

Consolidated Financial Results

for the Three Months of the Fiscal Year Ending December 31, 2026

(Under Japanese GAAP)

May 14, 2026

Company name:	Frontier Management Inc.
Stock exchange listings:	Tokyo Stock Exchange
Stock code:	7038
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Representative:	Shoichiro Onishi, Representative Director, Chairman and President
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Scheduled date for dividend payment:	None
Supplementary materials for financial summaries:	Yes
Financial results briefing:	None

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months of the Fiscal Year Ending December 31, 2026 (from January 01, 2026 to March 31, 2026)

(1) Consolidated operating results (Cumulative)

(Percentage indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended								
March 31, 2026	3,376	38.7	8	(84.4)	(33)	-	(81)	-
March 31, 2025	2,434	12.7	55	(12.3)	(74)	-	(129)	-

(Note) Comprehensive income For the three months ended December 31, 2026: (96) million yen (-%) For the three months ended December 31, 2025: (161) million yen (-%)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2026	(6.90)	-
March 31, 2025	(11.02)	-

(2) Consolidated financial positions

	Total assets	Equity	Equity to total assets ratio
As of	Million yen	Million yen	%
March 31, 2026	17,545	9,847	9.2
December 31, 2025	18,434	9,943	9.2

(Reference) Owner's equity For the three months ended December 31, 2026: 1,614 million yen For the fiscal year ended December 31, 2025: 1,691 million yen

Equity ratio 56.1% for the first quarter of the fiscal year ending December 2026, 53.9% for the fiscal year ended December 2025

Equity to total assets ratio is calculated by dividing (total net assets at the end of the period - stock acquisition rights at the end of the period - non-controlling interests at the end of the period) by total assets at the end of the period.

The equity ratio is calculated by dividing total net assets at the end of the period by total assets at the end of the period.

2. Cash dividends

	Annual dividends per share				
	End of first quarter	End of second quarter	At the end of the third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	-	0.00	-	0.00	0.00
Fiscal year ending December 31, 2026	-				
Fiscal year ending December 31, 2026 (Forecast)		0.00	-	-	-

(Note) Presence or absence of revisions from the most recently announced dividend forecast: None

The Company plans to pay dividends for the fiscal year ending December 2026; however, the forecasted dividend amount has not yet been determined.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2026 (from January 01, 2026 to December 31, 2026)

(Percentages indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending December 31, 2026	15,000	11.4	610	-	430	-	50	-	4.24

(Note) Correction of financial forecast from the most recent financial forecast: None

* Since it is difficult for our group to calculate consolidated forecast figures for the second quarter (cumulative), and because we manage our performance on a full-year basis, we only disclose forecasts for the full year.

* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Application of specific accounting for the consolidated quarterly financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, retrospective restatement
 - (i) Changes in accounting policies due to revisions of accounting standards : None
 - (ii) Changes in accounting policies other than (i): None
 - (iii) Changes in accounting estimates : None
 - (iv) Retrospective restatement : None
- (4) Number of shares issued (common stock)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	11,824,961 shares
As of December 31, 2025	11,819,161 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2026	69,975 shares
As of December 31, 2025	46,981 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2026	11,756,138 shares
Three months ended March 31, 2025	11,741,964 shares

※ Review of attached consolidated quarterly financial statements by a certified public accountant or an audit firm: None

* Notes regarding the appropriate use of forecasts and other special items

(Cautionary Statement Regarding Forward-Looking Statements)

Forward-looking statements such as earnings forecasts contained in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended as a guarantee of their achievement by the Company.

In addition, actual results may differ significantly due to various factors. For the conditions underlying the forecasts and important notes regarding the use of forecasts, please refer to the attached document, page 3, "1. Qualitative Information on the Quarterly Financial Results (3) Explanation of Consolidated Forecasts and Other Forward-Looking Information."

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1. Qualitative information regarding the quarterly financial results

(1) Explanation of operating results

During the three months ended March 31, 2026, the Japanese economy continued on a moderate recovery trend, supported by improvements in the employment and income environment. However, concerns remain regarding the outlook for the economy due to factors such as rising resource and energy prices caused by heightened geopolitical risks in the Middle East, trends in U.S. trade policy, and the impact of continued price increases on personal consumption, resulting in ongoing uncertainty about future economic conditions.

Under such a business environment, our group has focused on making proposals and executing solutions to address corporate challenges in a one-stop manner, aiming to achieve the budget for fiscal year 2026, which is the first year of the medium-term management plan announced on February 13, 2026. We have provided comprehensive services by leveraging our functions in management consulting, M&A advisory business, revitalization support, and others. In addition, at our consolidated subsidiary Frontier Capital Inc. (hereinafter referred to as "FCI"), during the three months ended May 20, 2024, we made a new investment involving the dispatch of management personnel, bringing the cumulative total to investments in eight companies.

The management consulting business, business revitalization support business, and other businesses (hereinafter referred to as the "consulting-related businesses") saw improvements in productivity due to optimization of personnel, but net sales in the management consulting business decreased as a result of a reduction in the number of personnel and other factors. In addition, the business revitalization support business performed sluggishly due to market conditions and other factors, resulting in net sales of 1,489,318 thousand yen (down 27.3% YoY). However, as a result of expanding the organization and strengthening sales by focusing on priority sectors and key project themes, net sales increased significantly to 485,579 thousand yen (up 45.5% YoY) compared to the same quarter of the previous year. As a result, net sales in the consulting and advisory business segment were 1,974,897 thousand yen (down 17.2% YoY), and operating profit was 91,629 thousand yen (down 51.4% YoY).

In the investment business segment, net sales from the investment business increased due to a rise in consulting fee income resulting from the accumulation of investment projects. In addition, net sales significantly increased to 1,401,795 thousand yen (an increase of 1,348,390 thousand yen year on year) due to the recording of sales from the toy retail business of three consolidated investee companies, including Hobby Link Japan Ltd., which were included in the scope of consolidation at the end of the previous first quarter. Although fixed costs such as personnel expenses continued to be recorded in advance, the operating base as an investment business expanded, resulting in an operating loss of 83,022 thousand yen (compared to an operating loss of 133,317 thousand yen in the same quarter of the previous year).

As a result, the consolidated operating results of our group for the three months ended May 20, 2024 were as follows: Net sales were 3,376,692 thousand yen (up 38.7% YoY), operating profit was 8,606 thousand yen (down 84.4% YoY), and after deducting interest expenses of 44,457 thousand yen, ordinary loss was 33,471 thousand yen (ordinary loss of 74,626 thousand yen in the same period of the previous year). After deducting total income taxes of 58,134 thousand yen, quarterly net loss attributable to owners of the parent was 81,205 thousand yen (quarterly net loss attributable to owners of the parent of 129,419 thousand yen in the same period of the previous year).

The operating results by segment are as follows. Net sales include inter-segment net sales.

<<Consulting and Advisory Business Segment>>

For the three months ended May 20, 2024, in the Consulting and Advisory Business segment, Net sales of the consulting business were 1,489,318 thousand yen (down 27.3% YoY), resulting in a decrease compared to the same period of the previous year. However, as M&A advisory business, 579 thousand yen (up 45.5% YoY) increased compared to the same period of the previous year, Net sales for this segment were 1,974,897 thousand yen (down 17.2% YoY), and Operating profit was 91,629 thousand yen (down 51.4% YoY).

(Consulting-related business)

The results by business segment are as follows.

<Management Consulting Business/>

For the three months ended May 20, 2024, the performance of the management consulting business recorded net sales of 1,284,413 thousand yen (down 21.0% YoY). During this period, we worked to strengthen our sales channels to acquire projects not only from financial institutions but also from major business corporations. In addition, productivity improvements through workforce optimization have led to a trend of performance improvement. However, due to a temporary reduction in scale caused by a decrease in personnel, net sales decreased compared to the same period of the previous year.

<Business Revitalization Support Business/>

For the three months ended May 20, 2024, the performance of the Business Rehabilitation Support segment recorded net sales of 175,387 thousand yen (a decrease of 56.7% YoY). Due to the nature of rehabilitation projects, they are particularly susceptible to market influences, and the decrease in large-scale rehabilitation projects led to a decline in sales compared to the same period of the previous year.

<Other businesses/>

For the three months ended May 20, 2024, the performance of the Other Businesses segment resulted in net sales of 29,517 thousand yen (an increase of 80.4% YoY).

(M&A advisory business)

M&A advisory business, as a result of expanding our organization and strengthening sales with a focus on key sectors and priority projects, net sales increased significantly year on year to 485,579 thousand yen (up 45.5% YoY) compared to the same quarter of the previous year.

Investment Business Segment

For the three months ended May 20, 2024, the performance of the Investment Business segment saw an increase in net sales due to higher consulting fee income from the accumulation of investment projects, as well as the recording of sales from the toy retail business of Hobby Link Japan Ltd. and two other consolidated investees, which were included in the scope of consolidation at the end of the previous first quarter. As a result, net sales significantly increased to 1,401,795 thousand yen (an increase of 1,348,390 thousand yen year on year). Although fixed costs such as personnel expenses continued to be recorded ahead of net sales, the operating base of the investment business expanded, resulting in an operating loss of 83,022 thousand yen (compared to an operating loss of 133,317 thousand yen in the same period of the previous year).

(Investment Business)

For the three months ended May 20, 2024, the performance of the investment business saw one new investment executed during the period. As a result of the accumulation of investment achievements and an increase in consulting fee income, net sales amounted to 99,287 thousand yen (an increase of 85.9% YoY).

(Toy Retail Business)

As a result of focusing on overseas retail sales of figures, models, and other products, net sales for the toy retail business for the three months ended May 20, 2024 were 1,302,508 thousand yen.

(2) Explanation regarding financial positions

< Assets/>

The balance of assets at the end of the first quarter of the consolidated fiscal period for our group was 17,545,365 thousand yen (18,434,591 thousand yen at the end of the previous consolidated fiscal year), a decrease of 889,225 thousand yen compared to the end of the previous consolidated fiscal year.

This was mainly due to an increase of 379,498 thousand yen in operational investment securities, while cash and deposits decreased by 1,194,316 thousand yen and goodwill decreased by 85,846 thousand yen.

< Liabilities/>

The balance of liabilities at the end of the first quarter of the consolidated fiscal period for our group was 7,698,085 thousand yen (compared to 8,490,968 thousand yen at the end of the previous consolidated fiscal year), a decrease of 792,882 thousand yen from the end of the previous consolidated fiscal year.

This was mainly due to an increase of 291,788 thousand yen in 'Other' under current liabilities, while 'Provision for bonuses' decreased by 736,039 thousand yen, 'Long-term borrowings' by 212,123 thousand yen, 'Accounts payable' by 68,436 thousand yen, and 'Provision for shareholder benefit program' by 53,940 thousand yen.

< Net assets/>

The balance of net assets at the end of the first quarter of the consolidated fiscal period for our group was 9,847,280 thousand yen (compared to 9,943,623 thousand yen at the end of the previous consolidated fiscal year), a decrease of 96,342 thousand yen from the end of the previous consolidated fiscal year.

This is mainly due to the recording of a quarterly net loss of 91,606 thousand yen for the three months ended May 20, 2024.

(3) Explanation regarding forward-looking statements such as consolidated forecasts

There are no changes to the consolidated forecasts for the full year from those announced on February 13, 2026.

(4) Significant events regarding the assumption of a going concern

In the fiscal year ending December 2024, the Group experienced sluggish sales in the M&A advisory business, and in the fiscal year ending December 2025, sales in the consulting business were sluggish. In addition, due to delays in the timing of investments in the investment business compared to the plan, fixed costs such as personnel expenses were incurred in advance. As a result of these main factors, we recorded operating losses for two consecutive periods. Therefore, we recognize that there are events or circumstances that raise significant doubts about the assumption of a going concern.

In light of these circumstances, the Company formulated a "Structural Reform Plan" on February 13, 2025, and is implementing measures aimed at reducing fixed costs and improving the profit structure, such as consolidating human capital and enhancing productivity through the reorganization of the front office, focusing on domestic and mid-sized deals, which have

traditionally been the strengths of the M&A advisory business, and integrating and streamlining corporate functions. The full-scale effects of these measures are expected to materialize from the current fiscal year onward.

In addition, in the "Medium-Term Management Plan for FY2026–2028" announced on February 13, 2026, the "vision we aspire to" is to "accelerate initiatives that realize the cutting edge at the time of our founding as a new cutting-edge model." To embody this vision, we have set forth five key initiatives: (i) further strengthening integrated support for Consulting × FA (M&A), (ii) GrowthM&A, (iii) adoption and utilization of advanced technologies (business co-creation), (iv) expansion of cross-border development in both regional and capability aspects, and (v) initiatives to enhance the ONE-FMI organizational foundation and to acquire and expand the success of outstanding talent. By steadily implementing these measures, we aim to restore profitability and growth.

In addition, the Company has entered into overdraft agreements with three financial institutions, and in light of our cash flow plans, we believe there are no significant concerns regarding our short-term liquidity.

Based on the above, we have determined that there are no significant uncertainties regarding the assumption of a going concern.

2. Quarterly Consolidated Financial Statements and Main Notes (1) Quarterly Consolidated Balance Sheet

(Unit: Thousands of yen)

	Previous fiscal year (December 31, 2025)	For the three months ended (March 31, 2026)
Assets		
Current assets		
Cash and deposit	5,323,310	4,128,993
Notes and accounts receivable - trade, and contract assets	1,487,393	1,429,745
Operational investment securities	3,264,896	3,644,394
Merchandise	600,840	648,360
Other	785,101	874,488
Allowance for doubtful accounts	(26,408)	(22,657)
Total current asset	11,435,134	10,703,325
Non-current assets		
Property, plant, and equipment		
Buildings, net	556,485	539,880
Machinery and equipment, net	131,666	127,824
Tools, furniture and fixtures, net	16,906	15,558
Land	229,620	229,620
Other (net)	902	842
Total property, plant and equipment, net	935,581	913,725
Intangible assets		
Software	42,743	51,783
Software in progress	114,685	109,285
Goodwill	3,080,580	2,994,734
Customer-related intangible assets	673,727	647,636
Other	1,135	1,099
Total intangible assets	3,912,872	3,804,538
Investment Other assets		
Investment securities	296	296
Shares of subsidiaries and associates	1,263,995	1,258,036
Investments in capital of subsidiaries and associates	2,972	2,907
Leasehold and guarantee deposits	379,852	379,490
Deferred tax assets	333,492	303,556
Other	199,846	209,375
Allowance for doubtful accounts	(31,623)	(31,623)
Total investment and other assets	2,148,832	2,122,039
Total non-current assets	6,997,286	6,840,304
Deferred assets		
Organization expenses	2,170	1,736
Total deferred assets	2,170	1,736
Total assets	18,434,591	17,545,365

(Unit: Thousands of yen)

	Previous fiscal year (December 31, 2025)	For the three months ended (March 31, 2026)
Liabilities		
Current liabilities		
Trade payables	376,986	387,264
Short-term borrowings	800,000	800,000
Current portion of long-term borrowings	548,492	548,492
Accounts payable	464,324	395,888
Income taxes payable	100,115	105,540
Provision for bonuses	886,940	150,900
Provision for directors' bonuses	9,240	1,327
Provision for shareholder benefit program	71,031	17,091
Other	525,389	817,177
Total current liabilities	3,782,519	3,223,681
Non-current liabilities		
Long-term borrowings	4,049,811	3,837,688
Asset retirement obligations	131,469	131,490
Deferred tax liabilities	371,913	349,993
Other	155,254	155,231
Total non-current liabilities	4,708,448	4,474,403
Total liabilities	8,490,968	7,698,085
Net assets		
Shareholders' equity		
Share capital	395,022	399,665
Capital surplus	754,298	758,941
Retained earnings	317,480	236,274
Treasury shares	(8,363)	(8,363)
Total shareholders' equity	1,458,438	1,386,518
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	29,554	29,554
Foreign currency translation adjustment	203,487	198,583
Total accumulated other comprehensive income	233,042	228,138
Share acquisition rights	54,976	45,858
Non-controlling interests	8,197,166	8,186,765
Total net assets	9,943,623	9,847,280
Total liabilities and net assets	18,434,591	17,545,365

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)

(Unit: Thousands of yen)

	For the three months ended [previous period] From January 1, 2025 Until March 31, 2025	For the three months ended From January 1, 2026 Until March 31, 2026
Net sales	2,434,544	3,376,692
Cost of sales	1,258,986	2,151,479
Gross profit	1,175,557	1,225,213
Selling, general and administrative expenses	1,120,283	1,216,606
Operating profit	55,273	8,606
Non-operating income		
Interest income	3,766	3,395
Share of income of investments accounted for using the equity method	-	336
Dividend income of insurance received	3,162	2,991
Reversal of allowance for doubtful accounts	3,299	4,028
Others	198	3,422
Total non-operating income	10,427	14,174
Non-operating expenses		
Interest expense	5,255	44,457
Share of loss of investments accounted for using equity method	4,017	-
Share issuance costs	6,398	-
Financing expenses	121,730	1,250
Foreign exchange losses	2,811	67
Provision of allowance for doubtful accounts	-	227
Merger expenses	-	9,919
Other	115	331
Total non-operating expenses	140,328	56,252
Ordinary loss (-)	(74,626)	(33,471)
Quarterly loss before income taxes (-)	(74,626)	(33,471)
Income taxes - current	1,468	50,119
Income taxes - deferred	61,902	8,015
Total income taxes	63,371	58,134
Quarterly net loss (-)	(137,998)	(91,606)
Quarterly net loss attributable to non-controlling interests (-)	(8,578)	(10,400)
Quarterly net loss attributable to owners of the parent (-)	(129,419)	(81,205)

(Quarterly Consolidated Statement of Comprehensive Income)

(Unit: Thousands of yen)

	For the three months ended [previous period] From January 1, 2025 until March 31, 2025	For the three months ended From January 1, 2026 Until March 31, 2026
Quarterly net loss (-)	(137,998)	(91,606)
Other comprehensive income (loss), net of tax		
Foreign currency translation adjustment	(1,425)	1,457
Share of profit (loss) of entities accounted for using equity method	(22,305)	(6,361)
Other comprehensive income, net of tax	(23,730)	(4,903)
Comprehensive income	(161,728)	(96,510)
Comprehensive income attributable to		
Quarterly comprehensive income attributable to owners of the parent	(153,149)	(86,109)
Quarterly comprehensive income attributable to non- controlling interests	(8,578)	(10,400)

(3) Notes to the quarterly consolidated financial statements

(Notes regarding the assumption of a going concern)

There are no applicable matters.

(Notes in case of significant changes in the amount of shareholders' equity)

There are no applicable items.

(Notes on Quarterly Consolidated Statement of Cash Flows)

The quarterly consolidated statement of cash flows for the three months ended is not prepared. Depreciation for the three months ended (including amortization of intangible assets other than goodwill and customer-related intangible assets), as well as amortization of goodwill and customer-related intangible assets, are as follows.

	For the three months ended [previous period] From January 1, 2025 until March 31, 2025	For the three months ended (From January 1, 2026 Until March 31, 2026)
Depreciation	16,032 thousand yen	28,857 thousand yen
Amortization of goodwill	7,364	85,846
Amortization of customer-related intangible assets	1,562	26,090

(Notes on Segment Information, etc.)

[Segment Information]

For the three months ended March 31, 2025

1. Information on net sales and profit or loss by reportable segment

(Unit: Thousands of yen)

	Reportable segment			Adjustment amount	Amounts recorded in the quarterly consolidated financial statements (Note)
	Consulting and Advisory Business	Investment business	Total		
Net sales					
Net sales to external customers	2,381,139	53,404	2,434,544	-	2,434,544
Internal net sales or transfers between segments	4,000	-	4,000	(4,000)	-
Total	2,385,139	53,404	2,438,544	(4,000)	2,434,544
Segment profit or loss (-)	188,591	(133,317)	55,273	-	55,273

(Note) "Segment profit or loss" is consistent with operating profit in the quarterly consolidated statement of income.

2. Information on Assets by Reportable Segment

(Significant increase in assets due to acquisition of a subsidiary)

During the first quarter of the consolidated cumulative period, due to Frontier Capital Inc., a consolidated subsidiary, including Eagle Invesco., Ltd., which owns all shares of Hobby Link Japan Ltd. through its consolidated subsidiary FCI1 Inc., within the scope of consolidation, the segment assets of the investment business increased by 5,263,260 thousand yen compared to the end of the previous consolidated fiscal year.

3. Information on impairment losses of non-current assets or goodwill, etc. by reportable segment

(Significant changes in the amount of goodwill)

In the Investment Business segment, Frontier Capital Inc., a consolidated subsidiary, has recorded goodwill as a result of making Eagle Invesco., Ltd., which owns all shares of Hobby Link Japan Ltd. through its consolidated subsidiary FCI1 Inc., a subsidiary. The increase in goodwill due to this event during the three months ended May 20, 2024 was 3,799,219 thousand yen.

For the three months ended March 31, 2026

1. Information on net sales and profit or loss by reportable segment

(Unit: Thousands of yen)

	Reportable segment			Adjustment amount	Amounts recorded in the quarterly consolidated financial statements (Note)
	Consulting and Advisory Business	Investment business	Total		
Net sales					
Net sales to external customers	1,974,897	1,401,795	3,376,692	-	3,376,692
Internal net sales or transfers between segments	-	-	-	-	-
Total	1,974,897	1,401,795	3,376,692	-	3,376,692
Segment profit or loss (-)	91,629	(83,022)	8,606	-	8,606

(Note) "Segment profit or loss" is consistent with operating profit in the quarterly consolidated statement of income.

2. Matters related to changes in reportable segments

At the end of the previous first quarter consolidated cumulative period, Hobby Link Japan Co., Ltd., which operates a toy retail business, and two other companies were added to the investment business segment. As a result, net sales in the investment business segment for the current first quarter consolidated cumulative period consist of consulting fees from investees and merchandise sales from the toy retail business, among others.