FRONTIER MANAGEMENT INC.

December 30, 2024

To whom it may concern

Company Name Frontier Management Inc.
Representative Shoichiro Onishi,
President & Executive Officer
(Code No. 7038, [Prime, TSE])
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Notice Concerning Acquisition of Shares of HobbyLink Japan Ltd. (to Make It a Subsidiary)

Frontier Management Inc. (“Frontier Management”) announced that it has resolved, at a meeting of the Board of Directors held on December 30, 2024, to acquire, through a consolidated subsidiary Frontier Capital Inc. ("Frontier Capital"), shares ("the investment") of Eagle Invesco., Ltd. ("Eagle"), which owns 100% shares of HobbyLink Japan Corporation ("HobbyLink"). On the same date, Frontier Capital signed the share purchase agreement for the investment .

The shares will be acquired through FCI1 Inc. ("the SPC"), which is 100% owned by Frontier Capital.

1. Reason for acquisition of shares

HobbyLink (Head Office: Sano City, Tochigi prefecture; President: Yasutaro Watanabe) is a Japanese leading online toy retailer that mainly deals in toy models, toy plastic models and toy figures.

HobbyLink mainly procures products from domestic toy manufacturers and sell those to fans around the world who love Japanese unique pop culture. Customers from all over the world, mainly from Americas, shop on its unique e-commerce site.

Despite the niche market of hobby goods, HobbyLink has a long history since its foundation in 1997 and has led the market expansion by building a strong customer base globally.

In addition to endorsing the mission of HobbyLink which is to provide high-quality toys from Japan to fans in global by delivering unique and useful information made by own people, the Japanese hobby contents market has great potential to grow sustainably due to the rapid spread of Japanese animation contents in Americas, EU, Asia and other countries.

In making the investment, Frontier Management will contribute to its growth by providing group’s hands-on management consulting functions and accelerating the implementation of our strategy, which is to be made through dialogue with executives and employees of the companies, so that more people can enjoy a pop culture originated in Japan.

2. Outline of this investment

(1) Overview of the SPC

(1)	Name	FCI1 Inc.
(2)	Address	3-2-1, Roppongi, Minato-ku, Tokyo
(3)	Job title/name of representative	Representative Director Daisuke Yasunaga
(4)	Description of Businesses	Holding shares in Eagle Invesco., Ltd.
(5)	Common stock	50 thousand yen
(6)	Date of Establishment	December 25, 2024
(7)	Major shareholders and percentage of shares	Frontier Capital Inc. (100.0%)

(2) Outline of subsidiaries to be transferred (Eagle, HobbyLink, and Beaver Corporation, Inc.)

(1)	Name	Eagle Invesco., Ltd.	
(2)	Address	EKK Building, 2-2, Nihonbashi Kayabacho 3-chome, Chuo-ku, Tokyo	
(3)	Job title/name of representative	Representative Director Jun Fujii	
(4)	Description of Businesses	Holdings shares of HobbyLink Japan Ltd.	
(5)	Common stock	50 million yen	
(6)	Date of Establishment	January 20, 2022	
(7)	Major shareholders and percentage of shares	TRY HARD INVESTMENTS Co., Ltd. (100.0%)	
(8)	Relationship between the listed company and the company	Capital relationship	Not applicable.
		Personal relationships	Not applicable.
		Business relationship	Not applicable.

(9) Operating results and financial position of the company for the last three years

Fiscal year end	Fiscal Year Ended December 2022 (Non-consolidated)	Fiscal Year Ended December 2023 (Non-consolidated)	Fiscal Year Ended December 2024 (Consolidated)
Net assets	574 thousand yen	△ 70,481 thousand yen	△ 17,259 thousand yen
Total assets	638 thousand yen	3,361,37 thousand yen	4,404,967 thousand yen
Net sales	0 thousand yen	0 thousand yen	894,947 thousand yen
Operating profit Operating loss (△)	△ 362 thousand yen	△ 142,138 thousand yen	83,702 thousand yen
Ordinary income Ordinary loss (△)	△ 362 thousand yen	△ 274,748 thousand yen	47,697 thousand yen
Net pofit attributable to owners of parent or Net loss (△)*	△ 426 thousand yen	△ 275,038 thousand yen	8,853 thousand yen

※For the fiscal years ended December 31, 2022 and December 31, 2023, the Company's non-consolidated base financial results are presented as "Net loss."

(1)	Name	HobbyLink Japan Ltd.	
(2)	Address	Kurohakama-cho 162-1, Sano City, Tochigi	
(3)	Job title/name of representative	Representative Director Yasutaro Watanabe	
(4)	Description of Businesses	Sale of figures, plastic models, toys, etc.	
(5)	Common stock	49,153 thousand yen	
(6)	Date of Establishment	January 6, 1997	
(7)	Major shareholders and percentage of shares	Eagle Invesco., Ltd. (100.0%)	
(8)	Relationship between the listed company and the company	Capital relationship	Not applicable.
		Personal relationships	Not applicable.
		Business relationship	Not applicable.

(9) Operating results and fi financial position of the company for the last three years			
Fiscal year end	Fiscal Year Ended February 2022 (Non-consolidated)	Fiscal Year Ended February 2023 (Non-consolidated)	Fiscal Year Ended February 2024 (Non-consolidated)
Net assets	292,650 thousand yen	692,849 thousand yen	1,223,260 thousand yen
Total assets	1,821,094 thousand yen	2,565,291 thousand yen	2,133,966 thousand yen
Net sales	3,786,916 thousand yen	4,922,780 thousand yen	5,239,736 thousand yen
Operating profit	287,483 thousand yen	657,093 thousand yen	701,286 thousand yen
Ordinary profit	301,093 thousand yen	657,585 thousand yen	705,381 thousand yen
Net profit	262,101 thousand yen	400,199 thousand yen	508,139 thousand yen

(1)	Name	Beaver Corporation, Inc.	
(2)	Address	1717-1, Tomioka-cho, Sano City, Tochigi	
(3)	Job title/name of representative	Representative Director Yasutaro Watanabe	
(4)	Description of Businesses	Wholesale, import of overseas toys, plastic models, etc.	
(5)	Common stock	30 million yen	
(6)	Date of Establishment	May 7, 2007	
(7)	Major shareholders and percentage of shares	HobbyLink Japan Ltd. (100.0%)	
(8)	Relationship between the listed company and the company	Capital relationship	Not applicable.
		Personal relationships	Not applicable.
		Business relationship	Not applicable.

(9) Operating results and fi financial position of the company for the last three years			
Fiscal year end	Fiscal Year Ended February 2022 (Non-consolidated)	Fiscal Year Ended February 2023 (Non-consolidated)	Fiscal Year Ended February 2024 (Non-consolidated)
Net assets	164,630 thousand yen	218,192 thousand yen	249,236 thousand yen
Total assets	220,773 thousand yen	258,292 thousand yen	273,745 thousand yen
Net sales	420,915 thousand yen	459,522 thousand yen	446,110 thousand yen
Operating profit	91,386 thousand yen	88,470 thousand yen	83,230 thousand yen
Ordinary profit	91,398 thousand yen	88,839 thousand yen	83,344 thousand yen
Net profit	53,402 thousand yen	53,562 thousand yen	51,409 thousand yen

3.Outline of the counterparty to the acquisition of shares

(1)	Name	TRY HARD INVESTMENTS Co., Ltd.
(2)	Address	EKK Building, 2-2, Nihonbashi Kayabacho 3-chome, Chuo-ku, Tokyo
(3)	Job title/name of representative	Representative Director Naoki Kitajima
(4)	Description of Businesses	Management of private equity funds
(5)	Common stock	94 million yen
(6)	Date of Establishment	June 1, 2006
(7)	Net assets	Not disclosed
(8)	Total assets	Not disclosed

(9)	Major shareholders and percentage of shares	Not disclosed	
(10)	Relationship between the listed company and the company	Capital relationship	Not applicable.
		Personal relationships	Not applicable.
		Business relationship	Not applicable.
		Applicable status to the relevant party	Not applicable.

4. Number of shares to be acquired, price and status of shares before and after the acquisition

(1)	Shares owned prior to the transaction	0 shares (number of voting rights: 0; percentage of voting rights held: 0%)
(2)	Total share to be purchased	200 shares of common stock Stock acquisition rights 17 units
(3)	Acquisition cost	Scheduled acquisition price of shares 2.3 billion yen (Other related expenses, advisory expenses, etc. are not fixed and not included.)
(4)	Shares owned after the transaction	200 shares of common stock Stock acquisition rights 17 units (number of voting rights: 200, percentage of voting rights held: 100%) 200 shares of common stock Stock acquisition rights 17 units There is a possibility that the company will undertake a capital increase through a method of third-party allotment capital increase in the future, which will result in joint investment by Frontier Capital and financial investors.

5. Schedule

(1)	Date of resolution of the Board of Directors	December 30, 2024
(2)	Contract day	December 30, 2024
(3)	Execution date of share transfer	January 2025 (planned)

6. Future Outlook

There is no impact on our consolidated financial results for the year ended December 31, 2024. The impact of this transaction on our consolidated results for the next fiscal year (ending December 2025) is currently under scrutiny, and Frontier Management will promptly announce any matters that need to be announced in the future.