



**FRONTIER
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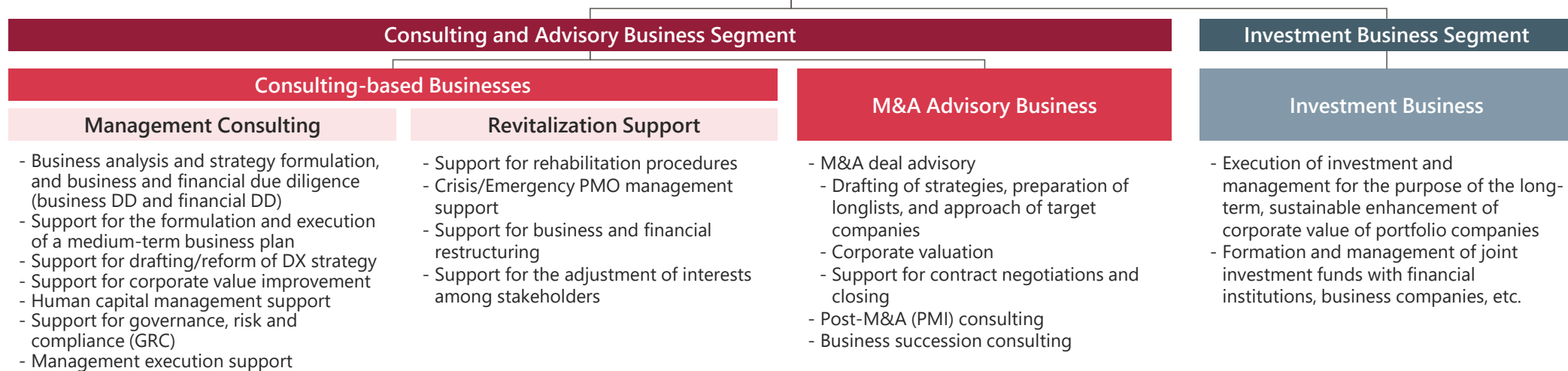
FY2025 Financial Results

Frontier Management Inc.

February 13, 2026

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. as a consolidated subsidiary through investment. Hobbylink Japan Ltd. sells mainly models, self-assembled plastic models and toys.



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Overview of FY2025 Financial Results



1. FY2025 Financial Results – Financial Highlights

- The FY2025 results showed a year-on-year increase in sales and a year-on-year decline in income. While standalone structural reform measures made steady progress, the realization of their effects was limited to contributions from the fourth quarter compared to the plan, and profit recovery is expected through productivity improvement and cost efficiency enhancement into the next fiscal year. At present, the effects of operating under the new structure have begun to materialize, with sales increasing year on year due to M&A business, and other effects.

Overall evaluation of the Group

- Consolidated net sales increased to 13,489 million yen, **which is 146% of the level a year earlier**, due to the consolidation of HobbyLink Japan, which is an investee of FCI.
- Completed fixed cost reduction through optimization of non-consolidated personnel.** Structural reforms were implemented over a six-month period starting from the organizational restructuring in March 2025, and as a result of profit improvement this fiscal year materializing to a limited extent from the second half (particularly the fourth quarter), consolidated operating income was -335 million yen, narrowing the deficit. Strengthening of senior staff in the M&A division for renewed growth and operational efficiency improvements for productivity enhancement are also progressing, and we expect a full-year earnings recovery in the next fiscal year.
- The impact of one-time costs associated with structural reforms, etc. (extraordinary losses) and commission expenses (non-operating expenses) associated with the acquisition of Hobbylink Japan Ltd.** resulted in a net loss attributable to owners of parent of 1,106 million yen.

Results by business

- In the Consulting-based Business** (Management Consulting Business and Revitalization Support Business), sales of 6,893 million yen (89% of the previous year) were recorded. Sales shrank due to a combination of the replacement of senior team members in the optimization of personnel, the discontinuities in large projects and other events. Presently, we are seeing the stabilization of personnel and the improvement of productivity. As the Group moves toward next fiscal year, it will urgently **work to strengthen sales and develop its pipeline, in addition to expanding its workforce.**
- The M&A Advisory Business** posted net sales of 1,578 million yen (109% of the level a year earlier). Nonetheless, a new leadership structure was put in place in June this year, with Senior Managing Executive Officer Matsumoto joining the company, and **projects in Japan, including the order backlog and pipeline, are on the recovery path.**
- In the Investment Business**, investment in **4 projects was completed** over the current fiscal year, including the consolidation of HobbyLink Japan. We are seeing steady progress toward profitability on a consolidated basis including FCI through the buildup of an investment track record and the resulting increase in retainer fees, etc.

1. FY2025 Financial Results – Highlights of Consolidated Financial Results (Entire Group/Excluding FCI)

- Consolidated net sales (entire Group) for FY2025 increased 4.2 billion yen, 146% of the level a year earlier, due to the consolidation of HobbyLink Japan Ltd.
 - ✓ In Consulting-based Businesses (Management Consulting Business, Revitalization Support Business and Other Business), net sales were 89% of the level a year earlier.
 - ✓ In the M&A Advisory Business, net sales were 109% of the year-ago level.
- Operating P/L came in at -335 million yen (compared to +297 million yen in the previous year), narrowing the deficit, as the improvement effect from the parent company's standalone profit made only a limited contribution this fiscal year (particularly as the full effect will materialize from the fourth quarter onward), and one-time expenses incurred at FCI factors.

(JPY Mil.)

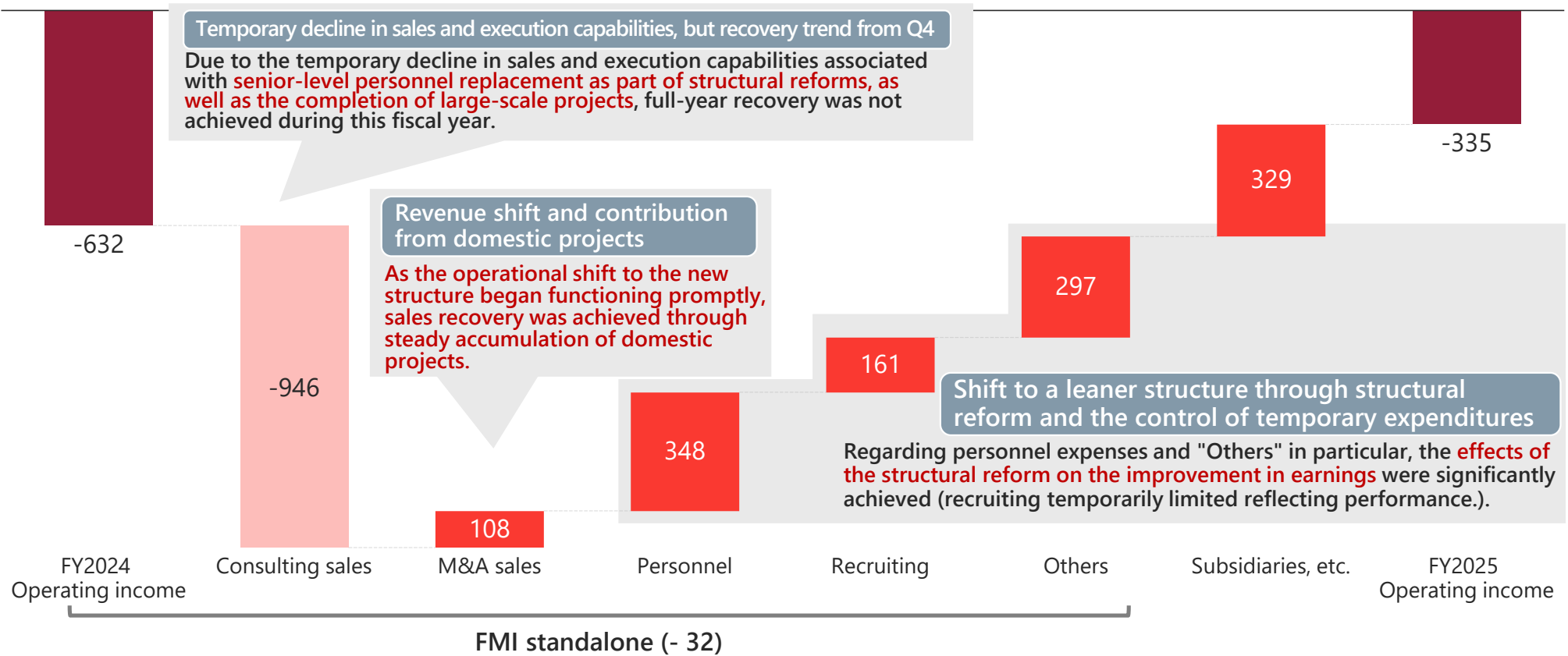
	Entire Group				Excluding FCI			
	2024 / 4Q Results	2025 / 4Q Results	YoY change (amount)	YoY (%)	2024 / 4Q Results	2025 / 4Q Results	YoY change (amount)	YoY (%)
Net sales	9,265	13,489	+4,224	146%	9,181	8,504	-677	93%
Operating expenses	9,897	13,824	+3,927	140%	9,336	8,656	-682	93%
Outsourcing	1,137	1,290	+152	113%	1,099	1,248	+149	114%
Personnel	6,084	5,932	-153	97%	5,794	5,424	-370	94%
Recruiting	466	330	-136	71%	453	293	-160	65%
Others	2,207	6,271	+4,063	284%	1,989	1,690	-299	85%
Operating income	-632	-335	+297	—	-155	-152	+3	—
Ordinary income	-710	-664	+46	—	-210	-249	+39	—
Extraordinary income (losses)	0	-301	-302	—	—	-135	-136	—
Net income (loss) before tax	-710	-966	-255	—	-210	-385	-175	—
Net income (loss) attributable to owners of parent	-694	-1,106	-412	—	-193	-507	-313	—
Depreciation and amortization	105	387	+282	368%	72	46	-26	64%
EBITDA	-527	52	+579	—	-83	-106	-23	—

[Reference]

FMI non-consolidated operating income	-122	-154	-32	—
Cerbrain operating income (loss)	-33	25	+59	—
Equity in earnings (losses) of affiliates in Athema	0	-3	-4	—

1. FY2025 Financial Results — Factors in Change in Operating Income or Loss (Entire Group)

- This fiscal year, the effects of the personnel optimization and the reform of the cost structures have materialized. Due to measures stemming from the organizational restructuring in March of this year, service delivery capacity contracted in the second and third quarters as a result of gradual staff reductions and replacements aimed at improving expenses. However, cost improvement effects began to materialize from the fourth quarter onward, and productivity trends reversed toward improvement. The contribution to profit improvement for this fiscal year was limited, resulting only in a reduction of the deficit.



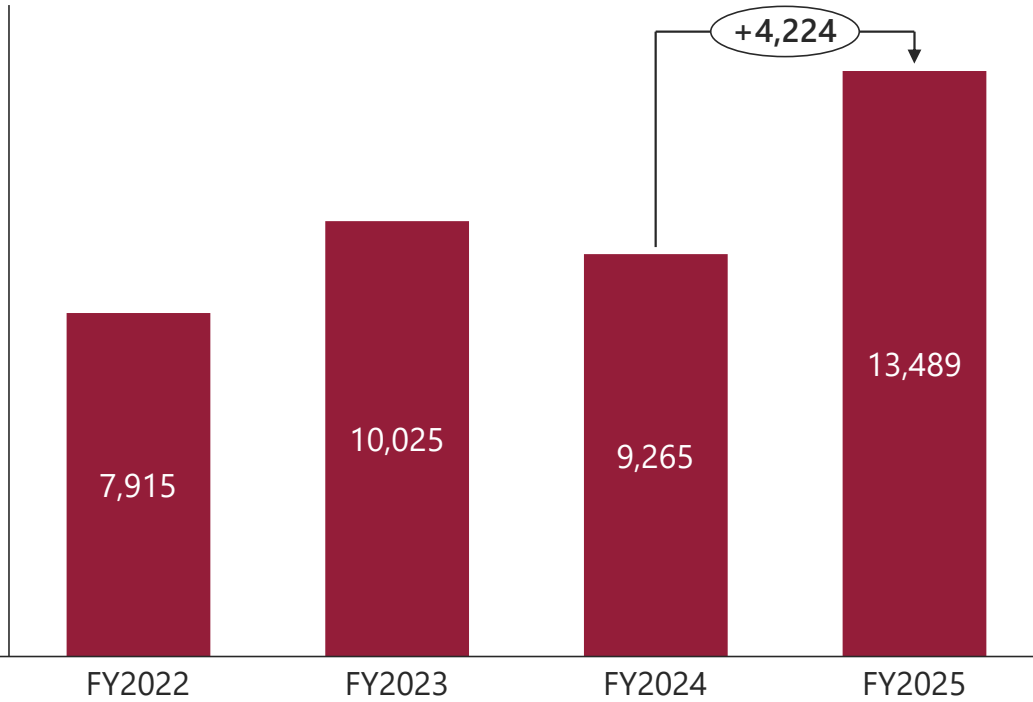
* Note that consulting sales and M&A sales are aggregate figures for sales excluding outsourcing expenses, and they are not necessarily consistent with the figures on other pages.

1. FY2025 Financial Results – Consolidated Performance Trends

- Net sales increased due to the consolidation of HobbyLink Japan Ltd. Although the effects of the structural reforms only materialized in the second half, operating loss was reduced.

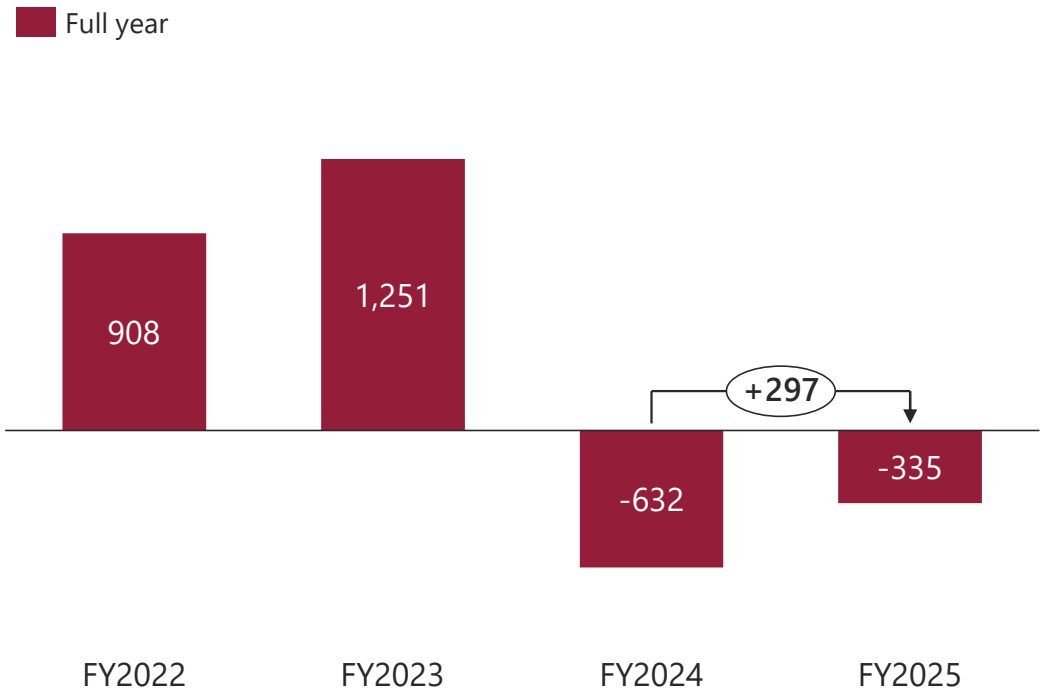
Net sales

(JPY Mil.)



Operating income

(JPY Mil.)



(For Reference) Balance Sheet (Entire Group)

- The sharp increase in non-current assets and non-current liabilities is due to the incorporation of the assets and liabilities of Hobbylink Japan Ltd. due to its consolidation. Accordingly, its impact on the financial condition of the Company on a standalone basis is limited.

(JPY Mil.)

	End of December 2024	End of December 2025	YoY change (amount)	YoY (%)
Current assets	11,470	11,435	-35	100%
Non-current assets	2,690	6,997	+4,306	260%
Deferred assets	3	2	-2	56%
Total assets	14,165	18,434	+4,270	130%
Current liabilities	2,122	3,782	+1,660	178%
Non-current liabilities	1,292	4,708	+3,416	364%
Shareholders' equity	2,547	1,458	-1,089	57%
Other net assets	8,202	8,485	+283	103%
Total liabilities and net assets	14,165	18,434	+4,270	130%
Cash and deposits	7,561	5,323	-2,238	70%
Interest-bearing debt	1,396	5,398	+4,002	386%
Net Debt	-6,164	75	+6,240	-1%



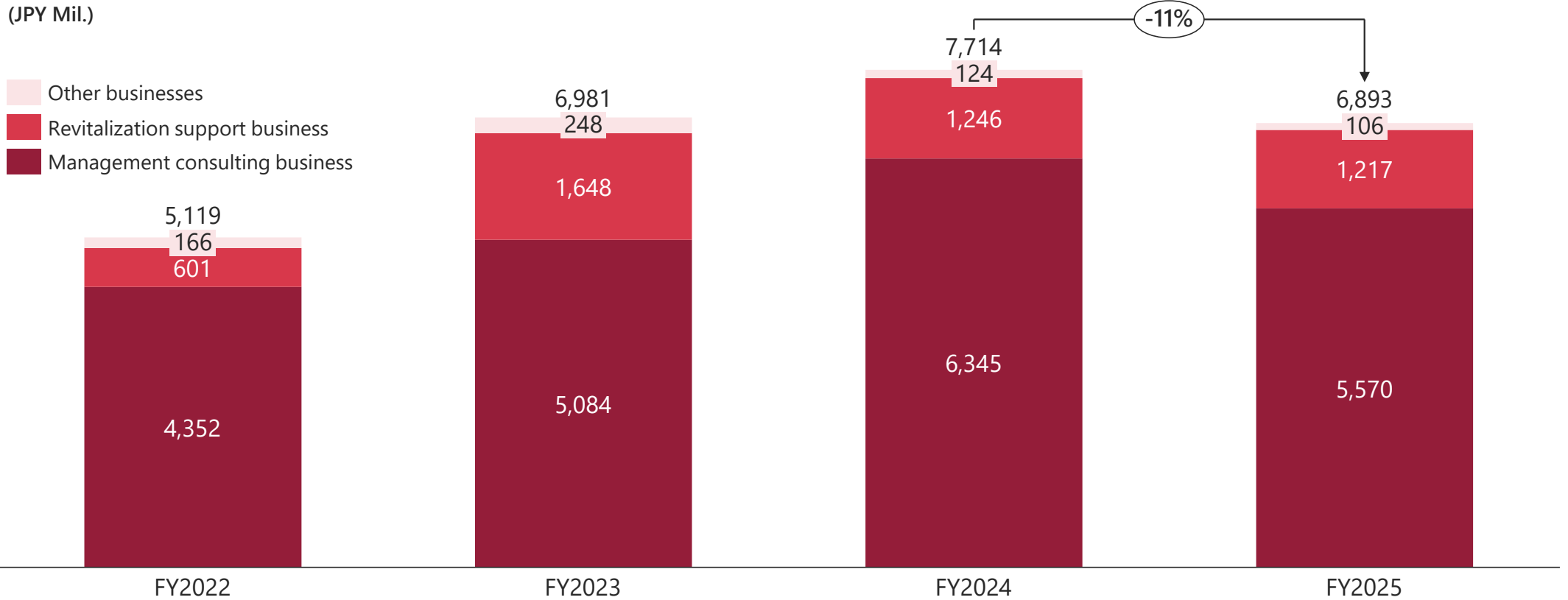
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Results by business



1. Consulting-based Businesses – Net Sales Trends (Full-year) –

- Total net sales of Consulting-based Businesses for FY2025 were just 89% of the level a year earlier, reflecting factors such as personnel changes. Sales have been strengthened gradually with the structure after the personnel changes, and it is expected that net sales will improve.

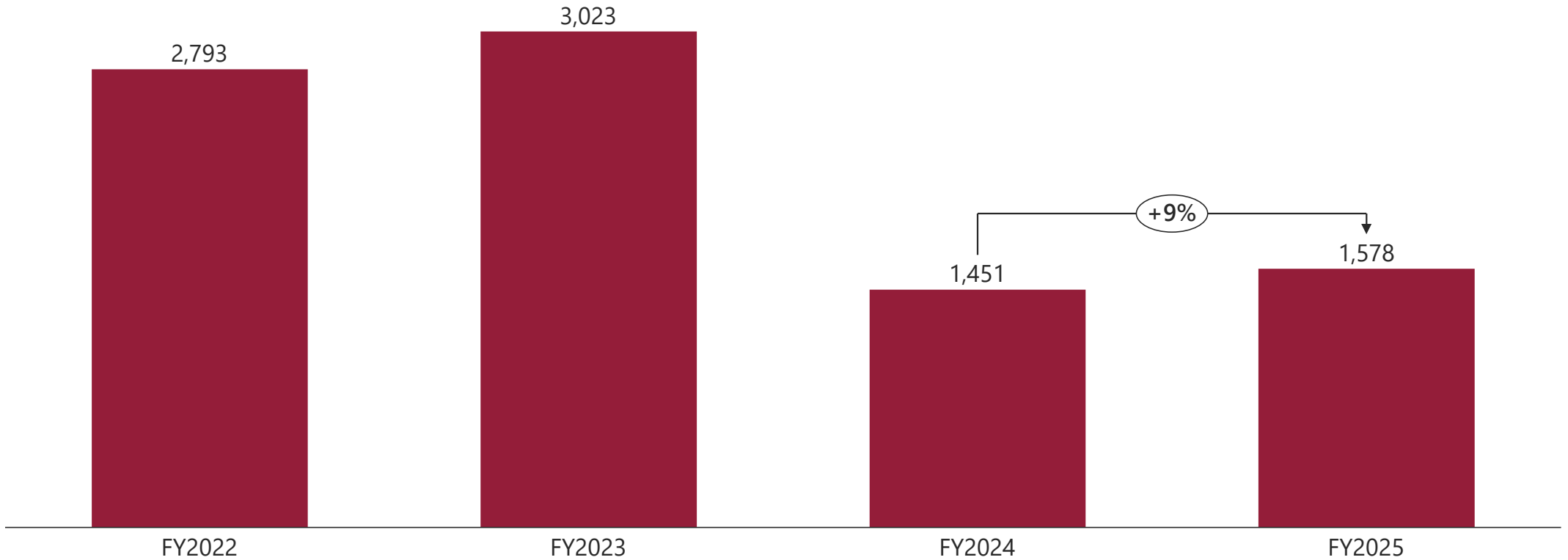


* Includes sales of Celebrain Corporation

2. M&A Advisory Business – Net Sales Trends (Full-year) –

- The net sales of the M&A Advisory Business for FY2025 increased 9% year on year.

(JPY Mil.)

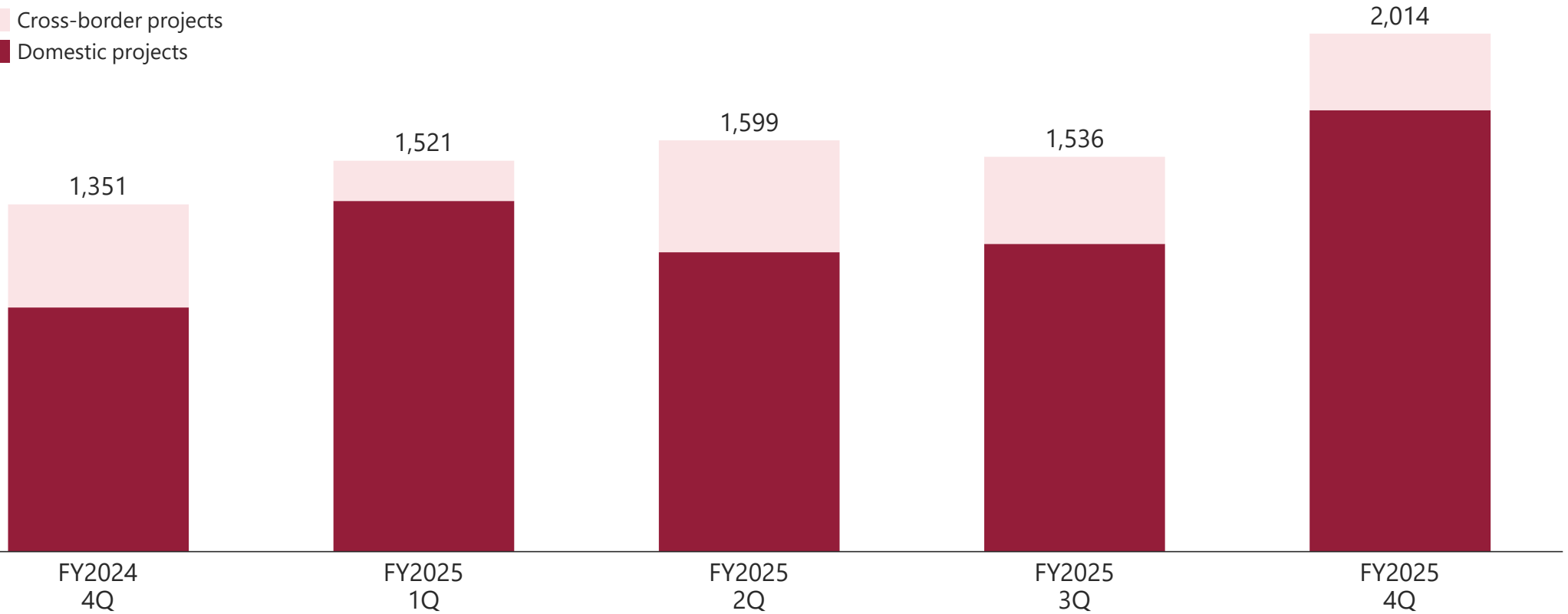


2. Advisory Business – Order Backlog Trends

- In this fiscal year, the percentage of domestic projects in the total order backlog remained high as a result of a return to efforts focused on domestic projects. Projects with a high certainty of closing are identified, and the structure for executing projects leading to earnings has steadily become entrenched.

(JPY Mil.)

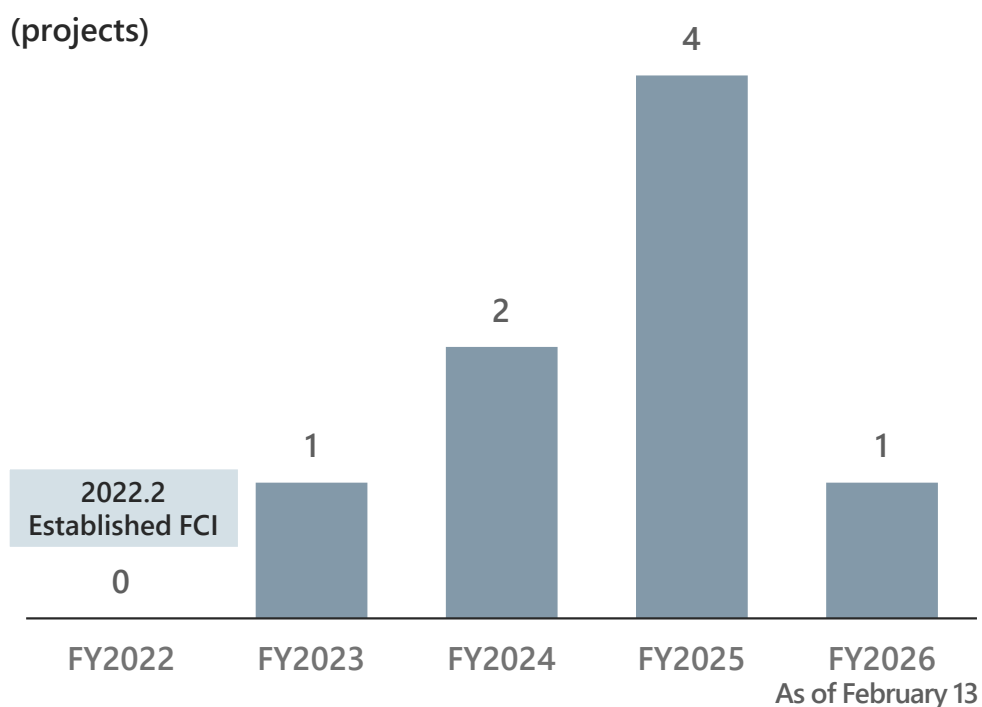
■ Cross-border projects
■ Domestic projects



3. Investment Business – Results Trends

- Since launching the Investment Business in 2022, we have executed investments **in a total of 8 projects**, including 4 projects in which we invested in FY2025. In addition, we announced a capital and business alliance with TAS CO., LTD. in February 2026.
- Looking ahead, there is **1 project** for which we have signed a contract and which is waiting for the investment to be executed and **4 projects** for which we have exclusive rights and are conducting due diligence, etc., and we are steadily expanding the pipeline.

Trend in number of investments



Investment projects to date

Invested company	Business description	Support launched
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	- Production of dental laboratory work - Dental laboratory work using CAD and CAM	September 2025
TAS CO., LTD.	- Planning and arranging tours for inbound travelers	February 2026









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Forecast for Next Fiscal Year



Review of Structural Reform Measures

- There has been progress in the transformation of the organizational structure and the improvement of operational efficiency through structural reform measures, and although it took time before they began to impact performance, profitability is trending toward an improvement at present.

1	Development of a structure for improving profitability through the restructuring of consulting divisions		Organizational restructuring has already been implemented, and lean operations, including the reduction of recruiting expenses, have been achieved. In the second half, there has been progress in the accumulation of projects, and there are also signs that productivity is improving (The productivity of the consulting divisions in terms of the number of front-office personnel improved to around 34 million yen/year in December on a single month basis.).
2	Domestic mid-market M&A Reinforcement of the pipeline		Due to the launch of the new structure, order backlog as of the end of the fiscal year increased 660 million yen year on year (+49% increase year on year). The expansion of earnings in the current fiscal year is limited because the majority of earnings in the current fiscal year reflects sales activities in the previous fiscal year. However, orders received have accumulated, which will drive an increase in earnings next fiscal year.
3	Shift to the provision of integrated, linked solutions in our four client-facing businesses		Initiatives have been launched for project formation through cross-divisional collaboration. A track record of cross-divisional project formation has been built up gradually.
4	Reform of operations for systematic expansion of accounts and network coverage		While measures to strengthen sales targeting corporations have been implemented, the coverage structure for financial institutions and funds needs to be reinforced.
5	Enhancement of group strategy and management capabilities through reorganization of corporate departments		By consolidating and eliminating divisions, the number of corporate divisions was reduced from 4 to 3. The number of personnel was reduced by around 10% through operational reforms.
6	Generation of returns through increased investment by Frontier Capital		An investment track record has been steadily accumulated, with 4 investment projects completed in the current fiscal year and a cumulative total of 8 projects. We aim to achieve profitability, including income from investments, next fiscal year.

Forecast for Next Fiscal Year: Entire Group

- In FY2026, we forecast that both net sales and income will rise year on year.
 - ✓ The point that structural reforms have enabled business operation with reduced fixed costs
 - ✓ Productivity improvement in the Consulting-based Business and the M&A Advisory Business resulting from development of new solutions and ongoing strengthening of sales
 - ✓ On a consolidated basis including FCI, earnings will be improved through steady buildup of an investment track record and incorporation of full-year earnings* of HobbyLink Japan Ltd.

(JPY Mil.)

	FY2025 Results	FY2026 Forecasts	YoY change (amount)	YoY change (amount) YoY (%)
Net sales	13,489	15,000	+1,511	111%
Operating income	-335	625	+945	—
(Operating income margin)	(-2%)	(4%)	(+6%)	—
Ordinary income	-664	430	+1,094	—
(Ordinary income margin)	(-4%)	(3%)	(+7%)	—
Net income attributable to owners of parent	-1,106	50	+1,156	—
(Net income margin attributable to owners of parent)	(-8%)	(0%)	(+8%)	—

* The Company's FY2025 performance reflected HobbyLink Japan Ltd.'s performance for nine months. In FY2026, HobbyLink Japan Ltd.'s full-year results will be reflected.

Forecast for Next Fiscal Year: Excluding FCI

- Sales and income are also expected to increase on an "excluding FCI" basis due to the above factors.

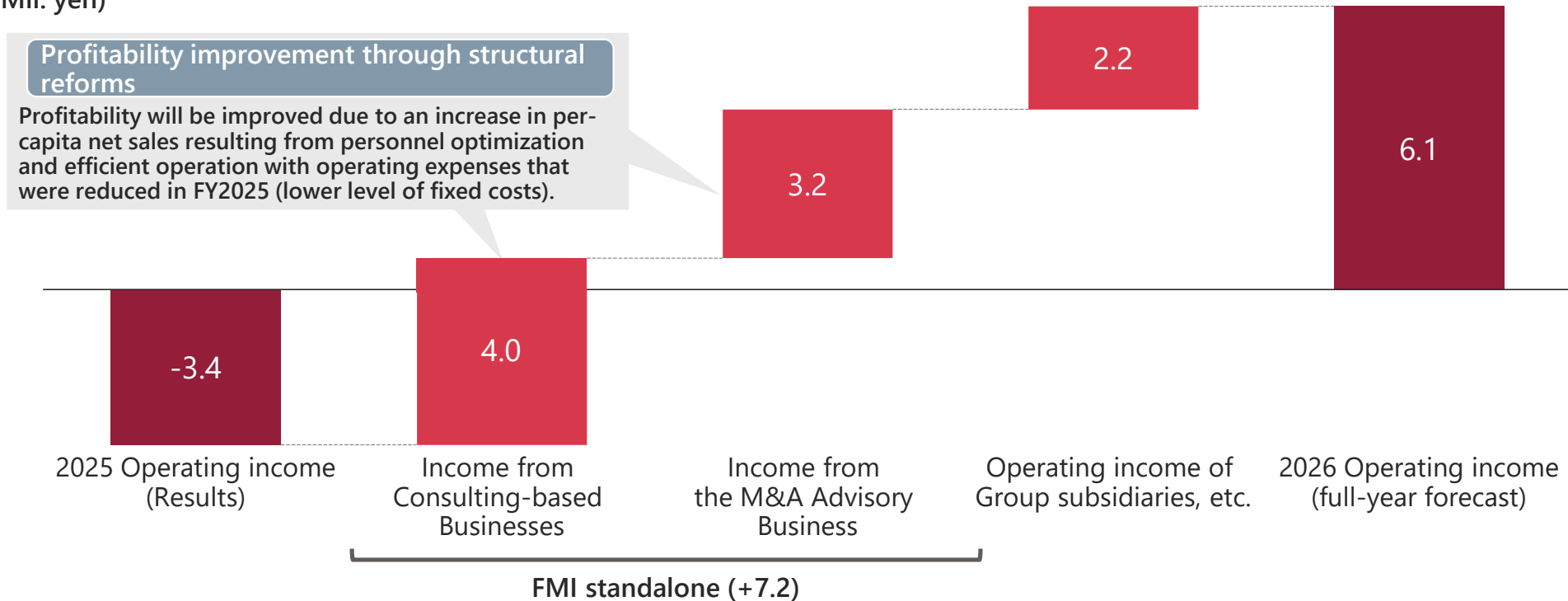
(JPY Mil.)

	FY2025 Results	FY2026 Forecasts	YoY change (amount)	YoY change (amount) YoY (%)
Net sales	8,504	9,100	+596	107%
Operating income	-152	580	+732	—
(Operating income margin)	(-2%)	(6%)	(+8%)	—
Ordinary income	-249	550	+799	—
(Ordinary income margin)	(-3%)	(6%)	(+9%)	—
Net income attributable to owners of parent	-507	330	+837	—
(Net income margin attributable to owners of parent)	(-6%)	(4%)	(+9%)	—

Forecast for Next Fiscal Year: Year-on-year Comparison/Entire Group

- Operating income will improve both on a groupwide basis and at FMI on a standalone basis, and consolidated operating income is expected to move into the black.
- ✓ Operating income at FMI on a standalone basis is expected to improve year on year due to improvements in profitability and productivity resulting from structural reforms.
- ✓ Income at Group subsidiaries, etc. will increase due to ongoing investments and the incorporation of the full-year income* of HobbyLink Japan Ltd., and operating income is expected to improve.

(100 Mil. yen)

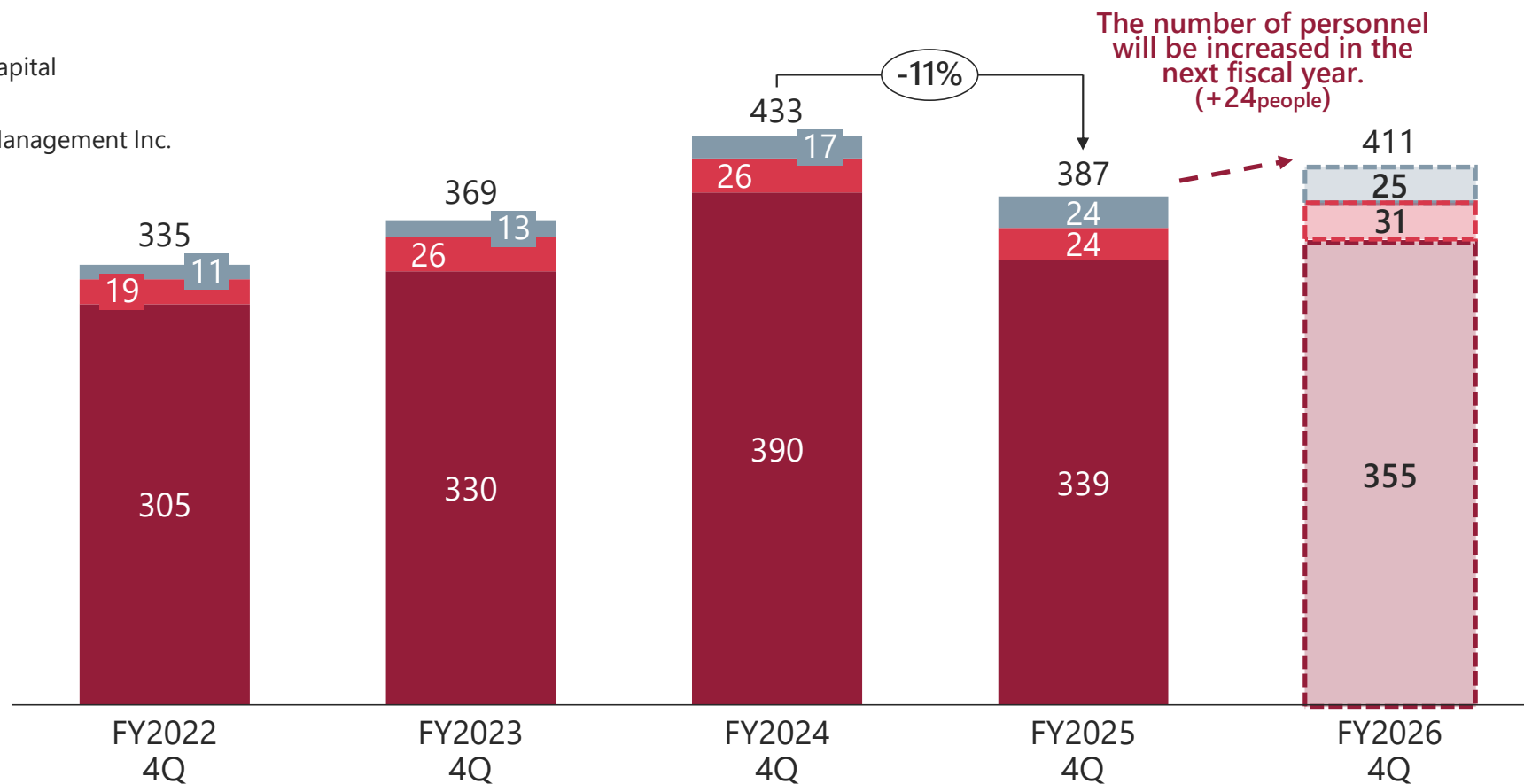
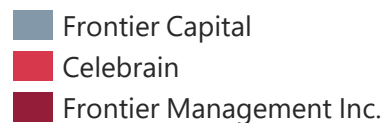


* The Company's FY2025 performance reflected HobbyLink Japan Ltd.'s performance for nine months. In FY2026, HobbyLink Japan Ltd.'s full-year results will be reflected.

Trend in Number of Personnel (As of the end of FY2025/Plan for next fiscal year)

- As of the end of Q4 under review, the number of personnel decreased 11% year on year, to 387, due to the impact of the personnel optimization related to the structural reform which was implemented in the first half of this fiscal year. The number of personnel will be increased and we plan to expand our workforce again to achieve growth in and after the next fiscal year.

(People)



* Excludes personnel of HobbyLink Japan



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Appendix



About "Excluding FCI"

- We usually disclose figures on an "Excluding FCI" basis, which exclude the impact of the Investment Business, in addition to our consolidated financial figures, with the intention of clarifying the source of dividends, as well as the characteristics of the Investment Business. We are driving business growth and internal structural reforms with a view to resuming the payment of dividends in the future.

Reason for disclosing figures on an "Excluding FCI" basis

Characteristics of FCI's business

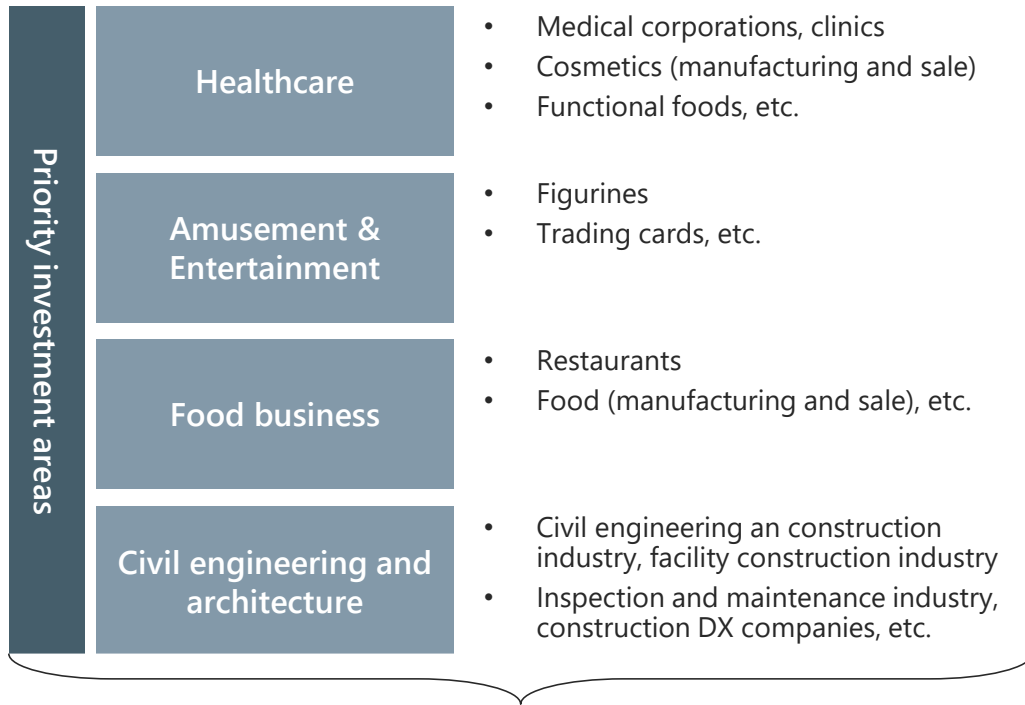
- FCI, which invests in businesses and companies to then implement management reforms, has an irregular and significant impact on FMI consolidated financial results depending on whether it invests or not in the year.
- Accordingly, to accurately convey to investors the business progress and growth potential of the consulting and advisory businesses that are the Group's core businesses, we disclose figures on an "Excluding FCI basis" excluding the impact of FCI, in addition to figures on an "Entire Group" basis.

Clarification of intention to pay stable dividends to shareholders and the source of dividends

- FMI has announced that it will pay dividend at a payout ratio of 40% to the net income attributable to owners of parent on an "Excluding FCI" basis.
- We disclose figures on an "Excluding FCI" basis to clarify our intention to generate earnings in our core consulting and advisory businesses and to pay stable dividends to shareholders without being affected by the highly volatile investment results of FCI and to clarify the source of dividends.

Acceleration of Start-Up by Frontier Capital

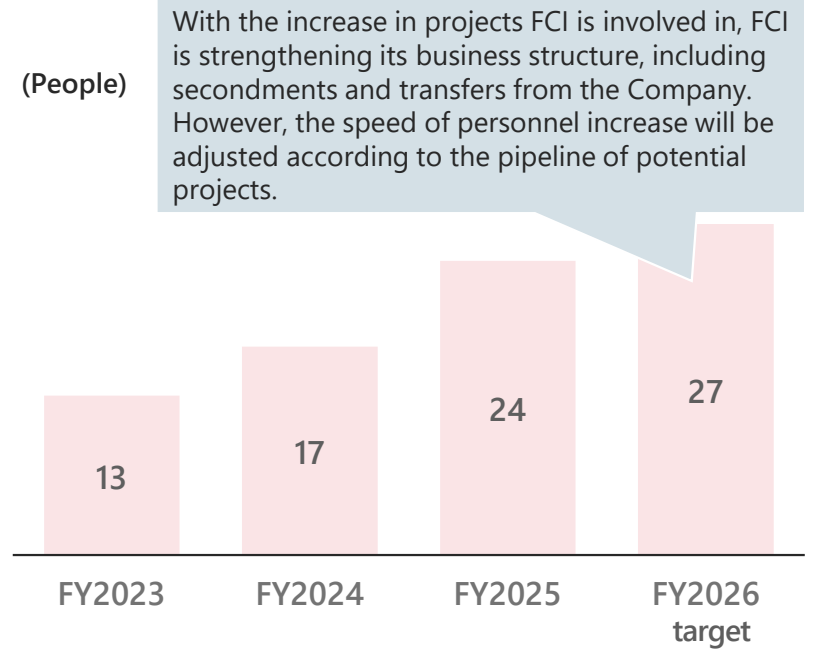
- Frontier Capital Inc. (FCI) is steadily increasing projects for startup, and will consider strengthening personnel according to the status of the project pipeline.



- We will continually adjust the priority investment areas and their details while pursuing investments.
- We will also create examples of successful overseas expansion for regional companies.

Personnel structure

Funding and Investment Cycle



- FCI is steadily building up a track record of investment and enhancing the value of investees, aiming to raise additional capital of 5.5 billion yen (making total capital of 15.0 billion yen) from its investors.
- FCI plans to exit 1 investment project each fiscal year. It implements new investment based on the funds recovered (initial investment amount + gain on sale).

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Opening Up Your Frontier



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