FY2026 Q2 Financial Results

August 14, 2026

Frontier Management Inc.

About Frontier Management Inc. (FMI)

- Frontier Management Group is engaged in Consulting-based Businesses (Management Consulting Business and Revitalization Support Business), the M&A Advisory Business and the Investment Business both in Japan and overseas. In addition, Frontier Capital Inc. (FCI), a subsidiary of Frontier Management Inc. engaged in investment business, has acquired Hobbylink Japan Ltd (HLJ). as a consolidated subsidiary through investment. HLJ sells mainly models, self-assembled plastic models and toys.

FRONTIER MANAGEMENT INC.
フロンティア・マネジメント株式会社

Consulting and Advisory Business Segment

Consulting-based Businesses

Management Consulting

- Business analysis and strategy formulation, and business and financial due diligence (business DD and financial DD)
- Support for the formulation and execution of a medium-term business plan
- Support for drafting/reform of DX strategy
- Support for corporate value improvement
- Human capital management support
- Support for governance, risk and compliance (GRC)
- Management execution support

Revitalization Support

- Support for rehabilitation procedures
- Crisis/Emergency PMO management support
- Support for business and financial restructuring
- Support for the adjustment of interests among stakeholders

M&A Advisory Business

- M&A deal advisory
  - Drafting of strategies, preparation of longlists, and approach of target companies
  - Corporate valuation
  - Support for contract negotiations and closing
- Post-M&A (PMI) consulting
- Business succession consulting

Investment Business Segment

Investment Business

- Execution of investment and management for the purpose of the long-term, sustainable enhancement of corporate value of portfolio companies
- Formation and management of joint investment funds with financial institutions, business companies, etc.

Group companies

Japan

FRONTIER CAPITAL INC.
Frontier Capital (Investment business)

Celebrain
Celebrain (HR consulting)

Overseas

頂拓投資諮詢(上海)有限公司
FRONTIER MANAGEMENT (SHANGHAI) INC.
Frontier Management (Shanghai) Inc.
(Management consulting, M&A advisory)
China

Athema
Athema
(M&A advisory)
France

Investee (consolidated)

hlj HobbyLink Japan
HobbyLink Japan
(Sale of models, self-assembly plastic models, toys, etc.)

Agenda

About Frontier Management Inc. (FMI)

Overview of FY2026 Q2 Financial Results

1. FY2026 Q2 Financial Results
   - Financial highlights
   - Highlights of Consolidated Financial Results
   - Factors for change in Ordinary Income or loss
   - Consolidated performance trends

Overview of Q2 Financial Results by Business

1. Consulting-based Businesses
   - Net Sales Trends
2. M&A Advisory Business
   - Net Sales Trends
3. Investment Business
   - Results Trends

FRONTIER MANAGEMENT INC.

Overview of FY2026 Q2 Financial Results

1. FY2026 Q2 Financial Results — Financial Highlights —

- Net income attributable to owners of parent of the entire Group for Q2 of FY2026 showed **a year-on-year increase**. On a standalone basis, overall productivity is on the rise due to recovery in the M&A Advisory Business. (net sales excluding FCI declined by around 8% due to reduction in scale as a result of structural reforms implemented in the previous fiscal year). In addition, one-time expenses incurred in the same period of the previous fiscal year were limited in the quarter under review, and this was also a factor behind the improvement in net income.

Overall evaluation of the Group

- Consolidated net sales increased to 6,944 million yen, which is 120% of the level a year earlier, due to the consolidation of HLJ, which is an investee of FCI.
- On a standalone basis, structural reforms of FMI are largely complete, and progress was also made in improving overall productivity in the management consulting business, in addition to notably improved performance in the M&A Advisory Business. At FCI also, the loss was narrowed due to profit growth driven by an increase in investees, and operating income of the entire Group amounted to 83 million yen (compared with a loss of -10 million in the previous fiscal year), and ordinary income amounted to -4 million yen (compared with a loss of -199 million yen the previous fiscal year).
- For the excluding FCI, net income attributable to owners of parent achieved profitability at all profit levels. For the entire Group, a loss of 115 million yen was recorded, particularly due to the tax burden at FCI portfolio companies attributable to goodwill amortization expenses that cannot be deducted for tax purposes. However, due to the absence of one-time expenses that were incurred in the previous year (acquisition of HLJ and structural reform expenses for FMI, etc.) in the quarter under review, net income attributable to owners of parent improved by 283 million yen year on year (a reduction in net loss).

Results by business

- In the Consulting-based Businesses (Management Consulting Business and Revitalization Support Business), sales of 2,896 million yen (79% year on year) were recorded. Productivity further improved, reflecting a one-off scaling back of the business due to personnel optimizations under structural reforms. The number of consultations from new and existing customers is on the rise. Going forward, the Group will strive to return the business to a growth trajectory by building up the new project pipeline by further strengthening ties with core customers, stepping up personnel recruitment at each level, and improving the quality of personnel through the systematic professional development programs established to date.
- The **M&A Advisory Business** posted net sales of 1,136 million yen (164% of the level a year earlier), with the enhanced coverage system for concentrating management resources on priority sectors and priority project themes, which was introduced the previous year, starting to pay off. Starting this fiscal year, efforts are being focused on domestic projects and cooperation with CFI/Athema in cross-border projects is also being accelerated, with the aim of further improvement in competitiveness and organizational expansion.
- In the Investment Business, investments in 2 projects were completed in the quarter under review. Steady progress toward profitability on a consolidated basis for FCI has been seen, in part from an increase in consulting fee income due to the steady accumulation of investment projects. This will accelerate engagement and collaboration across the FMI Group.

1. FY2026 Q2 Financial Results — Highlights of Consolidated Financial Results (Entire Group/Excluding FCI) —

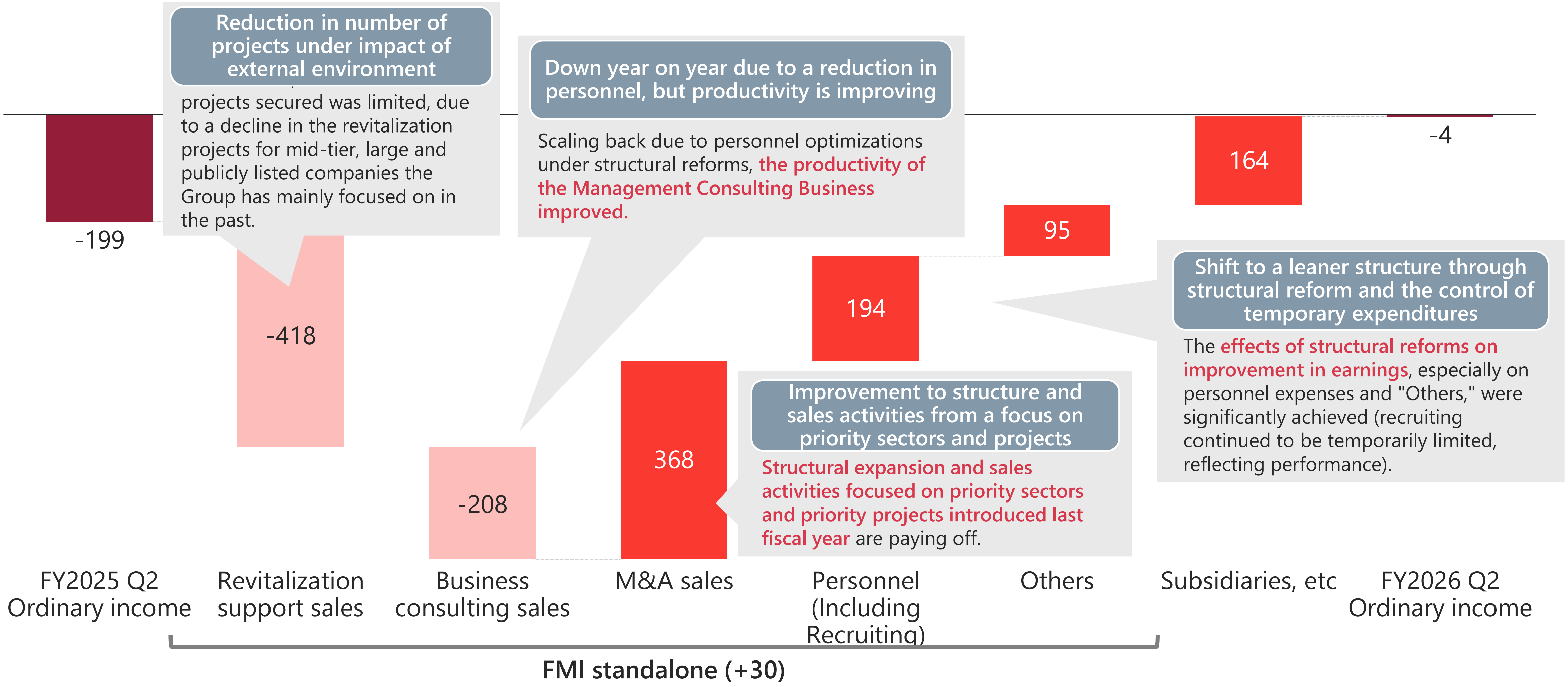
- Consolidated net sales (entire Group) increased +1,173 million yen, 120% of the level a year earlier, partly due to the inclusion of the sales of HLJ, following its consolidation last year.
  - ✓ Net sales from Consulting-based Businesses were 79% of the level a year earlier, and net sales from the M&A Advisory Business were 164% of the level a year earlier.
- While operating income came to 83 million yen, representing a year-on-year increase of 94 million yen, there was an ordinary income of -4 million yen, representing an improvement of 195 million yen year on year.
- Excluding FCI, 98 million yen in net income attributable to owners of parent was recorded, while positive results were recognized at each level of profit.

(JPY Mil.)	Entire Group				Excluding FCI			
	2025 six-month results	2026 six-month results	YoY change (amount)	YoY (%)	2025 six-month results	2026 six-month results	YoY change (amount)	YoY (%)
Net sales	5,771	6,944	+1,173	120%	4,362	4,031	△330	92%
Operating expenses	5,782	6,861	+1,079	119%	4,201	3,871	△330	92%
Outsourcing	643	596	△47	93%	624	480	△144	77%
Personnel	2,684	2,765	+81	103%	2,465	2,412	△53	98%
Recruiting	242	114	△128	47%	227	111	△117	49%
Others	2,211	3,384	+1,173	153%	883	867	△16	98%
Operating income	△10	83	+94	–	160	160	△1	100%
Ordinary income	△199	△4	+195	–	147	156	+9	106%
Extraordinary income (losses)	△124	1	+127	–	△124	1	+127	–
Net income (loss) before tax	△324	△2	+322	–	22	158	+136	710%
Net income (loss) attributable to owners of parent	△398	△115	+283	–	△22	98	+121	–
Depreciation and amortization	131	285	+154	217%	29	50	+21	173%
EBITDA	121	368	+248	305%	190	210	+21	111%

[Reference]				
FMI non-consolidated operating income	163	193	+30	118%
Celebrain operating income (loss)	15	△10	△26	–
Equity in earnings (losses) of affiliates in Athema	△2		+3	–

1. FY2026 Q2 Financial Results — Factors in Change in Ordinary Income or Loss (Entire Group) —

- On a standalone basis, fixed cost reduction through optimization of personnel was completed the previous fiscal year, and although the scale of sales of Consulting-based Businesses decreased due to changes in the external environment and the difference in the number of personnel, overall productivity improved, driven by a recovery in the M&A Business.

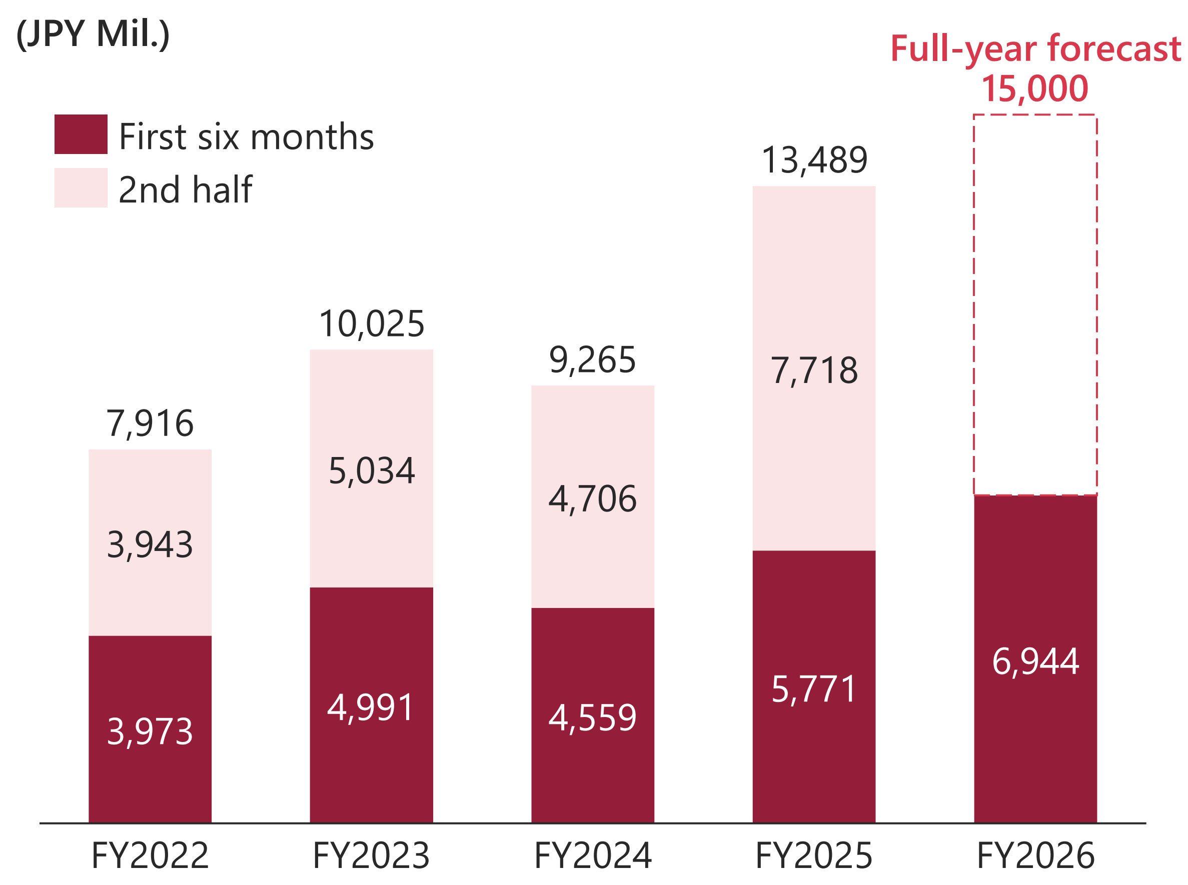


* Note that consulting sales and M&A sales are aggregate figures for sales excluding outsourcing expenses, and they are not necessarily consistent with the figures on other pages.

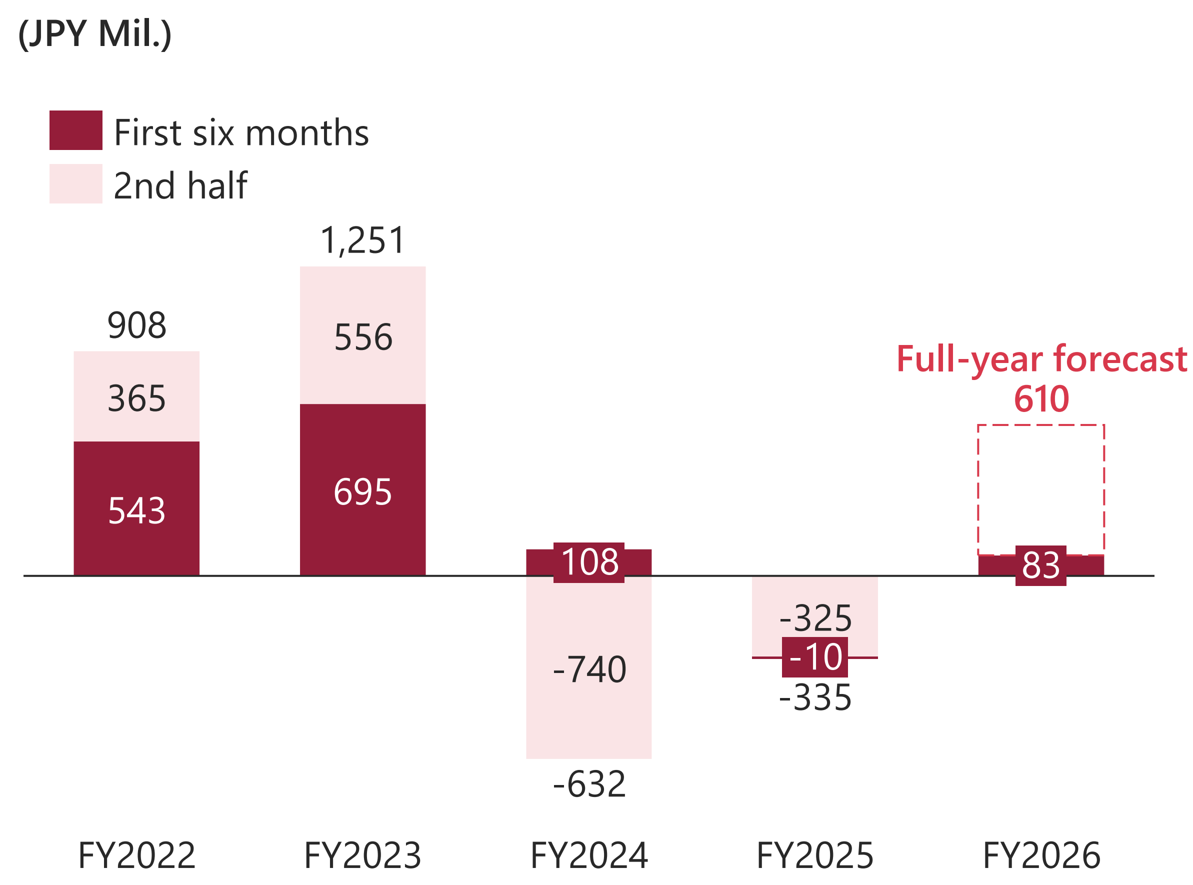
1. FY2026 Q2 Financial Results — Consolidated Performance Trends —

- Net sales increased, partly due to the inclusion of the sales of HLJ following its consolidation last year. Operating income also increased due to improvement at FMI and on a consolidated basis, including FCI.

Net sales



Operating income



(For Reference) Balance Sheet (Entire Group)

- The 59% year-on-year decrease in cash and deposits from the end of FY2025 was a one-time factor associated with the payment of bonuses to employees at the end of March.

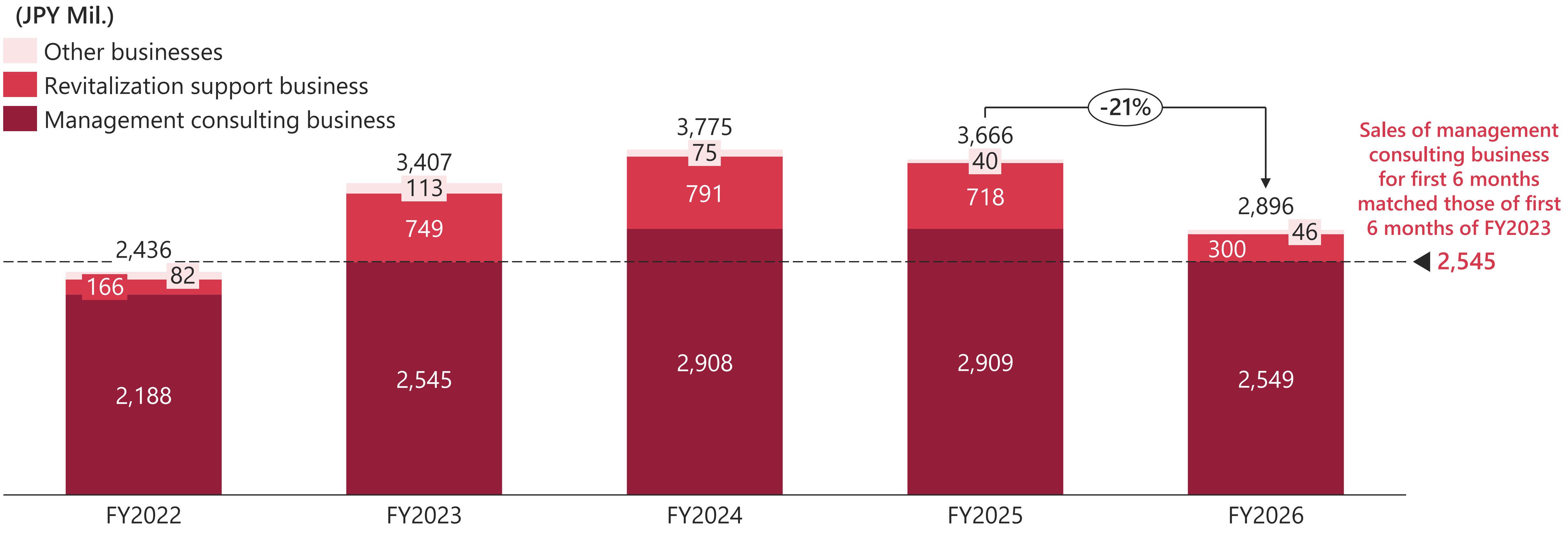
(JPY Mil.)

	End of December 2025	End of June 2026	YoY change (amount)	YoY (%)
Current assets	11,435	10,453	-982	91%
Non-current assets	6,997	6,689	-308	96%
Deferred assets	2	1	-1	60%
Total assets	18,435	17,144	-1,291	93%
Current liabilities	3,783	2,953	-829	78%
Non-current liabilities	4,708	4,362	-346	93%
Shareholders' equity	1,458	1,362	-97	93%
Other net assets	8,485	8,466	-19	100%
Total liabilities and net assets	18,435	17,144	-1,291	93%
Cash and deposits	5,323	3,134	-2,189	59%
Interest-bearing debt	5,399	5,124	-274	95%
Net Debt	75	1,990	+1,915	2645%

Results by business

1. Consulting-based Businesses — Net Sales Trends (first six months) —

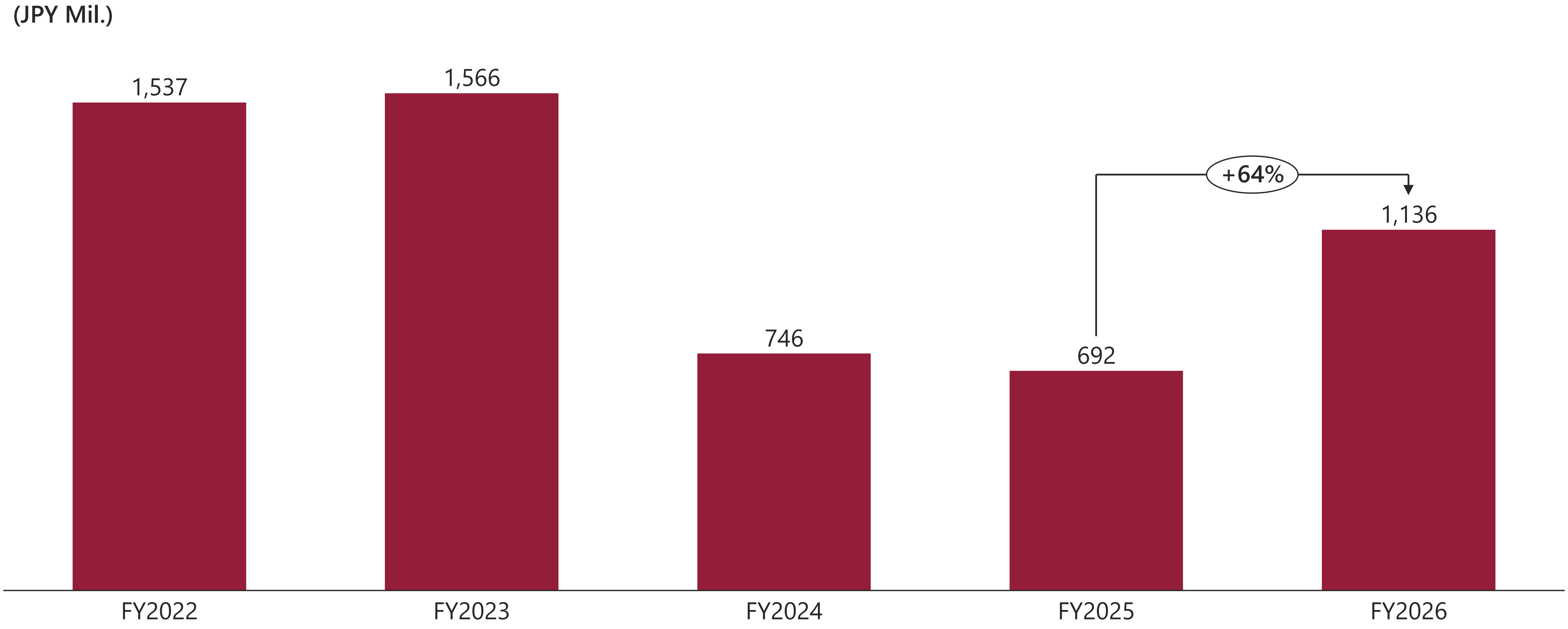
- The net sales of Consulting-based Businesses for the Q2 were down 21% year on year. Looking at sales by business, as in Q1, the impact of the external environment, including **a decline in the revitalization projects for mid-tier, large and publicly listed companies the Group has mainly focused on in the past**, resulted in limited sales in the revitalization support business; however, the sales of the management consulting business recovered to the FY2023 level on the back of improvement in productivity.



* Includes sales of Celebrain Corporation

2. M&A Advisory Business — Net Sales Trends (Q2) —

- The net sales of the M&A Advisory Business in the Q2 under review were up 64% YoY, as the structural expansion and sales activities focused on priority sectors and priority projects introduced last fiscal year paid off.



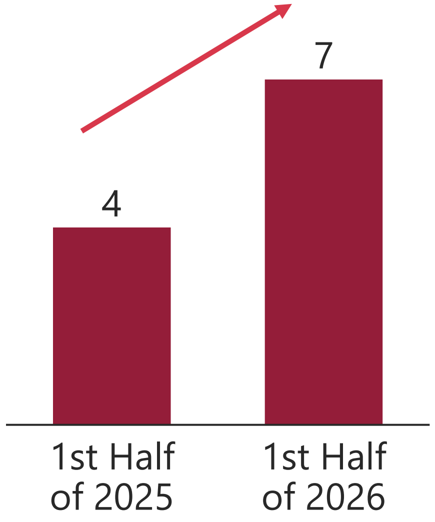
(Reference) 2. M&A Advisory Business - News from the First Half of the Fiscal Year (1 of 2) -

- We have strengthened our sector marketing structure and built close relationships with domestic clients.
- As a result, we have built up a track record of M&A activities in diverse fields, and this has led to the securing of cross-border projects.

Strategy of the M&A Advisory Business (Draft as of ~)

- **Enhance the sector marketing structure** and strengthen relationships with key customers.
- **Set themes including "growth investment (including cross-border)," "carve-outs" and "MBOs/going private,"** and conduct aggressive marketing activities

Trend in the number of announcements



- Built up a track record on projects in key domestic sectors
- Steadily produced results including on cross-border projects including a joint project with CFI India

Overview of Major Projects Announced in FY2026

Sector	Overview
IT	Financial advisor to special committee as part of MBO of an IT consulting company
Electric machinery	Advice on capital policy for a comprehensive electric machinery manufacturer
Electronic parts	Transfer of shares for the purpose of transferring the integrated (EMS) business of an electronic parts manufacturer owned by a PE fund
Precision machinery	Acquisition of the automotive motor and automotive cooling fan motor businesses of a comprehensive electric machinery manufacturer group by a precision machinery manufacturer
Logistics	Acquisition by a Japanese logistics company to make an India-based cold chain logistics company a consolidated subsidiary
Chemicals	Acquisition by a comprehensive chemicals manufacturer of shares in a company that succeeded the operations of a plant from a pharmaceutical manufacturer
Finance	Acquisition by a major regional banking group of an equity interest in a gas leasing company

(Reference) 2. M&A Advisory Business - News from the First Half of the Fiscal Year (2 of 2) -

- The Group's M&A Advisory Business is well known for its involvement in mid-cap M&A projects across the world, including in Europe, and going forward, FA revenue from cross-border projects is expected to increase even more.

Strategy to Secure Cross-Border Projects (Draft as of ~)

Basic Policy

- Promote the further identification of cross-border projects **through collaboration with Group company Athema and the CFI Group, a global network of M&A advisory firms**
- Hold regular **sector-specific meetings attended by CFI member firms from each country**, and closely exchange information including potential projects and prospective buyers

Site Strategy

Accelerate information sharing, with a focus on Europe and Asia

Europe:
Utilize the Paris Branch, Athema and CFI Group locations

ASEAN and India:
Expand activities primarily out of the Singapore Branch and Vietnam Office
In India, in addition to two announced projects at the end of last year and this fiscal year, discussions are underway on multiple projects

US:
Consider strategy as soon as activities in other regions get on track

Overview of the CFI Group

CORPORATE FINANCE INTERNATIONAL

Jean-Marc Teurquetil

- Corporate Finance International (CFI) is a global network of M&A advisory firms operating in 20 countries, with a focus in Europe
- In 2017, **Athema's Jean-Marc Teurquetil became Chairman of the Board at CFI and has been actively pursuing collaboration with consulting firms around the world.**
- CFI ranked in the top 30 for Europe in 2025 for related projects of a certain size

Europe | 2025 | Ranking for Deals Worth Up to 500 Million Euros*

Rank	Firm	Number of Deals	2024 Ranking	2023 Ranking
1	PricewaterhouseCoopers	409	1	1
2	K3 Advisory Group Ltd	337	2	2
3	Rothschild & Co	309	3	4
4	KPMG	252	5	3
5	BDO	183	6	7
6	Houlihan Lokey	179	9	12
6*	Ernst & Young PLC	179	12	6
8	Baker Tilly International	178	8	11
9	IMAP	166	10	14
10	Oaklins	162	7	9
11	Clearwater	158	11	15
12	Deloitte	155	4	5
13*	Grant Thornton	127	15	8
13*	Globalscope	127	19	17
15	Clairfield International	116	13	13
	~			
25*	CFI	76	26*	23*
25*	M&A Worldwide	76	NA	NA

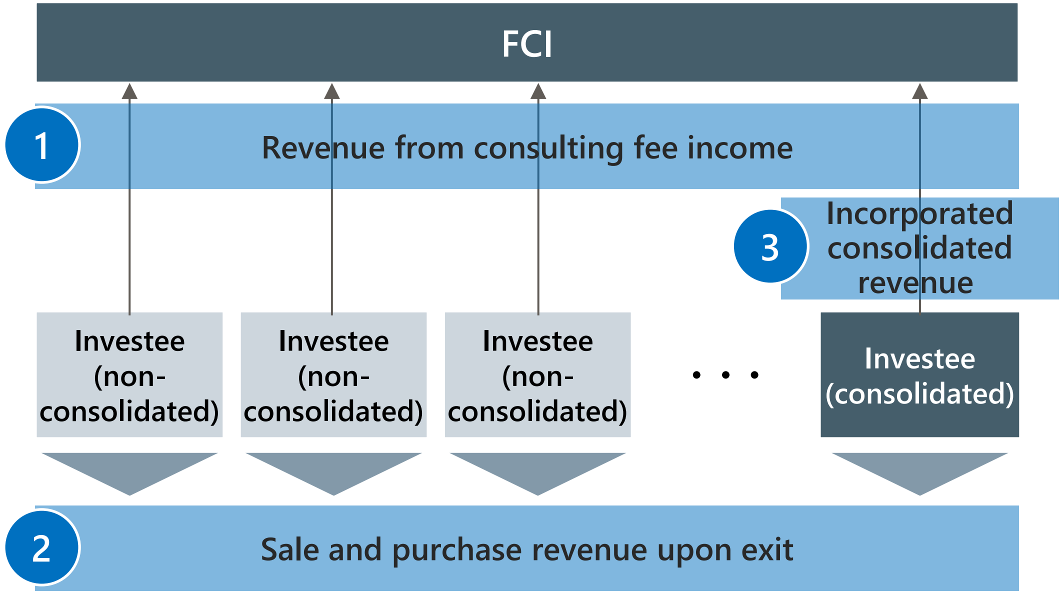
* Prepared by the CFI Group based on the London Stock Exchange Group's League Table data and the CFI Group's Transaction Masterfile

3. Investment Business — Business Overview on Consolidated Basis, Including FCI —

- On a consolidated basis, including FCI, profit and loss consists of profit and loss from investees on an FCI standalone basis and profit and loss from investees on a consolidated basis (HLJ (including goodwill)). Recently, on an FCI standalone basis, monthly profitability is now in sight thanks to the accumulation of consulting fee income.

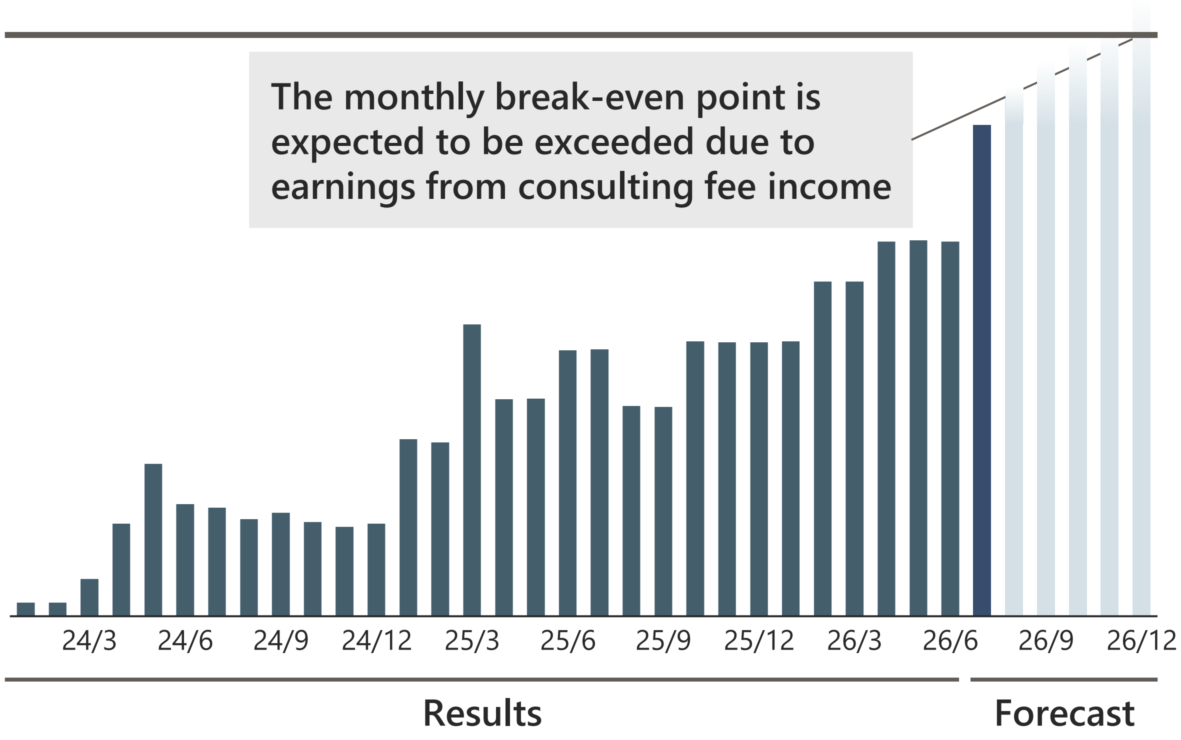
Revenue structure on a consolidated basis, including FCI

- Revenue on a consolidated basis including **FCI is made up of FCI standalone revenue ((1) revenue from consulting fee income and (2) sale and purchase revenue upon exit) and (3) incorporated consolidated revenue.**
- Unlike regular PE funds (LP/GP structure), under this business model, the majority of investment capital comes from class share investments made by external investors, and for this reason, there is no concept of management fees, and **operating expenses are covered by consulting fee income, etc. from portfolio companies.**
- However, since a considerable proportion of the investment principal and **profit recovered when exiting can be allocated to fund reinvestments, this model allows long-term investment and expansion of fund size without having to repeatedly close funds and re-raise funding, as with PE funds.**



(1) Revenue from consulting fee income on an FCI standalone basis

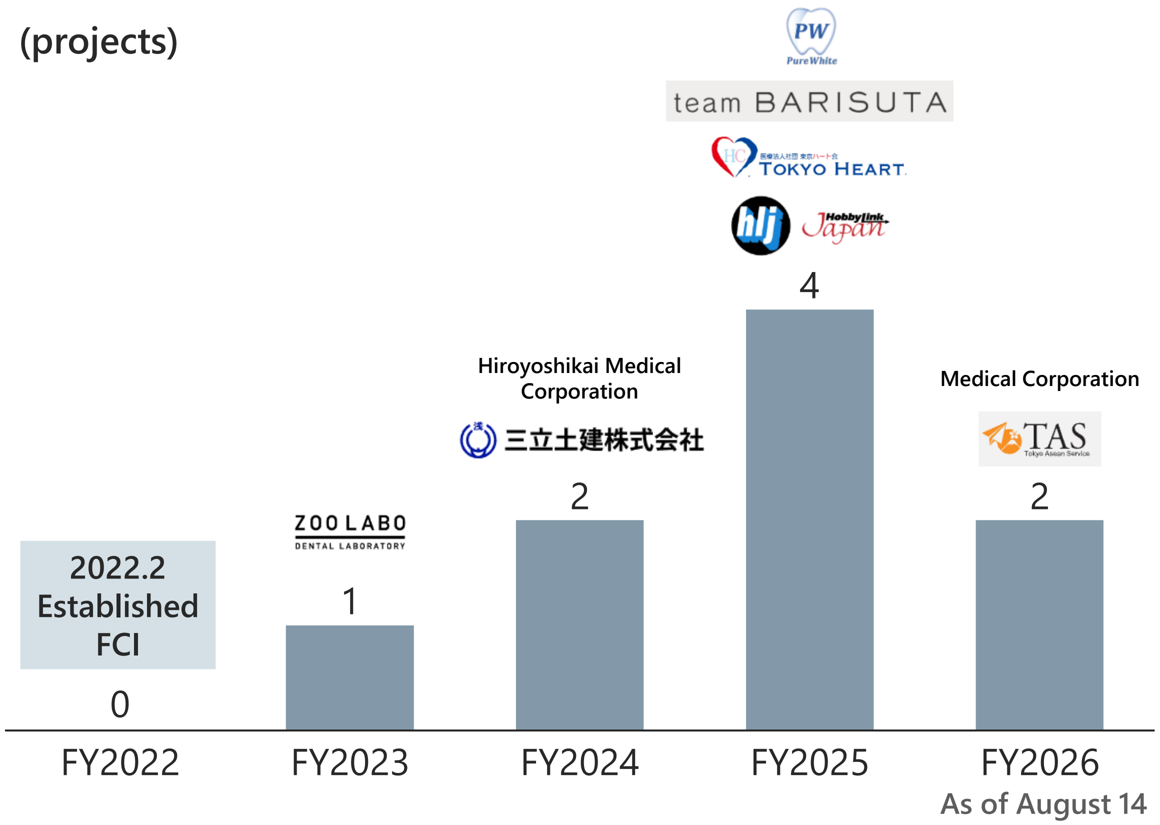
- Of the revenue shown on the left, **(1) revenue from consulting fee income in particular has increased due to a growing number of investments, and operations are on track to exceed the monthly break-even point within the year**, and are at a point where standalone profitability can be pursued even without exit-related revenue.



3. Investment Business — Results Trends

- Since launching the Investment Business in 2022, we have executed investments in **a total of 9 projects**, including 2 projects in which we invested in FY2026.
- Looking ahead, there is **1 project** for which we have signed a contract and which is waiting for the investment to be executed and **2 projects** for which we have exclusive rights and are conducting due diligence, etc., and we are steadily expanding the pipeline.

Investment projects to date

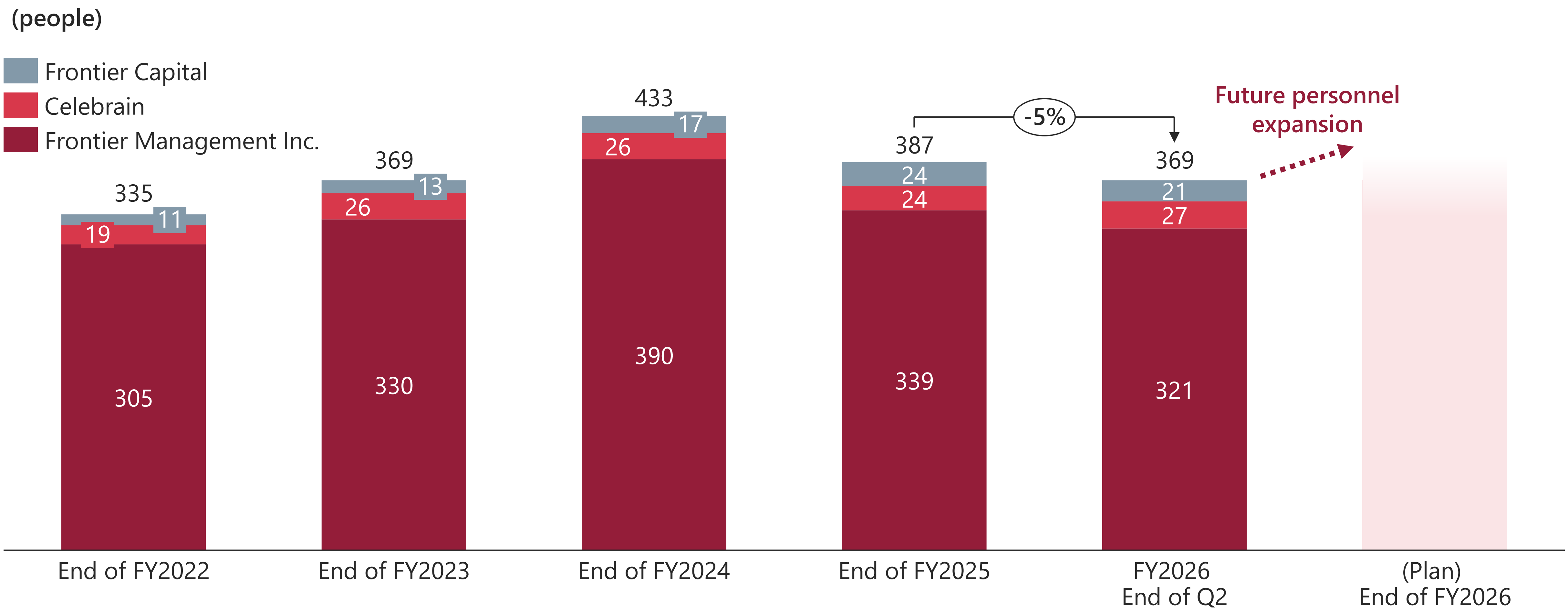


Investment projects to date

Invested company	Business description	Support launched, etc.
ZOO LABO Inc.	- Production of dental laboratory work - Dental laboratory work using CAD and CAM	December 2023 December 2025 Exit
Sanritsu Doken Co., Ltd.	- General construction business (contract for a complete set of civil engineering and architectural works) - Planning and design of civil engineering and architectural works and supervision of construction, etc.	March 2024
Hiroyoshikai Medical Corporation	- Operation of dental clinics	December 2024
HobbyLink Japan Ltd.	- Sale of models, self-assembly plastic models, toys, etc.	February 2025
Tokyo Heart Medical Corporation	- Operation of internal medicine and pediatric clinics	March 2025
Team Barista Co., Ltd.	- Operation of restaurants and sales of food products through EC websites	June 2025
Pure White Association Medical Corporation	- Operation of dental clinics	September 2025
TAS CO., LTD.	- Planning and arranging tours for inbound travelers	February 2026
Medical Corporation	- Operation of dermatological clinics	June 2026

(Reference) Trend in Number of Personnel* (As of the end of Q2)

- Last year was the structure before structural reforms. The number of personnel at the end of the Q2 under review was 369, which is 95% of the level a year earlier, reflecting personnel optimization.
  The Company will continue initiatives to expand personnel again through increased recruitment activities, etc.



* Excludes personnel of HLJ

共に走る。未来を拓く。

Opening Up Your Frontier

FRONTIER
MANAGEMENT
INC.