

March 27, 2025

To All

Company Name Frontier Management Inc.  
 Representative Akinori Nishida, Representative Director,  
 President & Executive Officer (COO)  
 (Stock code: 7038 The Prime Market  
 of the Tokyo Stock Exchange)  
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## Plan to Meet the Criteria for Maintaining Listing on TSE Prime Market

Frontier Management Inc. (the “Company”) hereby announces that it has created a plan to meet the criteria for maintaining its listing on the TSE Prime Market. As of December 31, 2024, the Company found that it did not meet the continued listing criteria. Details are as follows.

### 1. Status of compliance with the criteria for maintaining listing and plan period

The Company’s status of compliance with the criteria for maintaining its listing on the TSE Prime Market as of December 31, 2024 is as shown in the table below. The Company did not meet the criterion for the market capitalization of tradable shares.

The Company will undertake various initiatives to meet the continued listing criteria by December 31, 2026 as described below and in the attachment.

	Number of shareholders	Number of shares in circulation	Market capitalization of tradable shares	Percentage of tradable shares
Status of the Company (as of the base date)	4,974	69,287	6.7 billion yen	58.9%
Criteria for maintaining listing	800	20,000	10.0 billion yen	35.0%
Plan period			December 31, 2026	

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. Basic policy, challenges, and details of initiatives toward compliance with the criteria for maintaining listing

To achieve a market capitalization of tradable shares of 10 billion yen or more, the Company shall first focus on improving profitability to maximize profit attributable to owners of parent. The Company will also strive to enhance its price earnings ratio (PER) by engaging more actively in communication with the market and showcasing its business growth potential based on its human capital.

The Company plans to maximize profit attributable to owners of parent through steady organic growth, which the Company aims to achieve by supporting hands-on management execution, comprehensive business transformation at manufacturers, and a recovery in the M&A business, and the Company will pursue M&A and roll-up investments in businesses that will drive growth in the Company’s solutions by properly utilizing leverage, thereby enhancing shareholder value.

To enhance PER, the Company will improve IR and SR meetings with institutional investors and IR disclosures to ensure that the growth potential of our business is evaluated more accurately.

For details, please refer to the attachment: Plan to Meet the Criteria for Maintaining Listing on TSE Prime Market.



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Frontier Management Inc.

TSE Prime Market: 7038

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## The Status of the Company's Compliance with the Criteria for Maintaining Its Listing and Plan Period

The status of the Company's compliance with the criteria for maintaining its listing on the TSE Prime Market as of December 31, 2024 (base date) is as presented in the table below.

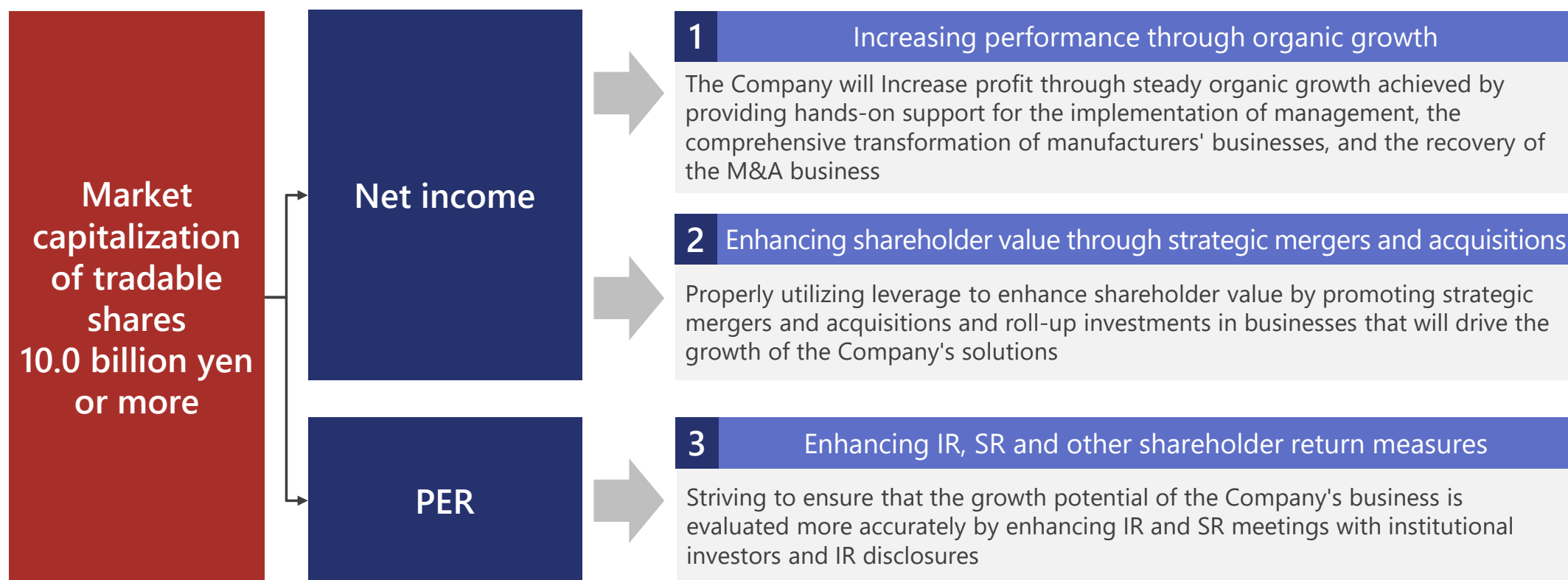
The Company met five of the six criteria for continued listing on the TSE Prime Market. However, the market capitalization of its tradable shares was 6.7 billion yen, which does not meet the requirement of 10.0 billion yen or more. The Company will implement various initiatives to achieve the market capitalization of tradable shares criterion by December 31, 2026.

	Number of shareholders	Number of shares in circulation	Market capitalization of tradable shares	Percentage of tradable shares
Status of the Company (as of the base date)	4,974	69,287	6.7 billion yen	58.9%
Criteria for maintaining listing	800	20,000	10.0 billion yen	35.0%
Unfulfilled criteria			○	

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.

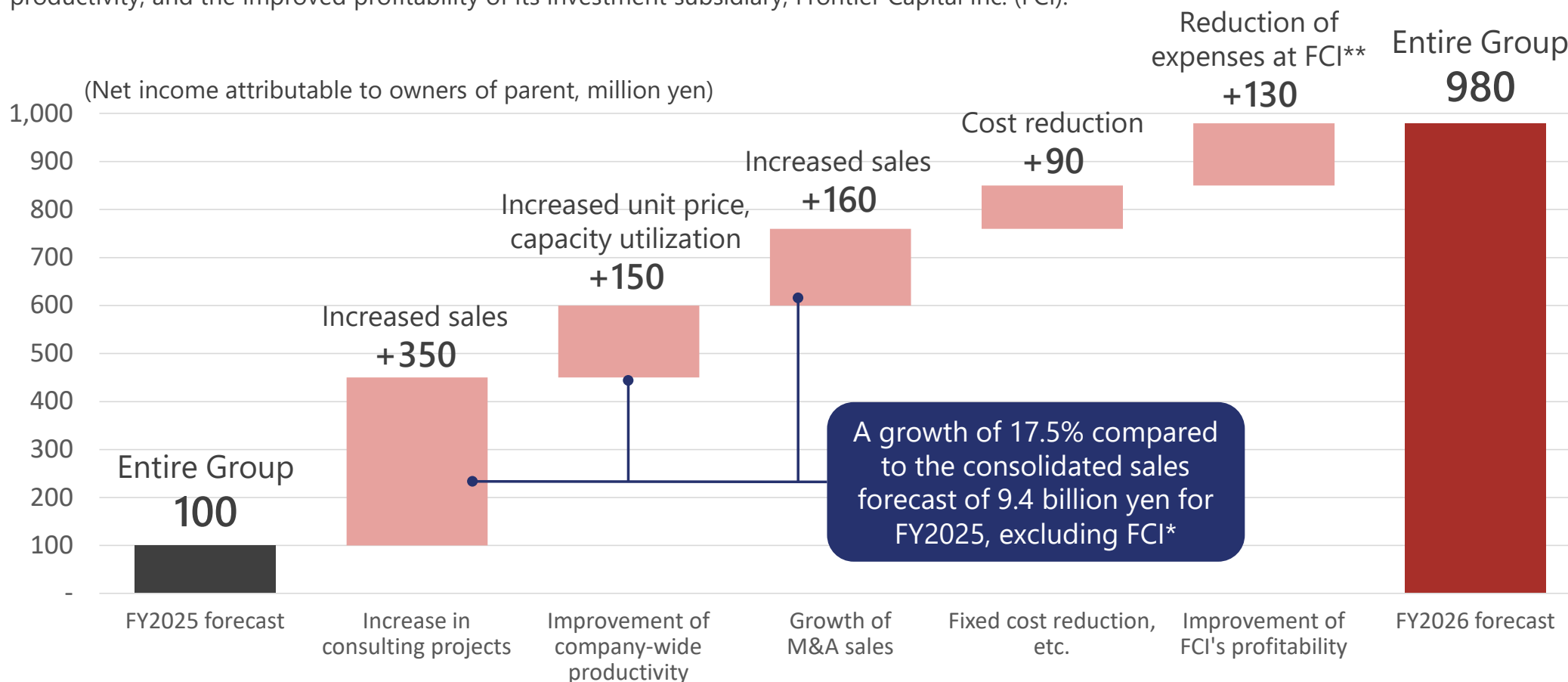
## Policy for Efforts to Meet the Criteria for Maintaining the Company's Listing

To achieve a market capitalization of tradable shares of 10 billion yen or more, the Company will first focus on improving profitability to maximize profit and earnings per share (EPS). The Company will also strive to enhance its price-to-earnings ratio (PER) by communicating more actively with the market and showcasing the potential for its business to grow based on its human capital.



# 1. Our Forecast for Increasing Performance through Organic Growth

The Company expects net income after income taxes will increase chiefly due to the growth of consulting and M&A assistance, enhanced productivity, and the improved profitability of its investment subsidiary, Frontier Capital Inc. (FCI).



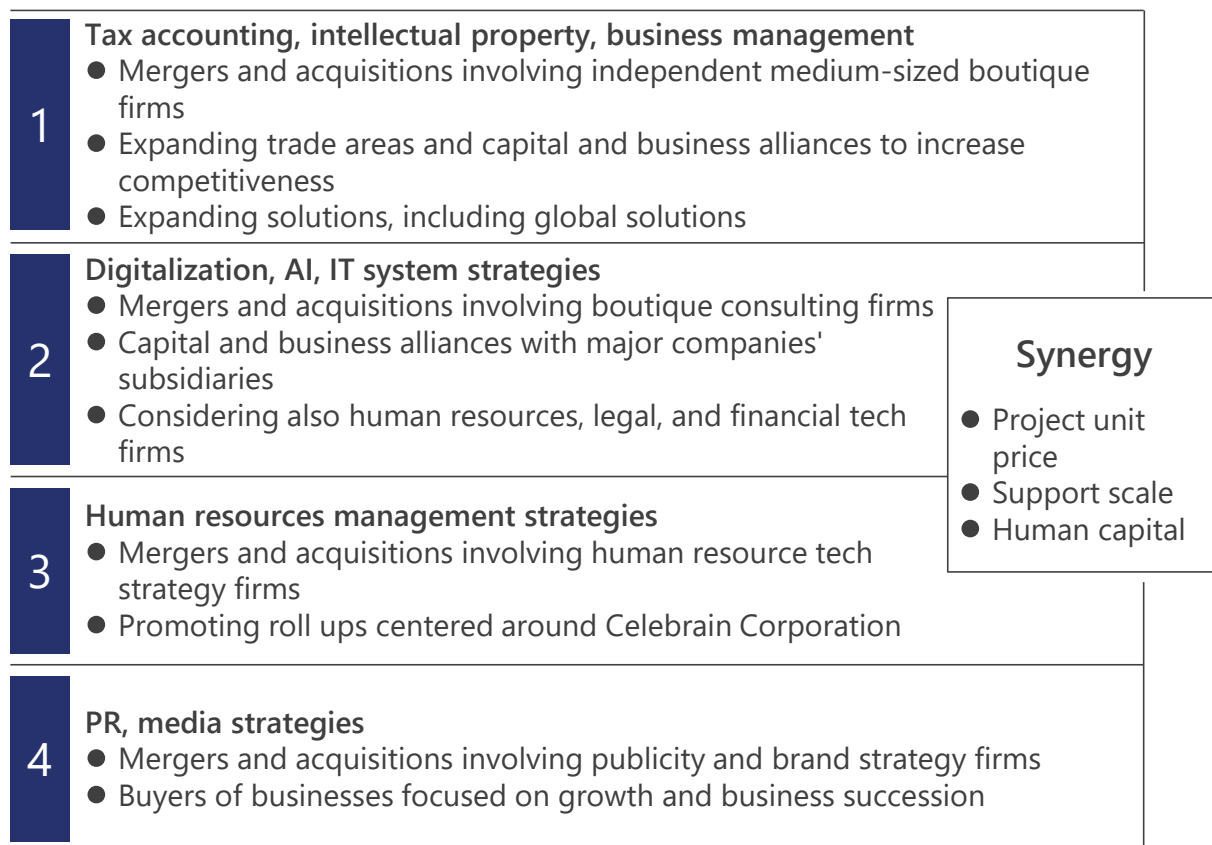
\* Contribution to net income after income taxes after deducting personnel expenses and variable costs associated with the increase in sales, etc.

\*\* A decrease in one-off transaction costs at FCI during FY2025

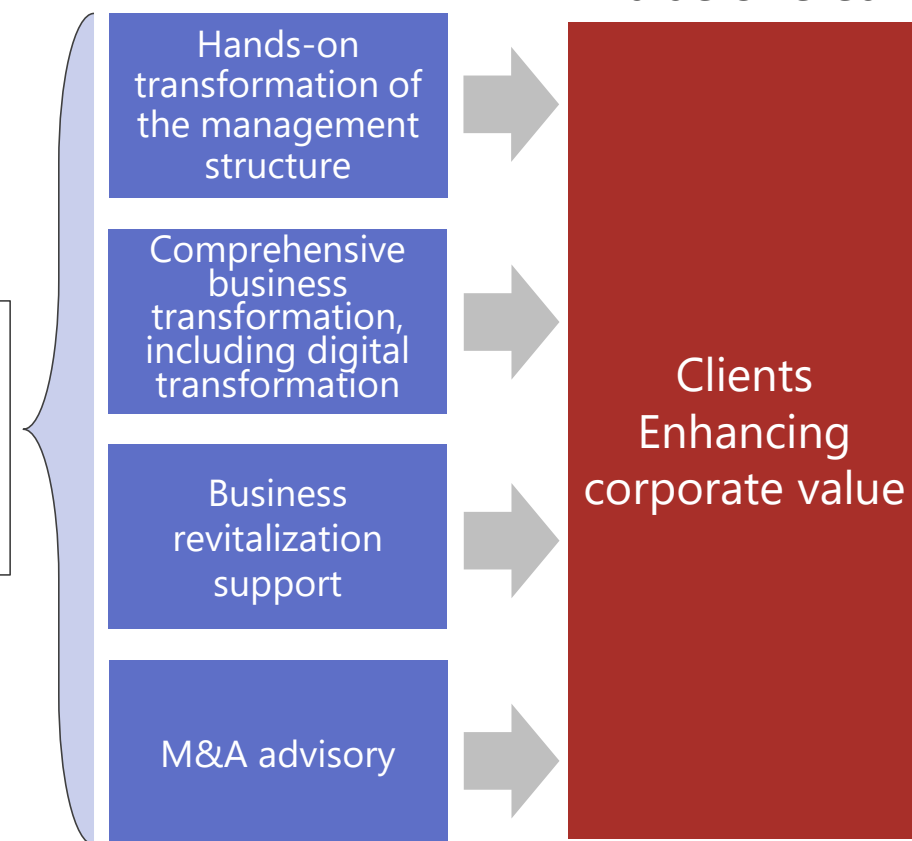
## 2. Pursuing Strategic Mergers and Acquisitions

The Group will effectively utilize leverage to incorporate businesses that are expected to contribute to the enhancement of its shareholder value to increase EPS.

### Main targets for mergers and acquisitions



### Existing solutions



### 3. Enhancing IR, SR and Other Shareholder Return Measures

The Company aims to maintain a payout ratio of 40% (the percentage of net income attributable to owners of parent excluding FCI) and enhance investor briefings and shareholder benefits.

#### Dividend payout ratio

Net income attributable to owners of parent  
(consolidated net income excluding FCI)



40%

- The Company will determine dividends based on profits and losses that are financially supported, excluding non-cash items such as earnings at FCI and losses on valuation of investment securities.

#### Enhancing explanations to investors

Institutional  
investors

Holding an IR meeting for institutional investors every quarter

Holding one-on-one meetings with institutional investors

Fulfilling the obligation to disclose information in English

Initiatives to promote sustainability and diversity, equity and inclusion (DE&I)

Individual  
investors

Holding company information sessions in person or online

Enhancing the shareholder benefit plan



**FRONTIER  
MANAGEMENT  
INC.**