annual reports	✓	
	• ESG Integration and Disclosure Support	✓	

## DX Business Expansion

Establish DX Strategy Office as a new organization under the Corporate Strategy Department and collaborate with NEUSOFT Japan Co. Ltd,. to provide the integrated services in the DX area.

### - Summary

- Agreed with NEUSOFT Japan for collaboration in the field of DX support services.
- Neusoft in China was established in 1991 with the investment of ALPS ALPINE in Japan and provides IT solutions and services globally. NEUSOFT Japan provides IT solutions and services that utilize the cutting-edge technologies such as cloud computing, AI and IoT, and has many achievements for major Japanese and Chinese companies.
- Establish DX Strategy Office as a new organization under the Corporate Strategy Department.

### - Major Contents of Collaboration

- Strategy formulation support in the DX area.
- System implementation and construction support in the DX area.
- Consulting and execution support for BPO related to the above.

**Neusoft**



## M&A Deals in FY2021 1Q

- Projects increased due to the severe industries such as restaurant which is one of our strongest areas.

No.	Month	Buyer	Seller	Summary	Characteristics
①	January	<b>KI-STAR REAL ESTATE CO.,LTD.</b>	<b>Prest Home</b>	Brokerage services related to the acquisition of shares of Prest Home by KI-STAR REAL ESTATE	
②	January	<b>Aniplex Inc.</b>	f4samurai, Inc.	FA services related to the equity tie-up with f4samurai for Aniplex	
③	February	<b>Sojitz Corporation</b>	ROYAL HOLDINGS Co., Ltd.	FA services related to the capital and business alliance with ROYAL HOLDINGS for Sojitz's	COVID-19, restaurants
④	February	<b>Sojitz Corporation</b>	ROYAL IN-FLIGHT CATERING CO., LTD.	FA services related to 60% investment in ROYAL IN-FLIGHT CATERING for Sojitz's	COVID-19, restaurants, Major and small enterprises
⑤	February	Physik Instrumente (PI) GmbH & Co. KG	<b>P.G. W Co., Ltd.</b>	FA services related to the stock transfer of P.G. W to Physik Instrumente (PI)	
⑥	March	Union Gate Group Co., Ltd.	<b>UNITED ARROWS LTD./ Figo Corporation</b>	FA services related to the stock transfer of Figo from United Arrows to the Union Gate Group	COVID-19, apparel
⑦	March	<b>Mitsui Fudosan Co., Ltd.</b>	Hibiya Matsumoto Co., Ltd.	FA services related to capital and business alliance with Hibiya Matsumoto for Mitsui Fudosan	COVID-19, restaurants bridge between major and small enterprises
⑧	March	Mitsubishi Gas Chemical Company, Inc.	<b>J-OIL MILLS, INC./J-CHEMICAL INC.</b>	FA services by J-OIL MILLS for the stock transfer of J-CHEMICAL to Mitsubishi Gas Chemical Company	

Red: Companies where we advised





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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



**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.



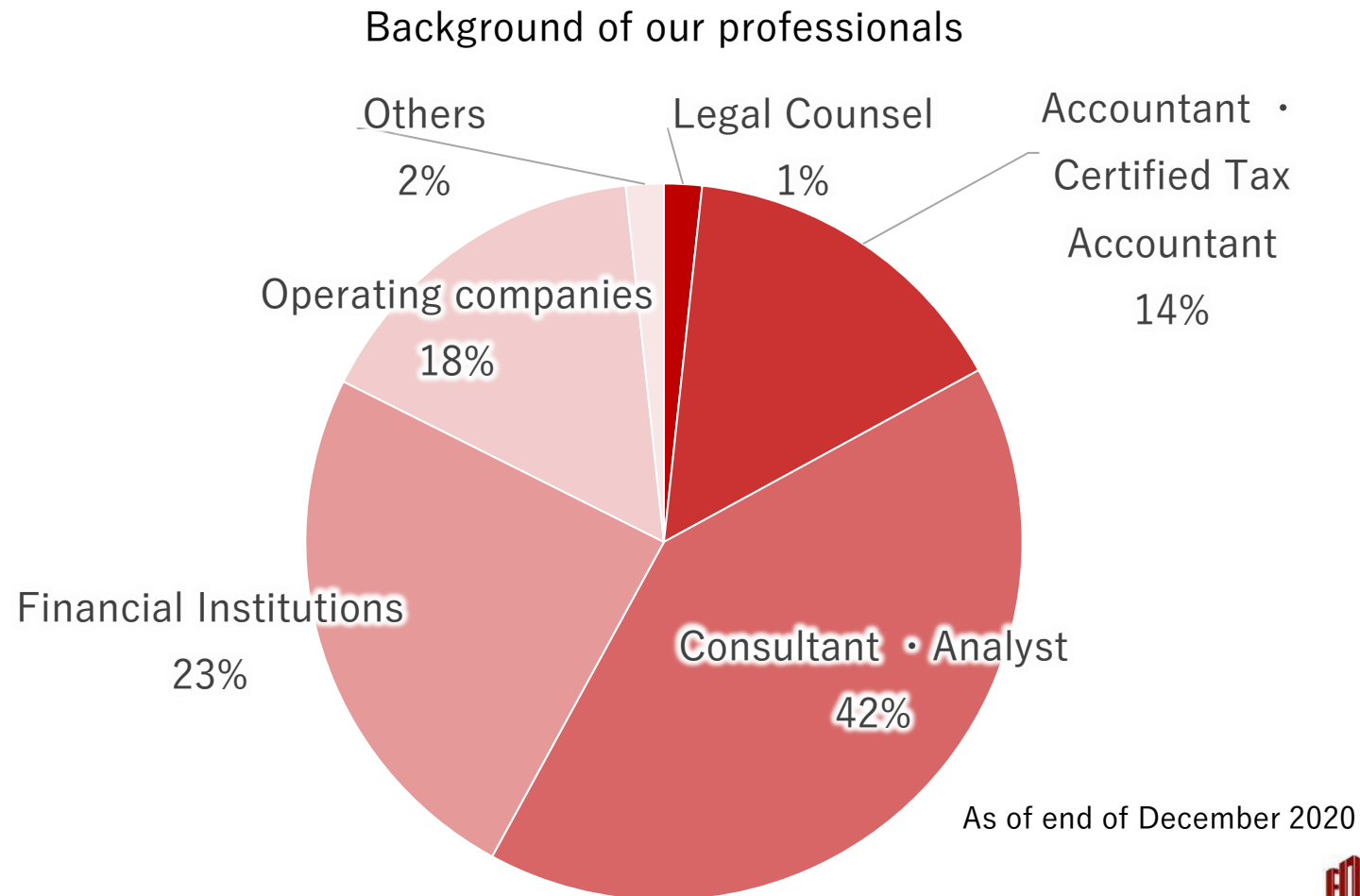
**Jointly established in 2007**



**FRONTIER MANAGEMENT INC.**

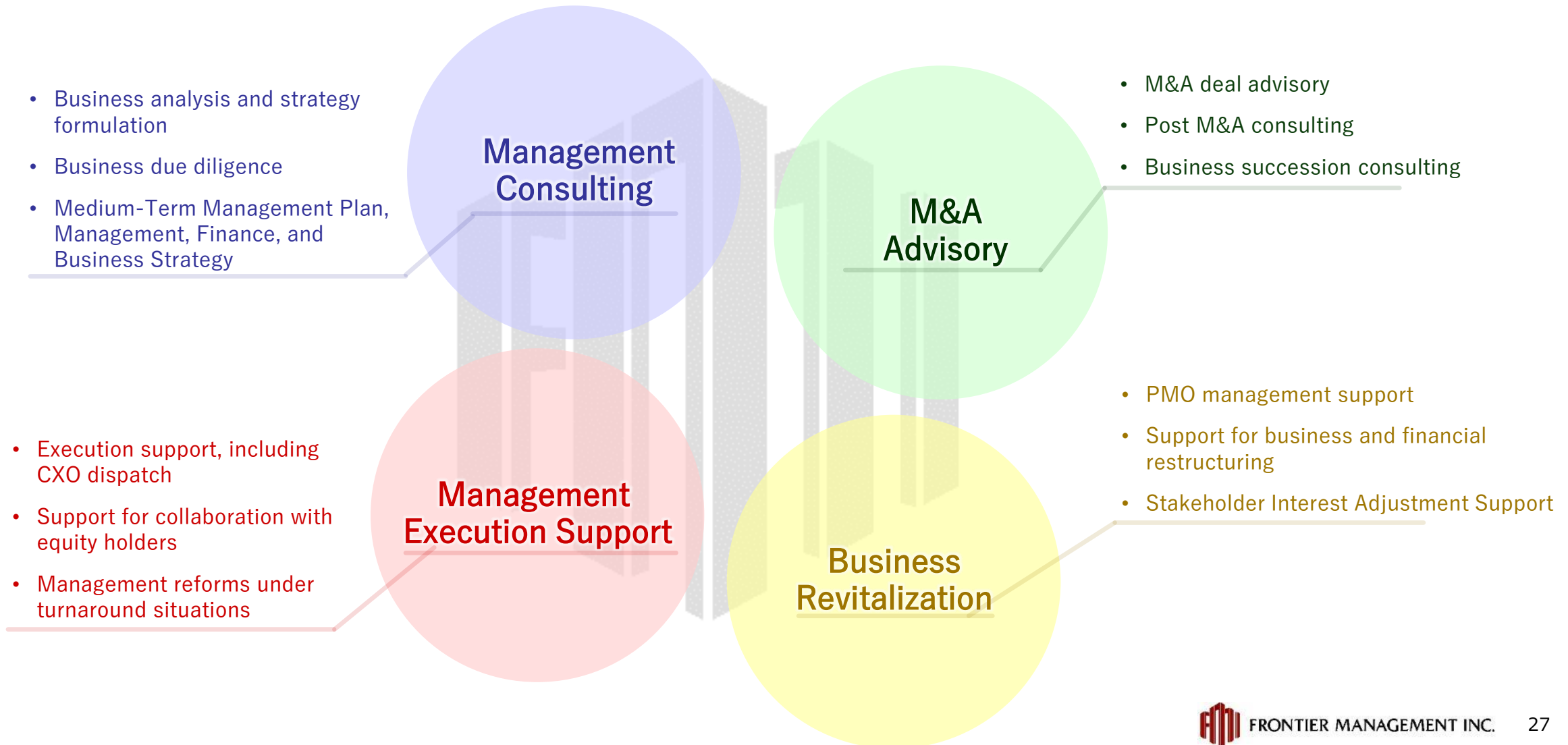
## Aim

- 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.



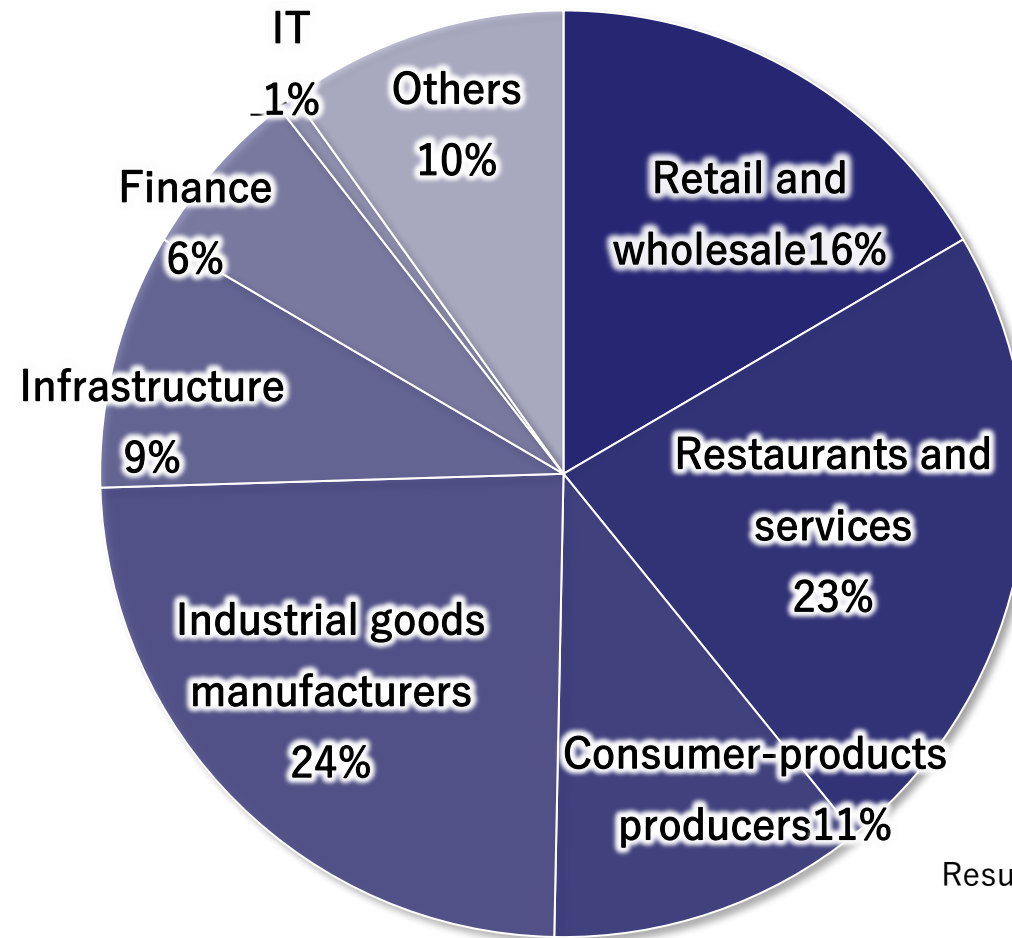
# Business

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



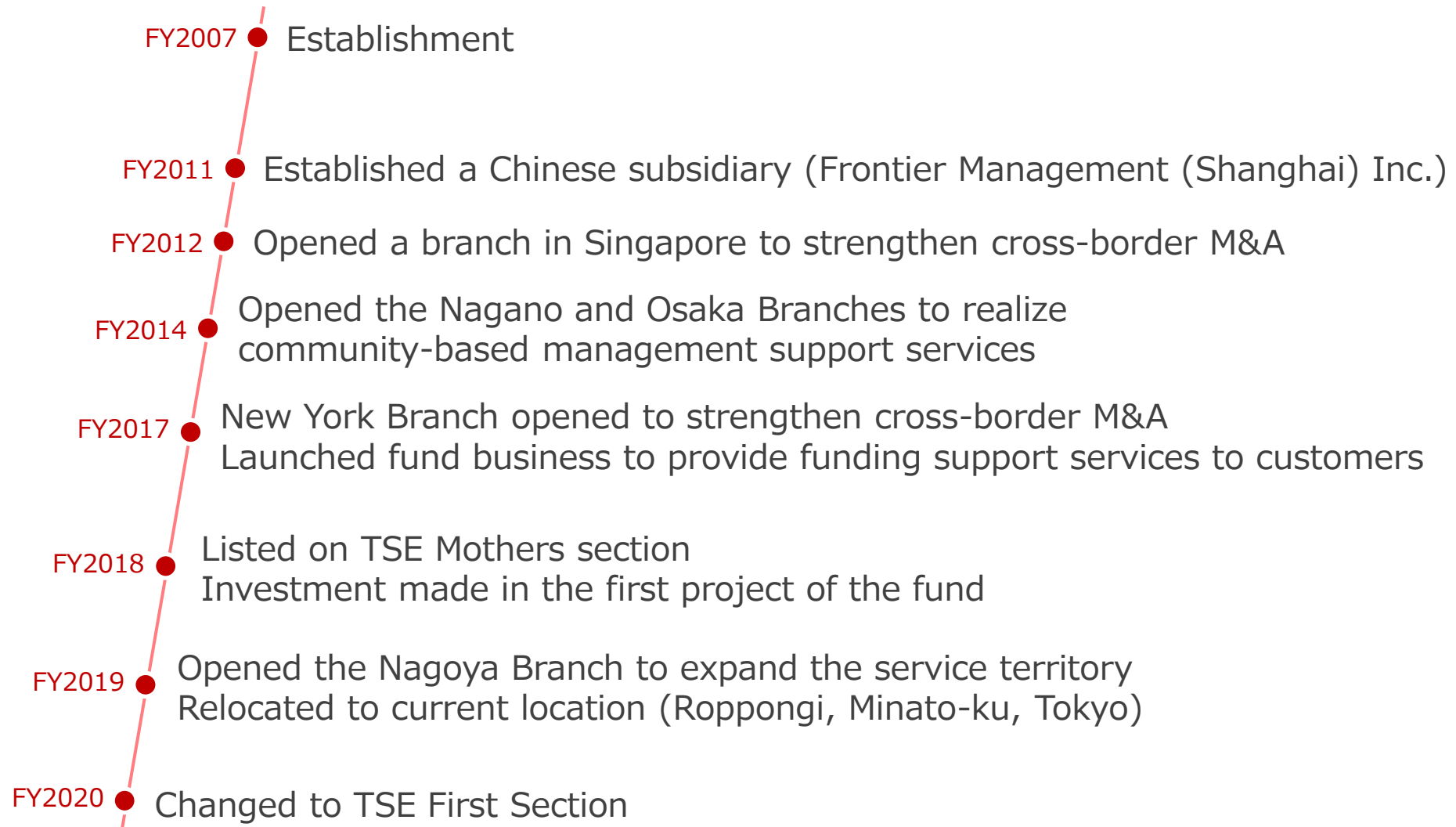
## Customer Segments

- Provide services to diverse industries.



Results for the year ending December 2020

# 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



### 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



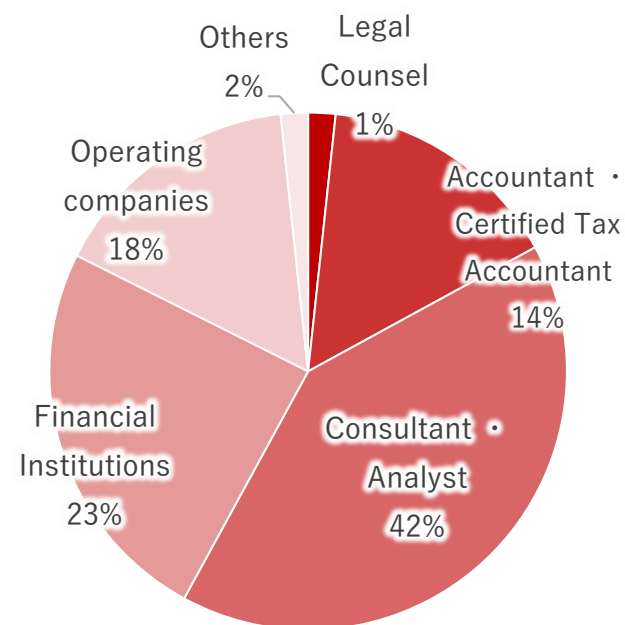
## Company Overview

<b>Company Name</b>	Frontier Management Inc.	
<b>Established</b>	January 4, 2007	
<b>Listed</b>	First Section of the Tokyo Stock Exchange (Code Number : 7038)	
<b>Location</b>	Sumitomo Fudosan Roppongi Grand Tower 41F, 3-2-1 Roppongi, Minato-ku, Tokyo	
<b>TEL/FAX</b>	<TEL>+81-3-6862-5180 (general) <FAX>+81-3-6862-8611	
<b>Website</b>	<a href="https://www.frontier-mgmt.com">https://www.frontier-mgmt.com</a>	
<b>Officers, etc</b>	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
<b>No. of employees</b>	238(consolidated)	as of end of March 2021
<b>Branch</b>	Osaka, Nagoya, Nagano, Singapore, New York	
<b>Group Companies</b>	Frontier Management (Shanghai) Inc. (Wholly owned)	
<b>Associated company</b>	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 March 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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