



FY2022 Q1 Financial Results

Ending December 2021

May 13, 2022

Frontier Management Inc.

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Section 1

FY2022 Q1 Financial Results



Summary: Fruit of recruitment strategy and recovery of M&A-related business

- Large-scale orders from large corporations increased in the management consulting business
- Steady conclusion of large-and medium-sized projects in the Financial Advisory Business
- Increase orders for new products (SR/IR, DX-related, etc.)
- Positive effect of capital and business alliance (60% ownership) with Celebrain, which provides human resource-related consulting
- Positive recruitment resulted in an increase in the number of employees (Established a group of more than 300 employees)
- Strengthen proposals to clients by strengthening the organizational sales system

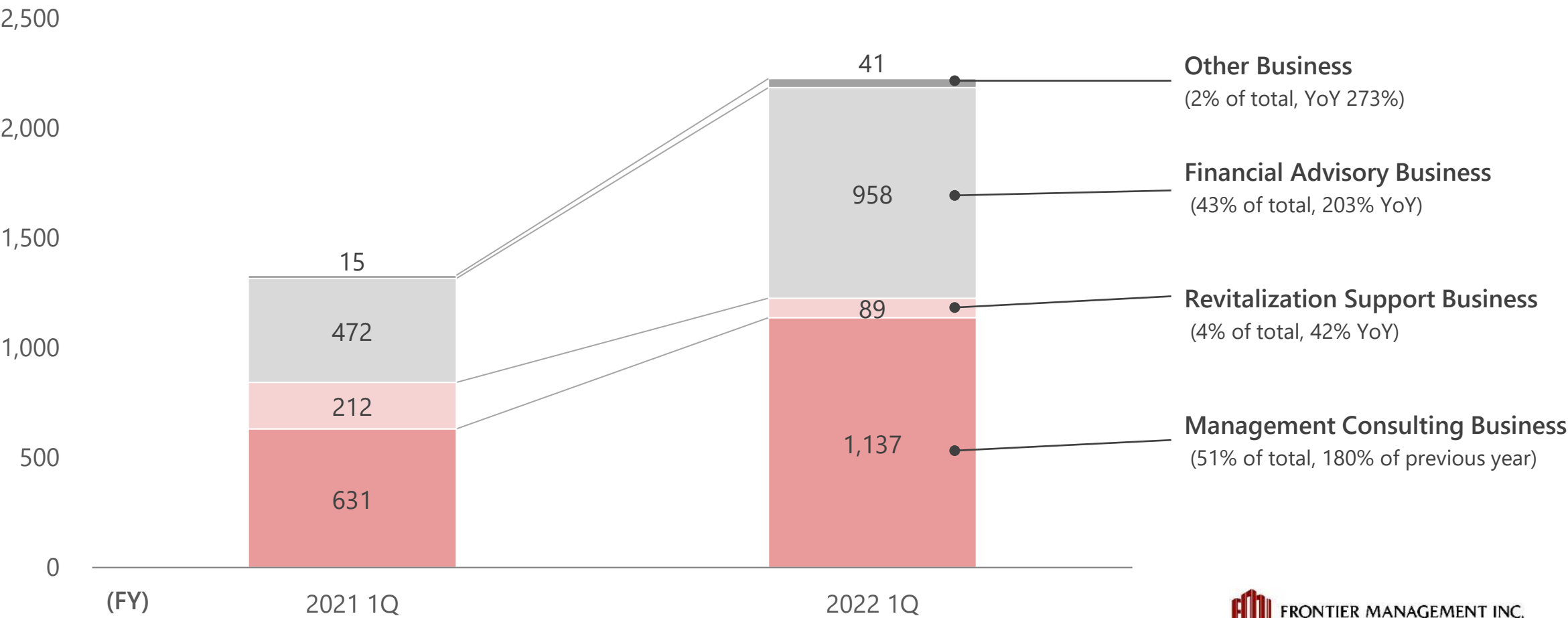
(JPY Mil.)

	FY2021 1Q results	FY2022 1Q results	YoY change (amount)	YoY change (percentage)	FY2022 Forecasts (Announced on Feb. 2021)	Achievement rate
Net sales	1,329	2,224	895	+67%	7,000	32%
Operating income	93	408	315	+339%	800	51%
Ordinary income	99	416	317	+320%	800	52%
Net Income	68	236	168	+247%	500	47%

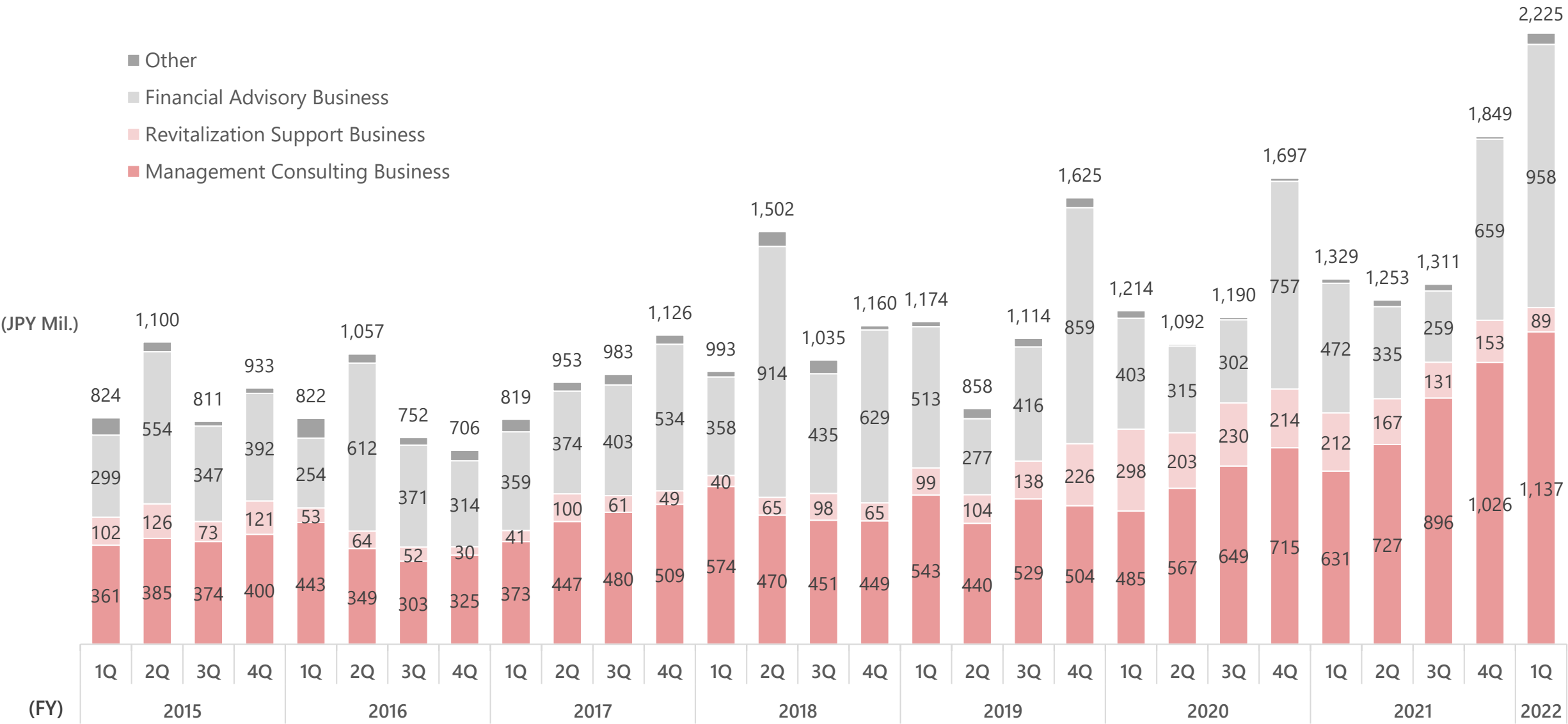
Net Sales by Industry Segment

- Management consulting business: Significant increase in sales due to an increase in large-scale orders from large companies
- Revitalization support business: Needs for revitalization support continue to not materialize
- Financial Advisory Business: Steady conclusion of both large-scale and medium-sized projects in the Financial Advisory Business

(JPY Mil.)

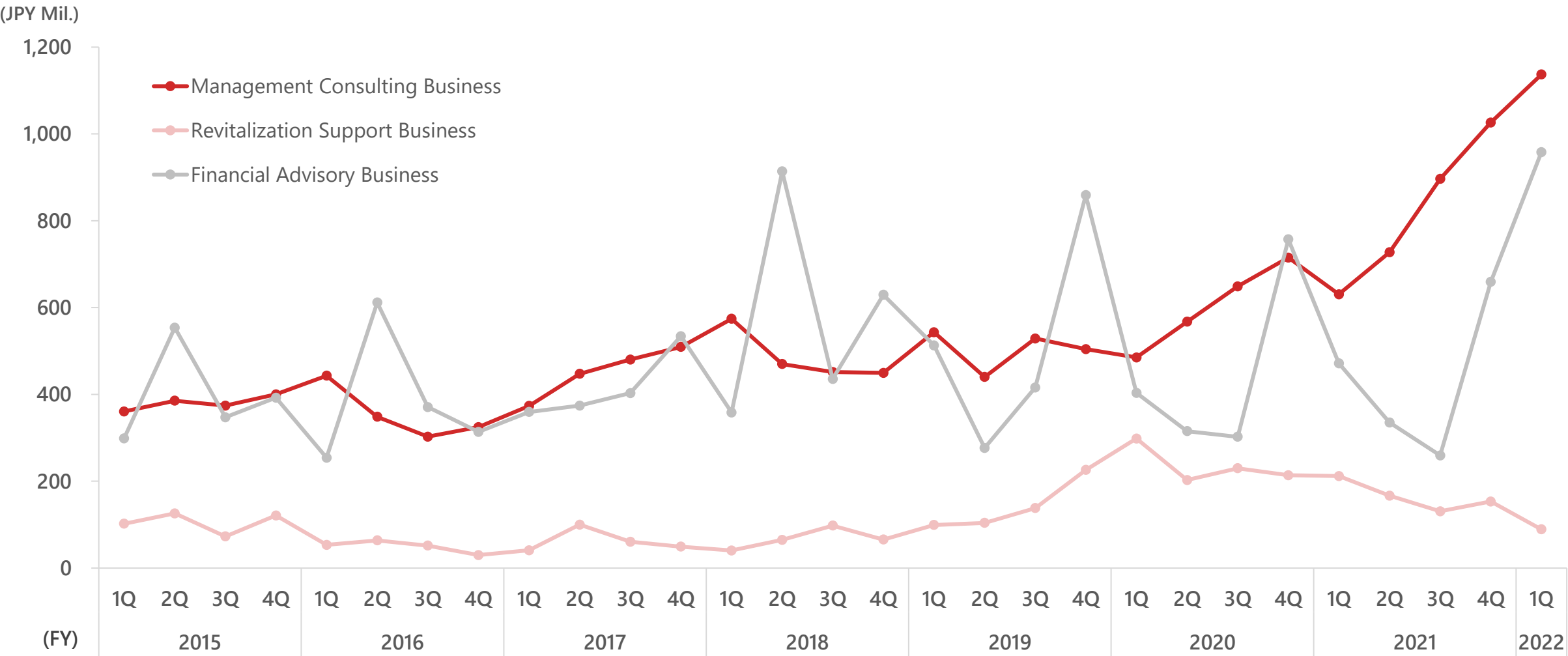


Quarterly Sales Trends (1/2)



Quarterly Sales Trends (2/2)

- Continued strong growth in the management consulting business
- Financial Advisory Business recovered, with record quarterly sales



PL Overview

- Personnel expenses (amount) increased due to continued aggressive recruitment, but both net sales and operating income reached record highs for the quarter.

(JPY Mil.)

	2021FY 1Q results	2022FY 1Q results	YoY change (percentage)
Net sales (Include Celebrain 93 million Yen)	1,329	2,224	+67%
Operating expenses	1,235	1,816	+47%
Outsourcing costs, etc.	52	105	
Personnel expenses	876	1,337	
Recruitment costs	68	90	
Other expenses	238	284	
Operating income (Include Celebrain 17 million Yen)	93	408	+339%
Ordinary income	99	416	+320%
Profit before Tax	99	416	+320%
Profit attributable to the parent company	68	236	+247%

In both net sales and
operating income
Record high for the quarter

BS Overview

- Total assets increased mainly due to an increase in goodwill (JPY 297 million) following the acquisition of cash and deposits and Celebrain shares.
- Total liabilities increased mainly due to an increase in borrowings.
- Despite the payment of dividends, total net assets increased due to an increase in quarterly net income attributable to owners of the parent.

(JPY Mil.)

	End of Dec. 2021	End of March 2022	YoY change (amount)
Current assets	2,998	3,861	+863
Fixed assets	821	1,014	+193
Total assets	3,819	4,876	+1,057
Current liabilities	1,282	1,781	+499
Fixed liabilities	82	401	+319
Shareholders' equity	2,397	2,533	+136
Other net assets	54	159	+105
Total liabilities and net assets	3,819	4,876	+1,057
Cash and deposits	1,784	2,466	+682
Interest-bearing debt	-	857	+857
Net Debt	△1,784	△1,609	△175



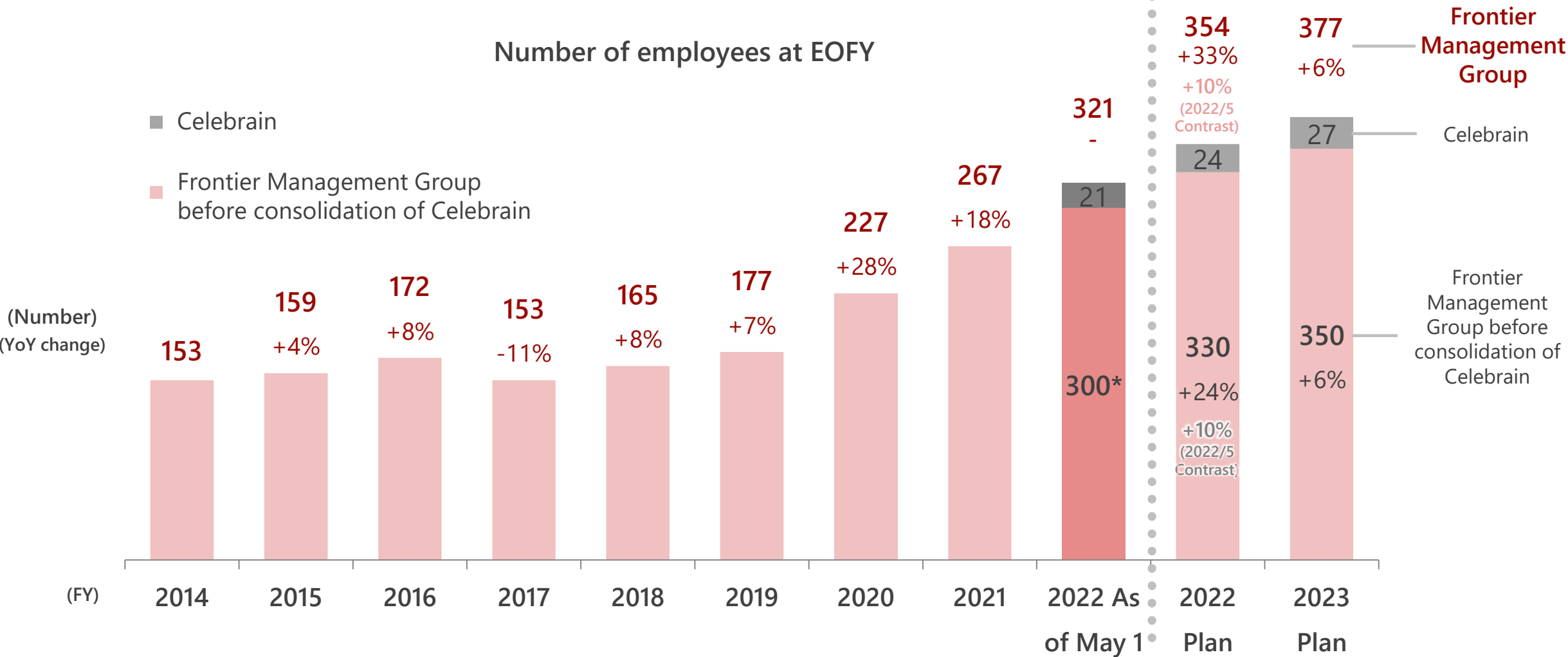
Section 2

Our Various Progress



Aggressive hiring strategy

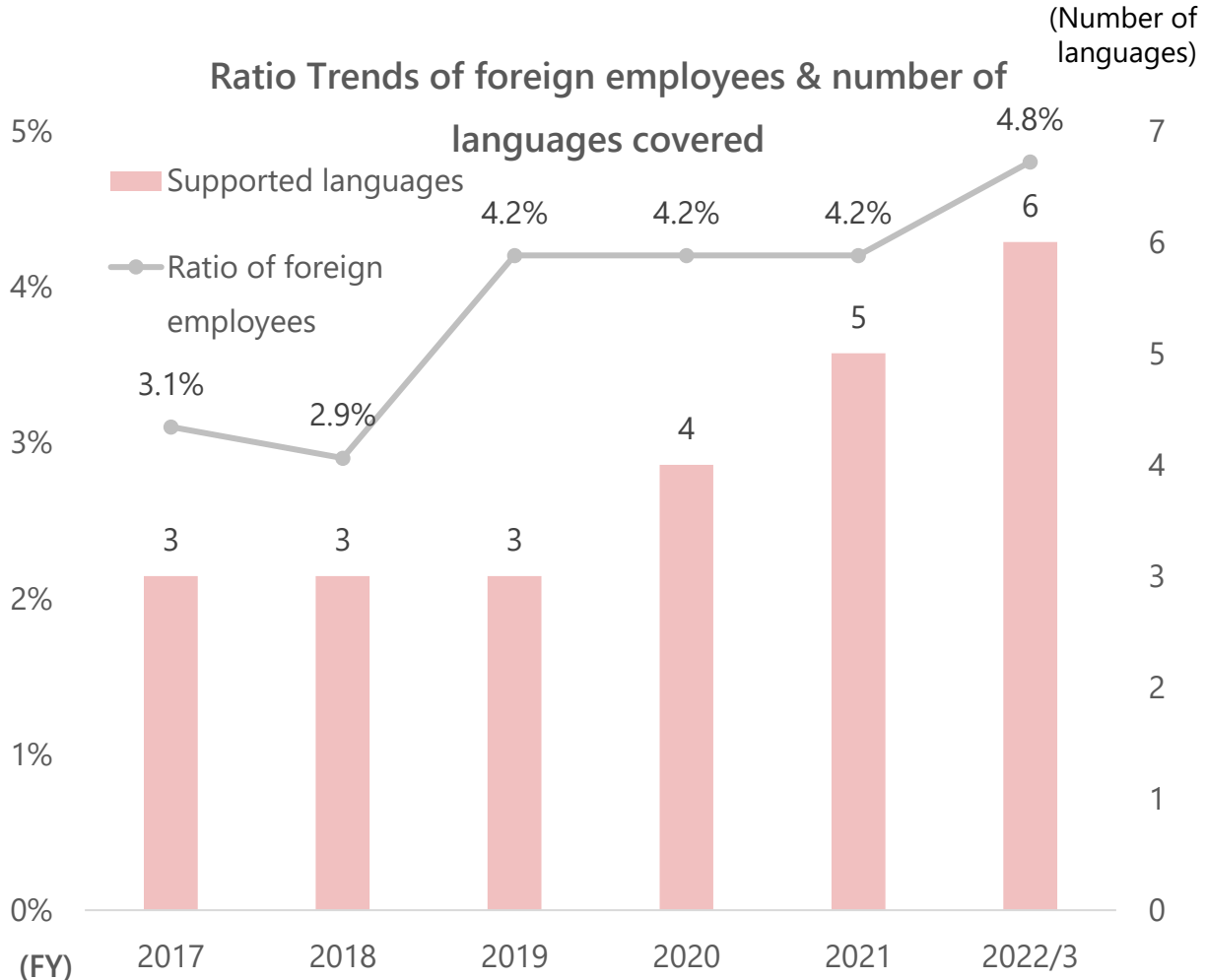
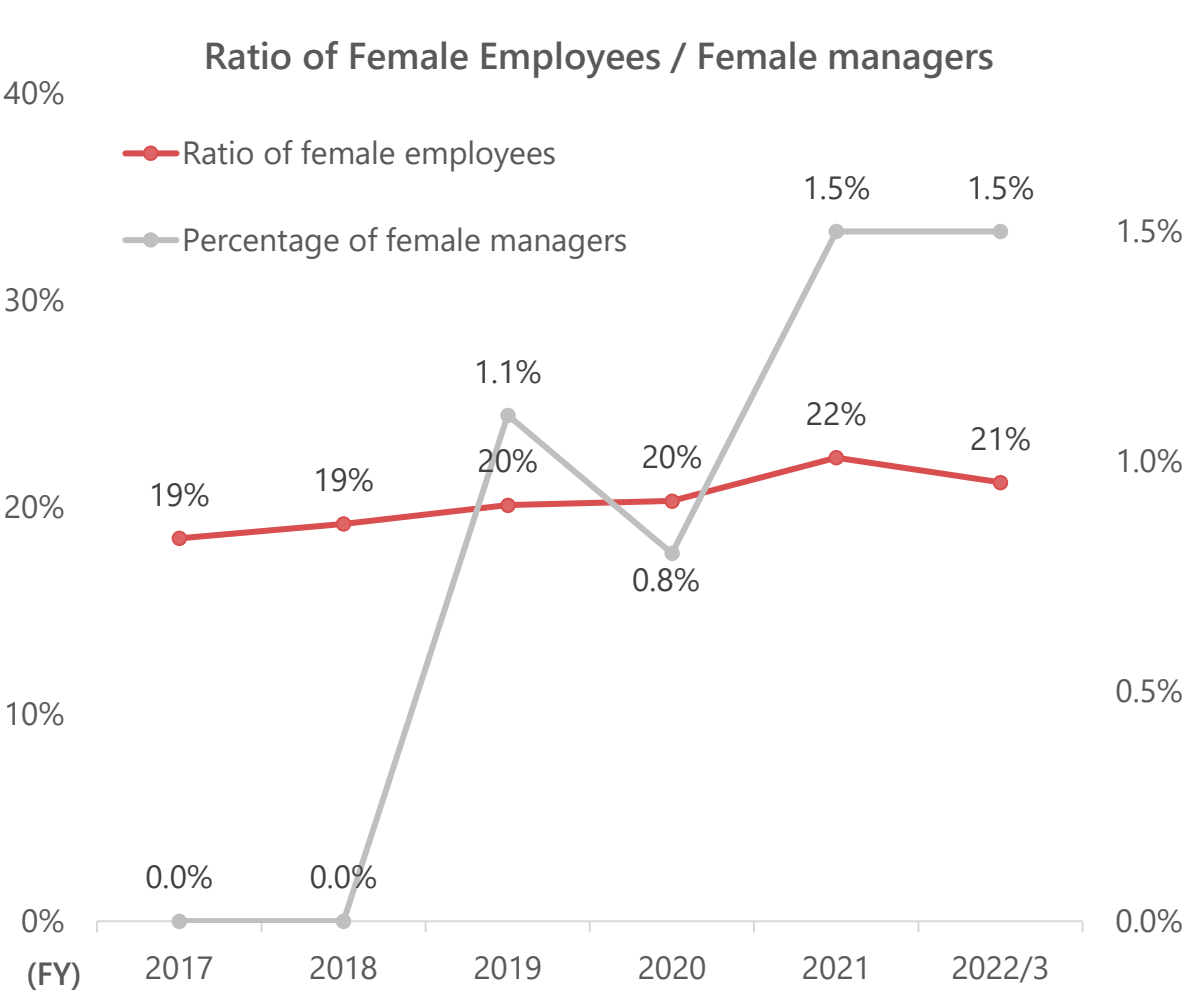
- Continue measures to strengthen recruitment of outstanding human resources to strengthen the organizational foundation
- Aiming for 377 employees in our group by the end of FY 2023



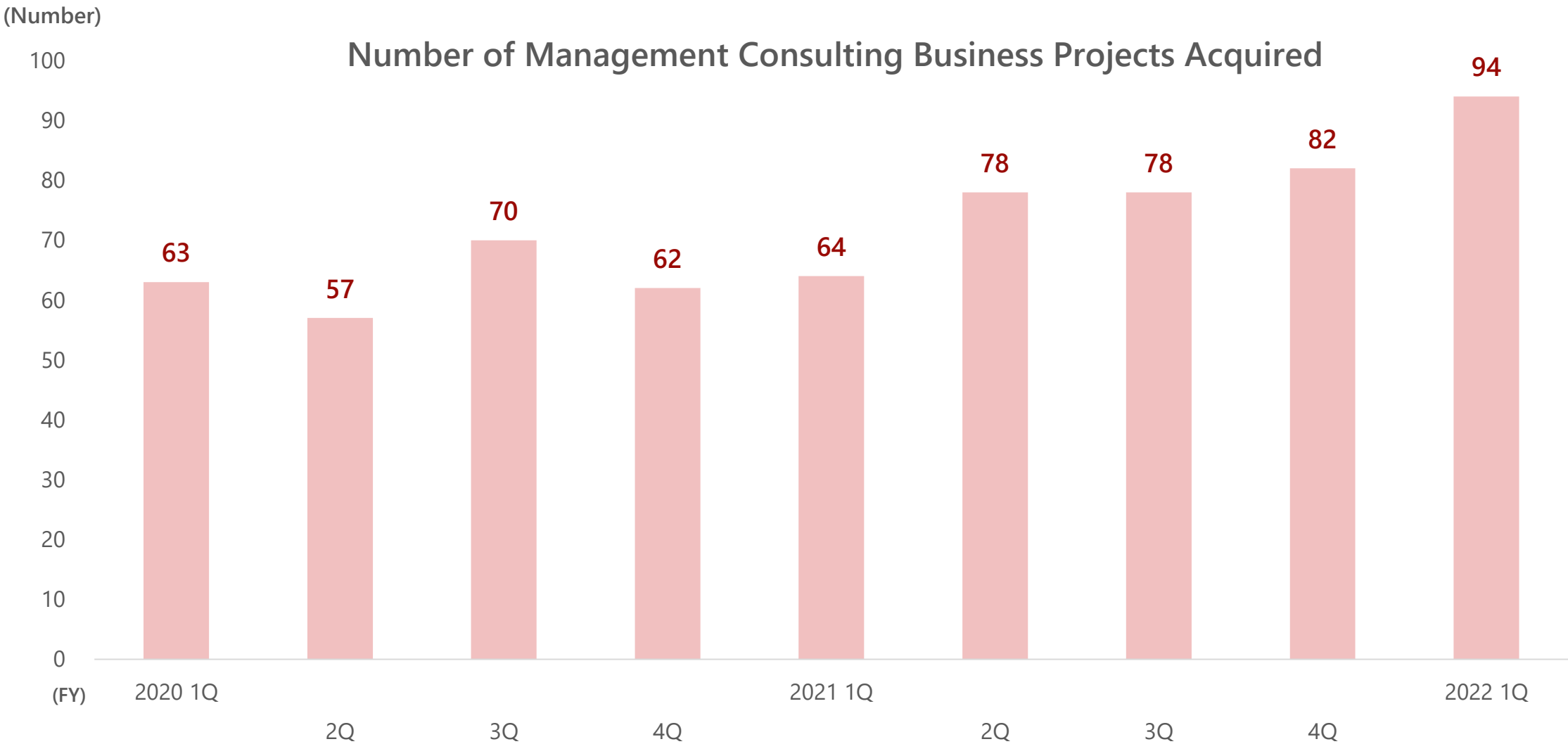
*The number of employees as of May 1, 2022 includes the number of informally designated employees.

D&I Initiatives

- Reinforcing recruitment of women and promotion to managerial positions
- Strengthen recruitment of foreign employees and promote diversification of the number of languages responding

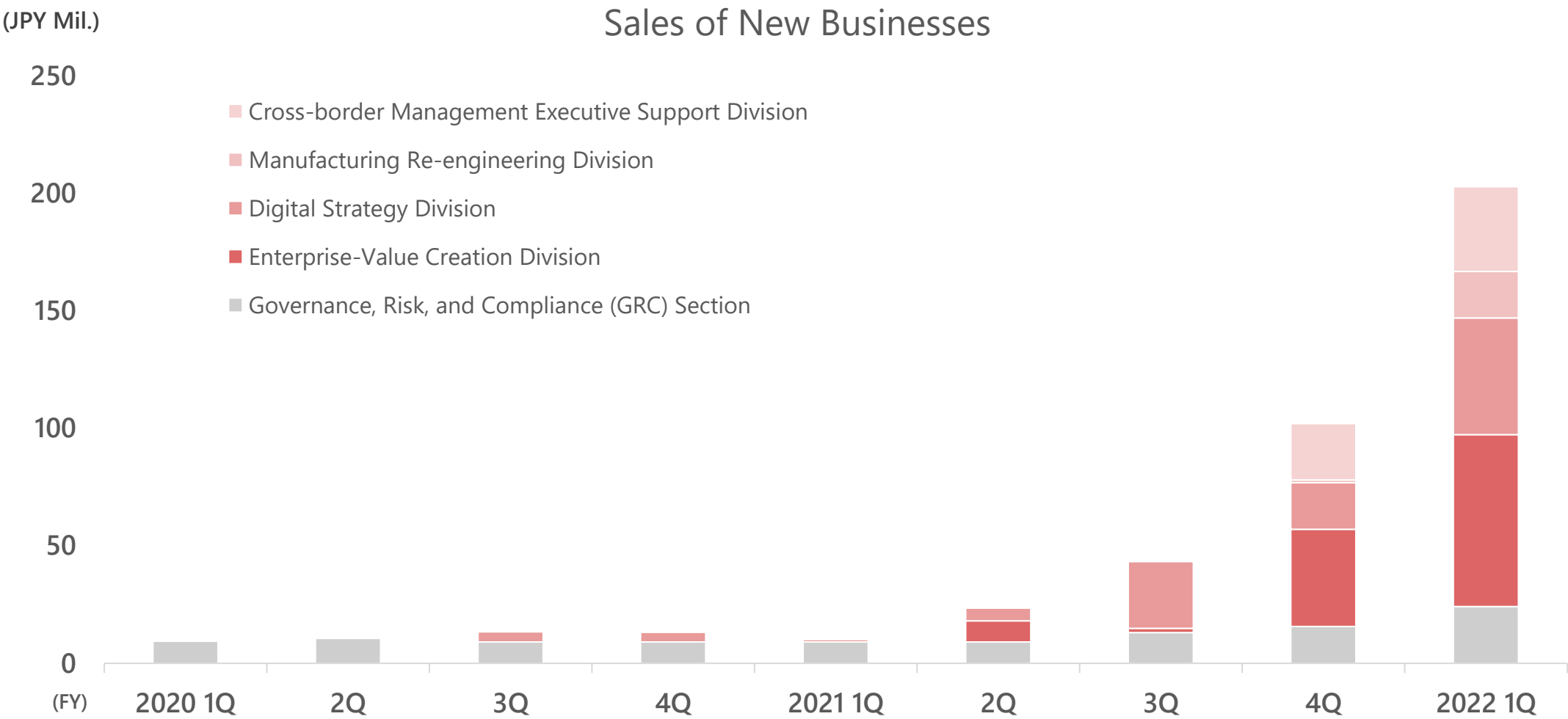


Management Consulting Business growth

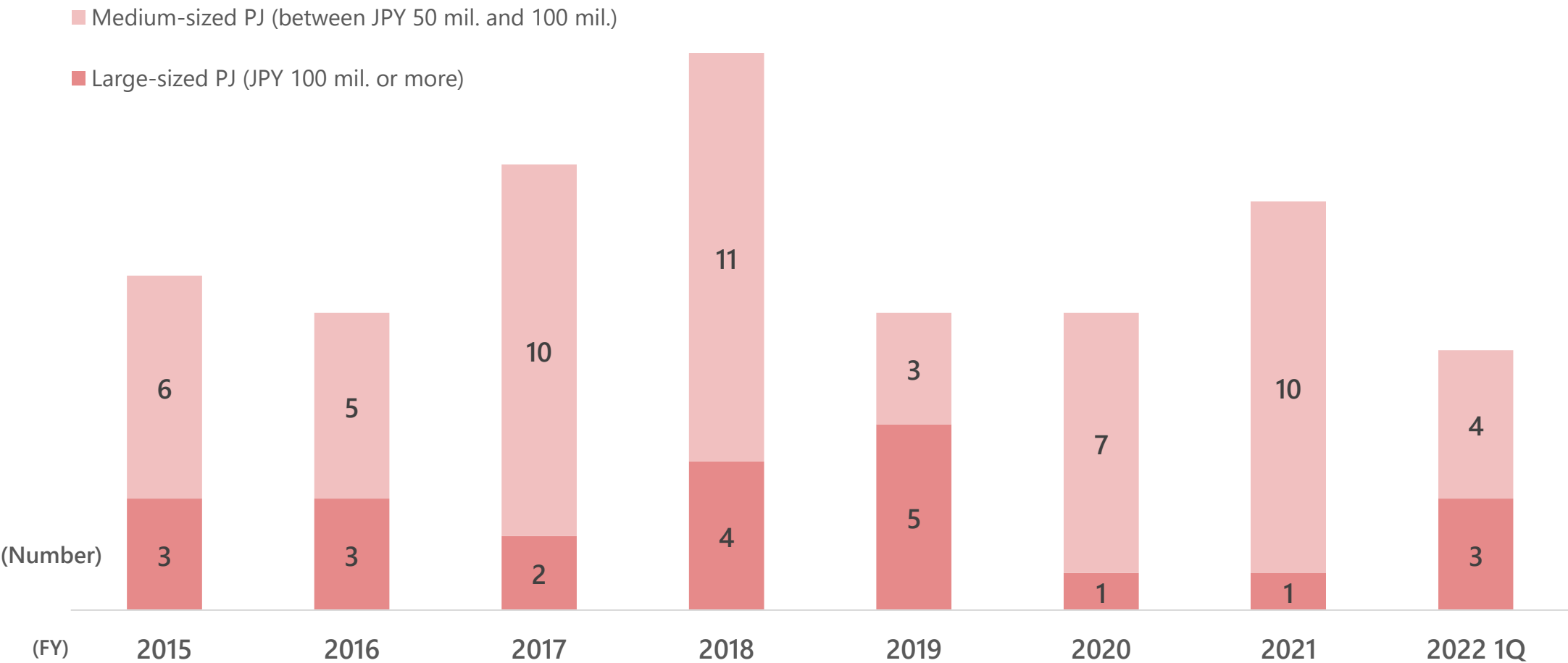


Strong start of new businesses

- Personnel reinforcement and new business strategies were successful.



Number of large-and medium-sized projects in the Financial Advisory Business



* Net sales exclude subcontracting costs and project introduction fees from net sales.

Backlog of Financial Advisory Business

- New orders are strong, and the order backlog is at a record high level since the company's establishment.



※"Order backlog" is calculated for projects with a high degree of certainty, but there are cases where contracts do not result.

Strengthening the M&A advisory system in the financial advisory business

- Continuous Organizational and Human Resources Strategies for Strengthening the Business Structure



Tadaaki Komori Director, Executive Vice President

Establishment of a business promotion system that leverages our strengths as the head of the M&A advisory division

[History]

Tad joined The Sumitomo Bank, Limited (current Sumitomo Mitsui Banking Corporation) in 1985. Joined SMBC Nikko Securities, Inc. in 2017. Became Senior Managing Director and Managing Executive Officer in 2018. Concurrently served as Managing Executive Officer of Sumitomo Mitsui Financial Group, Inc. in 2020. Joined Frontier Management Inc. as Deputy President Executive Officer in 2021.

Tad has extensive experience and depth knowledge in both commercial banking and investment banking in Japan and abroad. He has been involved in banking business with domestic and overseas corporate clients throughout his carrier.



Yoshinao Kawashima Managing Director

Invited to strengthen M&A organization structure

[History]

Yoshinao Kawashima joined KPMG AZUSA LLC(formally known as Asahi & Co) in 1997, followed by M&A department of Daiwa Securities Group in 2006 providing M&A advisory service of both domestic and cross-border throughout its career. He joined Frontier Management Inc. in 2022.



Mijinao Ikarashi Managing Director

Assigned to Paris to strengthen global structure, First European assignee

[History]

Mikinao Ikarashi joined GE Capital in 2001 and subsequently worked at KPMG AZSA LLC. He undertook domestic and international M&A advisory-related duties from 2007 at Daiwa Securities SMBC Co. Ltd. (now Daiwa Securities Co. Ltd.) and from 2012 at EY Transaction Advisory Services Inc. (EY TAS)before joining Frontier Management Inc. in 2014

Establishment of Frontier Capital Co., Ltd.

- Company established on April 1
- Currently procuring funds from external sources and developing investment targets

Corporate Profile

Company Name	Frontier Capital Inc. Abbreviation "FCI"	Business Contents	Investment business involving the dispatch of management personnel
Incorporation	April 1, 2022	Management Members	Shoichiro Onishi Representative Director, Co-President Masahiro Matsuoka Representative Director, Co-President Yasuo Horikoshi Representative Director and Senior Managing Director Hiroaki Hamada Corporate Auditor
Address	2-1, Roppongi 3-chome, Minato-ku, Tokyo, JAPAN		
Paid-in Capital	JPY 500 million (additional paid-in capital JPY500 million)		

History of Yasuo Horikoshi Representative Director and Senior Managing Director



Joined Japan Associated Finance Co., Ltd. (currently JAFCO Group Co., Ltd.) in 1990, joined IRCJ in 2004, and became a managing director. In 2007, he participated in the establishment of Industrial Growth Platform, Inc. ("IGPI") and became a founding partner and executive officer and managing director. In 2009, he was involved in the establishment of Intellectual Property Strategy Network Co., Ltd. and was appointed a director. Joined FCD Partners Co., Ltd. in 2017. He was appointed as a Representative Director and Senior Managing Director of Frontier Capital Inc. in 2022.



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

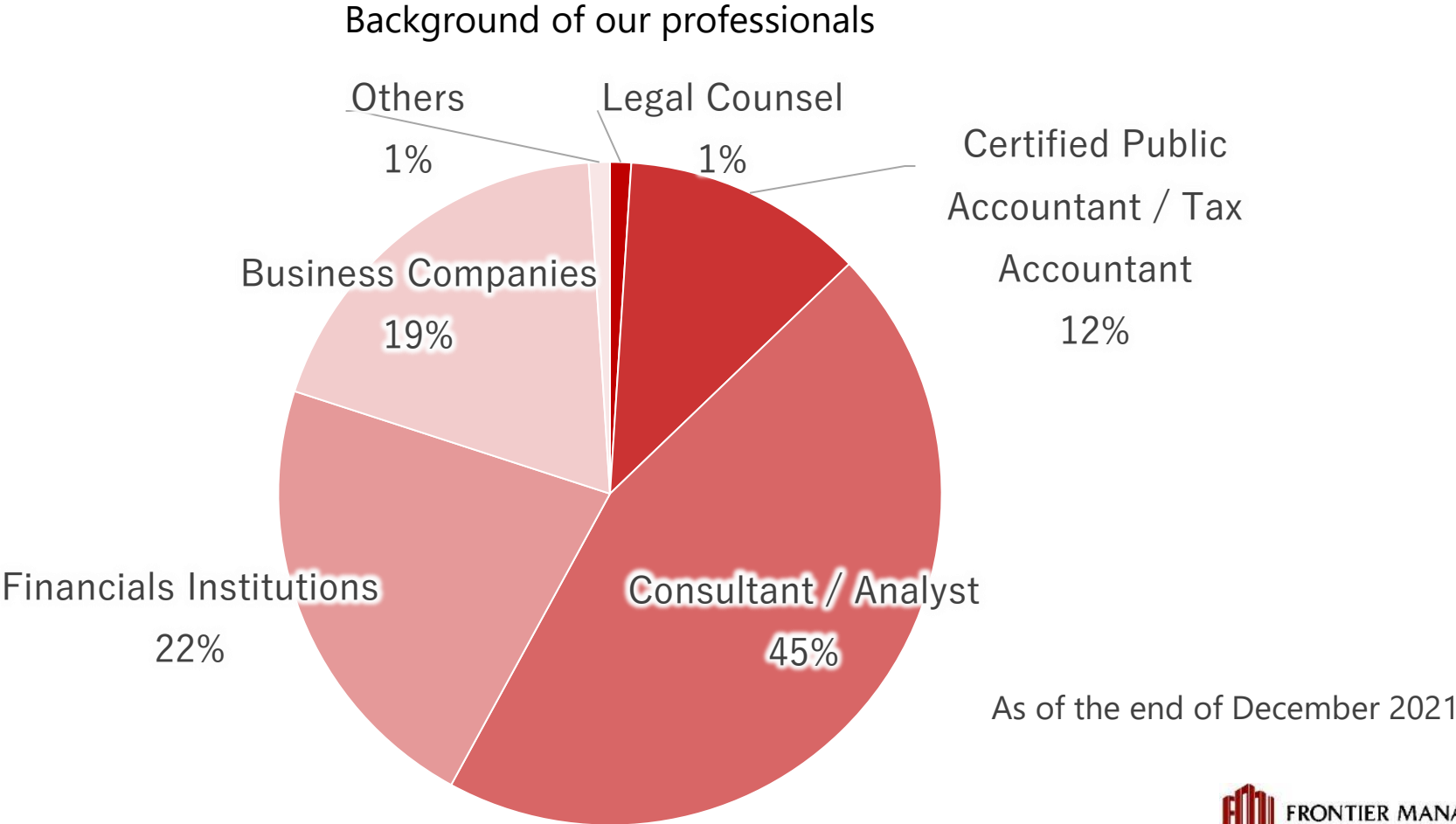


FRONTIER MANAGEMENT INC.



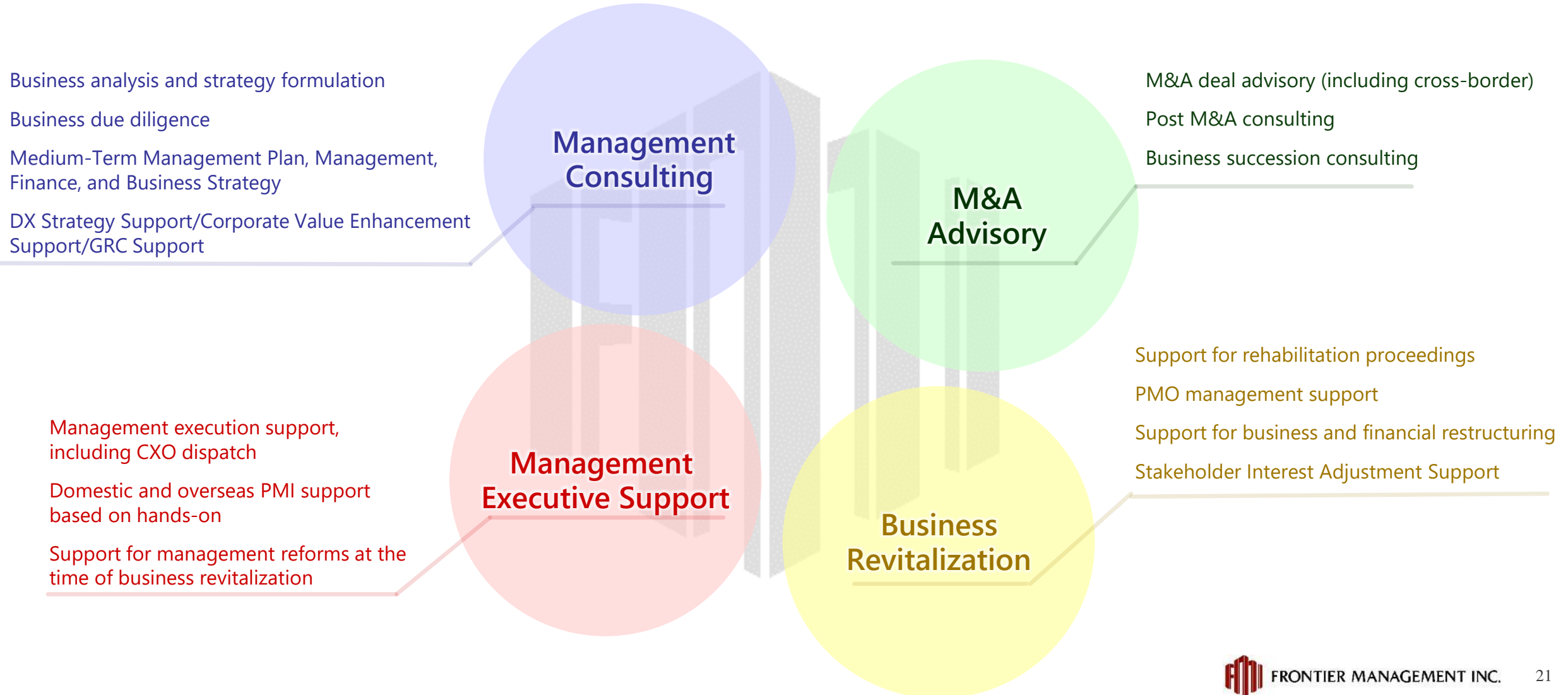
Aim

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.



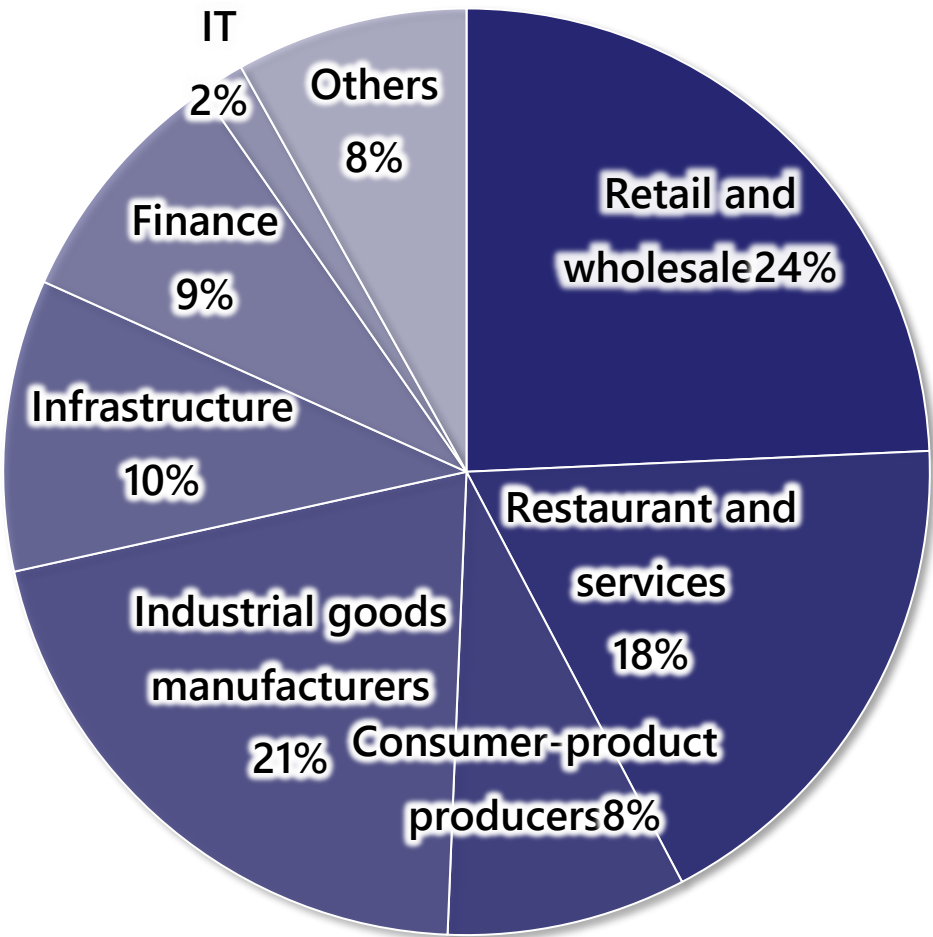
Business

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



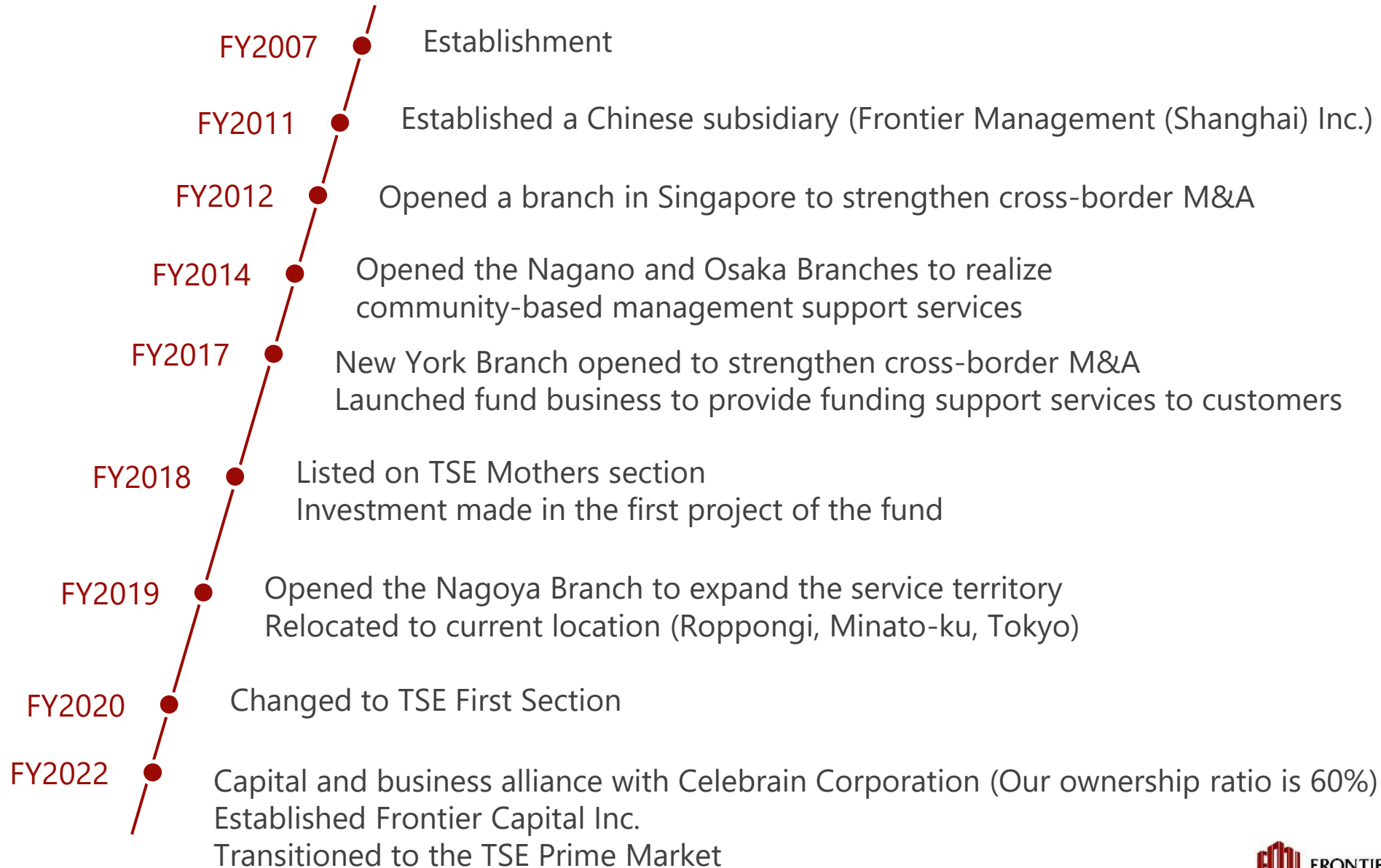
Customer Segments

Providing services to diverse industries.



Result of FY2021

History



Organizational Chart for Directors



代表取締役
大西 正一郎
SHOICHIRO ONISHI



代表取締役
松岡 真宏
MASAHIRO MATSUOKA



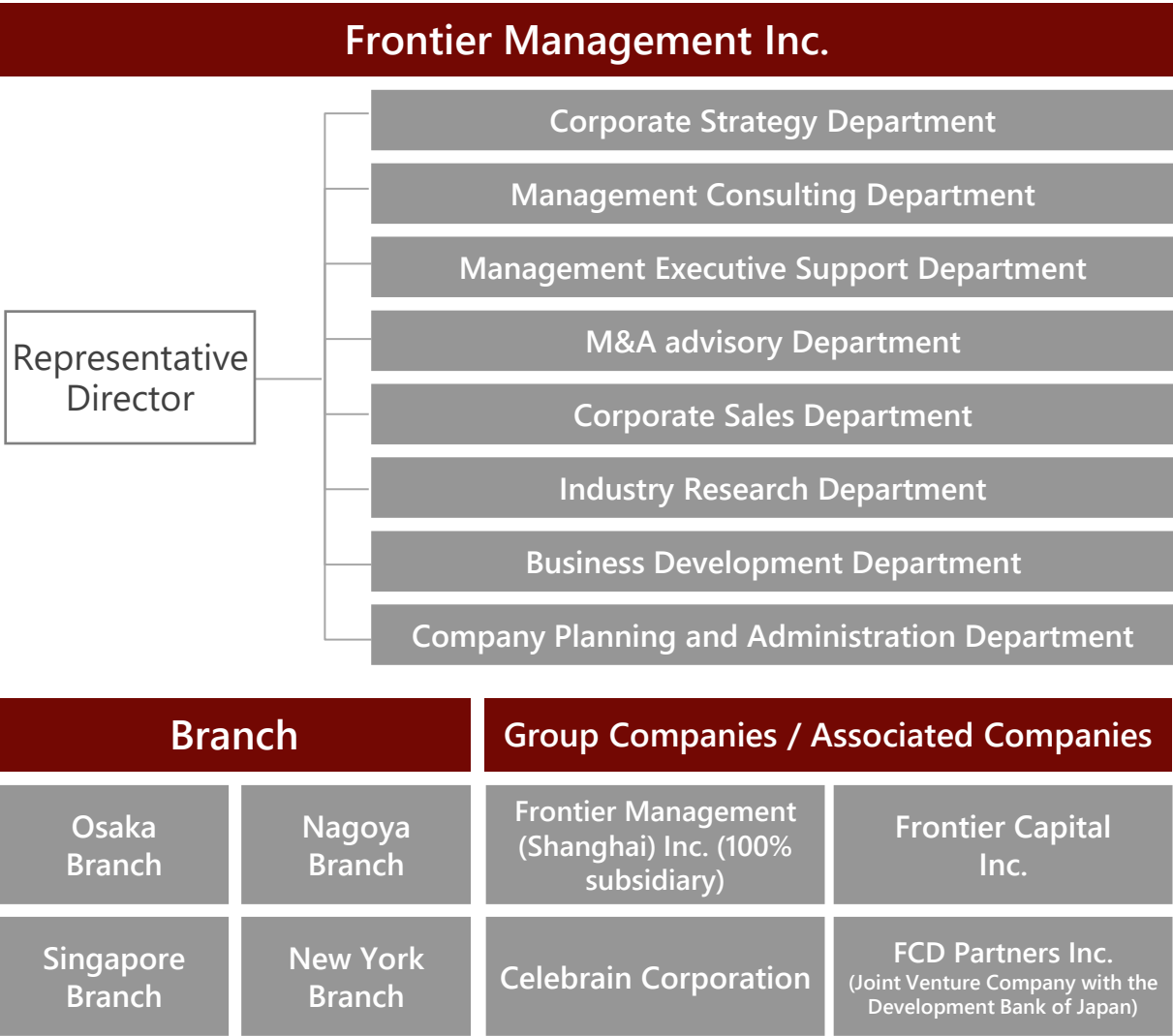
取締役 副社長執行役員
小森 忠明
TADAAKI KOMORI



社外取締役
大杉 和人
KAZUHIITO OSUGI



社外取締役
鵜瀬 恵子
KEIKO UNOTORO



Management Philosophy

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

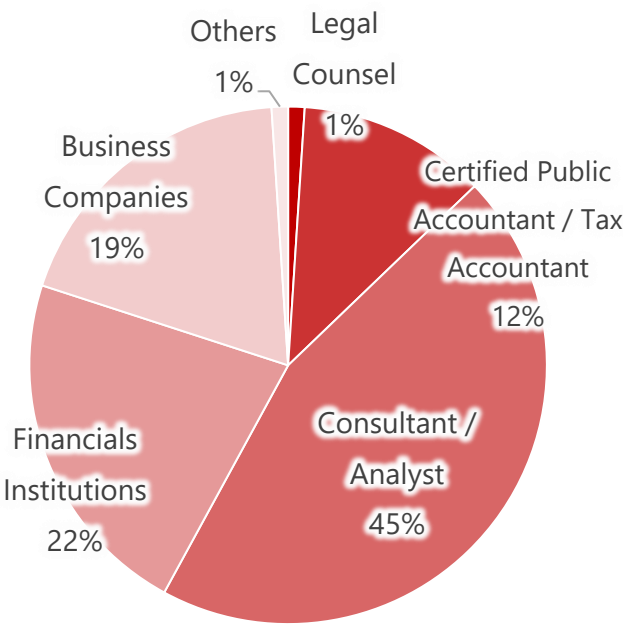


Trade Name	Frontier Management Inc.
English	Frontier Management Inc.
Incorporation	January 4, 2007
Security	7038 (Tokyo Stock Exchange Prime Market)
Address	3-2-1 Roppongi, Minato-ku, Tokyo Sumitomo Realty & Development Roppongi Grand Tower 41st Floor <TEL>03-6862-5180 (Representative)<Fax>03-6862-8611
TEL / FAX	<TEL>03-6862-5180 (Representative)<Fax>03-6862-8611
Website	https://www.frontier-mgmt.com
Key members	Representative Director, Co-President and Executive Officer Representative Director, Co-President and Executive Officer Member of the Board, Corporate Executive Deputy President Outside Directors Outside Directors Standing Corporate Auditor Auditor (part-time) Auditor (part-time) Senior Managing Director and Executive Officer Managing Director and Executive Officer Managing Director and Executive Officer Executive Officers Executive Officers Executive Officers Executive Officers Executive Officers
	Shoichiro Onishi Mohiro Matsuoka Tadaaki Komori Kazuhito Yasugi Eiko Udoro Takeshi Umemoto Kazuhiko Shimokawabe Tomotsu Hattori Toshiyuki Glossawa Sumio Nishizawa Akinori Nishida Masaya Yajima Hikoe Shinji Hitoshi Kuriyama Tomohiro Murata Hiroaki Hamada
Number of employees	285 (Consolidated)
Branch	The Osaka branch and Nagoya branch Singapore branch ・ New York branch
Group Companies	Frontier Management (Shanghai) Inc. Frontier Capital Corporation Celebrain Corporation
Affiliated companies	FCD Partners Co., Ltd. (joint venture with Development Bank of Japan)

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 December 2021

Handling of this material

- ◆ This material 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.
- ◆ 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.

