

February 14, 2024

To All

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 President & Executive Officer
 (Stock code: 7038 The Prime Market of
 Tokyo Stock Exchange)
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Status of Progress in Plan to Meet the Criteria for Maintaining Listing on TSE Prime Market

Frontier Management Inc. (the “Company”) hereby announces the status of progress as of December 31, 2023 in a plan to meet the criteria for maintaining listing on the TSE Prime Market (the “Plan”), which the Company submitted to Tokyo Stock Exchange Inc. and publicly disclosed its content on March 29, 2023. Details are as follows.

1. Progress towards meeting the criteria for maintaining listing

As of the base date of December 31, 2022, the Company did not meet the criteria for “market capitalization of tradable shares” among the criteria for maintaining listing on the Prime Market, but as a result of subsequent improvements based on the Plan, as of the base date of December 31, 2023, the Company met all criteria for maintaining listing on the Prime Market.

		Number of shareholders	Number of shares in circulation	Market capitalization of tradable shares	Percentage of tradable shares	Daily average trading value	Amount of net assets
The Company’s conformity status and its transition	As of the base date of December 31, 2022	3,421	63,499	8.0 billion yen	55.3%	75 million yen	3.0 billion yen
	As of the base date of December 31, 2023	3,339	69,513	10.6 billion yen	59.2%	82 million yen	3.7 billion yen
Criteria for maintaining listing		800	20,000	10.0 billion yen	35.0%	20 million yen	Positive net asset amount
Conformity status as of December 31, 2023		Conforming	Conforming	Conforming	Conforming	Conforming	Conforming

Note: The Company’s status of conformity is calculated based on the distribution of the Company’s share certificates, etc. as understood by the Tokyo Stock Exchange as of the base date.

2. Status of implementation and evaluation of efforts to meet listing maintenance criteria (March 2023 - December 2023)

The Company’s basic policy in its efforts to meet the criteria for maintaining its listing is to “aim for further increase in market capitalization through continuous profit growth as well as higher stock valuations backed by improved profitability,

such as ROE, and stock liquidity.”

Specific initiatives based on this basic policy were defined as “medium- to long-term expansion of business” and “higher stock valuations through higher profitability and liquidity,” the implementation status of which is as follows.

(1) Medium- to long-term expansion of business

- (i) In existing businesses, in addition to aggressive personnel hiring, which has been ongoing since the Company was listed on the stock exchange, the Company has aimed to raise profitability by improving human productivity.

The Company hired a net 34 new employees for the fiscal year ended December 31, 2023, generally as planned, and implemented measures to improve human productivity and achieved higher profitability.

- (ii) In addition to the growth of existing businesses, the Company has been oriented toward discontinuous growth through new businesses using investment business and its own M&A.

Specific initiatives that the Company took are as follows.

In the investment business, the Company’s subsidiary Frontier Capital Inc. secured funding of 4 billion yen including the Company’s investment (Frontier Capital plans to raise 15 billion yen in total by increasing its capital in stages according to the progress of investment), and decided to invest in two companies in December 2023. (See “Capital and Business Alliance between Frontier Capital Inc., a Consolidated Subsidiary of Frontier Management Inc., and the Sanritsu Doken Group” announced on December 22, 2023, and “Capital and Business Alliance between Frontier Capital Inc., a Consolidated Subsidiary of Frontier Management Inc., and ZOO LABO Inc.”) Going forward, we will continue to examine and scrutinize investment projects with a view to executing investments.

On the other hand, as announced on July 14, 2023 in the “Notice of capital and business alliance with M&A advisory company in France and issuance of new shares through third-party allotment,” the Company will establish a bridgehead to enter growth markets in Europe, the Middle East, and Africa by collaborating with Athema (registered trade name: AT Conseil), a French M&A advisory firm, and will accelerate business development in M&A strategy formulation, candidate search, M&A execution, PMI, hands-on consulting, etc.

(2) Higher stock valuations through higher profitability and liquidity

- (i) The Company aims to increase stock valuations by improving key profitability indicators such as ROE while expanding the scale of net sales and profits. To this end, the Company has increased the number of IR briefings and other IR opportunities, and enhanced the quality and quantity of information dissemination, including continuous disclosure of sustainability information, to increase the “daily average trading value” and promote trading of its stock by major institutional investors (including foreign investors).

Specific initiatives that the Company took are as follows.

In terms of IR activities, for foreign investors, the Company’s Representative Director, Masahiro Matsuoka, is actively holding IR meetings with institutional investors in Singapore and Hong Kong. In addition, the Company hired an IR manager in November 2023 to expand IR opportunities.

The Company undertakes numerous IR activities. For institutional investors in Japan, the Company’s Corporate Planning Department holds regular IR meetings, while for individual investors, Shoichiro Onishi, the Company’s Representative Director is actively engaged in IR activities, such as, appearing on relevant radio programs, providing information on investor information media (Web and social media), and participating in company information sessions.

- (ii) Sustainability initiatives and their disclosure are as follows.

In its Corporate Governance Report dated September 15, 2023 and on its website, the Company discloses its “TCFD Initiatives” and deepens the discussion on “Human Capital Management” and other issues.

Through these efforts, the Company was able to meet the “market capitalization of tradable shares” as of the base date of December 31, 2023. It will continue to pursue measures that will lead to sustainable growth and medium- to long-term improvement in corporate value so that it can meet the criteria for maintaining a stable listing.

