FRONTIER MANAGEMENT INC.

February 13, 2025

To All

Company Name Frontier Management Inc.
Representative Shoichiro Onishi, Chairman (CEO)
(Code No. 7038, [Prime, TSE])
Contact Hiroaki Hamada,
Executive Officer, Head of Company Planning and Administration Dept.
(TEL. +81-3-6862-8335)

Notice of dividend of surplus

On February 13, 2025, the Board of Directors of Frontier Management Inc. announced that it would not pay a dividend of retained earnings with a record date of December 31, 2024.

Note

1. Details of dividends

	Determined amount	Most recent dividend forecast (Announced on Nov. 13, 2024)	Results for the previous fiscal year (FY2023)
Record Date	December 31, 2024	December 31, 2024	December 31, 2023
Dividend per share	0 yen	TBD	41.00 yen
Total dividend amount	-	-	480 million yen
Effective date	-	-	March 28, 2024
Dividend Resources	-	-	Retained earnings

2. Reason

The forecast for the year-end dividend for the fiscal year ending December 2024 has not yet been determined, but the dividend amount has also been determined because the business results have been determined.

As announced in the press release, “Notice of Revision of Dividend Policy,” dated December 27, 2022, the Company's dividend payout ratio targets 40% of net income attributable to owners of parent. We considers the amount of dividends based on financially backed profits where non cash items such as profits and losses of Frontier Capital Inc. (“FCI”), a consolidated subsidiary, and losses on valuation of investment securities are excluded.

However, as disclosed today (February 13, 2025) in the " Consolidated Financial Results for the Fiscal Year Ended December 2024 [Japanese GAAP] " while the overall performance of the consulting business (management consulting, restructuring support, and other businesses) maintained an upward trend and achieved record-high sales for the fiscal year ending December 2024, the M&A advisory business saw a significant decrease in revenue compared to the previous consolidated fiscal year. This was due to a decline in the domestic M&A business, resulting in a reduced number of cases that led to success fees, despite several large M&A deals being successfully completed in the previous fiscal year. Consequently, a net loss attributable to the parent company's shareholders of 694 million yen was recorded.

In light of this, based on the above dividend policy, even if the loss of FCI is deducted from the loss attributable to shareholders of parent, the loss will be 193 million yen. Therefore, we regret to inform you that we will not pay dividends from surplus.

We would like to express our deepest apologies to our shareholders and ask for your continued support as we strive to resume dividend payments as soon as possible.

(Reference) Breakdown of annual dividends

	Dividend per share (yen)		
Record date	End of second quarter	Year-end	Annual
Results for the fiscal year under review	0 yen	0 yen	0 yen
Results for the previous fiscal year (FY2023)	0 yen	41.00 yen	41.00 yen