

Consolidated Financial Results

for the Nine Months of the Fiscal Year Ending December 31, 2025

(Under Japanese GAAP)

November 14, 2025

Company name: Frontier Management Inc.
 Stock exchange listings: Tokyo Stock Exchange
 Stock code: 7038
 URL: <https://www.frontier-mgmt.com/>
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 Scheduled date for dividend payment: None
 Supplementary materials for financial summaries: Yes
 Financial results briefing: Yes

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

1. Consolidated Financial Results for the Nine Months of the Fiscal Year Ending December 31, 2025 (from January 01, 2025 to September 30, 2025)

(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	%
Nine months ended								
September 30, 2025	8,778	30.1	(68)	-	(286)	-	(547)	-
September 30, 2024	6,748	(7.1)	92	(89.2)	18	(97.9)	(109)	-

(Note) Comprehensive income For the third quarter of the fiscal year ending December 2025: (507) million yen (-%) For the third quarter of the fiscal year ended December 2024: (103) million yen (-%)

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2025	(46.55)	-
September 30, 2024	(9.33)	-

(Note) Although there are potential shares for diluted earnings per share, it is not presented because there is a quarterly net loss per share.

(2) Consolidated financial positions

	Total assets	Equity	Equity to total assets ratio
As of	Million yen	Million yen	%
September 30, 2025	18,258	10,467	12.0
December 31, 2024	14,165	10,749	18.6

(Reference) Owner's equity As of the third quarter of the fiscal year ending December 2025: 2,197 million yen As of the fiscal year ended December 2024: 2,640 million yen

Equity ratio 57.3% for the third quarter of the fiscal year ending December 2025, 75.9% for the fiscal year ended December 2024

The equity to total assets ratio is calculated by dividing (total net assets at the end of the period - subscription rights to shares 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 net assets 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	End of the third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	0.00	-	0.00	0.00
Fiscal year ending December 31, 2025	-	0.00	-		
Fiscal year ending December 31, 2025 (Forecast)				-	-

(Note) 1. Presence or absence of revisions from the most recently announced dividend forecast: None

2. Regarding dividends for the fiscal year ending December 2025, the Company have not yet been determined.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2025 (from January 01, 2025 to December 31, 2025)

(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, 2025	13,080	41.2	(350)	-	(600)	-	(870)	-	(73.97)

(Note) 1. Correction of financial forecast from the most recent financial forecast: Yes

2. For revisions to the consolidated forecasts, please refer to the "Notice Regarding Revisions to Consolidated Forecasts" announced today (November 14, 2025).

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly added: 4 companies (Company names) FC11 Inc., Eagle Invesco., Ltd., Hobbylink Japan Ltd., Beaver Corporation, Inc.

(Note) For details, please refer to page 9 of the Quarterly Financial Results (Attached Materials), "Changes in the Scope of Consolidation and Application of the Equity Method."

(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 : Yes

(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 September 30, 2025	11,816,861 shares
As of December 31, 2024	11,757,603 shares

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

As of September 30, 2025	46,981 shares
As of December 31, 2024	26,839 shares

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

Nine months ended September 30, 2025	11,757,963 shares
Nine months ended September 30, 2024	11,735,336 shares

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

Note regarding appropriate use of forecasts and other special items

(Cautionary Statement Regarding Forward-Looking Statements)

The 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 notes on the use of forecasts, please refer to the attached document on page 4, "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 nine months ended September 30, 2025, the Japanese economy maintained a moderate recovery trend, supported by improvements in the employment and income environment. However, concerns remain regarding the outlook for the economy due to ongoing geopolitical risks such as the situation in Russia and Ukraine and the Middle East, downside risks to the economy stemming from the impact of U.S. trade policies, and the effects of continued price increases on personal consumption. As a result, the future outlook for the economy remains uncertain.

Under such a business environment, our group has been working on the various measures set forth in the “Structural Reform Plan” formulated on February 13, 2025, while focusing on proposing and executing one-stop solutions to corporate issues through comprehensive service offerings that leverage our management consulting, M&A, business revitalization support, and other functions. In addition, Frontier Capital Inc. (hereinafter referred to as “FCI”), a consolidated subsidiary, made investments involving the dispatch of management personnel to four companies during the nine months ended September 30, and has invested in a total of seven companies to date.

The management consulting business, business revitalization support business, and other businesses (hereinafter collectively referred to as the “consulting-related businesses”) experienced a temporary decrease in net sales in the management consulting business due to the replacement of senior members as part of personnel optimization. In addition, the business revitalization support business saw a decline in revenue due to a decrease in large-scale projects. As a result, net sales were 5,230,541 thousand yen (a decrease of 7.2% YoY).

The M&A advisory business, in the domestic and mid-sized M&A segment where our company has the greatest strength, it takes a certain amount of time from acquiring projects to recognizing revenue. As a result, for the nine months ended September 30, 2024, net sales were 973,344 thousand yen (a decrease of 6.3% compared to the same period of the previous year), resulting in a year-on-year decline in revenue.

In the Consulting and Advisory Business segment of the consulting-related business, net sales were 6,203,886 thousand yen (a decrease of 7.0% YoY), and operating profit was 194,099 thousand yen (a decrease of 47.1% YoY).

In the investment business, four investments, including consolidated investment projects, were executed during the nine months ended September 30, 2024. As a result of including the profit and loss of consolidated investees such as Hobbylink Japan Ltd. and two other companies in the consolidated financial statements from the second quarter, net sales significantly increased to 2,579,088 thousand yen (an increase of 2,504,256 thousand yen compared to the same period of the previous year). However, due to delays in the timing of investment execution compared to the plan, fixed costs such as personnel expenses were recorded in advance, resulting in an operating loss of 263,081 thousand yen (an operating loss of 274,593 thousand yen in the same period of the previous year).

As a result, the consolidated business performance of our group for the nine months ended September 30, 2024 was as follows: Net sales were 8,778,975 thousand yen (an increase of 30.1% compared to the same period of the previous year), operating loss was 68,981 thousand yen (compared to operating profit of 92,054 thousand yen in the same period of the previous year), and in addition to interest expenses of 97,882 thousand yen, our consolidated subsidiary FCI Inc. recorded financing expenses of 120,374 thousand yen, including arrangement fees for syndicated loans as a temporary expenditure at the closing of a consolidated investment project. As a result, ordinary loss was 286,779 thousand yen (compared to ordinary profit of 18,142 thousand yen in the same period of the previous year). Extraordinary losses amounted to 135,075 thousand yen, including provision of allowance for doubtful accounts of 31,623 thousand yen for bankruptcy and rehabilitation claims, and business restructuring expenses of 78,452 thousand yen. After deducting total income taxes of 159,152 thousand yen, quarterly net loss attributable to owners of the parent was 547,383 thousand yen (compared to quarterly net loss attributable to owners of the parent of 109,599 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 nine months ended September 30, 2024, in the Consulting and Advisory business segment, net sales of the consulting business were 5,230,541 thousand yen (down 7.2% YoY), and M,344 thousand yen (down 6.3% YoY), both decreasing compared to the same period of the previous year. As a result, net sales of this segment were 6,203,886 thousand yen (down 7.0% YoY), and operating profit was 194,099 thousand yen (down 47.1% YoY).

(Consulting-related business)

The operating results for each business segment within the consulting-related business are as follows.

<Management Consulting Business>

For the nine months ended September 30, 2024, the performance of the management consulting business recorded net sales of 4,151,199 thousand yen (a decrease of 6.6% compared to the same period of the previous year). During the nine months ended September 30, 2024, we have been working to strengthen our sales channels to acquire projects from major business corporations

as well as financial institutions. However, due to factors such as the replacement of senior members associated with personnel optimization, net sales decreased compared to the same period of the previous year.

<Business Revitalization Support Business/>

For the nine months ended September 30, 2024, the results of the Business Revitalization Support segment were net sales of 1,016,921 thousand yen (a decrease of 6.6% compared to the same period of the previous year). Although the number of orders remained steady during the nine months ended September 30, 2024, net sales decreased year on year due to a decline in large-scale projects compared to the same period of the previous year.

<Other businesses>

For the nine months ended September 30, 2024, net sales in the Other Business segment were 62,420 thousand yen (down 39.3% YoY).

(M&A Advisory business)

M&A Advisory business, as our company's greatest strength lies in domestic, medium-sized M&A, it takes a certain amount of time from acquiring projects to recording revenue. As a result, for the nine months ended September 30, 2024, net sales were 973,344 thousand yen (a decrease of 6.3% compared to the same period of the previous year), resulting in a year-on-year decline in revenue.

(Investment Business Segment)

In the Investment Business segment, four investments, including consolidated investment projects, were executed during the nine months ended September 30, 2024. As a result of including the profit and loss of consolidated investees such as Hobbylink Japan Ltd. and two other companies in the consolidated financial statements from the second quarter, net sales increased significantly to 2,579,088 thousand yen (an increase of 2,504,256 thousand yen compared to the same period of the previous year). However, due to delays in the timing of investment execution compared to the plan, fixed costs such as personnel expenses were recorded in advance, resulting in an operating loss of 263,081 thousand yen (an operating loss of 274,593 thousand yen in the same period of the previous year).

(Investment business)

For the nine months ended September 30, 2024, the performance of the investment business included the execution of four investments, including consolidated investment projects. As a result of accumulating investment achievements, retainer fees have steadily increased, and net sales amounted to 155,088 thousand yen.

(Toy Retail Business)

For the nine months ended September 30, 2024, the performance of the toy retail business focused on overseas retail of figures, models, and similar products, resulting in net sales of 2,424,000 thousand yen.

(2) Explanation regarding financial positions

< Assets>

At the end of the third quarter of the current consolidated fiscal period, the balance of assets for our group was 18,258,498 thousand yen (compared to 14,165,057 thousand yen at the end of the previous consolidated fiscal year), representing an increase of 4,093,441 thousand yen from the end of the previous consolidated fiscal year.

This was mainly due to an increase in operational investment securities by 1,525,915 thousand yen, as well as the inclusion of Eagle Invesco., Ltd., which owns all shares of Hobbylink Japan Ltd., within the scope of consolidation through acquisition. As a result, goodwill increased by 3,587,163 thousand yen, merchandise by 1,019,538 thousand yen, and property, plant and equipment such as land and buildings (net) by 593,174 thousand yen, while cash and deposits decreased by 2,833,669 thousand yen.

< Liabilities>

The balance of liabilities at the end of the third quarter of the current consolidated fiscal period for our group was 7,790,998 thousand yen (compared to 3,415,634 thousand yen at the end of the previous consolidated fiscal year), representing an increase of 4,375,364 thousand yen compared to the end of the previous consolidated fiscal year.

This was mainly due to a decrease of 817,665 thousand yen in Provision for bonuses, while Short-term borrowings increased by 800,000 thousand yen, as well as the consolidation of three companies including Eagle Invesco., Ltd. In addition, Long-term borrowings (including those scheduled for repayment within one year) increased by 3,263,631 thousand yen, Accounts payable - trade increased by 299,759 thousand yen, other current liabilities (such as Advances received) increased by 549,216 thousand yen, and other non-current liabilities (such as Long-term guarantee deposits) increased by 155,277 thousand yen.

< Net assets>

At the end of the third quarter of the current consolidated fiscal period, the balance of net assets for our group was 10,467,499 thousand yen (compared to 10,749,422 thousand yen at the end of the previous consolidated fiscal year), representing a decrease of 281,923 thousand yen from the end of the previous consolidated fiscal year.

This was mainly due to an increase of 73,643 thousand yen in foreign currency translation adjustment, as well as an increase of 166,375 thousand yen in non-controlling interests resulting from the consolidation of FC11 Inc., while retained earnings decreased by 547,383 thousand yen due to the recording of a quarterly net loss attributable to owners of the parent.

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

We have revised the consolidated forecasts announced on February 13, 2025. For details, please refer to the " Notice of Revision of Consolidated Earnings Forecast " released today (November 14, 2025).

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

(Unit: Thousands of yen)

	Previous fiscal year (December 31, 2024)	For the third quarter (September 30, 2025)
Assets		
Current assets		
Cash and deposit	7,561,180	4,727,510
Notes and accounts receivable - trade, and contract assets	1,390,825	997,793
Operational investment securities	2,232,455	3,758,370
Merchandise	-	1,019,538
Others	300,543	622,189
Allowance for doubtful accounts	(14,663)	(20,318)
Total current asset	11,470,340	11,105,084
Non-current assets		
Property, plant, and equipment		
Buildings, net	203,537	367,305
Machinery and equipment, net	-	136,097
Tools, furniture and fixtures, net	19,899	19,036
Land	-	181,068
Construction in progress	-	112,200
Other (net)	-	903
Total property, plant and equipment, net	223,437	816,611
Intangible assets		
Software	30,314	47,065
Software in progress	-	102,475
Goodwill	206,212	3,793,376
Customer-related intangible assets	6,250	1,562
Other	1,277	1,170
Total intangible assets	244,054	3,945,649
Investment Other assets		
Investment securities	296	296
Shares of subsidiaries and associates	1,307,658	1,365,266
Investments in capital of subsidiaries and associates	2,648	3,252
Leasehold and guarantee deposits	360,147	379,766
Deferred tax assets	431,701	391,987
Other	120,865	285,418
Allowance for doubtful accounts	-	(37,438)
Total investment and other assets	2,223,317	2,388,547
Total non-current assets	2,690,809	7,150,809
Deferred assets		
Organization expenses	3,906	2,604
Total deferred assets	3,906	2,604
Total assets	14,165,057	18,258,498

(Unit: Thousands of yen)

	Previous fiscal year (December 31, 2024)	For the third quarter (September 30, 2025)
Liabilities		
Current liabilities		
Trade payables	127,016	426,776
Short-term borrowings	-	800,000
Current portion of long-term borrowings	248,492	548,492
Accounts payable	331,328	355,232
Income taxes payable	76,015	116,661
Provision for bonuses	948,696	131,031
Provision for directors' bonuses	-	5,197
Provision for shareholder benefit program	55,343	23,311
Provision for business restructuring	-	6,208
Other	336,008	885,225
Total current liabilities	2,122,901	3,298,135
Non-current liabilities		
Long-term borrowings	1,148,303	4,111,934
Asset retirement obligations	131,386	131,449
Deferred tax liabilities	13,043	94,202
Other	-	155,277
Total non-current liabilities	1,292,733	4,492,862
Total liabilities	3,415,634	7,790,998
Net assets		
Shareholders' equity		
Share capital	386,224	393,800
Capital surplus	745,500	769,117
Retained earnings	1,424,029	876,645
Treasury shares	(8,363)	(8,363)
Total shareholders' equity	2,547,391	2,031,200
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	29,554	29,554
Foreign currency translation adjustment	63,568	137,211
Total accumulated other comprehensive income	93,122	166,766
Share acquisition rights	60,691	54,940
Non-controlling interests	8,048,217	8,214,592
Total net assets	10,749,422	10,467,499
Total liabilities and net assets	14,165,057	18,258,498

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)
(Nine months ended)

(Unit: Thousands of yen)

	For the nine months ended [previous period end date] (From January 1, 2024 until September 30, 2024)	For the nine months ended From January 1, 2025 until September 30, 2025
Net sales	6,748,886	8,778,975
Cost of sales	3,337,097	5,151,673
Gross profit	3,411,789	3,627,301
Selling, general and administrative expenses	3,319,735	3,696,282
Operating profit (loss)	92,054	(68,981)
Non-operating income		
Interest income	460	8,923
Dividend income of insurance received	2,366	3,162
Compensation income	3,855	-
Reversal of allowance for doubtful accounts	1,937	-
Foreign exchange gains	-	4,902
Electricity sale income	-	13,923
Other	1,390	7,739
Total non-operating income	10,011	38,651
Non-operating expenses		
Interest expense	13,315	97,882
Share issuance costs	17,500	8,732
Depreciation	-	8,853
Share of loss of investments accounted for using equity method	46,660	10,223
Financing expenses	-	120,374
Provision of allowance for doubtful accounts	-	5,815
Foreign exchange losses	6,029	-
Other	417	4,569
Total non-operating expenses	83,922	256,449
Ordinary profit (loss)	18,142	(286,779)
Extraordinary losses		
Provision of allowance for doubtful accounts	-	31,623
Restructuring costs	-	78,452
Shareholders' meeting-related expenses	-	25,000
Total extraordinary losses	-	135,075
Net income before income taxes or net loss before income taxes (-)	18,142	(421,855)
Income taxes - current	6,465	101,467
Income taxes - deferred	132,914	57,684
Total income taxes	139,379	159,152
Quarterly net loss (-)	(121,237)	(581,008)
Quarterly net loss attributable to non-controlling interests (-)	(11,637)	(33,624)
Quarterly net loss attributable to owners of the parent (-)	(109,599)	(547,383)

(Quarterly Consolidated Statement of Comprehensive Income)
(Nine months ended)

(Unit: Thousands of yen)

	For the nine months ended [previous period end date] (From January 1, 2024 until September 30, 2024	For the nine months ended From January 1, 2025 Until September 30, 2025
Quarterly net loss (-)	(121,237)	(581,008)
Other comprehensive income (loss), net of tax		
Foreign currency translation adjustment	(581)	(1,117)
Equity in earnings of affiliates accounted for by the equity method	18,507	74,761
Other comprehensive income, net of tax	17,925	73,643
Comprehensive income	(103,311)	(507,364)
Comprehensive income attributable to		
Quarterly comprehensive income attributable to owners of the parent	(91,674)	(473,740)
Quarterly comprehensive income attributable to non-controlling interests	(11,637)	(33,624)

(3) Notes to the quarterly consolidated financial statements

(Notes regarding the assumption of a going concern)

There are no applicable items.

(Changes in the scope of consolidation and application of the equity method)

(Significant changes in the scope of consolidation)

Frontier Capital Inc., a consolidated subsidiary of our company, established FC11 Inc. and, through this company, acquired all shares and share acquisition rights of Eagle Invesco., Ltd., which owns all shares of Hobbylink Japan Ltd., on February 28, 2025. Accordingly, from the first quarter of the consolidated fiscal period, FC11 Inc., Eagle Invesco., Ltd., Hobbylink Japan Ltd., and its subsidiary Beaver Corporation, Inc. have been included in the scope of consolidation. This change in the scope of consolidation is expected to have a significant impact on the consolidated financial statements for the fiscal year including the nine months ended September 30, 2024. The outline of this impact includes an increase in total assets and total liabilities on the consolidated balance sheet, as well as an increase in net sales and other items on the consolidated statement of income.

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

There are no applicable items.

(Notes on changes in accounting policies)

Application of Accounting Standards for "Income taxes - current," etc.

The "Accounting Standard for Income Taxes - Current, etc." (Accounting Standard No. 27, October 28, 2022; hereinafter referred to as the "2022 Revised Accounting Standard") and other related standards have been applied from the beginning of the first quarter of the consolidated fiscal period.

Regarding the classification of income taxes (taxation on other comprehensive income), we have followed the transitional treatment stipulated in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment stipulated in the proviso to Paragraph 65-2 (2) of the "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan Guidance No. 28, October 28, 2022; hereinafter referred to as the "2022 Revised Implementation Guidance"). There is no impact on the quarterly consolidated financial statements as a result of this. In addition, regarding the revision related to the treatment in consolidated financial statements of deferred tax on gains or losses arising from the sale of shares of subsidiaries among consolidated companies, the 2022 revised application guidelines have been applied from the beginning of the first quarter of the consolidated fiscal period. This change in accounting policy has been applied retrospectively, and the quarterly consolidated financial statements for the previous year and the consolidated financial statements for the previous fiscal year have been restated accordingly. There is no impact on the quarterly consolidated financial statements for the previous year or the consolidated financial statements for the previous fiscal year as a result of this change.

(Notes on the quarterly consolidated statement of cash flows)

The quarterly consolidated statement of cash flows for the nine months ended September 30 has not been prepared. The depreciation (including amortization of intangible assets other than goodwill and customer-related intangible assets), amortization of goodwill, and amortization of customer-related intangible assets for the nine months ended September 30 are as follows.

	For the nine months ended [previous period] (From January 1, 2024 until September 30, 2024)	For the nine months ended (From January 1, 2025 until September 30, 2025)
Depreciation	48,628 thousand yen	71,240 thousand yen
Amortization of goodwill	22,094	212,055
Amortization of customer-related intangible assets	4,687	4,687

(Notes on segment information, etc.)

For the nine months ended September 30, 2024

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

(Unit: Thousands of yen)

	Reportable segments			Adjustment amount	Amounts reported in the quarterly consolidated financial statements (Note)
	Consulting and Advisory Business	Investment business	Total		
Net sales					
Net sales to external customers	6,674,054	74,832	6,748,886	-	6,748,886
Internal net sales or transfers between segments	-	-	-	-	-
Total	6,674,054	74,832	6,748,886	-	6,748,886
Segment profit or loss (-)	366,648	(274,593)	92,054	-	92,054

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

2. Information on Assets by Reportable Segment

During the third quarter of the consolidated fiscal period, Frontier Capital Inc., a consolidated subsidiary, raised a total of 5,000,000 thousand yen from financial institutions and others through a third-party allotment of shares. As a result, the segment assets of the investment business for the third quarter of the consolidated fiscal period increased by 4,580,780 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

There are no applicable items.

For the nine months ended September 30, 2025

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

(Unit: Thousands of yen)

	Reportable segments			Adjustment amount	Amounts reported in the quarterly consolidated financial statements (Note)
	Consulting and Advisory Business	Investment business	Total		
Net sales					
Net sales to external customers	6,199,886	2,579,088	8,778,975	-	8,778,975
Internal net sales or transfers between segments	4,000	-	4,000	(4,000)	-
Total	6,203,886	2,579,088	8,782,975	(4,000)	8,778,975
Segment profit or loss (-)	194,099	(263,081)	(68,981)	-	(68,981)

(Note) "Segment profit or loss" is consistent with operating loss 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 nine months ended September 30, 2024, Frontier Capital Inc., a consolidated subsidiary, through its consolidated subsidiary FCII Inc., acquired all shares and share acquisition rights of Eagle Invesco., Ltd., which owns all shares of Hobbylink Japan Ltd., and included it within the scope of consolidation. As a result, compared to the end of the previous fiscal year, assets in the investment business segment increased by 4,397,149 thousand yen.

3. Matters related to changes in reportable segments

During the nine months ended September 30, 2024, with Hobbylink Japan Ltd., which operates a toy retail business, and its subsidiary Beaver Corporation, Inc. being added to the investment business segment, the net sales of the investment business segment consist of consulting fees from investees and merchandise sales from the toy retail business.

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

In the Investment Business segment, Frontier Capital Inc., a consolidated subsidiary, recorded goodwill as a result of making Eagle Invesco., Ltd., which owns all shares of Hobbylink Japan Ltd. through its consolidated subsidiary FCII Inc., a subsidiary. The increase in goodwill due to this event during the nine months ended September 30, 2024 was 3,799,219 thousand yen.