



FY2021

Full-Year Financial Results Briefing for Institutional Investors

YCP Holdings (Global) Limited
February 2022



Agenda

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Introduction



Company Overview

Introduction

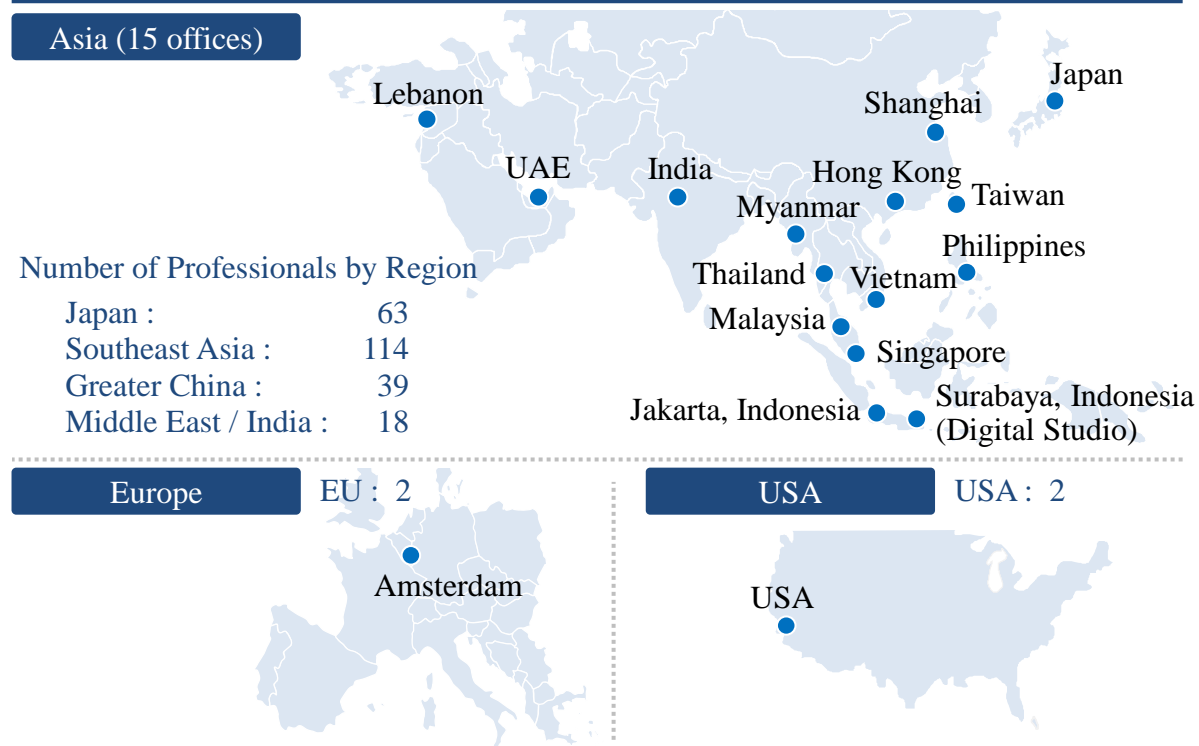


YCP Group started its business in August 2011 as Yamato Capital Partners (now YCP Solidiance). In 2013, in order to actively hire non-Japanese professionals and be an international organization, the firm name was changed to YCP, and it became a Hong Kong-based holdings company. In 2021, the Group moved 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
Headquarters	3 Fraser Street, DUO Tower #05-21, Singapore
Nature of Business	1. Management Services 2. Principal Investment
Year of Founding	August 2011
Capital	USD 38,305,713
Group CEO	Yuki Ishida
Number of employees*1	Number of professionals: 238 Total number of including portfolio companies: 437

Global Locations*2



*1: As of September 30, 2021; the number of professionals by region is the total number of people in the Management Services and Operations divisions.

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



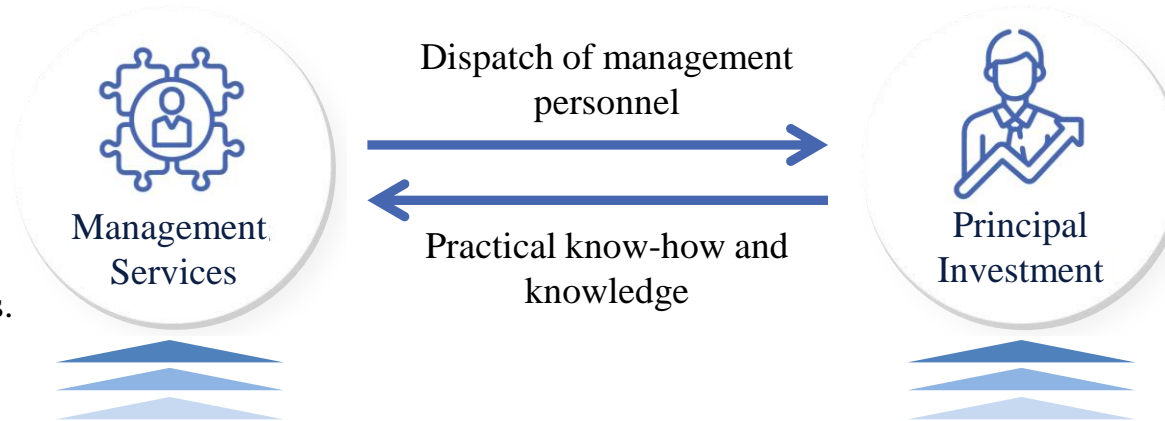
Business Overview and the Group's Reportable Segments

Introduction

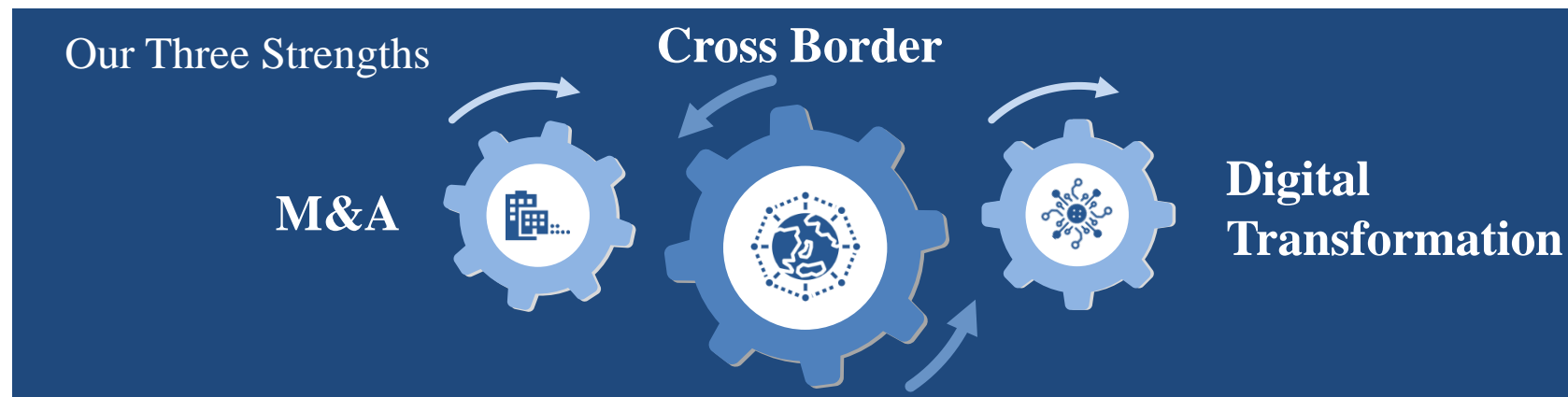
Our group operates two businesses: 1) Management Services, which helps our clients grow, scale, and transform their businesses, and 2) Principal Investment, which provides risk-money via equity capital and support for our portfolio companies.

We accelerate the growth of both our Management Services 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.

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 3 segments.



FY 2021 Financial Highlights



Summary

FY2021 Financial Highlights



FY2021 Financial Results

Revenue	YoY	Progress Rate
73.1 million USD (8.41 billion JPY*)	+24.1%	102.1%
Operating Profit	YoY	Progress Rate
7.9 million USD (905 million JPY*)	-4.3%	103.4%
Profit for the Period	YoY	Progress Rate
5.0 million USD (574 million JPY*)	-23.4%	90.6%

Highlights

- Revenue and operating profit were both over the budget.
- In the core Management Services business, there was +16.7% revenue growth and +20.4% profit growth due to continuous PMO needs in M&A and DX implementation throughout Asia.
- In the Principal Investment business, although profit decreased due to the impact of one-time gains in FY20 that did not occur in FY21—such as valuation gains on an equity investment (USD 0.8 million) and bargain purchase gains on acquisitions (USD 1.6 million)—the business remained profitable and continued to make aggressive investments to achieve sales growth.
- One-time administrative expenses associated with the IPO in FY21 of approximately USD 1.2 million also contributed to lower earnings.
- As for the profit, the effective tax rate on a consolidated basis worsened compared to the budget and the progress rate was only 90.6%, because subsidiaries with large tax burdens increased profits, while subsidiaries with small tax burdens incurred losses.

* Conversion to Japanese yen is calculated based on 1US\$ = 115.02 yen (exchange rate on 30 December 2021)

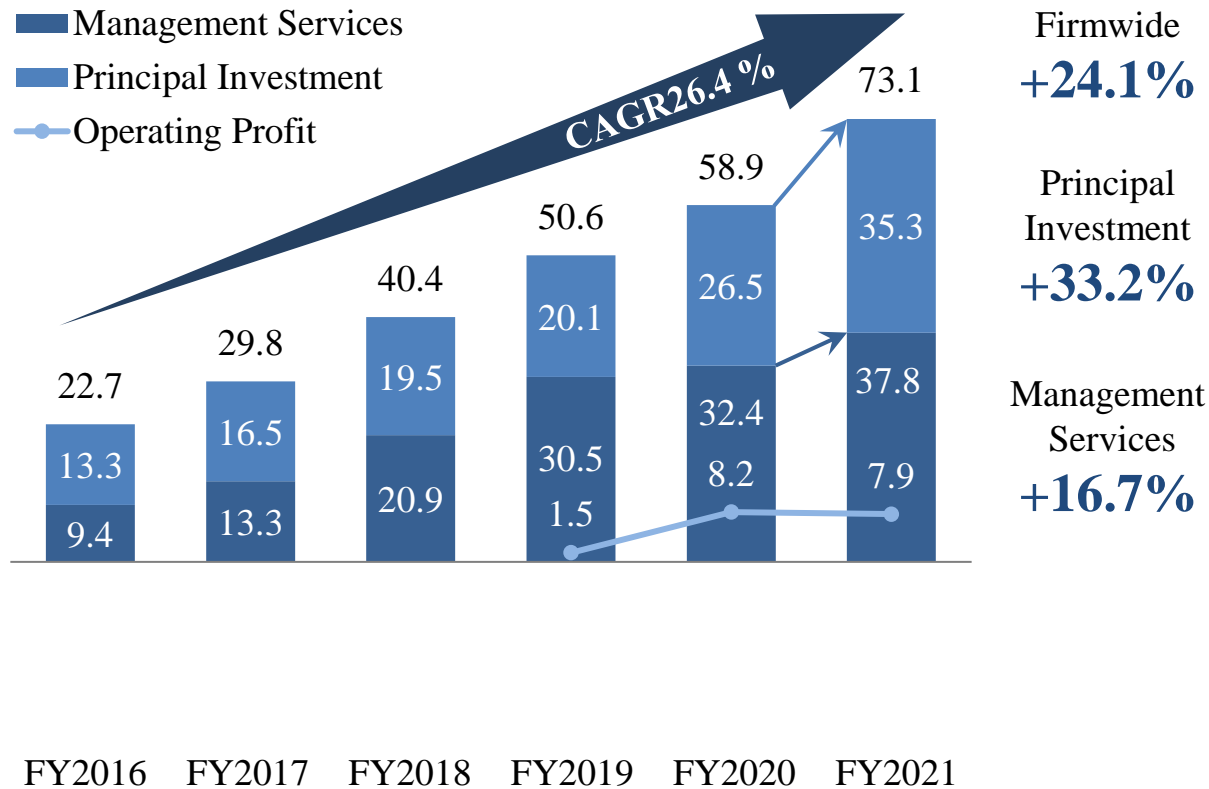


Trends in Revenue, Operating Profit and Segment Profit/Loss

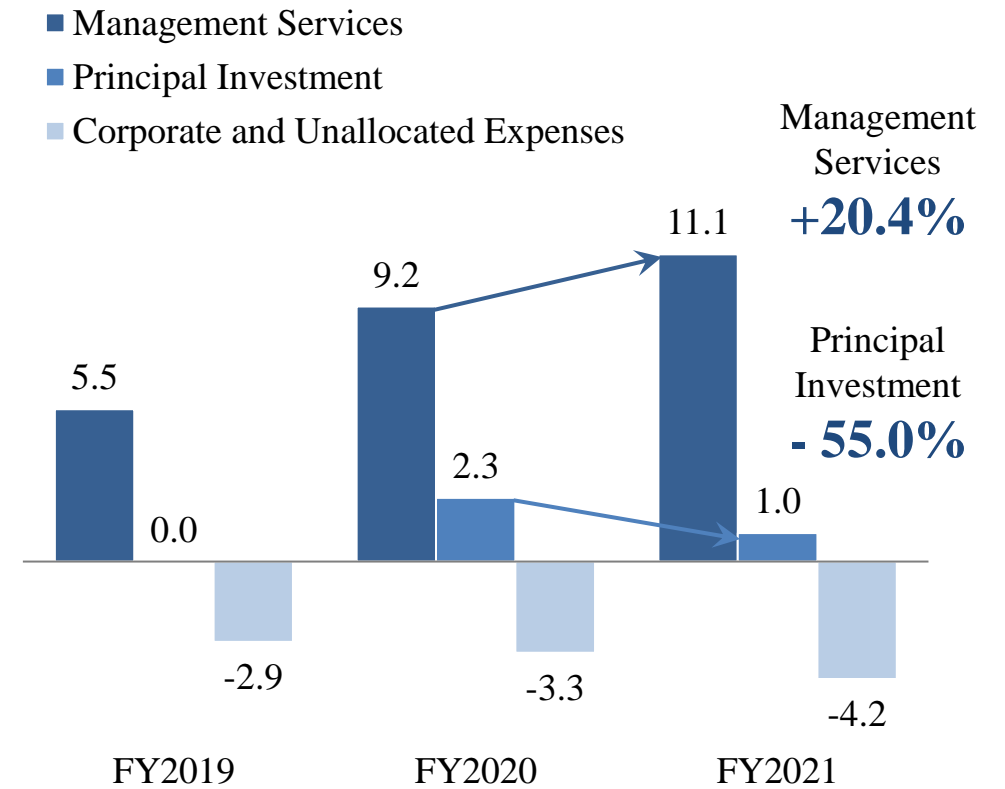
FY2021 Financial Highlights

Management Services achieved YoY+16.7% revenue growth and +20.4% operating profit growth. Principal Investment achieved significant growth of YoY+33.2% in revenue thanks to the past aggressive investment. Operating profit declined due to additional IPO costs of USD 1.2 million, while the firm achieved CAGR of 26.4% in the most 5 recent fiscal years.

Revenue and Operating Profit (USD million)



Segment Profit/Loss (USD million)



FY 2021 Business Results for Management Services

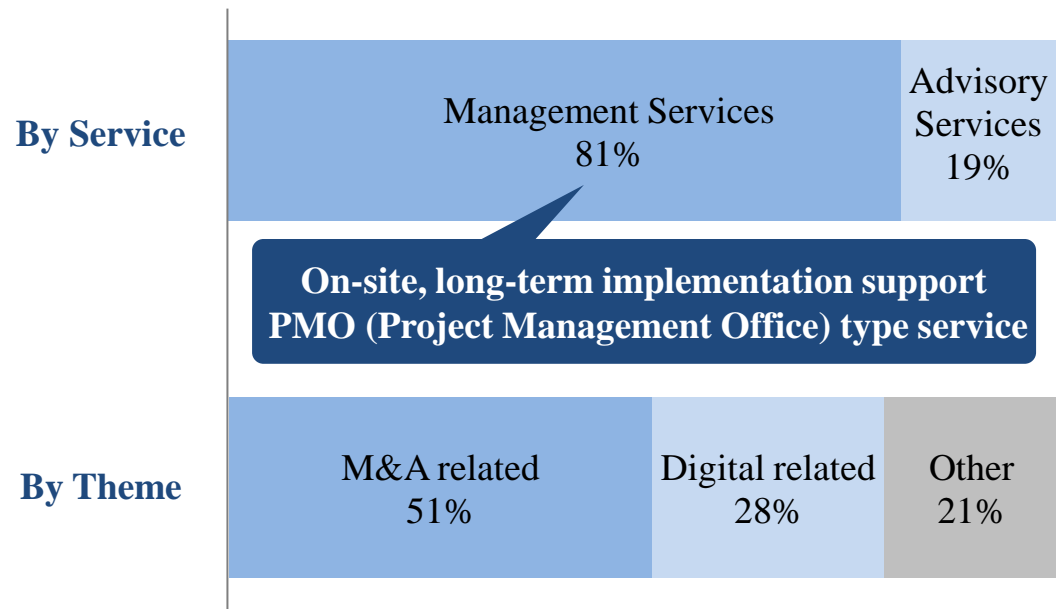


Introduction and Overview of Businesses

FY 2021 Business Results for Management Services

YCP Solidiance, a wholly owned subsidiary of YCP Group, offers our core business of Management Services. It provides mainly PMO-type execution support services such as M&A and DX implementation for clients.

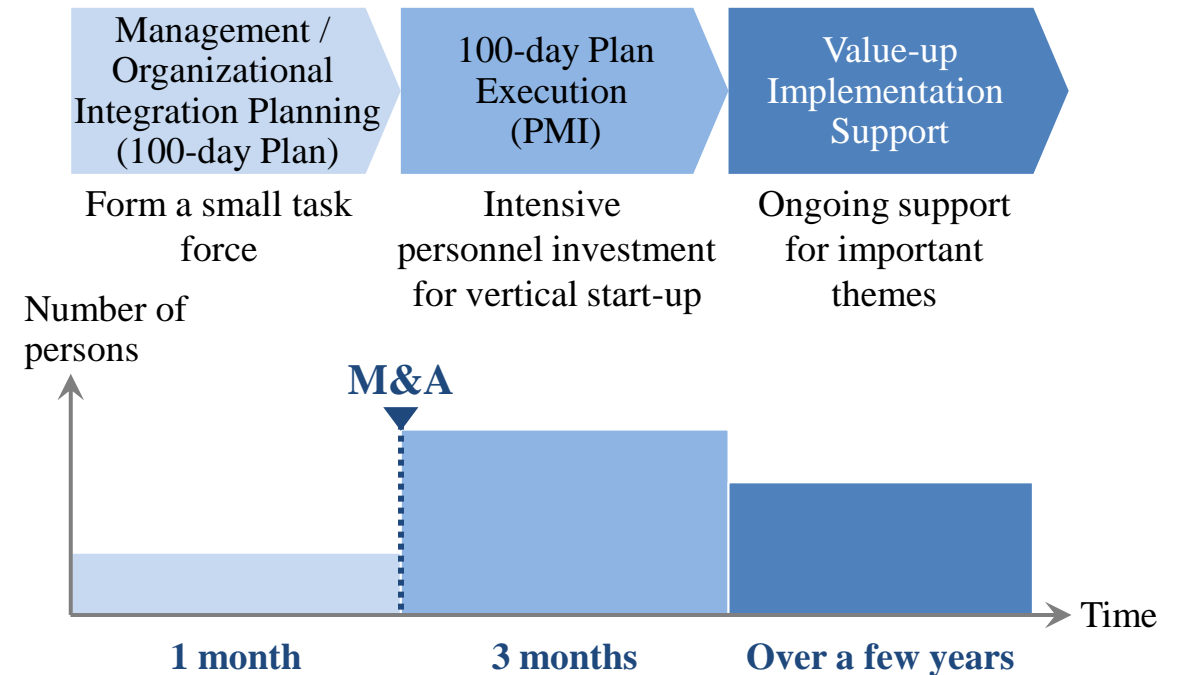
Revenue Composition by Deal Type* (%)



The majority of our projects are on-site resident PMO projects related to M&A and DX implementation. We are able to build long-term relationships with our clients over several years and accumulate projects on an ongoing basis.

* Actual for the period of January – October 2021

PMO Support in M&A



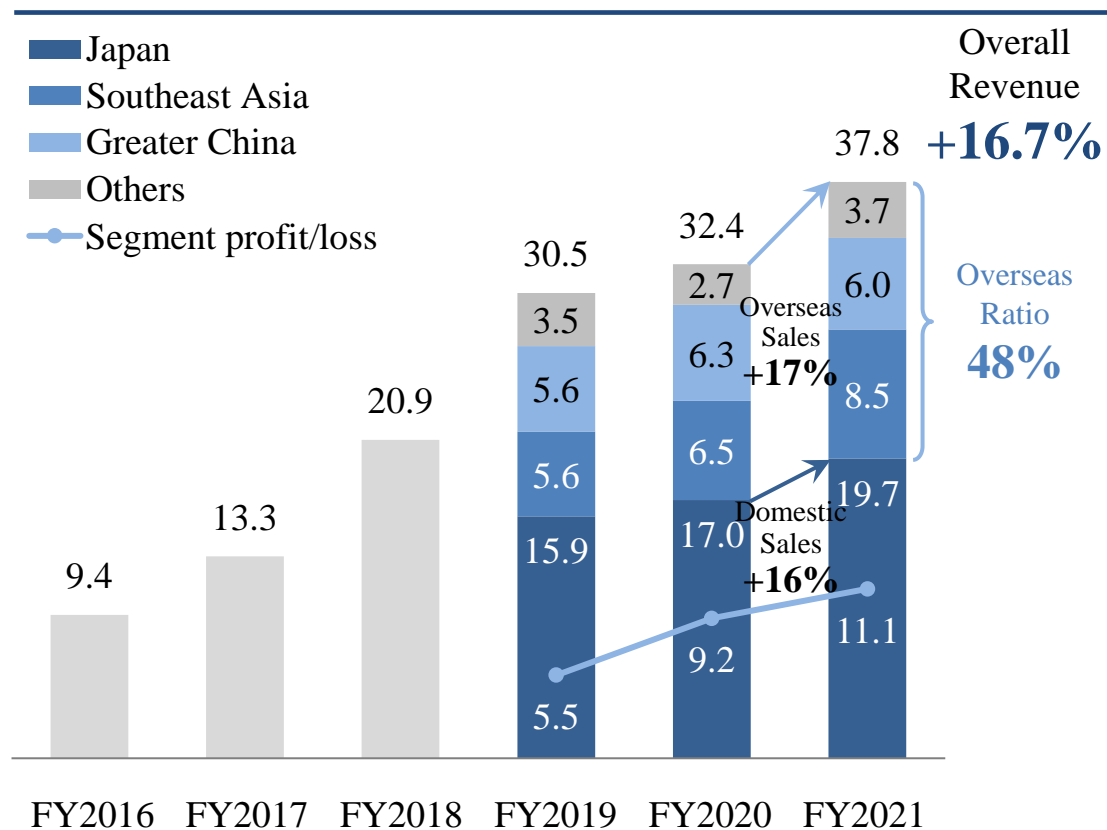
We begin providing support from one month prior to M&A execution, and continue to provide long-term support via our PMO.

Business Performance and KPI Trends

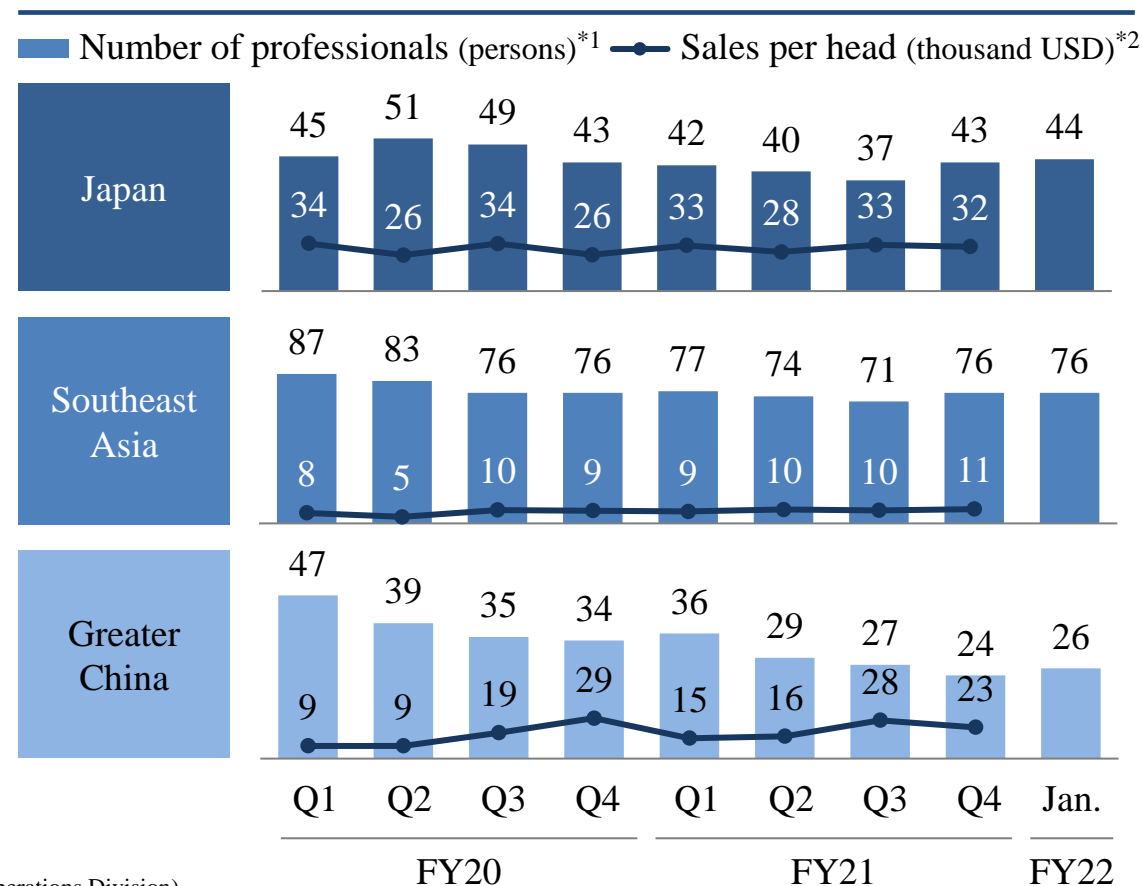
FY 2021 Business Results for Management Services

Revenue increased in all regions, except for Greater China, where revenue declined due to a reduction in the workforce caused by the COVID-19 pandemic. However, operating profit also increased, maintaining a high profit margin.

Revenue and Segment Profit/Loss (USD million)



KPI



*1: Number of full-time employees in the Management Services Division as of the end of each fiscal year (excluding the Operations Division)

*2: Net sales in the management services business for each period divided by the average number of employees during the period, including subcontractors (excluding the Operations Division)

FY 2021 Business Results for Principal Investment





Introduction and Overview of Business: What is Principal Investment?

FY 2021 Business Results for Principal Investment

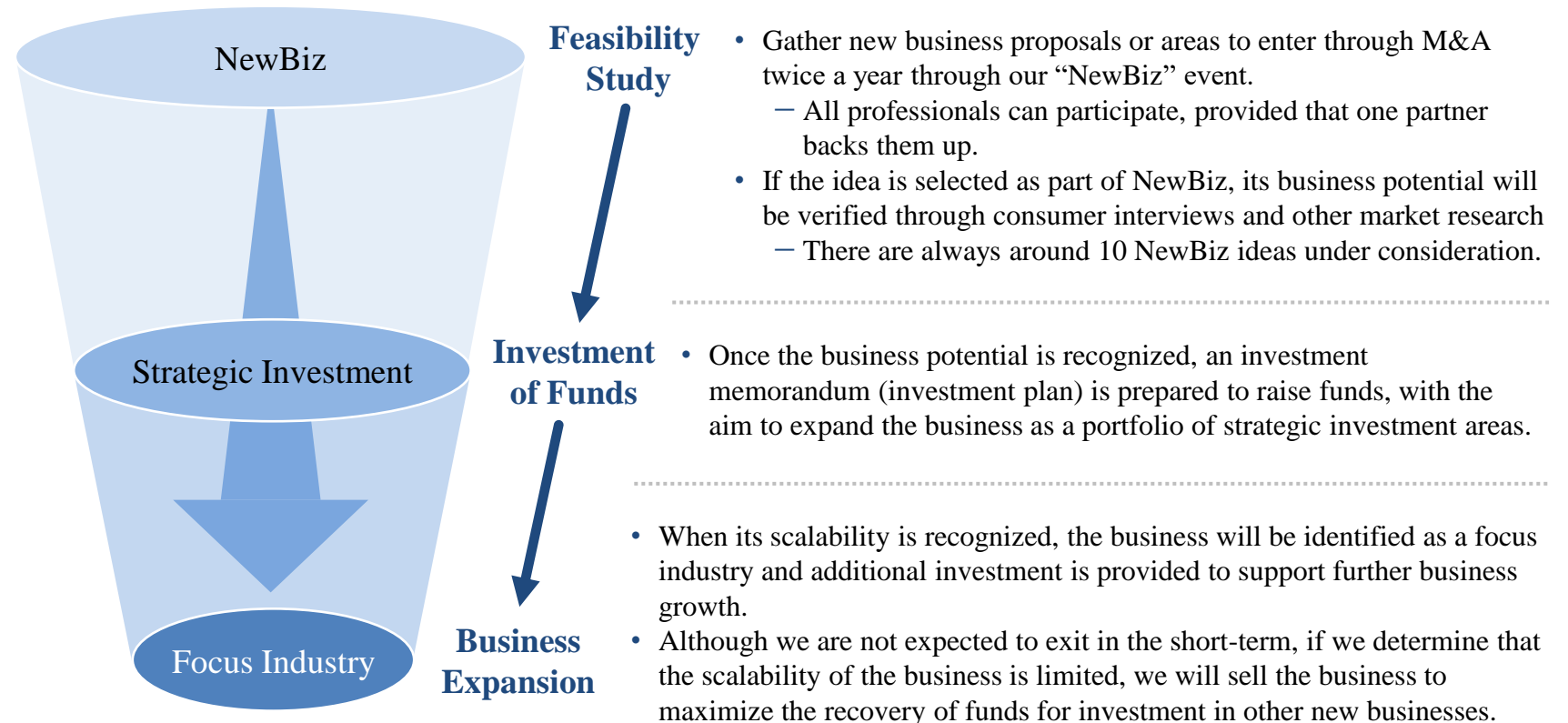
Utilizing the professional platform cultivated through the management service business, we invest our own funds in small and medium-sized emerging companies. Currently, we continue to make long-term investments in personal care and pet care as focus industries, and are also actively investing in business seeds as strategic investment which will become a focus industry in the future.

Investment Requirements

The following 5 criteria are set as 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 achieve "Strive for Growth"

Flow of Principal Investment, from Start-up to Expansion



Personal Care

FY 2021 Business Results for Principal Investment

SOLIA



SOLIA, a major consolidated subsidiary, develops brands specializing in personal care products throughout Asia. In FY 2021, a new brand was successfully launched which contributed to achieving higher YoY revenue and profits.

Business Overview

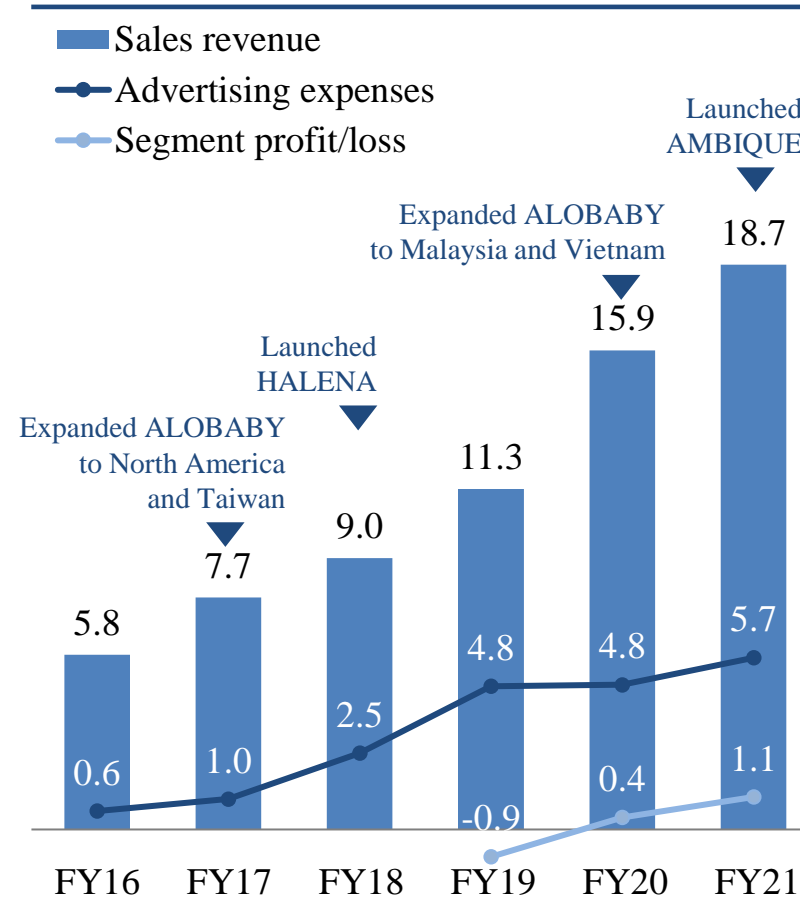
Concept Brand	Organic and Made in Japan		
Category Launch	Skincare products for babies 2013	Skincare for women 2018	Self-care products for men 2021
Brand Offerings	A proudly Japanese, organic skincare brand developed for the sensitive skin of babies, which is actively expanding overseas, especially in the Asian region.	Gentle cleansers and “essences” for women with sensitive skin.	Facial cleansers, hair removal creams, and supplements for men.

Business Strategy



SOLIA was one of the first companies in the skincare market to adopt the D2C model, which eliminates intermediate distribution and sells directly to consumers online. While simultaneously developing multiple brands in Japan (mainly through e-commerce channels), the company has also utilized YCP Group's global platform to expand its business to six countries and other regions in the eight years since its launch, with 37% of the sales volume of its main brand, ALOBABY, coming from overseas.

Performance (USD million)



Pet Care

FY 2021 Business Results for Principal Investment



YCP Lifemate, a major consolidated subsidiary, runs our businesses in the pet care field acquired mainly through M&A. It achieved a significant increase in sales through succession of a large-scale veterinary hospital, and is now currently operating five hospitals.

Business Overview

Investment



Description

Veterinary hospital

Subscription boxes for adult dog products

Investment Period

2014 (start of business succession)

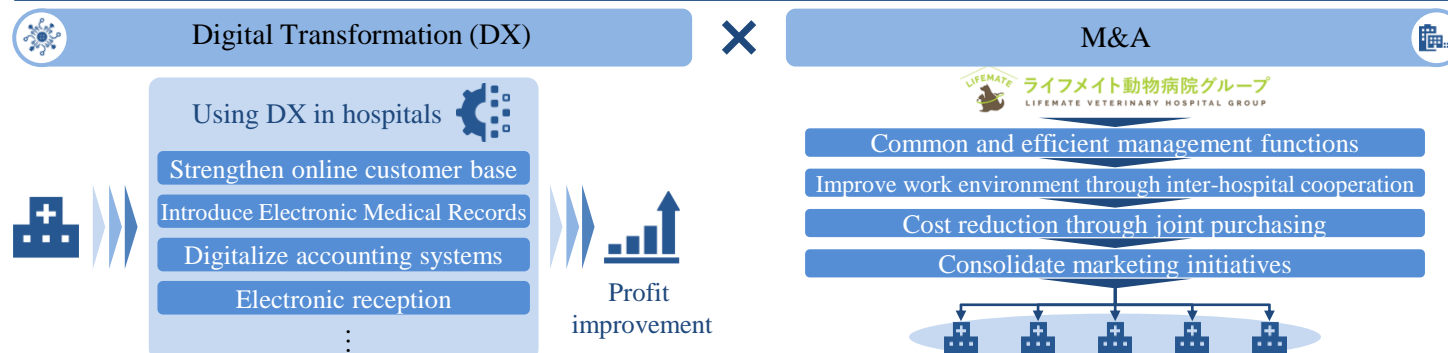
2017 (incubation investment)

Results

Five veterinary hospitals are now part of the Group through business succession, which the company will continue to grow through M&A with the goal of establishing 30 hospitals in Japan, and further overseas expansion.

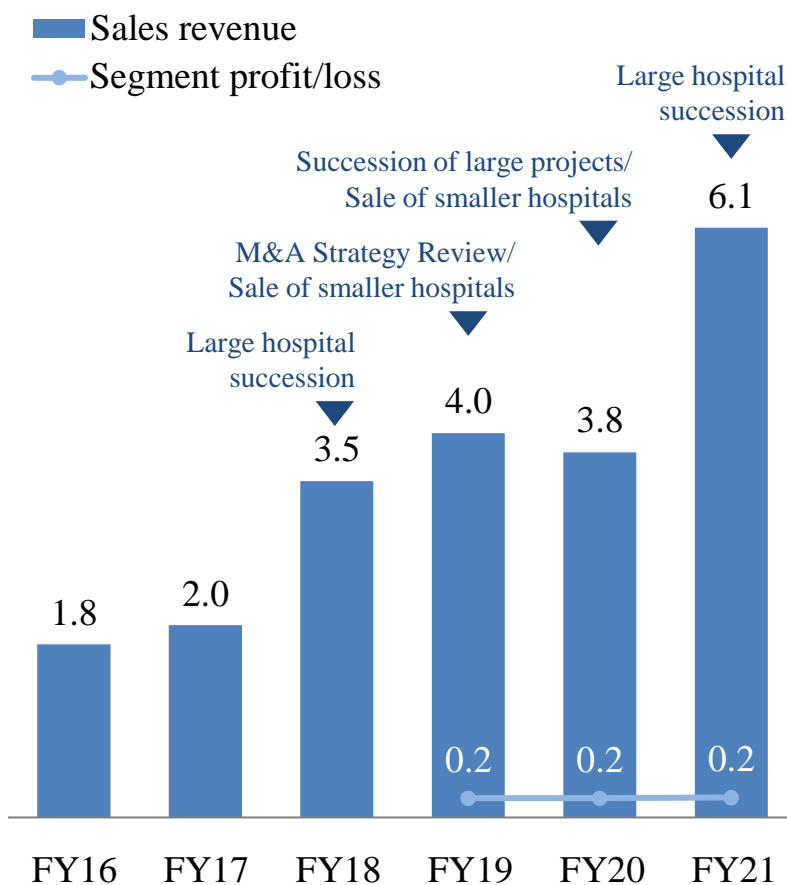
Business development will continue, aided by the expertise learned through the veterinary hospital business, and guided by a network of animal behavior experts to achieve cumulative sales of 20,000 units by August 2021.

Business Strategy



Through the digital transformation of our veterinary hospitals, we aim to improve profitability by implementing management reforms through business succession. By grouping multiple hospitals together through M&A, we aim to create synergy through common and efficient management functions, improve working environments through inter-hospital cooperation, and eventually scale up the overall business.

Performance (USD million)





Strategic Investments

FY 2021 Business Results for Principal Investment

We continued to actively invest in business seeds as strategic investment on what we target to grow into a focus industry in the future. The current portfolios include Japanese F&B business in Singapore and Hong Kong, and services for seniors in Japan. In FY2021, the revenue increased due to the gradual recovery of the F&B business as a result of the relaxation of COVID-19 restrictions. On the other hand, profit decreased due to one-time, non-cash items such as fair value of gain(loss) on equity investment (FY2021: USD -0.1 million, FY2020: USD 0.8 million)*1, gain on bargain purchase (FY2020: USD 1.6 million)*2, and impairment on F&B businesses (FY2021: USD -0.3 million) due to the Omicron outbreak in Hong Kong.

Business Overview

F&B



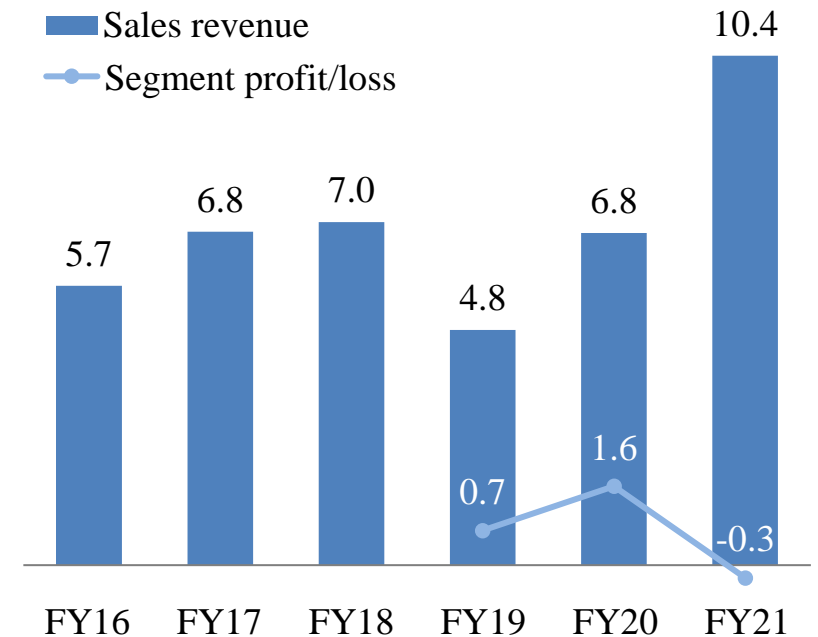
With the mission to "bring smiles to people's faces around the world through food," the company is optimizing the cooking process and thoroughly improving operational efficiency to develop high-quality Japanese food brands overseas.

Services for Seniors



We are engaged in the business of "auto-transportation" cemeteries. There is a serious shortage in urban areas of resting places for the deceased due to a rapidly aging population and increasing demand for funeral services. We offer a new option that requires no management, no successor, and no religious affiliation. Currently, we have two ossuaries in Tokyo.

Performance (USD million)



*1: Gains on valuation of financial assets at fair value through profit or loss related to shareholdings in ipet Insurance Co., Ltd. (ipet Holdings Company Limited from 1 October 2020). 0.8 million USD in FY2020 and 0.1 million USD in FY 2021

*2: Gain on bargain purchase related to the acquisition of J-Foods (FY2020: USD 1.6 million)

Forecast for FY2022



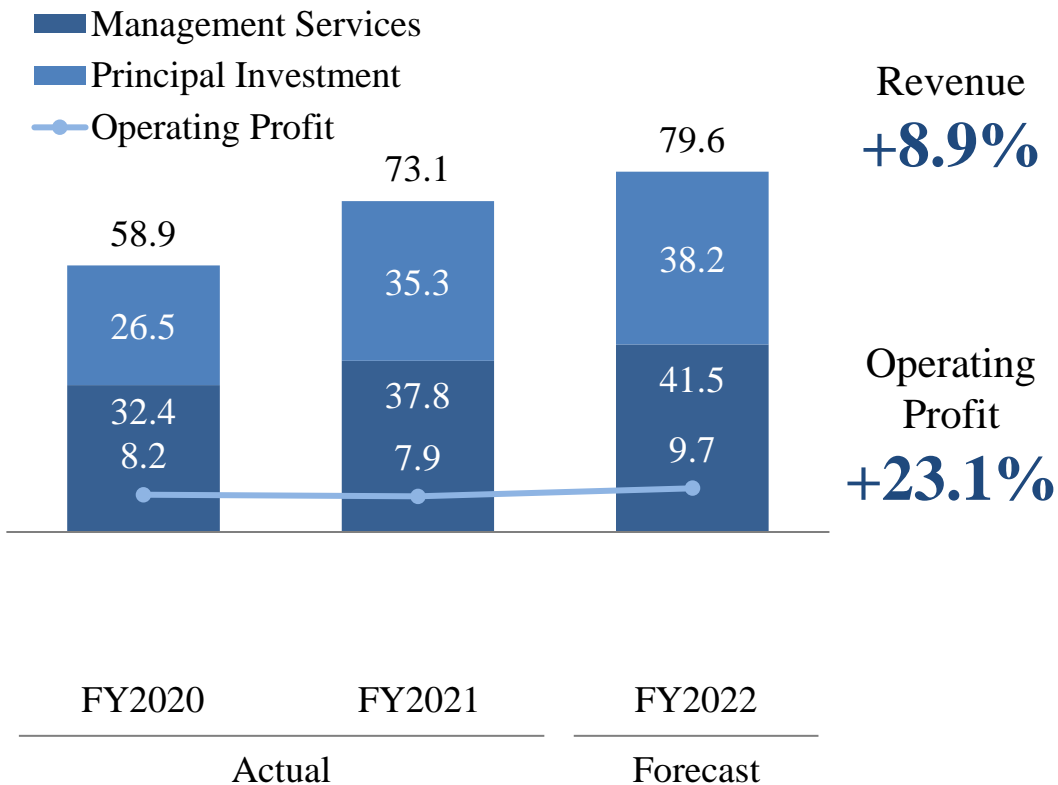


Consolidated Financial Forecast

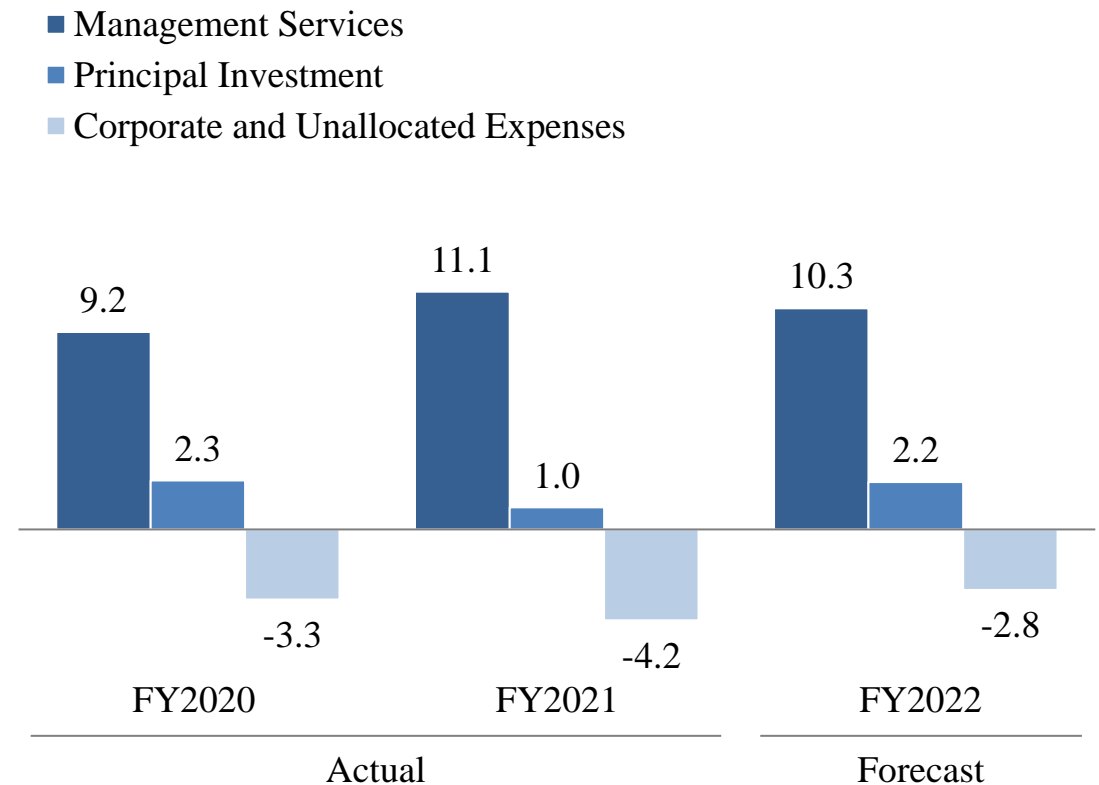
Forecast for FY2022

Given the intensifying competition for human resources in Japan and overseas, for FY 2022 we conservatively forecast revenue to increase by YoY +8.9%. Operating profit is forecasted to increase by YoY+23.1% due to the absence of one-time IPO costs of USD 1.2 million, which was incurred in FY2021.

Revenue and Operating Profit (USD million)



Segment Profit/Loss (USD million)



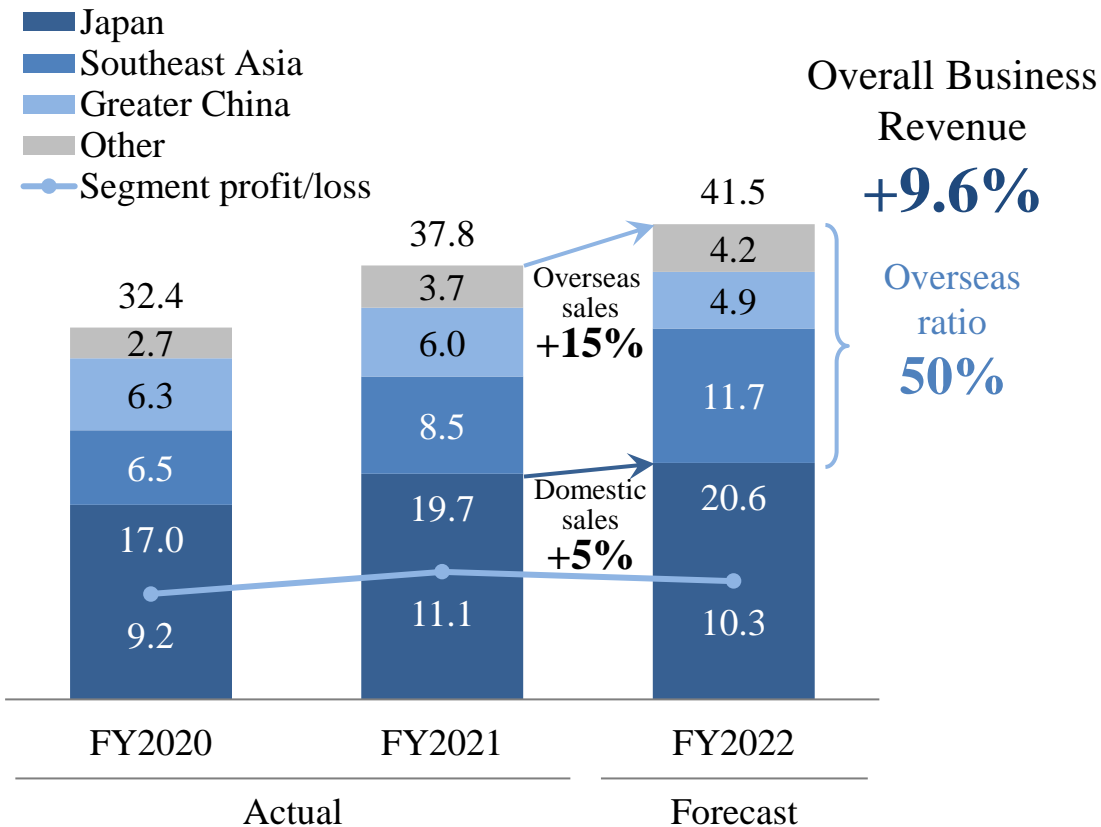


Management Services Forecast

Forecast for FY2022

In FY2022, we expect revenue to increase by YoY +9.6% and operating profit to decrease by -7.0%. Operating profit is expected to decrease due to the conservative forecast for FY2022. While FY2021 was higher than the initial forecast, we will consider revising the forecast based on the progress through H1 (up to Q2) of FY2022.

Forecast (USD million)



Basis for Formulation

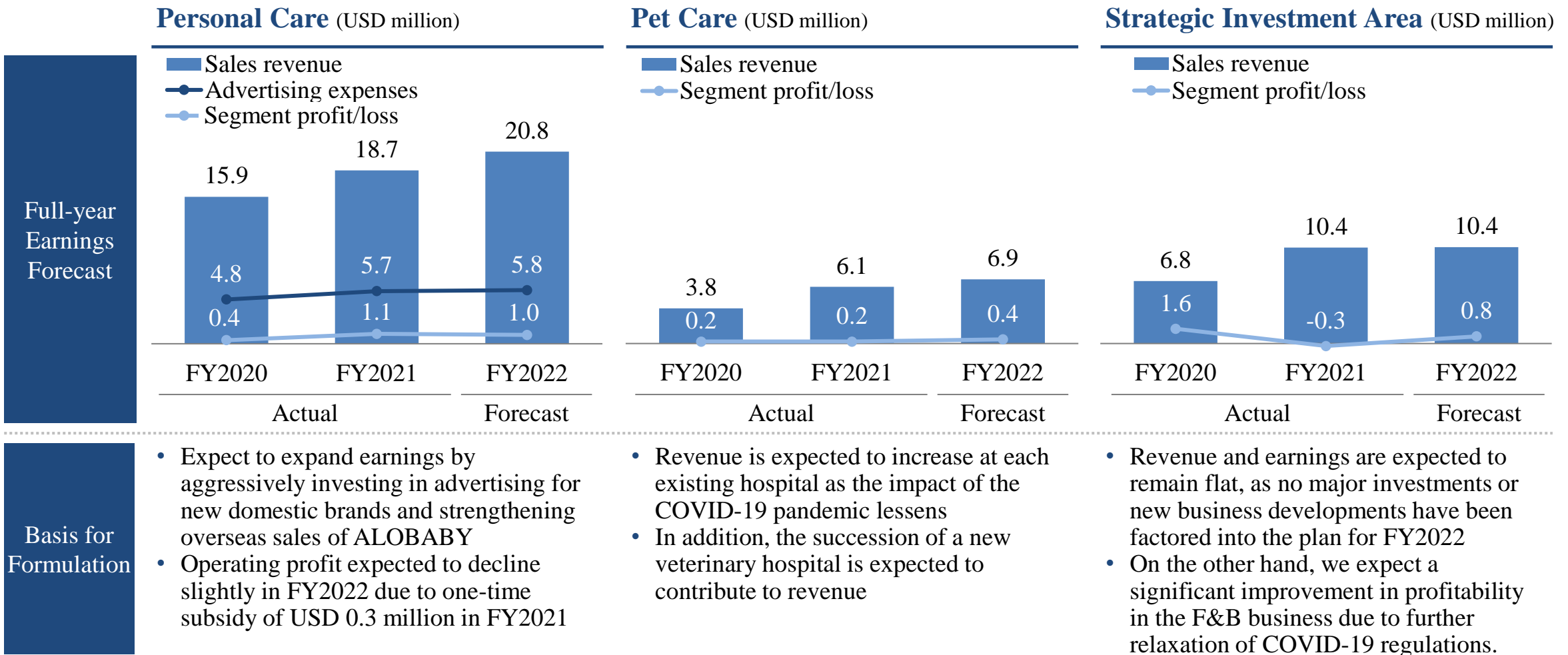
Japan	We plan to strengthen our structure by continuously hiring new professionals, and by continuing to capture PMO-type projects for which demand is strong.
Southeast Asia	Expect active investment in Southeast Asia by European, U.S., and Japanese companies which are major clients, the further expansion of public sector projects, and higher unit prices.
Greater China	Assume a decrease in revenue due to the impact of one-time contingency fee incurred in FY2021 despite stabilization of the economic environment, expansion of system by strengthening recruitment, and expected increase in unit price.



Principal Investment Forecast

Forecast for FY2022

For FY2022, we expect overall Principal Investment revenue to increase by YoY +8.2% and operating profit to increase by YoY +114.4%. Forecasts for each segment are as follows:



FY2022 Business Plan and Growth Strategy



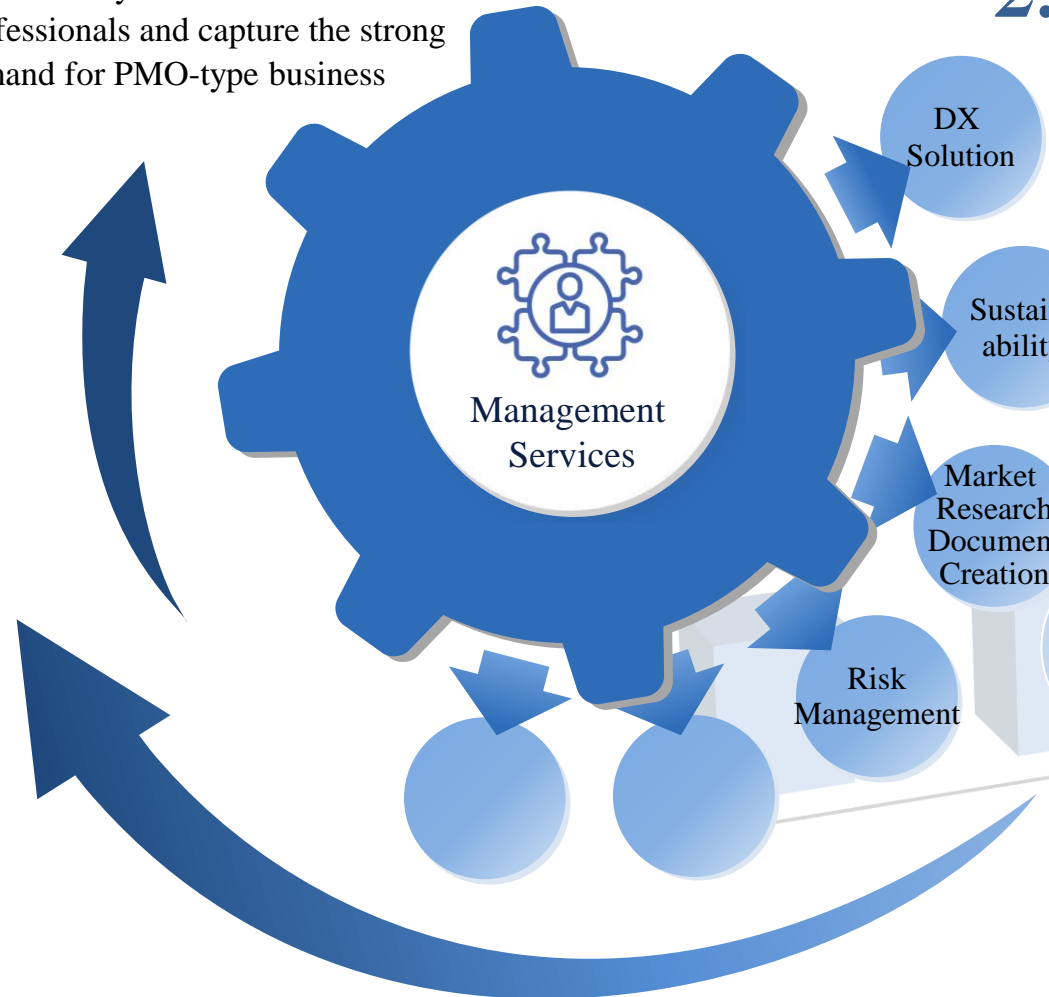
Growth Strategy for the Entire Group

FY2022 Business Plan and Growth Strategy



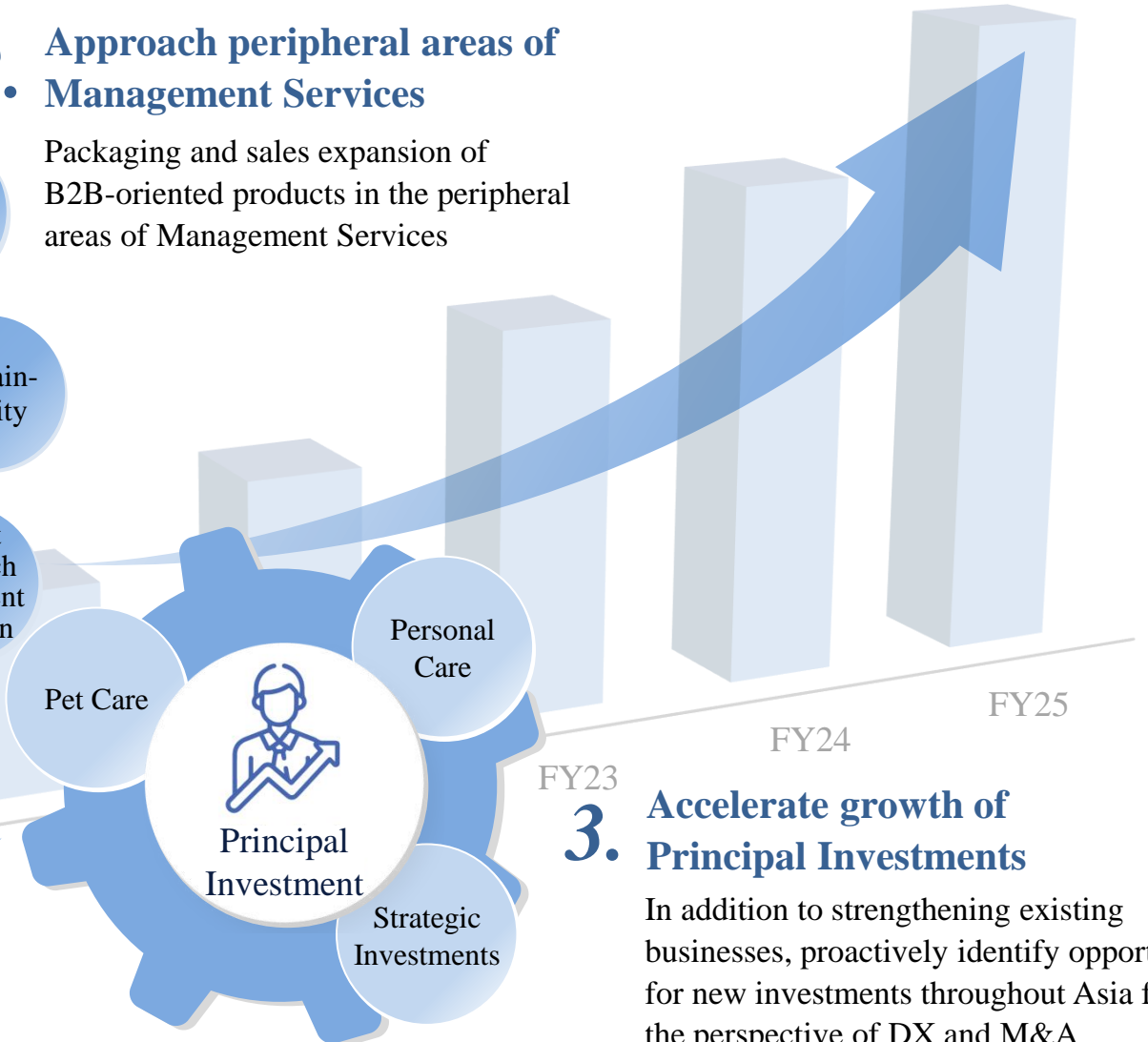
1. Organic Growth of Management Services

Continuously increase the number of Professionals and capture the strong demand for PMO-type business



2. Approach peripheral areas of Management Services

Packaging and sales expansion of B2B-oriented products in the peripheral areas of Management Services



3. Accelerate growth of Principal Investments

In addition to strengthening existing businesses, proactively identify opportunities for new investments throughout Asia from the perspective of DX and M&A



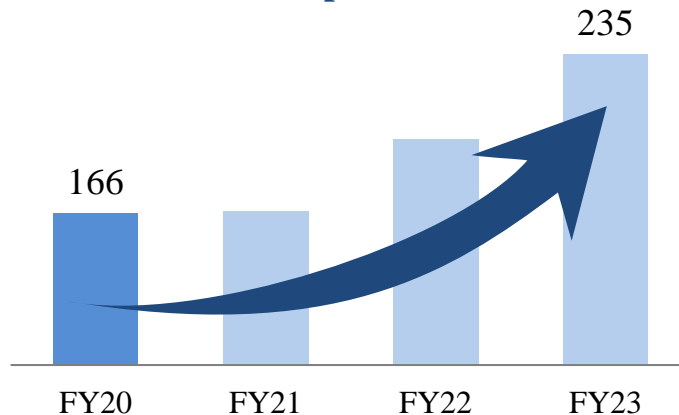
Details of Growth Strategy for Management Services

FY2022 Business Plan and Growth Strategy

In addition to organic business expansion through continuous expansion of the organization, we aim to achieve exponential growth through the acquisition of local firms in India and China and the productization of services for B2B.

Organic Growth

Number of professionals*

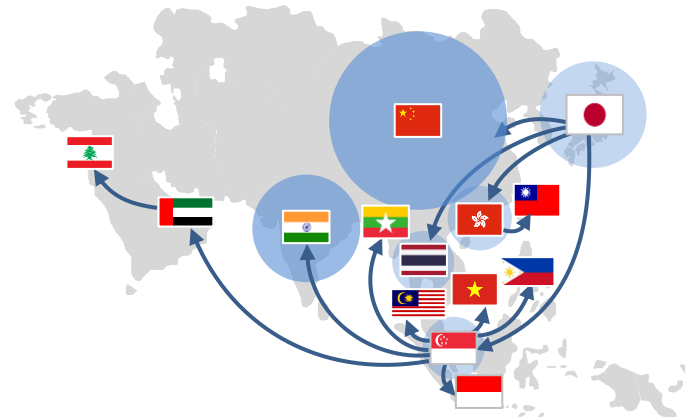


- Demand for PMO support for M&A and DX implementation—which accounts for the majority of revenue—is strong, and the company is targeting organic annual revenue growth of 15% in Japan, 30% overseas, and about 20% for the overall Group in comparison to the previous fiscal year.
- In addition, we expect annual unit price improvement in overseas markets to be about 10% from the previous fiscal year.
- We also aim to continuously increase the number of professionals*, both in Japan and overseas, with a target of 235 professionals by 2023.

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

✕ Exponential growth through M&A

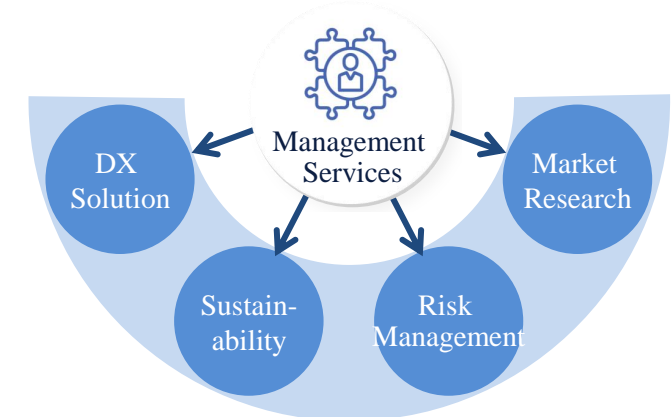
Strengthen presence in India and China



- Integration with Solidiance Asia Pacific Pte. Ltd. in 2018 led to rapid expansion of Management Services (sales growth of 157% in FY2018 and 146% in FY19).
- We are considering M&A of local boutique firms to strengthen our presence in India and China, both of which are large markets.

✕ Scale through Productization

Product line-up under discussion



- Of the various service lineups currently offered, services such as DX solutions and Market Research will be standardized and incorporated into highly versatile products.
- We aim to promote external sales of standardized products by the middle office, with the aim to scale as a peripheral business to Management Services.

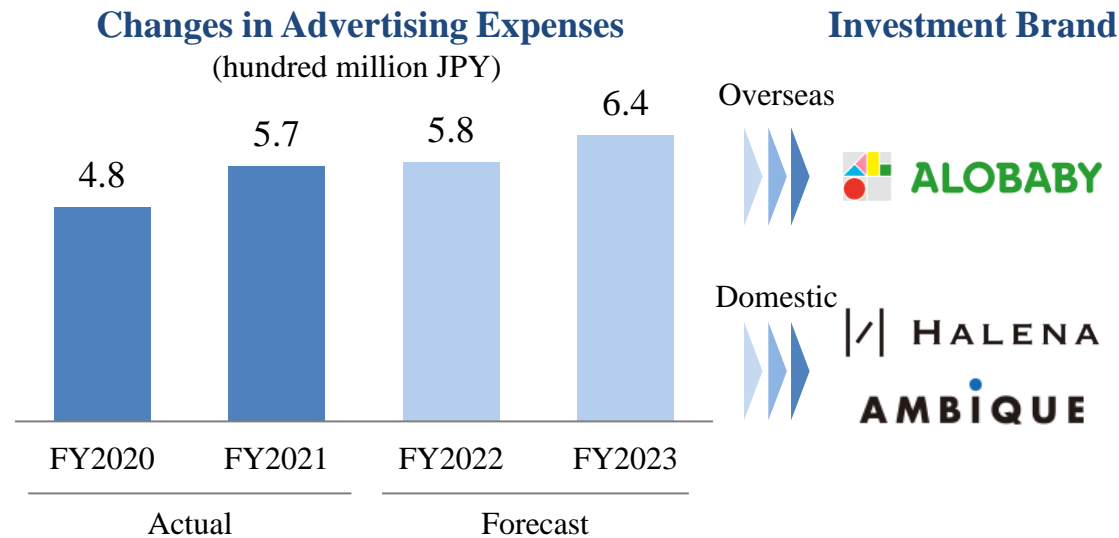


Details of Growth Strategy for Principal Investment

FY2022 Business Plan and Growth Strategy

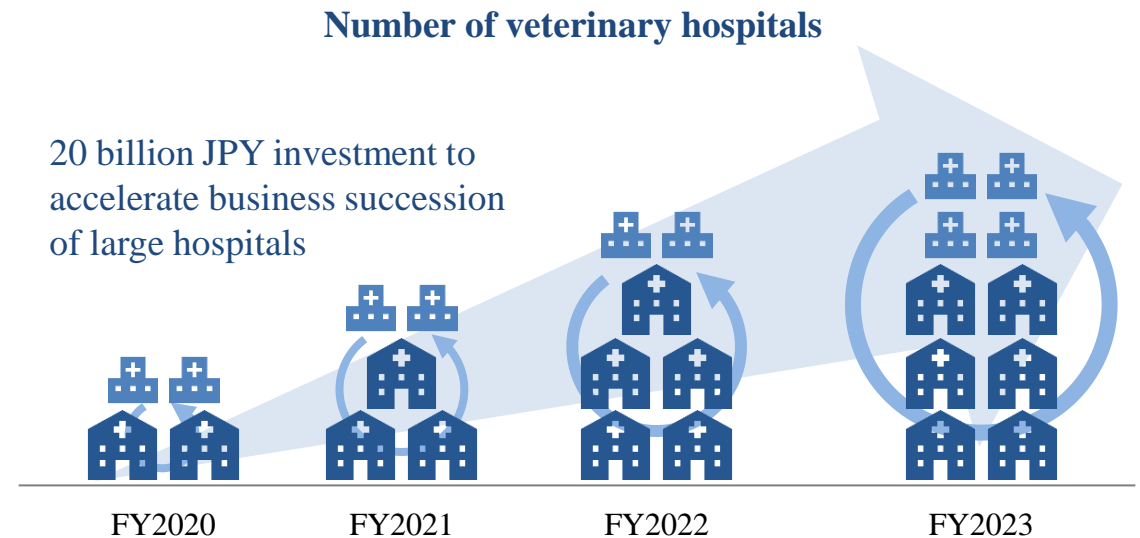
Most of the funds raised through this listing will be invested in Personal Care and Pet Care, the focus industries of Principal Investment. In the long term, we aim to list each of them independently, raise additional funds, and reinvest in Management Services and new business seeds to accelerate the growth of the entire group.

Personal Care



- In addition to the cash generated by its main brand, ALOBABY, we will also utilize the funds raised through the listing and continue to aggressively invest in advertising, aiming to scale up the revenue.
- We aim to strengthen sales of ALOBABY overseas, particularly in China. In Japan, we aim to launch new brands such as HALENA and AMBIQUE by expanding its customer base, especially through the fast-growing EC channel, and by increasing the number of repeat customers on its official website.

Pet Care



- Continue to aggressively promote the succession of large hospitals at one or two hospitals each year using the funds raised, and further generating synergy among hospitals.
- In addition to improving operational efficiency through DX at the succeeding hospitals, we will actively invest in digital marketing and other advertising methods to increase the number of new patients and further strengthen the profitability of each hospital.

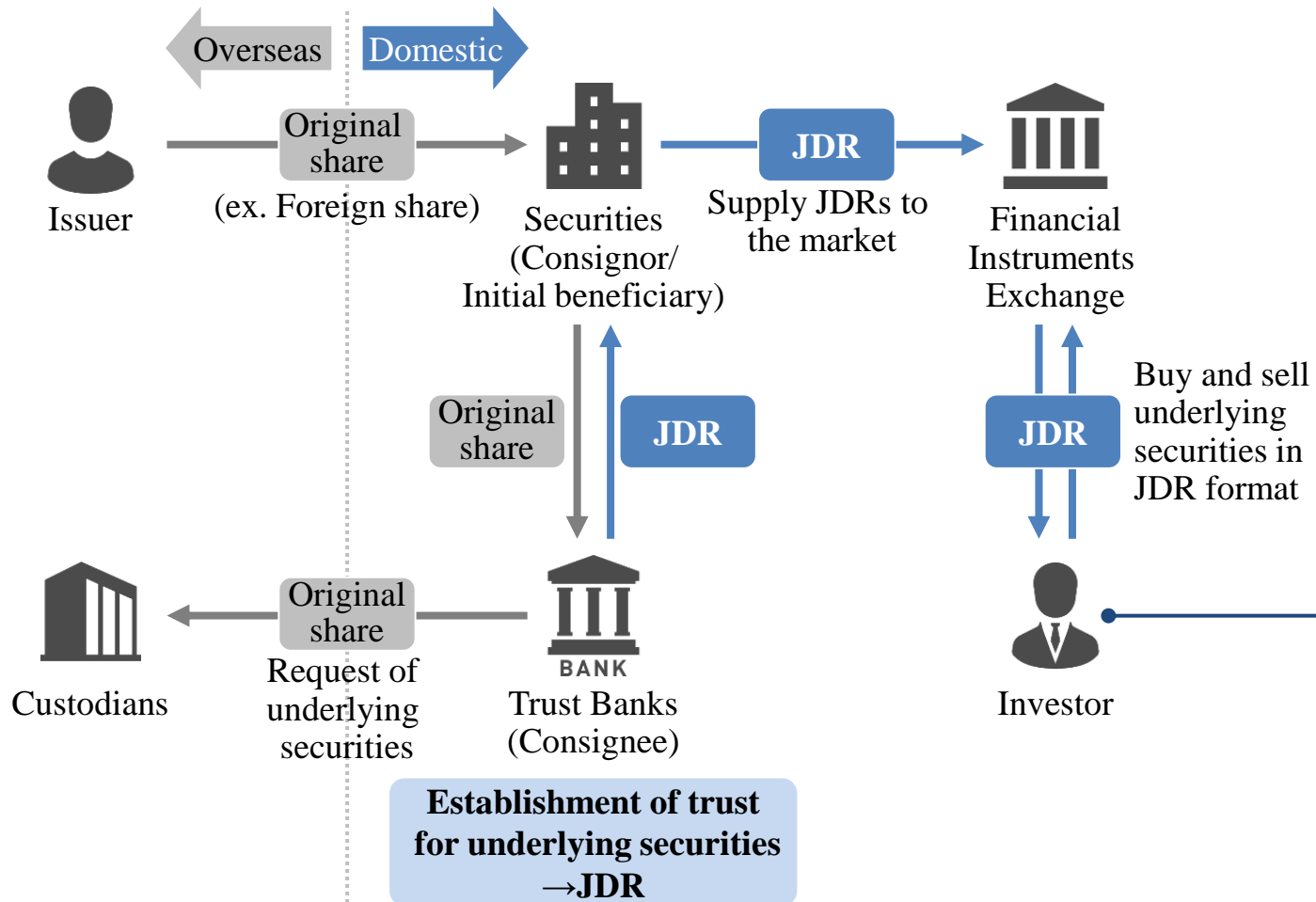
Appendix





About JDR (Japanese Depositary 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>

