

February 10, 2022

To All

Company Name	Frontier Management Inc.
Representative	Shoichiro Onishi, Co-President & Executive Officer (TSE First Section Code No. 7038)
Contact	Hiroaki Hamada, Executive Officer, Head of Company Planning and Administration Department (TEL. +81-3-6862-8335)

Notice of Establishment of Subsidiary and Start of New Business

Frontier Management Inc. (hereafter the “FMI”) hereby announce that at the Board of Directors meeting held on February 10, 2022, FMI resolved to establish a subsidiary upon the commencement of a new business as follows.

1. Purpose of Establishing a Subsidiary and Purpose of Starting a New Business

FMI has been providing expert teams with various solutions tailored to each client's business phase, including consulting, M&A, and business revitalization support.

Over the past few years, the global society has undergone major changes. Japanese companies are also required to reform their business models, such as responding to environmental issues such as carbon neutrality, responding to productivity improvements such as digitization, responding to the revitalization of local economies, which are facing issues such as the declining birthrate and aging population and business succession issues, and responding to the after covid-19 convergence.

FMI believe that in order to solve these important corporate issues and solve social issues, it is necessary to establish an investment company that will enable investment in the medium to long term and involve the dispatch of management personnel.

The newly established investment subsidiary does not invest for the purpose of short-term return on investment, but rather directly invests capital raised in common stock or class shares from financial institutions and operating companies with the aim of enhancing corporate value over the long term. This will enable the company to grow by reforming the business model of the investee company and reorganizing the industry over the medium to long term.

In addition to the Investment Company, in principle, the Investment Company's portfolio companies are also assumed to be subject to our consolidated accounting. Accordingly, FMI anticipate that the size of our group will be much larger than it is now, and FMI believe that accelerating the scale expansion of our group while significantly strengthening our investment business will also contribute to enhancing our shareholder value.

2. Overview of newly established subsidiaries

(1)	Name	Frontier Capital Co., Ltd. (tentative name)	
(2)	Address	3-2-1, Roppongi, Minato-ku, Tokyo	
(3)	Job Title/Name of Representative	Shoichiro Onishi Representative Director Masahiro Matsuoka Representative Director	
(4)	Description of Businesses	Investment business involving the dispatch of management personnel	
(5)	Paid-in Capital	Undecided (Note 1) Although FMI plan to invest a total of approximately JPY1 billion, the amount to be included in capital has not been determined. (Note 2) FMI plan to raise funds totaling 20 billion yen from financial institutions, operating companies, etc. that have agreed with the purpose of establishing a new subsidiary, but the amount to be included in capital has not been determined.	
(6)	Date of Incorporation	April 1, 2022 (planned)	
(7)	Fiscal year end	December 31 (planned)	
(8)	Major shareholders and percentage of shares	FMI (percentage of voting rights is undecided, but FMI hold a majority). (NOTE) FMI plan to issue common stock or class shares to financial institutions and operating companies that have agreed with the purpose of establishing a new subsidiary.	
(9)	Listed companies and the companies concerned Relationship with	Capital relationship	Subsidiary of FMI
		Personnel relationship	Shoichiro Onishi and Masahiro Matsuoka, Representative Directors of FMI, will also serve as Representative Directors of the relevant companies.
		Business relationship	There is no business relationship with FMI because newly established subsidiaries have not commenced operations.

3. Overview of New Businesses

The newly established subsidiaries invest capital raised from financial institutions, operating companies, etc. in common stock or class shares as joint-stock companies and dispatch management personnel as necessary to conduct investment businesses aimed at enhancing the long-term corporate value of the investee companies.

This will enable us to grow over the medium to long term by transforming the business models of investee companies and reorganizing the industry. FMI believe that accelerating the expansion of the scale of our Group will also contribute to enhancing our shareholder value.

Regarding this company, FMI are approaching potential companies for investment in the newly established subsidiary, and FMI are making positive discussions with several companies.

4. Schedule

(1)	Date of resolution of the Board of Directors	February 10, 2022
(2)	Date of establishment	April 1, 2022 (planned)
(3)	The date of commencement of business	July 1, 2022 (planned)

5. Total amount of expenditures planned to be specially spent for new businesses

FMI plan to invest around ¥1 billion in the establishment of a subsidiary that will undertake new businesses.

6. Future outlook

The impact of this matter on our consolidated financial results for the fiscal year ending December 2022 is undetermined at the present time because it fluctuates depending on the timing of investment by the Subsidiary in the Investee Company. However, FMI will promptly notify us of any issues that need to be disclosed regarding the impact of this matter on our business results.