

FY2022 Full Year

# Financial Results Briefing for Institutional Investors

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YCP Holdings (Global) Limited  
February 2023

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# Agenda

Introduction

FY2022 Full Year Financial Highlights

Introduction of Management Services

Introduction of Principal Investments

# Introduction

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# Company Overview

YCP Group started its business in August 2011 as Yamato Capital Partners (now YCP Solidiance). In 2013, in order to actively hire non-Japanese professionals and be an international organization, the firm name was changed to YCP, and it became a Hong Kong-based holdings company. In 2021, the Group moved its headquarters to Singapore, where it is advantaged as a global hub site; the Group's revenue and personnel composition has increased, and established YCP Holdings (Global) Limited as the holding company.

## An Overview of YCP Group

Company Name	YCP Holdings (Global) Limited (Listed : 9257, Growth Market, Tokyo Stock Exchange)
Headquarters	3 Fraser Street, DUO Tower #05-21, Singapore
Nature of Business	1. Management Service 2. Principal Investments
Year of Founding	August 2011
Capital	USD 41,181,488
Group CEO	Yuki Ishida
Number of employees*1	Number of professionals: 374 Total number of including portfolio companies: 637

## Global Locations\*2



\*1: As of December 31, 2022: the number of professionals by region is the total number of people in the Management Service and Operations divisions.

\*2: Number of offices is as of the date of submission of this document.

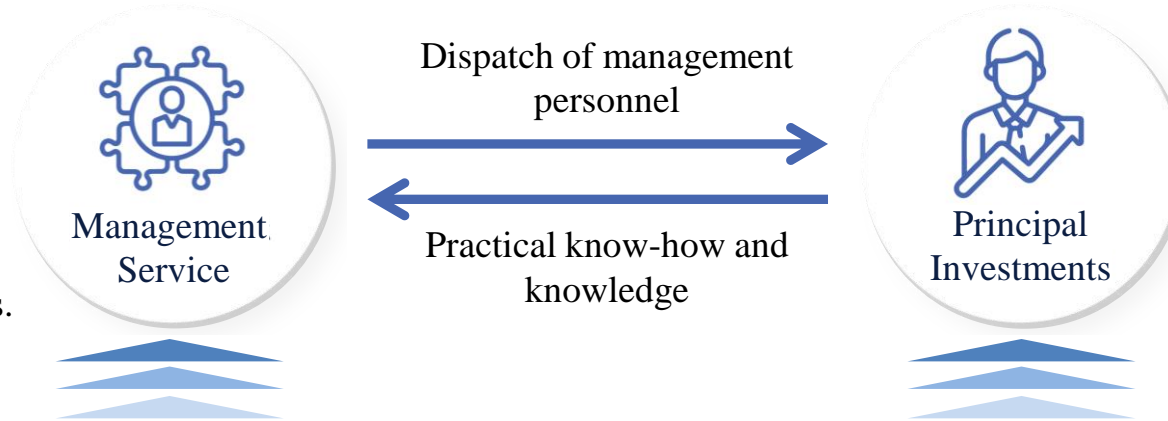


# Business Overview and the Group's Reportable Segments

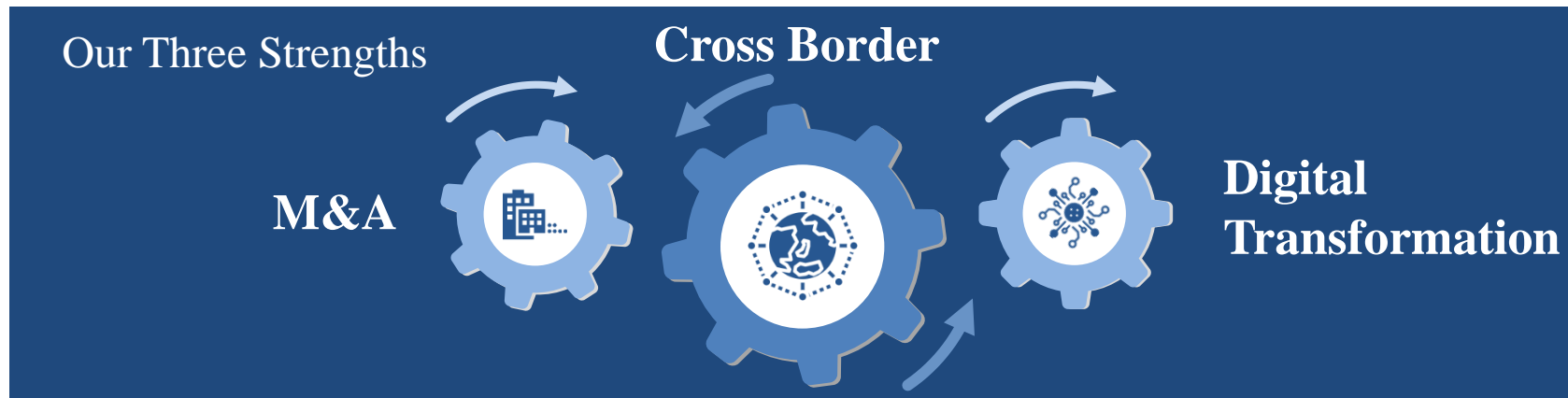
Our group operates two businesses: 1) Management Service, which helps our clients grow, scale, and transform their businesses, and 2) Principal Investments, which provides risk-money via equity capital and support for our portfolio companies.

We accelerate the growth of both our Management Service and Principal Investments businesses through three core strengths: **Cross-Border** business development through our global network, **M&A** expertise, and our focus on **Digital Transformation(DX)**.

About 80% of our revenue comes from the Project Management Office (PMO), which provides support for mainly M&A and DX implementation. The remaining 20% derives from high value-added services such as due diligence and strategic recommendations.



We invest our own funds in small and medium-sized emerging companies. The personal care and pet care fields are our focus industries, and we also actively invest in business seeds as strategic investment areas which will become focus industries in the future. Performances are disclosed for these three segments.

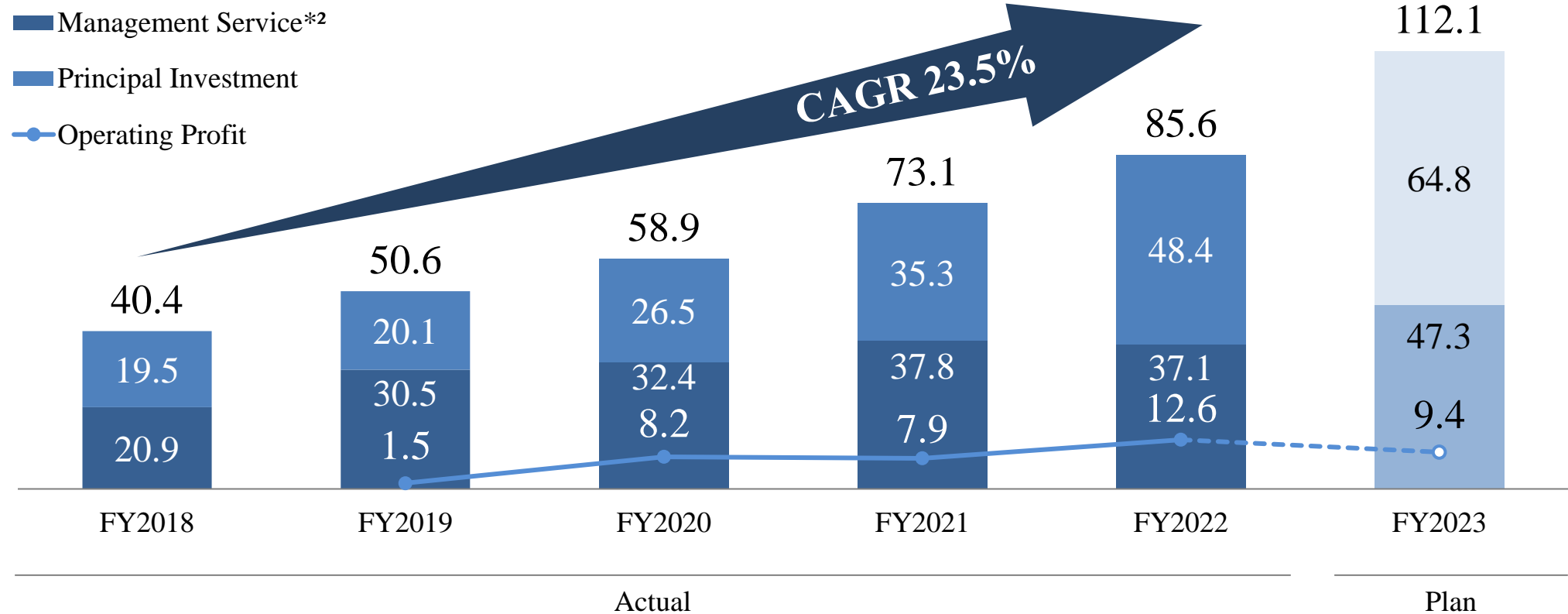




# Performance in Previous Years & Forecast of This Year

For the full year of FY2022, the company recorded sales of USD 85.6 million (JPY 11.35 billion\*1) and operating profit of USD 12.6 million (JPY 1.68 billion\*1). The average annual growth rate over the last five years was 23.5%. Revenue of US\$112.1 million (JPY 14.87 billion\*1) are planned for FY2023.

## Revenue and Operating Profit (USD million)



\*1 : Conversion to Japanese yen is calculated at USD 1 = JPY 132.70 (exchange rate on 30 December 2022).

\*2 : Management Services revenue includes revenue from new professional services.

# FY2022 Full Year Financial Highlights

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# FY2022 Full Year Financial Highlights

## FY2022 Full Year Financial Results

Revenue	YoY	% of budget achieved
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<b>85.6</b> million USD ( <b>11.35</b> billion JPY*)	<b>117.0%</b>	<b>107.5%</b>
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Operating Profit	YoY	% of budget achieved
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<b>12.6</b> million USD ( <b>1.68</b> billion JPY*)	<b>160.5%</b>	<b>130.4%</b>
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Profit for the Period	YoY	% of budget achieved
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<b>10.4</b> million USD ( <b>1.38</b> billion JPY*)	<b>208.3%</b>	<b>133.5%</b>
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## Highlights

- For full year of FY2022, consolidated revenue and operating profit increased in YoY and achieved significant growth.
- In the core Management Service business, sales were at the same level as the previous year (YoY 98.1%) due to firm growth in other regions, although Japan was significantly affected by the accelerating depreciation of the yen. Profit, on the other hand, was 82.7% YoY, largely due to lower revenue in Japan, which is a major contributor to profit.
- Principal Investments marked YoY 137.4% increase in revenue and YoY 718.8% increase in profit driven by solid performance in all segments with new M&A in several areas, and a profit contribution from TOB of IPET shares.
- As a result, consolidated group revenue increased by YoY 117.0% and group operating income increased by YoY 160.5%.

\*Conversion to Japanese yen is calculated at USD 1 = JPY 132.70 (exchange rate on 30 December 2022).



# Introduction of Management Service

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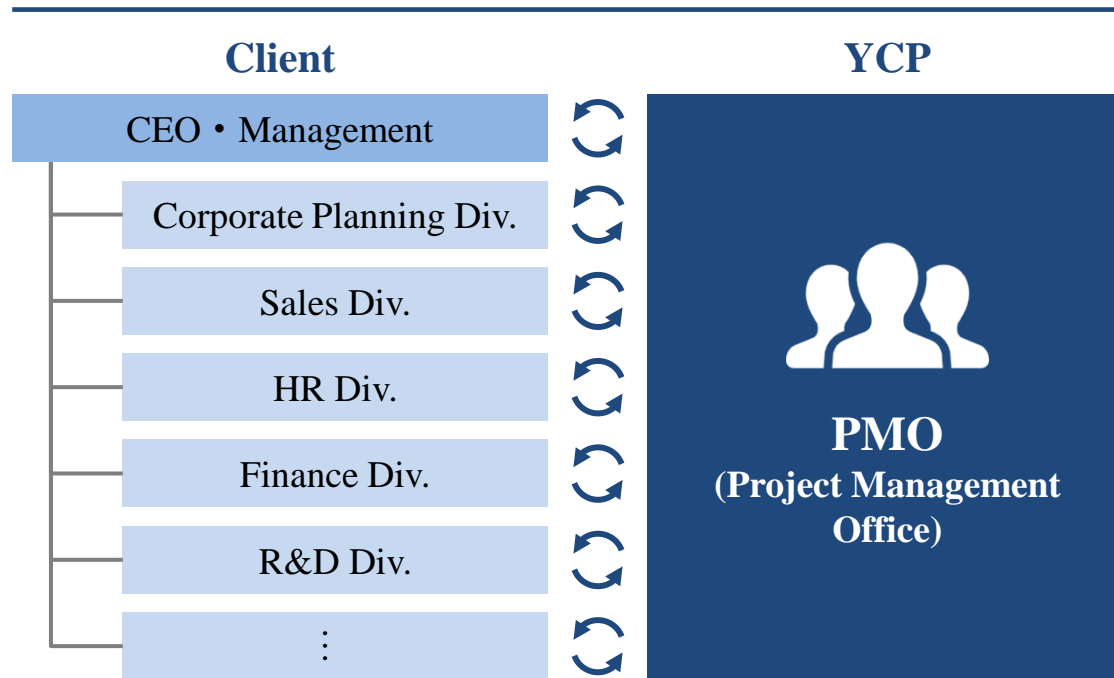




# Introduction and Overview of Management Service Businesses

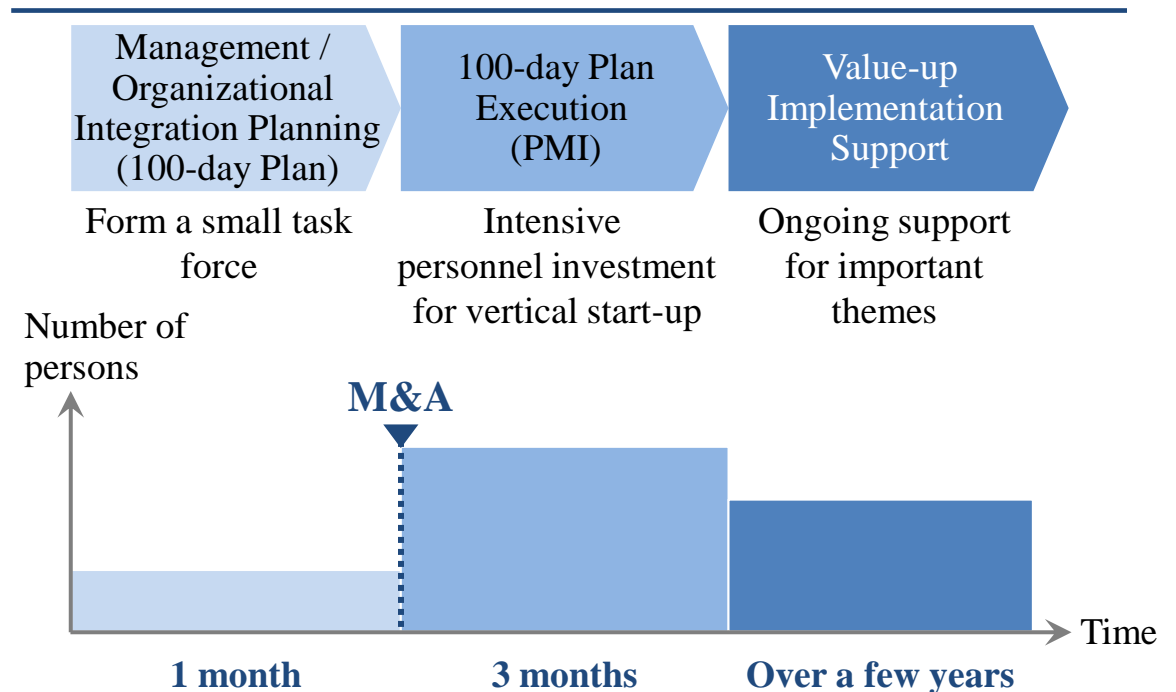
YCP Solidiance, our brand of Management Service division, provides PMO-type execution support services such as M&A and DX implementation for clients throughout Asia, accounting for approximately 80% of our segment revenue.

## What is PMO (Project Management Office)



A special task organization that provides flexible, cross-functional support when there are major corporate changes such as M&A and DX implementation.

## PMO Support in M&A

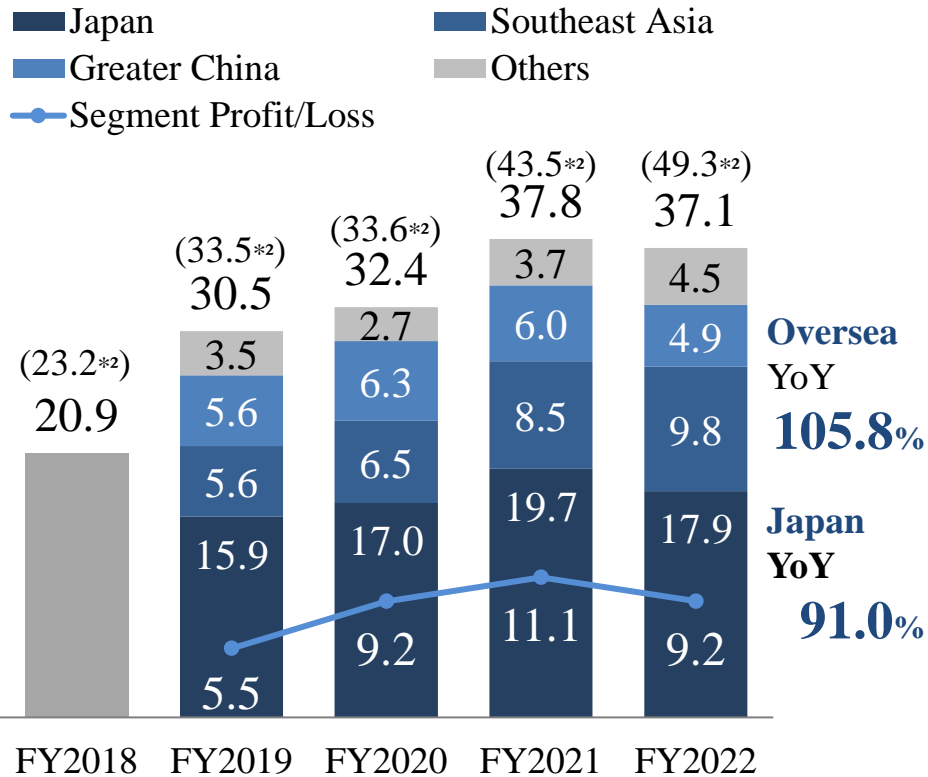


We begin providing support from one month prior to M&A execution and continue to provide long-term support via our PMO.

# Business Performance of Management Service

For the full year of FY2022, revenue was USD 37.1 million (JPY4.93 billion\*1) and segment profit was USD 9.2 million (JPY 1.22 billion\*1). Revenue in Japan declined YoY 91.0% in USD (108.9% increase in JPY) due to the depreciation of the yen, while overseas sales increased YoY 105.8% behind strong sales in Southeast Asia and the contribution from Auctus (integrated in December 2022).

**Revenue and Segment Profit/Loss** (USD million)



Revenue:

**USD 37.1 million**

Overseas Revenue Ratio: **52%**

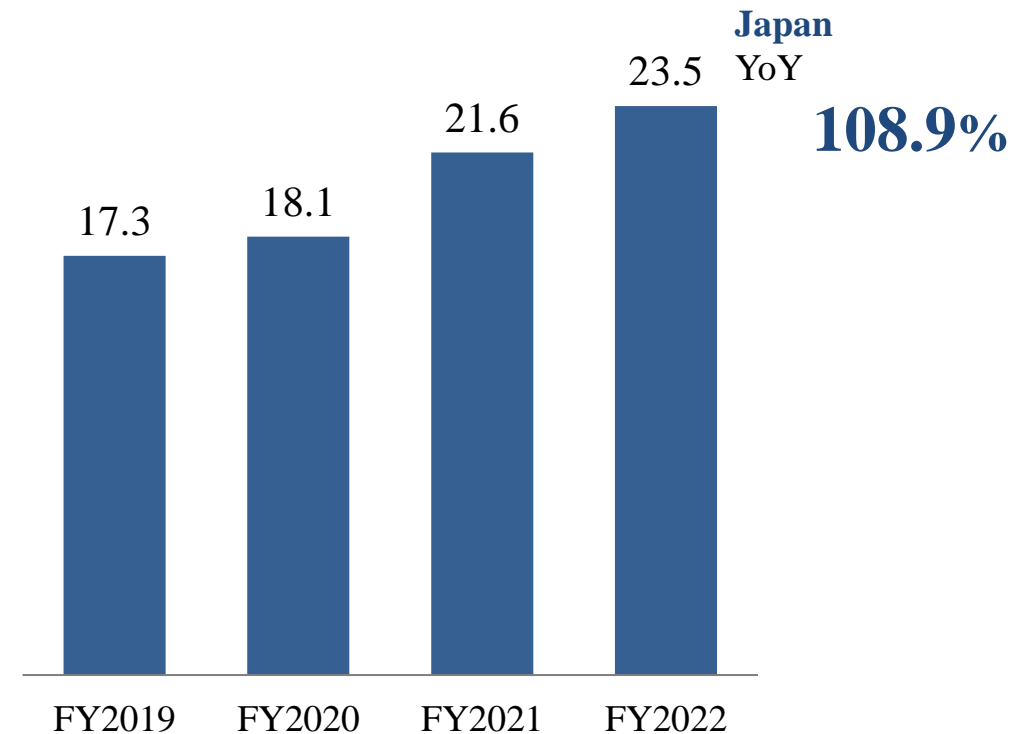
Segment Profit/Loss:

**USD 9.2 million**

Overseas Revenue YoY **105.8%**  
Japan YoY **91.0%**

(Reference)

**Japan Revenue in Local Currency** (JPY hundred million)



\*Conversion to Japanese yen is calculated with exchange rate at the end of each fiscal year.



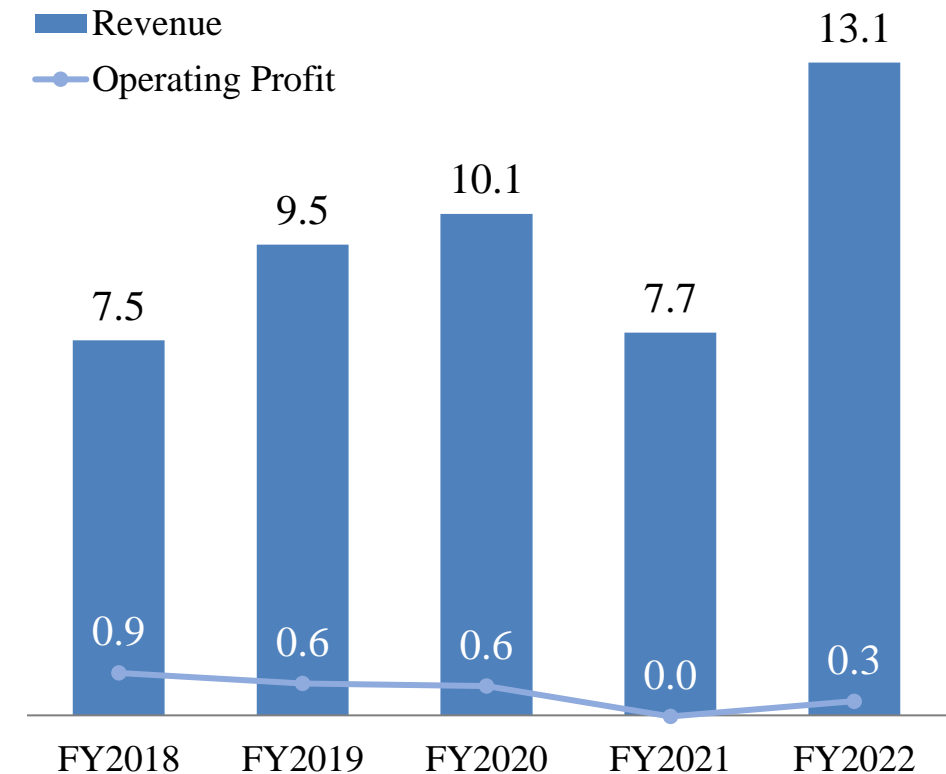
# Business integration with Auctus (December 2022)

In December 2022, we executed the contract to acquire 100% of the outstanding shares of Auctus, a consulting firm based in India, and to make it a wholly owned subsidiary of the Group. This acquisition will increase the Group's offices to 18 worldwide and its team from 260\*<sup>1</sup> to over 370 professionals\*<sup>1</sup>.

## Introduction of Auctus

<b>Company Name</b>	Auctus Advisors Private Limited
<b>Year of Founding</b>	July 2010
<b>Location of Offices</b>	Delhi, Bangalore, Mumbai, Hyderabad (all in India)
<b>Number of Professionals</b>	114 (December 31, 2022)* <sup>1</sup>
<b>Nature of Business</b>	Management Consulting service Digital Transformation service
<b>Main Clients</b>	<ul style="list-style-type: none"> <li>• Delhi International Airport Pvt Ltd</li> <li>• Mahindra Holidays and Resorts India Pvt Ltd</li> <li>• Talace Private Limited</li> <li>• GMR Airports Limited</li> <li>• AirIndia Limited</li> </ul>

## Business Performance of Auctus (JPY hundred million\*<sup>2</sup>)



\*1 : Total number of professionals in the Management Service and Operations divisions

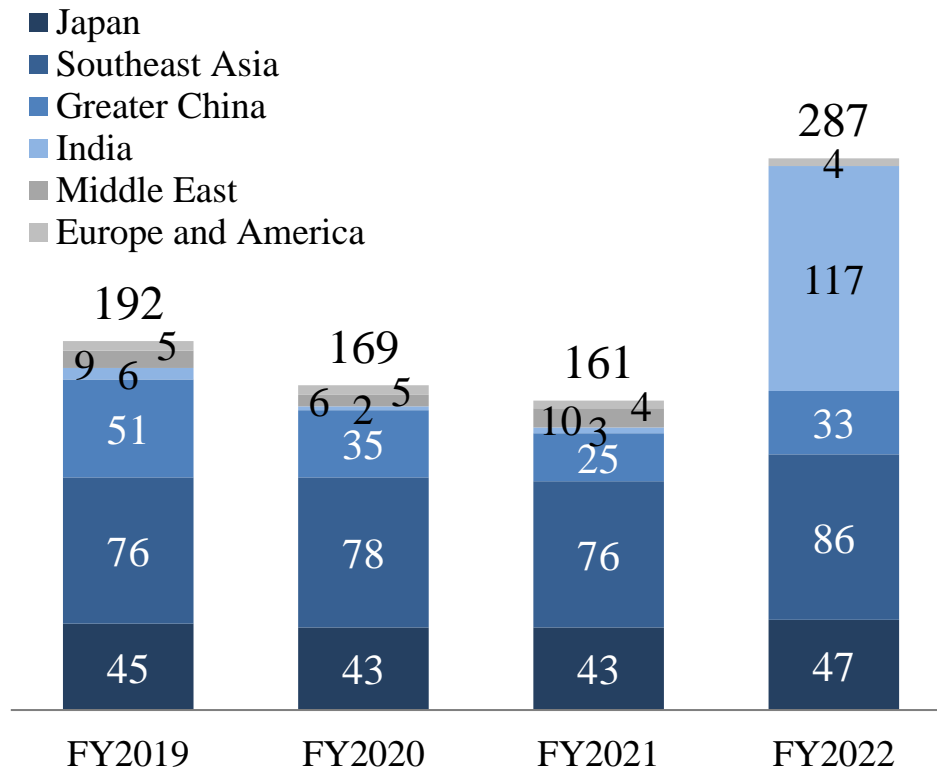
\*2 : Conversion to Japanese yen is calculated at INR 1 = JPY 1.8 (exchange rate on 31 October 2022).



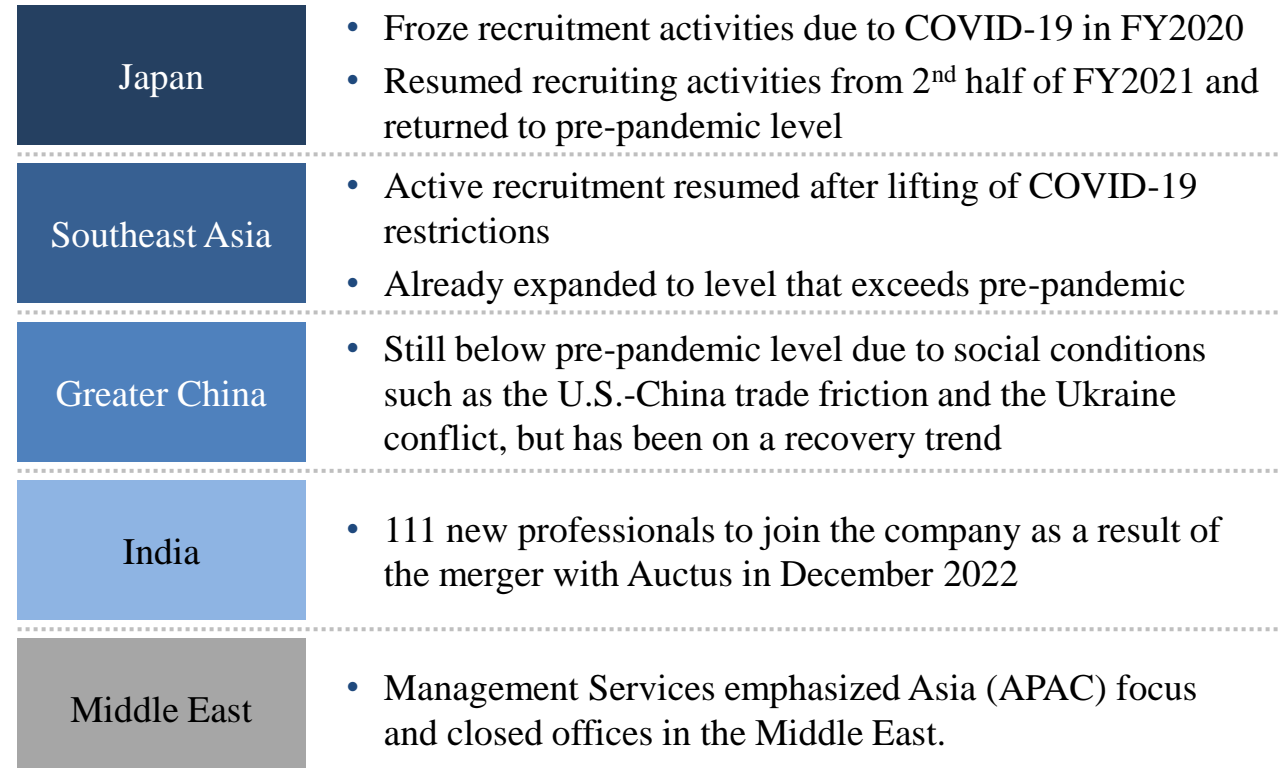
# Number of Professionals\* by Region

In response to the relaxation of COVID-19 restrictions, recruitment activities were resumed and strengthened in the second half of FY2021, and the number of employees in each region is on an upward trend. In addition, the Group as a whole has rapidly expanded to 287 employees\* due to the integration with Auctus.

**Number of Professionals by Region\*** (persons)



**Details of increase/decrease by region**



\*Number of full-time employees in the Management Services Division (excluding Operations Division) at the end of each fiscal year.

# Introduction of Principal Investments

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# Introduction and Overview of Business: What is Principal Investments?



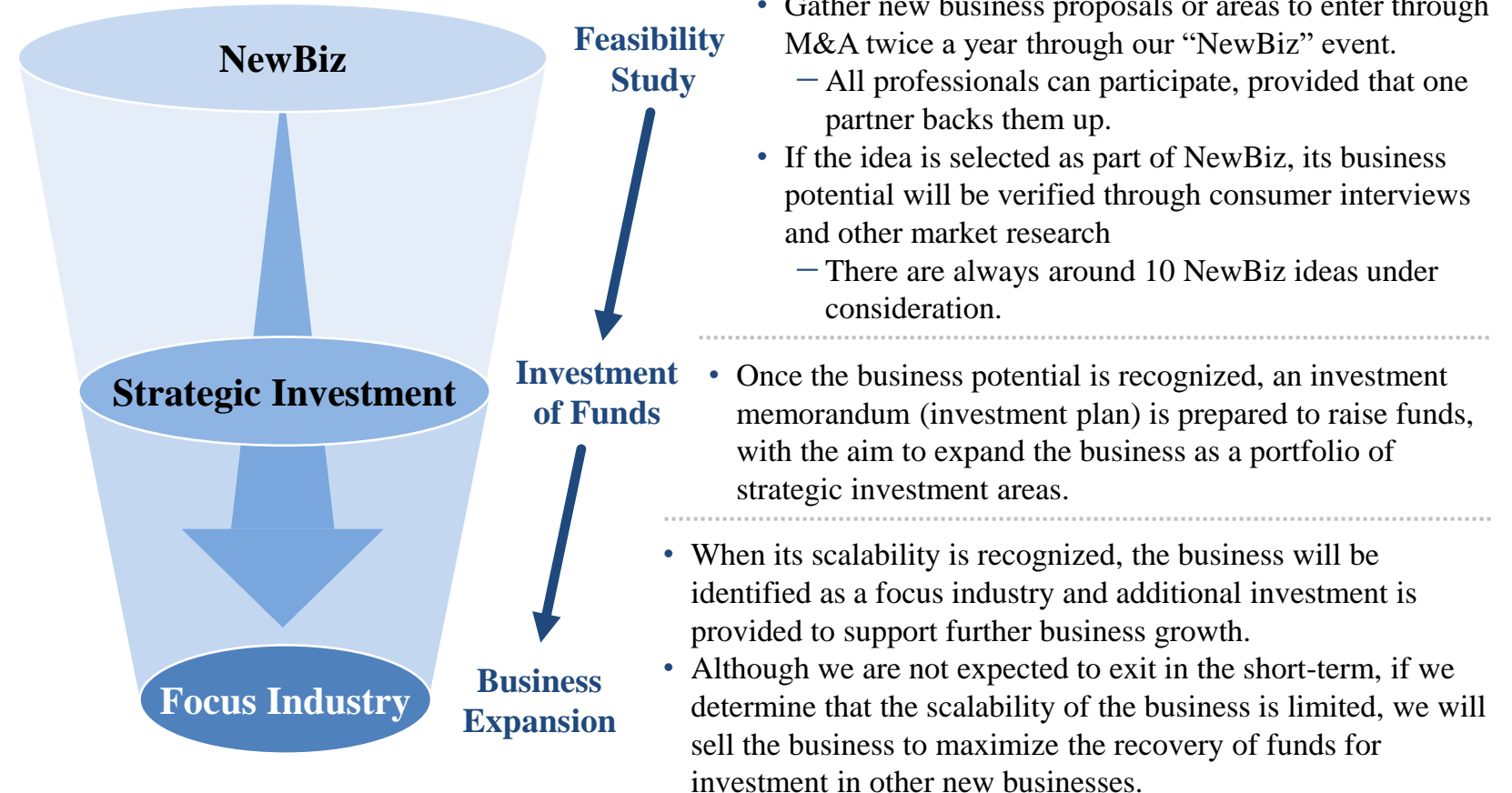
Utilizing the professional platform cultivated through the management service business, we invest our own funds in small and medium-sized emerging companies.

## Investment Requirements

The following criteria are set as the Group's investment requirements:

1. Expected business scale of USD 100 million or more in sales
2. A business that can expand globally and utilize the Group's professional platform
3. Investment size should not exceed USD 20 million, including debt.
4. Minimum 30% IRR (Internal Rate of Return)
5. Good learning opportunity for the Group's professionals to "Strive for Growth"

## Flow of Principal Investment, from Start-up to Expansion



# Introduction of Personal Care

SOLIA, a major consolidated subsidiary, develops brands specializing in personal care products throughout Asia. SOLIA is adopting the D2C model of direct online sales and leveraging our global platform.

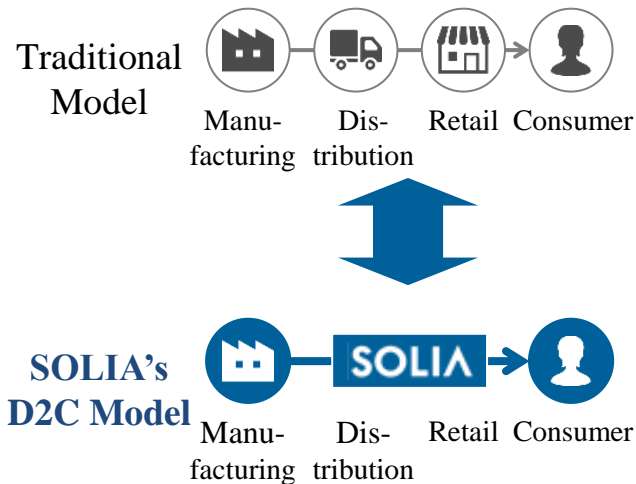
## Core Brand



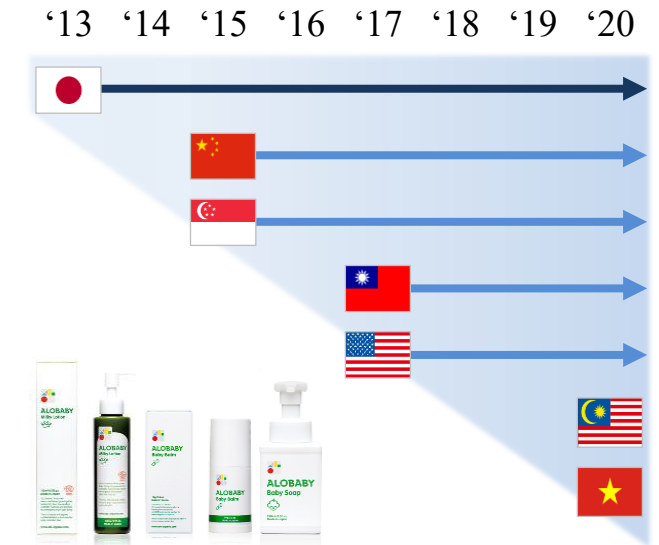
## Business Strategy



### SOLIA's D2C Model



### ALOBABY's Overseas Expansion





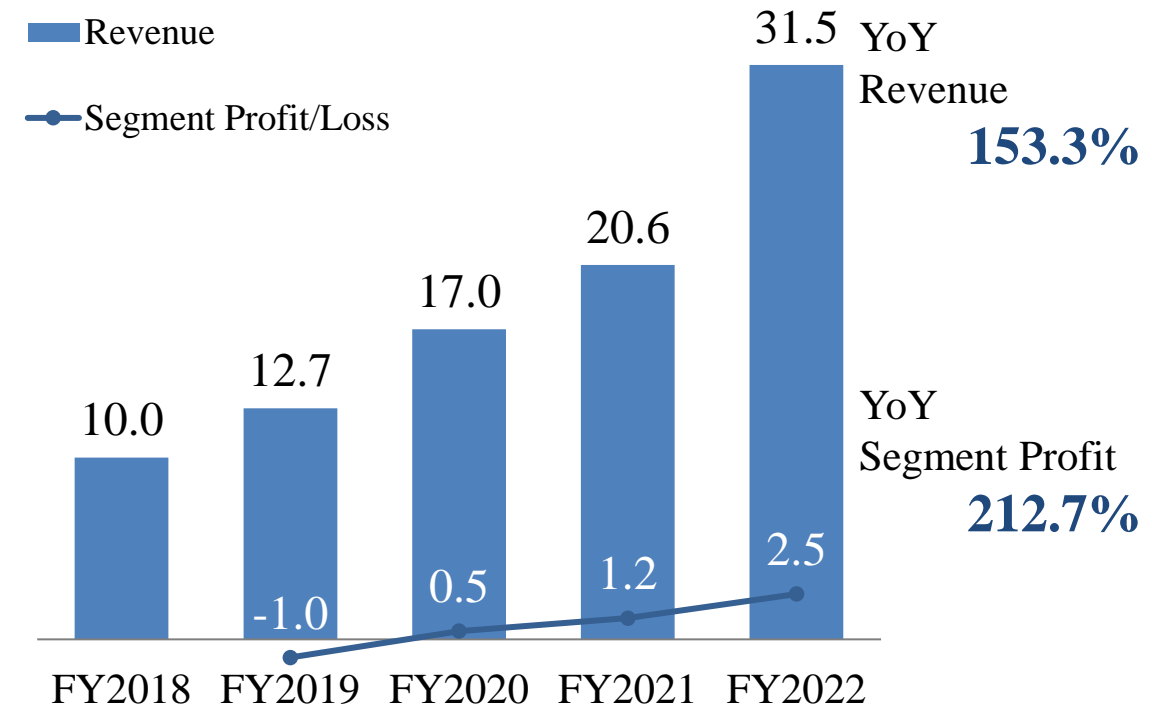
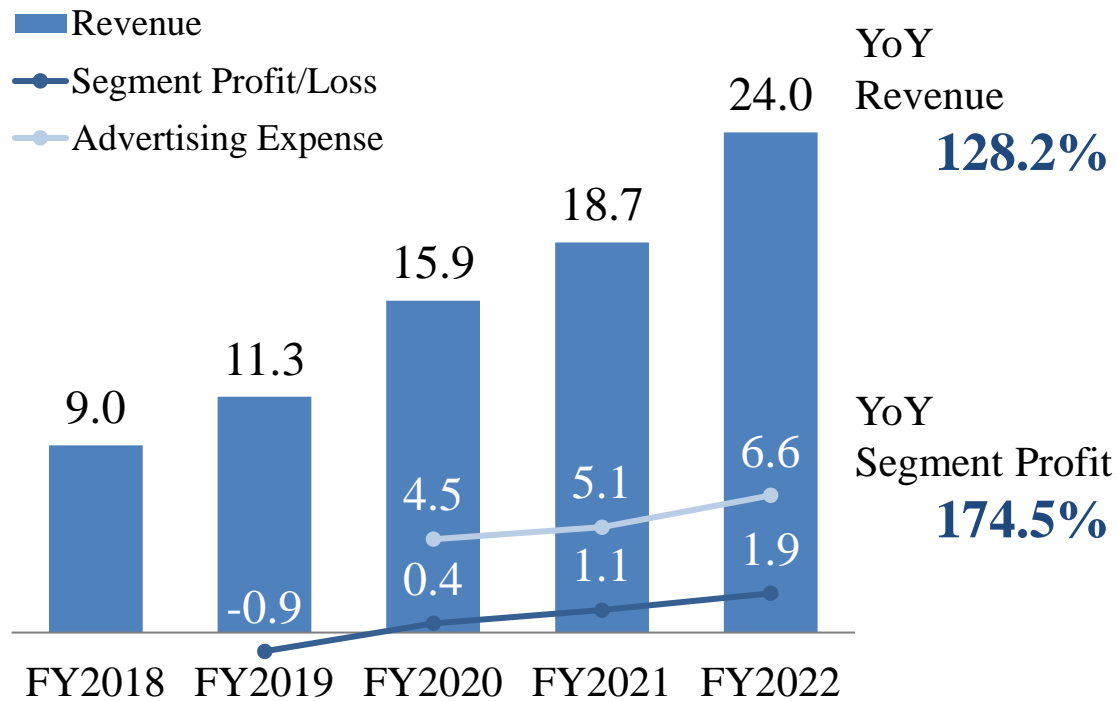


# Business Performance of Personal Care Area

For the full year of FY2022, revenue was USD 24.0 million (JPY 3.15 billion) and segment profit was USD 1.9 million (JPY 0.25 billion). In addition to the main brand “ALOBABY,” new brands expanded steadily. While maintaining aggressive investment in advertising expenses helped to expand the top line, the company has grown to make a stable contribution to profits on the bottom line.

**Business Performance** (USD million)

**(Reference) Business Performance in Local Currency**  
(JPY hundred million)





# Introduction of Pet Care

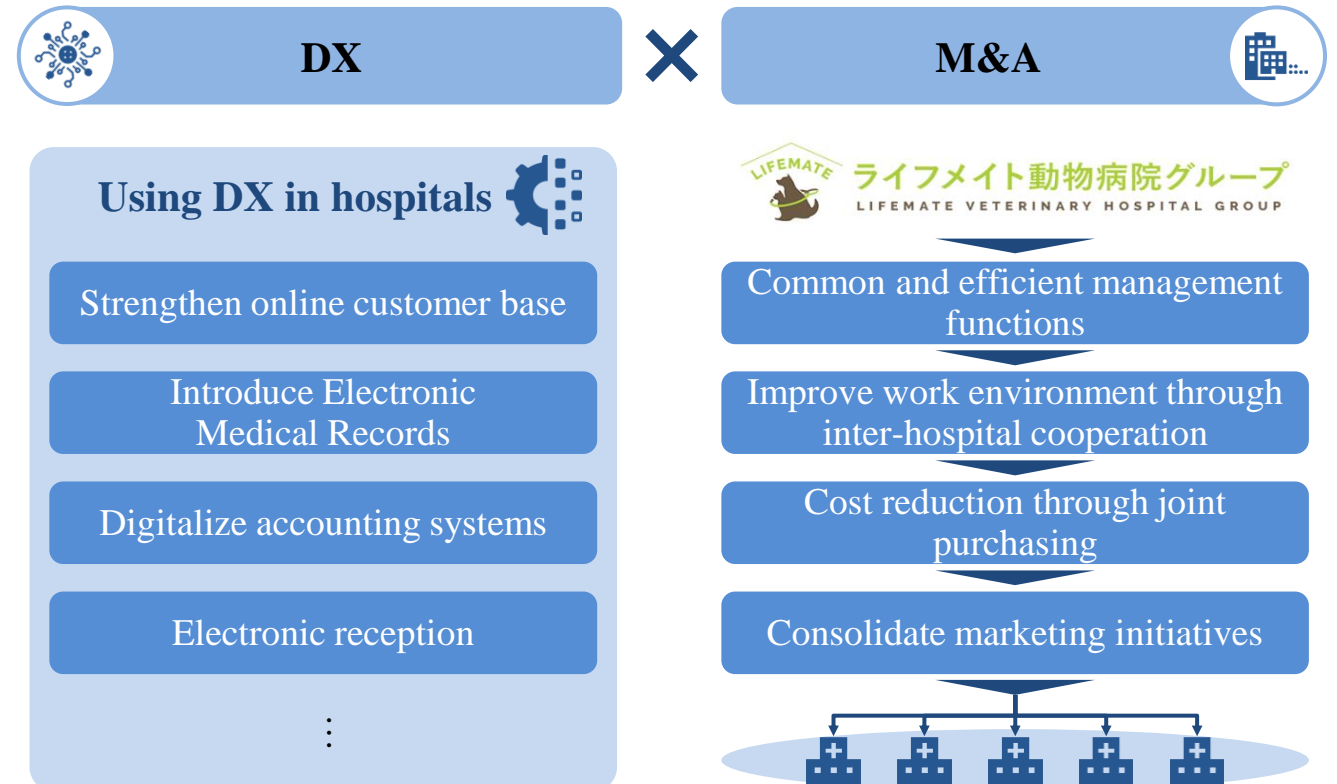
Scale up business by grouping multiple veterinary hospitals through business succession and DX. The Group currently owns and operates a total of 10 hospitals: 4 advanced care hospitals and 6 veterinary hospitals.

## Operation of Veterinary Hospital



We group several veterinary hospitals through business succession. We currently operate 10 hospitals in Kanto and Hokkaido and are constantly considering M&A opportunities.

## Business Strategy

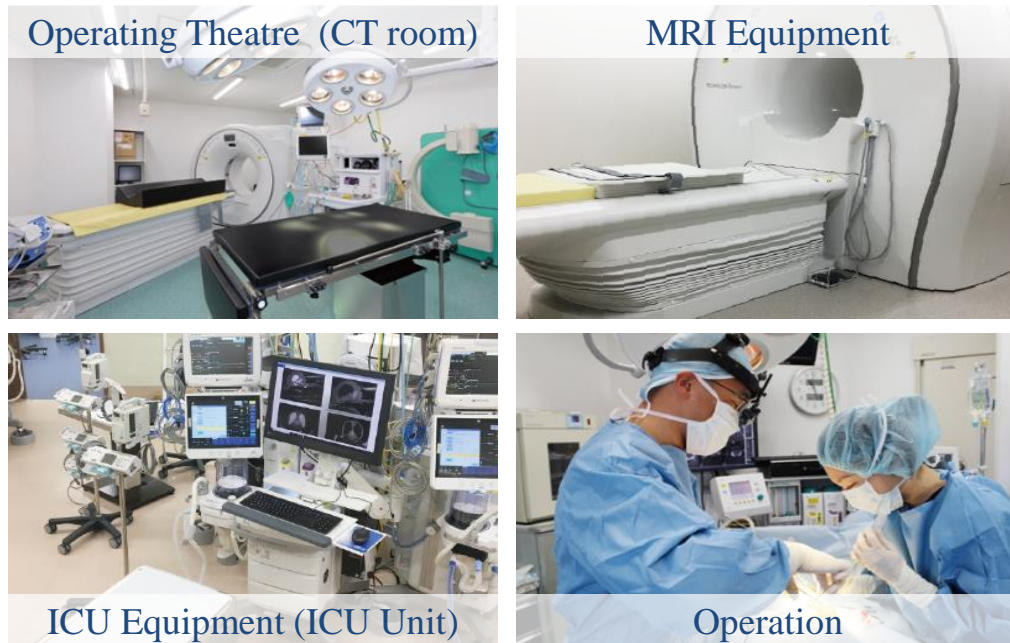




# Business Succession of a Large-scale Veterinary Hospital (July 2022)

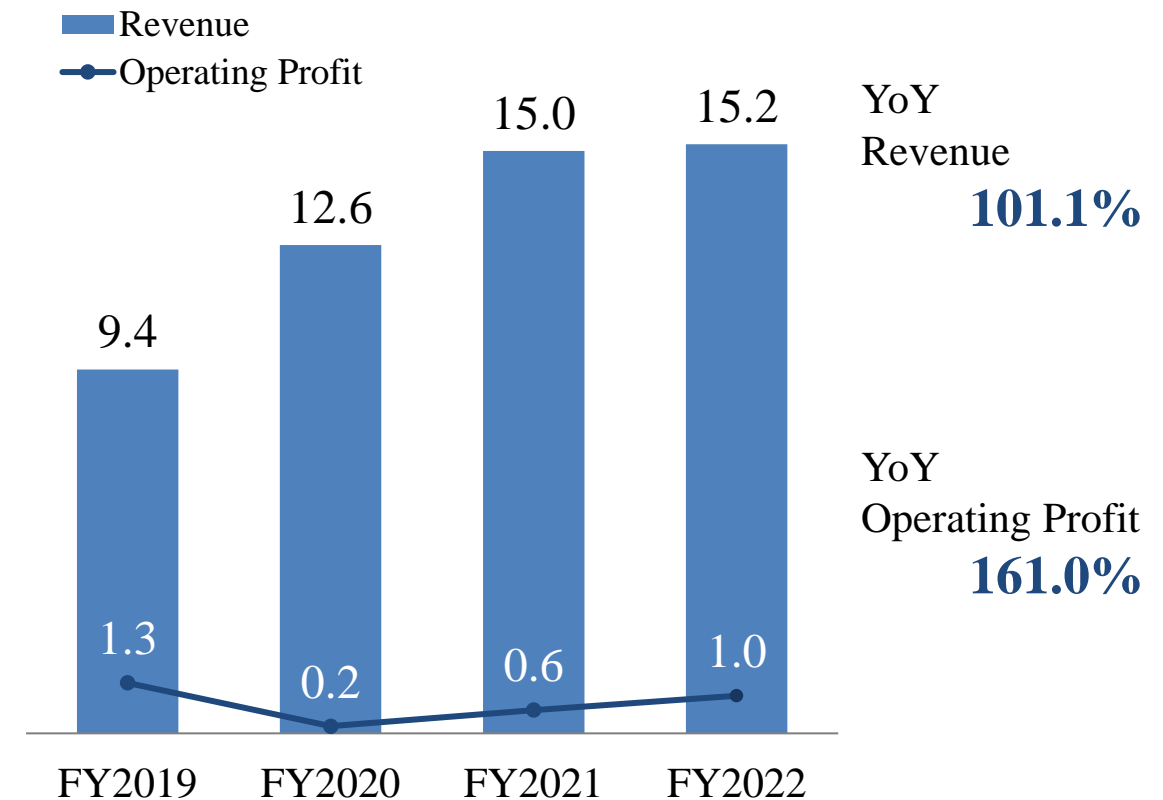
In July 2022, the Group succeeded business from Animal Medica Co., Ltd. and established Lifemate Animal Emergency Center, Inc. as a successor company. It is a large-scale veterinary hospital group with JPY 1.52 billion revenue (FY2022) that provides secondary and nighttime medical emergency services and advanced medical care for animals.

## Animal Medica Business Overview



Currently operating 4 hospitals in Tokyo (Nerima, Bunkyo, Fuchu, and Hachioji). Equipped with the latest medical facilities including emergency surgery, CT/MRI/ICU Units, and provides secondary care(which is advanced medical treatment for animals).

## Animal Medica Business Performance (JPY hundred million)

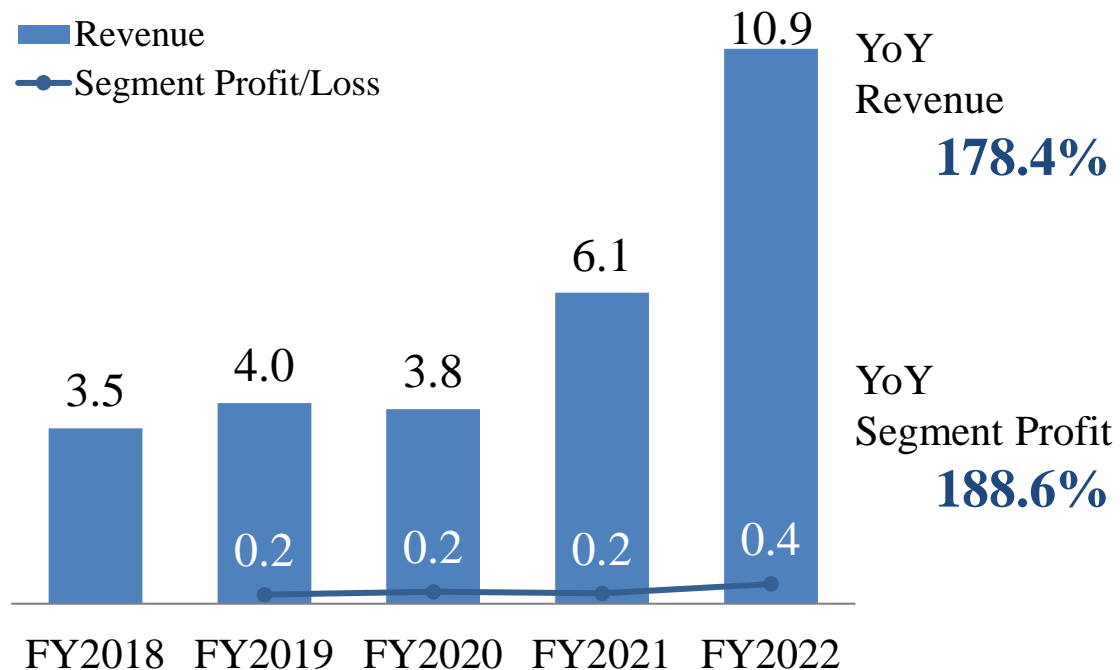




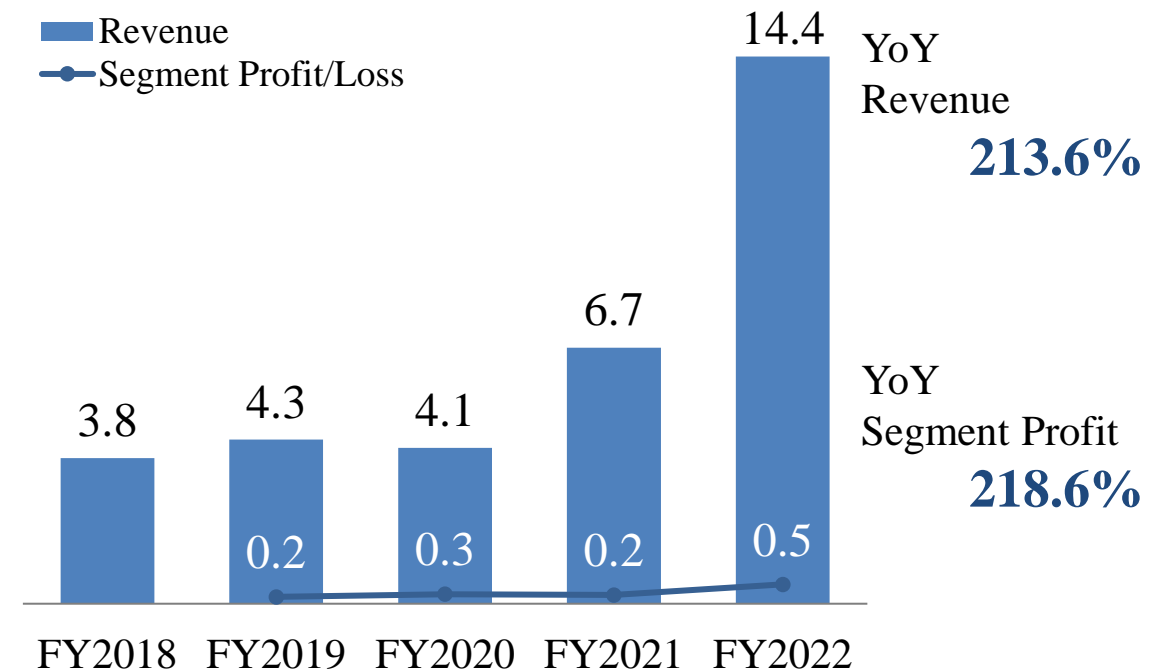
# Business Performance of Pet Care Area

For the full year of FY2022, revenue was USD 10.9 million (JPY 1.44 billion) and segment profit was USD 0.4 million (JPY 0.05 billion). Due to the Animal Medica succession in July 2022, significant growth was seen in both revenue and segment profit. In FY2023, in addition to Animal Medica, Ebetsu Shirakaba-dori Animal Clinic, which was taken over in January 2023, is expected to be consolidated for the full year.

**Business Performance** (USD million)



**(Reference) Business Performance in Local Currency**  
(JPY hundred million)





# Strategic Investments

YCP is aggressively investing in business seeds that should become our future priority areas as strategic investment areas. Mainly, we are developing Japanese restaurants and providing services for seniors in Singapore, Hong Kong, and Japan.

## Food and Beverage Service



## GO Food



With the mission to "bring smiles to people's faces around the world through food," the company is optimizing the cooking process and thoroughly improving operational efficiency to develop high-quality Japanese food brands overseas

## Supporting Service for Columbarium



We offer a new option that requires no management, no successor, and no religious affiliation



# ARUKI became wholly owned subsidiary in September 2022

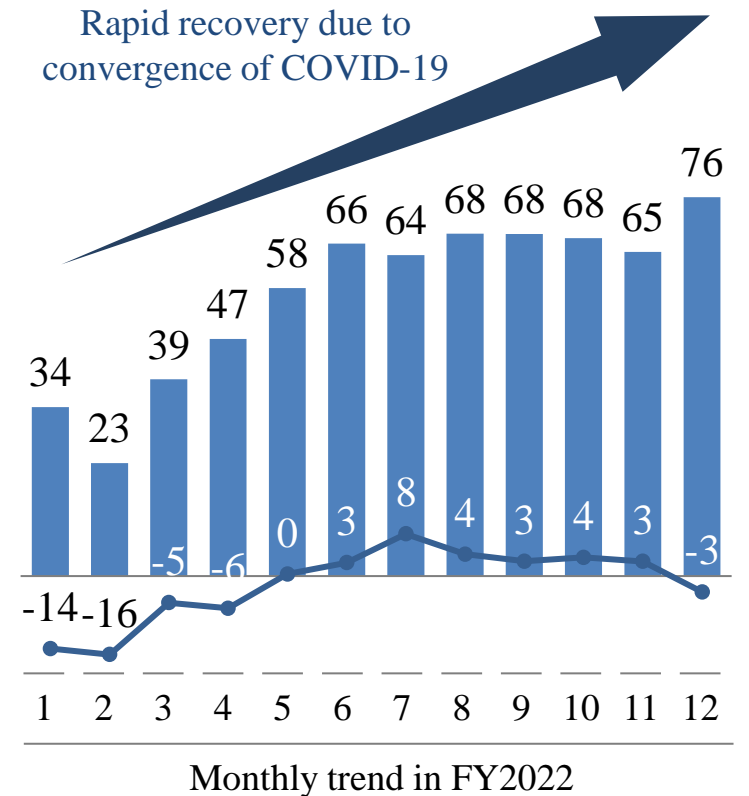
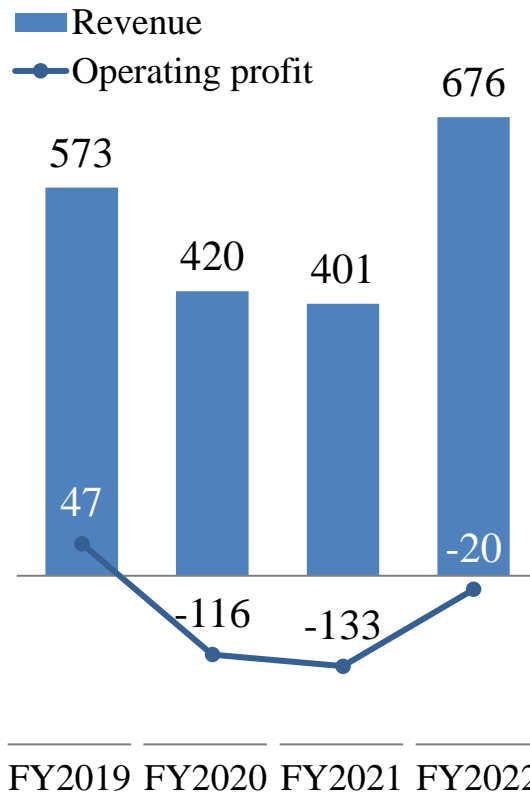
ARUKI, a group that operates restaurants in Hokkaido and in which we previously held a 25% equity interest, became a wholly owned subsidiary by acquisition of the remaining 75% equity interest. Their business performance has recovered rapidly due to the easing of COVID-19 regulations, and we expect significant contribution to earnings in coming periods.

## ARUKI business overview



Operating multiple brands of restaurants as “Kaimi-Hachikyo” (5 restaurants), “mare-Hachikyo”, and “CRAB GANG” in Hokkaido, Japan.

## Business performance of ARUKI (JPY hundred million)

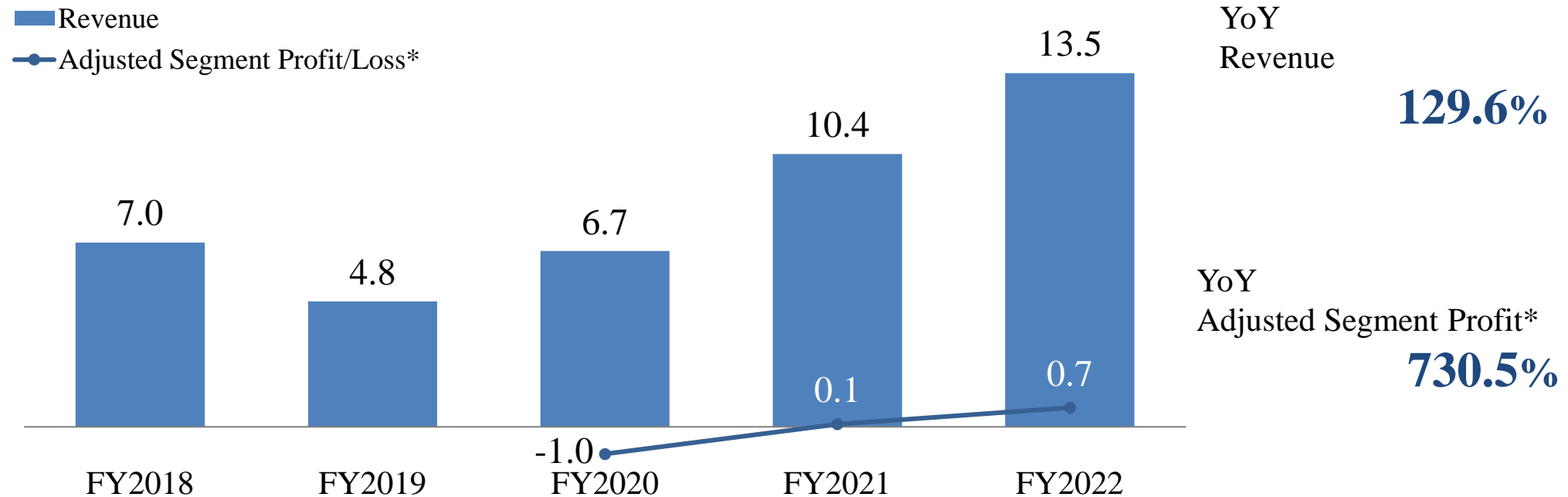




# Business Performance in Strategic Investments Area

For the full year of FY2022, revenue was USD 13.5 million (JPY 1.79 billion\*<sup>1</sup>) and adjusted segment profit\*<sup>2</sup> was USD 0.7 million (JPY 0.10 billion\*<sup>1</sup>). After the relaxation of COVID-19 regulations, both the Japan and overseas food and beverage businesses remained strong, and ARUKI Corporation, which became a wholly owned subsidiary in September 2022, contributed to a significant increase in revenue and profit. Segment profit (before adjustment) was USD 5.1 million (JPY 0.68 billion\*<sup>1</sup>), including "other income and gains" of USD 4.9 million (JPY 0.65 billion\*<sup>1</sup>) from TOB for IPET shares held by the company.

## Business Performance (USD million)



\*1 : Conversion to Japanese yen is calculated at USD 1 = JPY 132.70 (exchange rate on 30 December 2022).

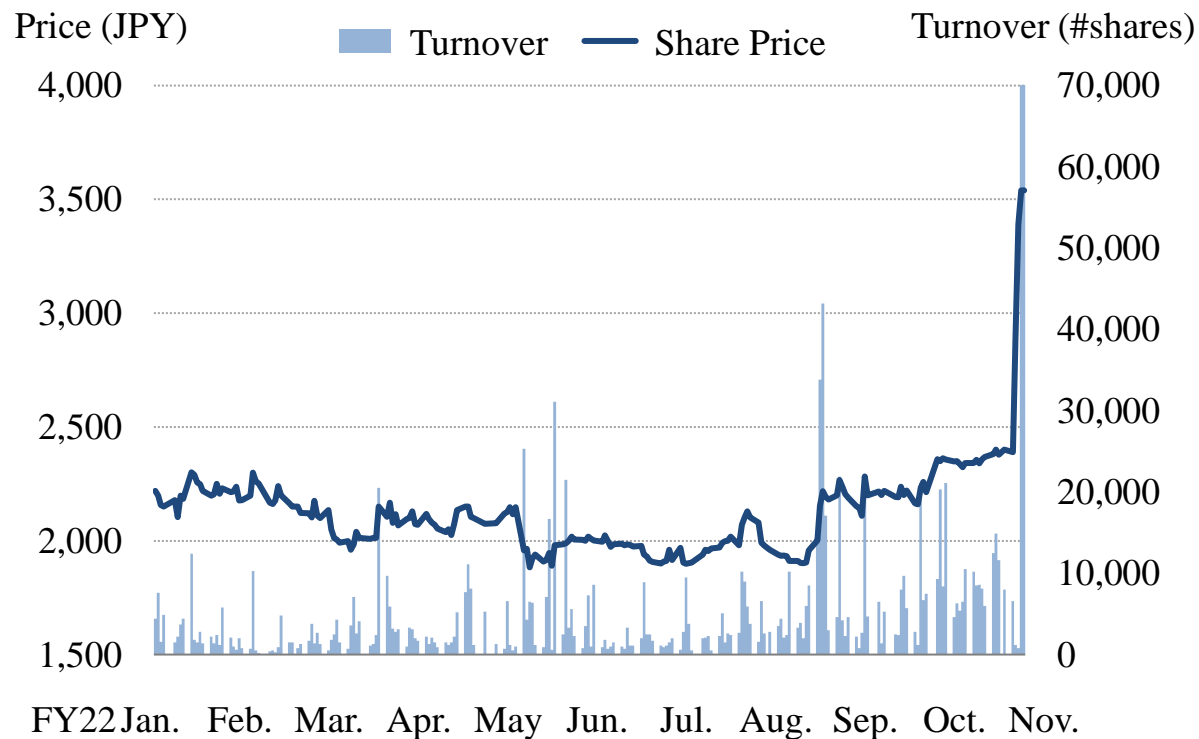
\*2 : Adjusted Segment profit/loss = Segment profit/loss excluding one-time non-cash transactions from activities other than core business, such as gains/losses on sales of subsidiaries and businesses, fair value gain/loss on an equity investment at fair value through profit or loss, and gains from bargain purchase



# TOB of IPET shares

The Company applied for TOB conducted by Dai-ichi Life Holdings Co., Ltd. for all shares of IPET Inc. held by the Company, and recognized "other income and gains" of USD 4.9 million (JPY 0.65 billion\*1) and "administrative expenses" of -USD 1.2 million (-JPY 0.15 billion\*1) as expenses related to this TOB in FY2022.

## Share Price and Turnover of IPET (YTD)



## Detail of our TOB application

<b>Number of shares held by YCP</b>	468,000 shares
<b>Number of shares to be sold</b>	468,000 shares
<b>Purchase price by Dai-ichi Life</b>	JPY 3,550
<b>Total amount to be sold</b>	JPY 1.66 billion
<b>Initial Investment Amount (March 2016)</b>	JPY 0.15 billion
<b>Value of shares at the beginning of FY22*2</b>	USD 7.7 million (JPY 1.02 billion)
<b>Other income and gains in FY2022</b>	USD 4.9 million (JPY 0.65 billion)
<b>TOB related cost (administrative expenses)</b>	-USD 1.2 million (-JPY 0.15 billion)

\*1 : Conversion to Japanese yen is calculated at USD 1 = JPY 132.70 (exchange rate on 30 December 2022).

\*2 : Calculated with share price at December 29, 2021 (JPY 2,177 per share)



# Appendix

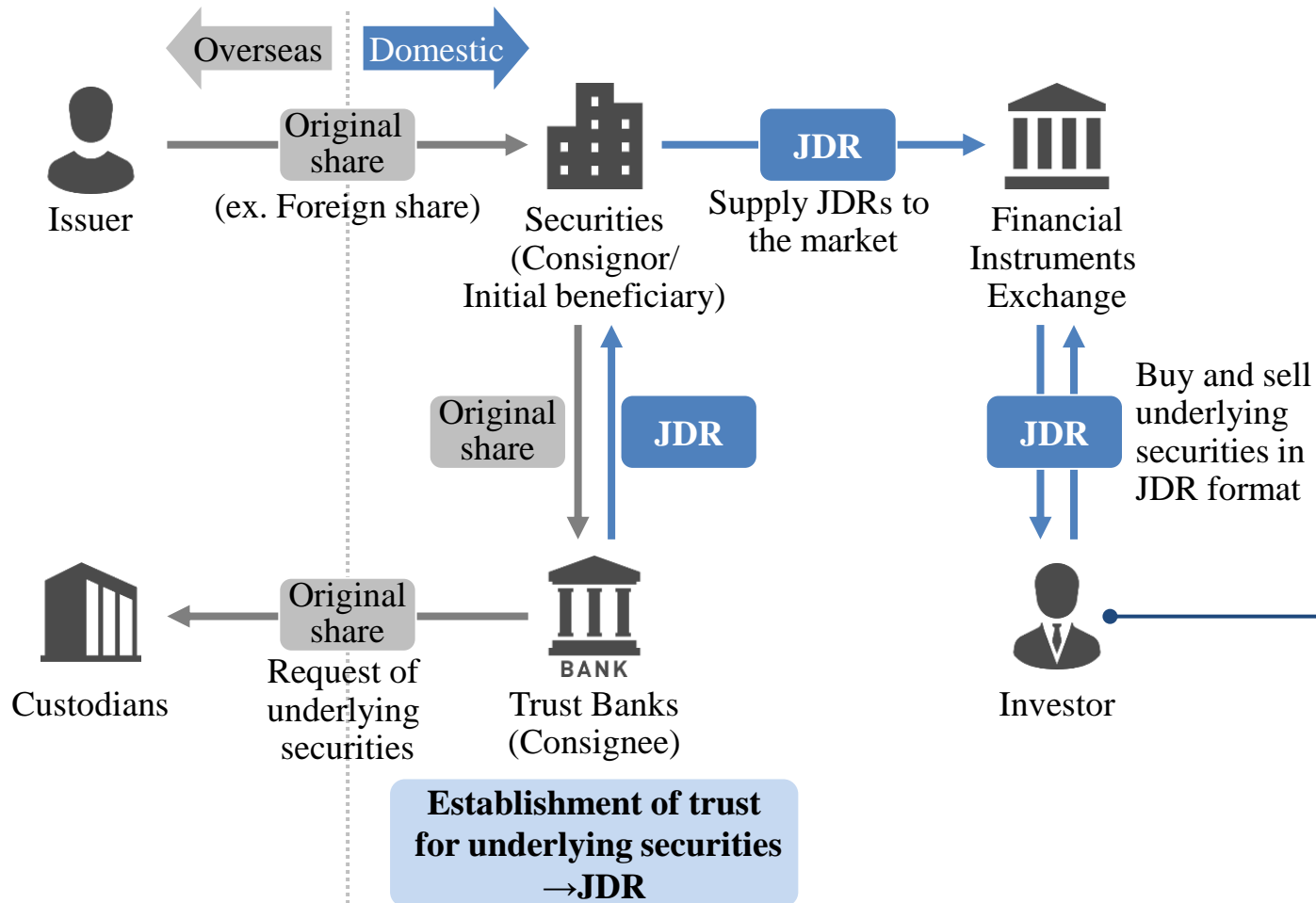
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# About JDR (Japanese Depository Receipt)

## Scheme of JDR issuance\*



## Key Points for JDR

### Transactions

- Can be traded through securities
- Eligible for trading in specific accounts and with no need to open a foreign securities trading account
- Settlement and receipt of distributions is in Japanese yen
- Taxation is the same as for domestic share

### Shareholders' Meeting

- Since the shareholders of the issuing company are the JDR trustee (trust bank), JDR investors cannot attend the general shareholders' meeting, but can interact with the issuing company at JDR investor briefings, etc.

### Exercise of Voting Rights

- JDR investors cannot directly exercise their voting rights on the underlying share, but can indirectly exercise their voting rights by instructing the JDR trustee to exercise their voting rights.

\* Cited from the JDR issuance scheme (example) on the Japan Exchange Group website: <https://www.jpx.co.jp/equities/listing-on-tse/new/basic/05.html>

