

FY2022 1<sup>st</sup> Quarter

# Financial Results Briefing for Institutional Investors

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YCP Holdings (Global) Limited  
May 2022

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# Agenda

Introduction

FY 2022 1Q Financial Highlights

Introduction of Management Services

Introduction of Principal Investment

Forecast for FY2022

Q&A

# Introduction

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# Company Overview



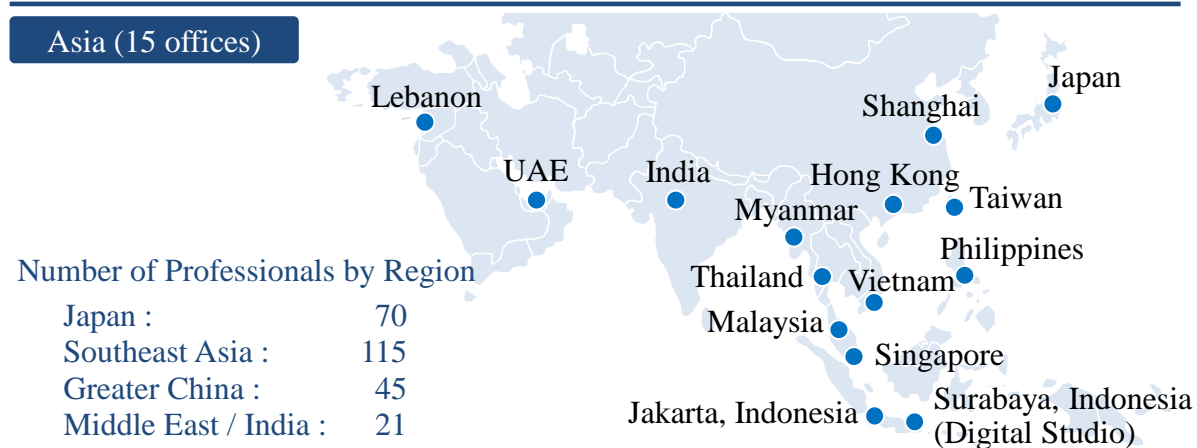
YCP Group started its business in August 2011 as Yamato Capital Partners (now YCP Solidiance). In 2013, in order to actively hire non-Japanese professionals and be an international organization, the firm name was changed to YCP, and it became a Hong Kong-based holdings company. In 2021, the Group moved 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
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 35,422,430
Group CEO	Yuki Ishida
Number of employees*1	Number of professionals: 254 Total number of including portfolio companies: 424

## Global Locations\*2

### Asia (15 offices)



### Europe

EU : 1



### USA

USA : 2



\*1: As of March 31, 2022: 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.

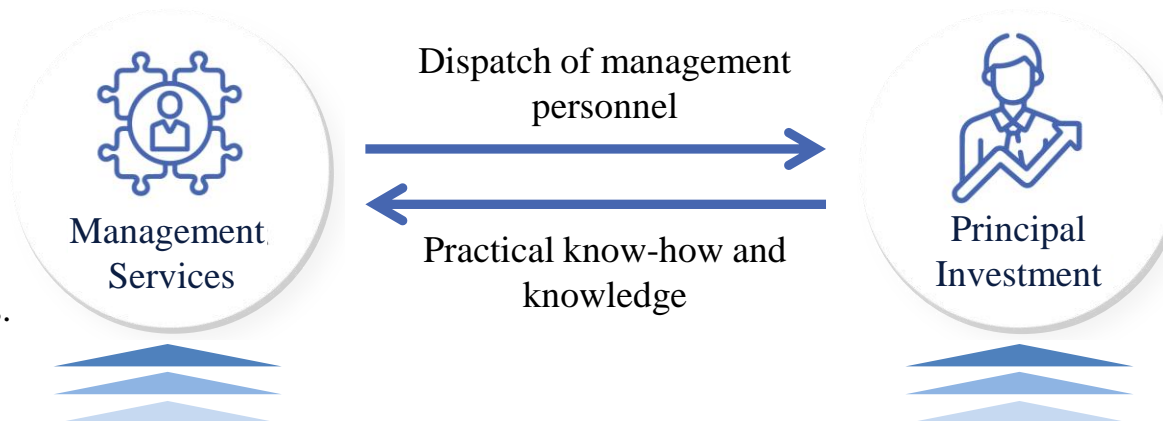
# Business Overview and the Group's Reportable Segments



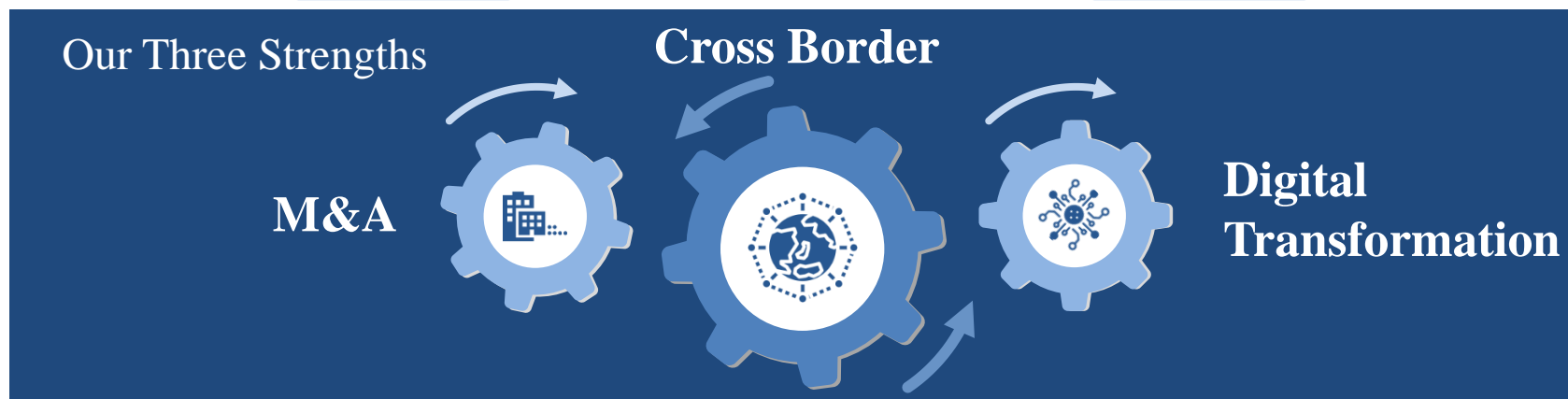
Our group operates two businesses: 1) Management Services, which helps our clients grow, scale, and transform their businesses, and 2) Principal Investment, which provides risk-money via equity capital and support for our portfolio companies.

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.

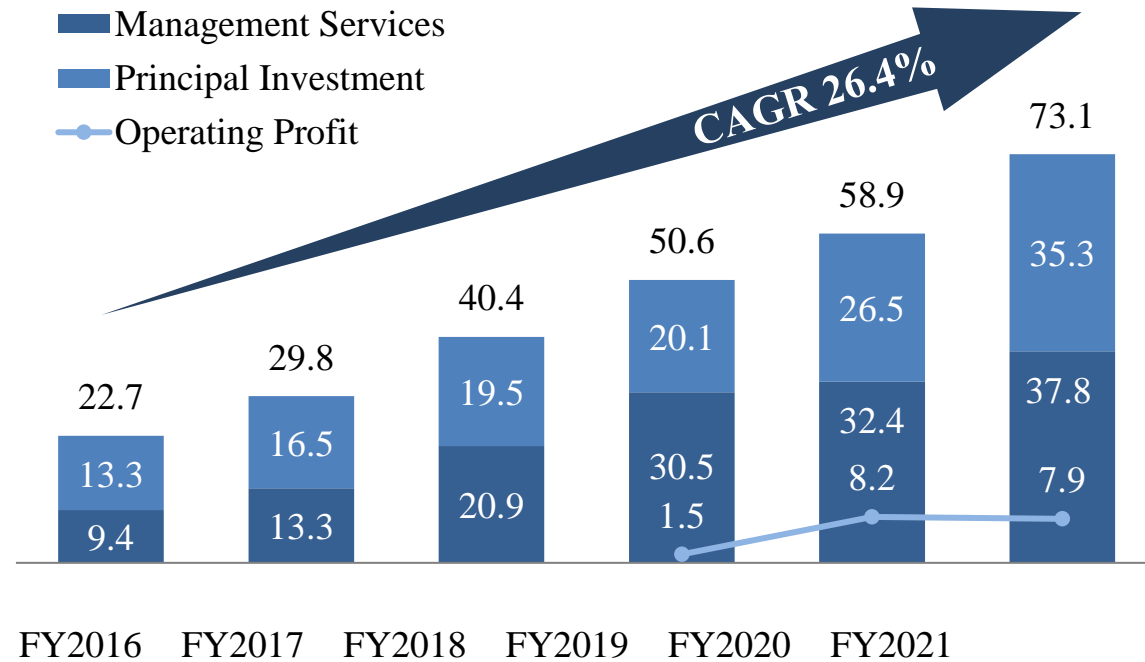




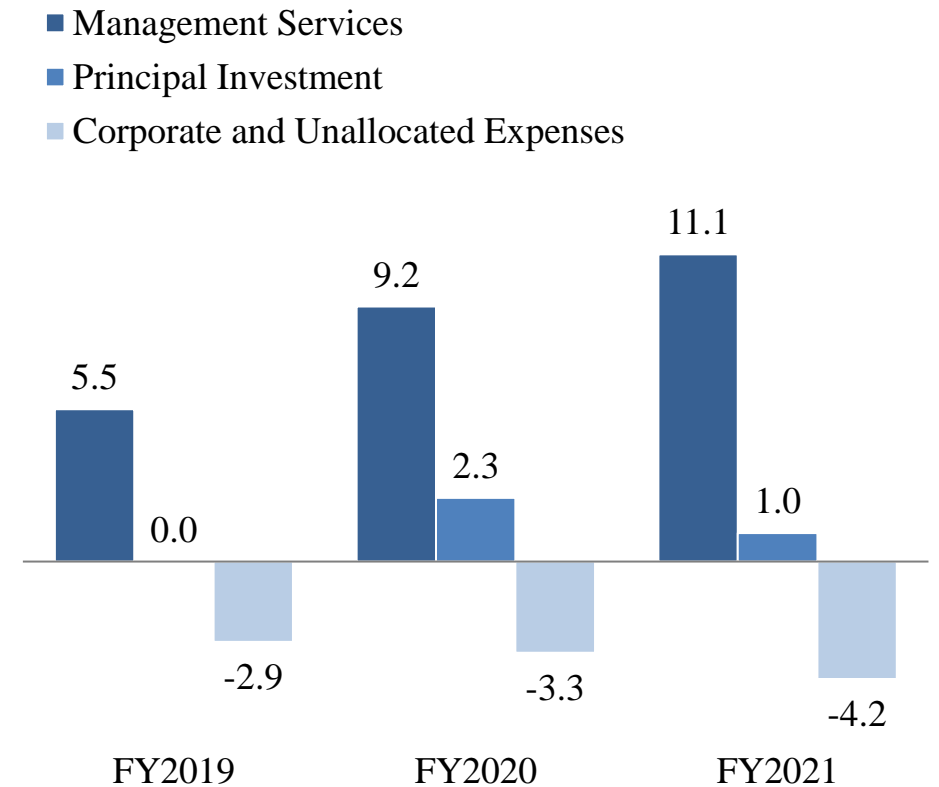
# Performance in Previous Years

Within 10 years of its establishment, the company achieved sales of USD 73.1 million (JPY 8.95 billion\*) and operating profit of USD 7.9 million (JPY 970 million\*). The average annual growth rate over the last five years was 26.4%.

## Revenue and Operating Profit (USD million)



## Segment Profit/Loss (USD million)



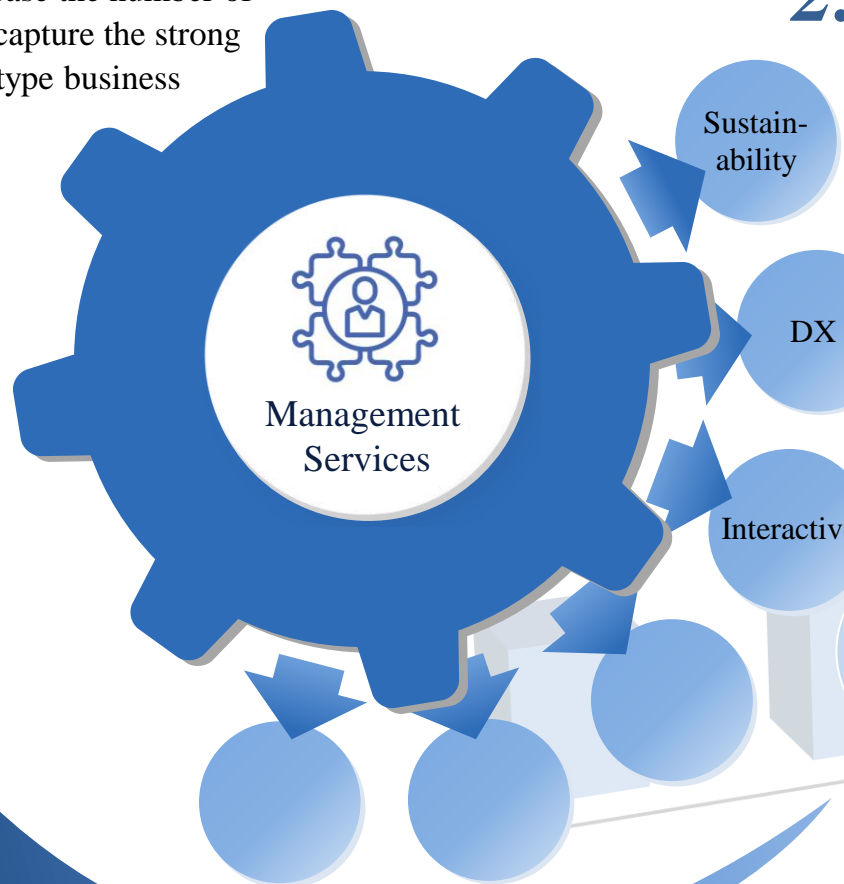
\* Conversion to Japanese yen is calculated at \$1 = ¥122.41 (exchange rate on 31 March 2022).

# Growth Strategy for the Entire Group



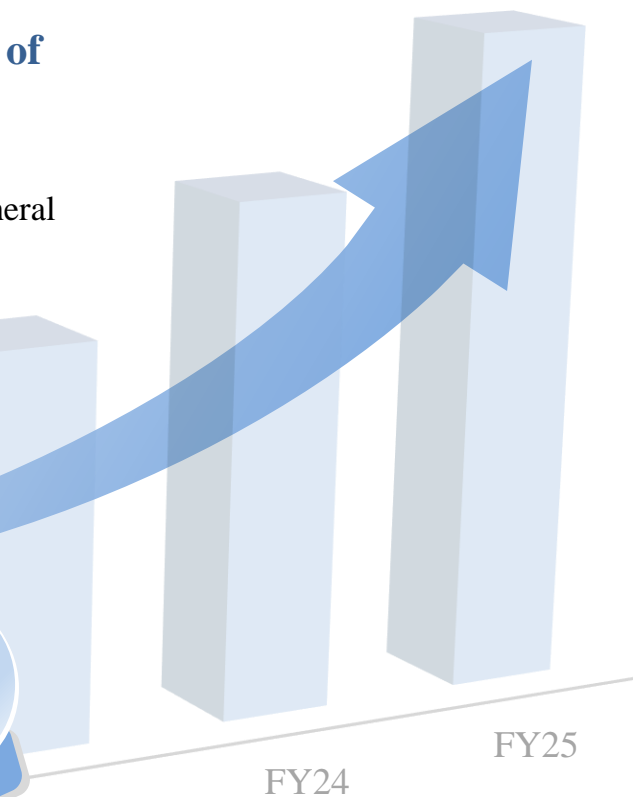
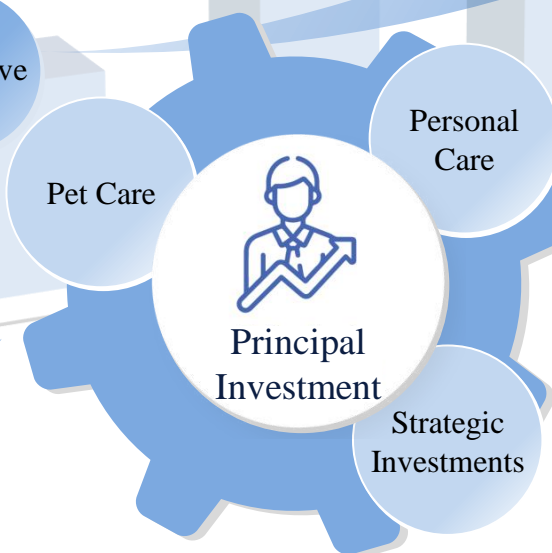
## 1. Organic Growth of Management Services

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

# FY 2022 1Q Financial Highlights

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# FY2022 1Q Financial Highlights



## FY2021 Financial Results

Revenue	YoY	(%) of budget achieved
<b>20.2</b> million USD (2.48 billion JPY*)	<b>+21.7%</b>	<b>108.4%</b>
Operating Profit	YoY	(%) of budget achieved
<b>2.2</b> million USD (270 million JPY*)	<b>+35.8%</b>	<b>104.0%</b>
Profit for the Period	YoY	(%) of budget achieved
<b>1.2</b> million USD (150 million JPY*)	<b>+57.6%</b>	<b>76.6%</b>

## Highlights

- In FY2022 1Q, significant growth was achieved in YoY in both revenue, operating profit and quarterly profit.
- In the core management services business, the PMO needs in M&A and DX implementation, where demand remains strong, achieved double-digit growth both in Japan and overseas, +24.3% YoY and +23.1% growth in profit.
- The Principal Investment business achieved a +18.5% increase in revenue in YoY as it continued to invest actively to increase sales revenue. Operating profit was affected by the reopening of restaurant regulations in Hong Kong due to the outbreak of Omicron stock in the region, as well as a write-down of shareholdings (-0.2m USD) due to the weak yen, resulting in a break-even result for the business as a whole.
- The effective tax rate on a consolidated basis worsened compared to the original plan, as profits and income tax increased at subsidiaries with a high tax burden, while losses were incurred at subsidiaries with a low tax burden, resulting in a consolidated effective tax rate of 76.6% of the budget being achieved.

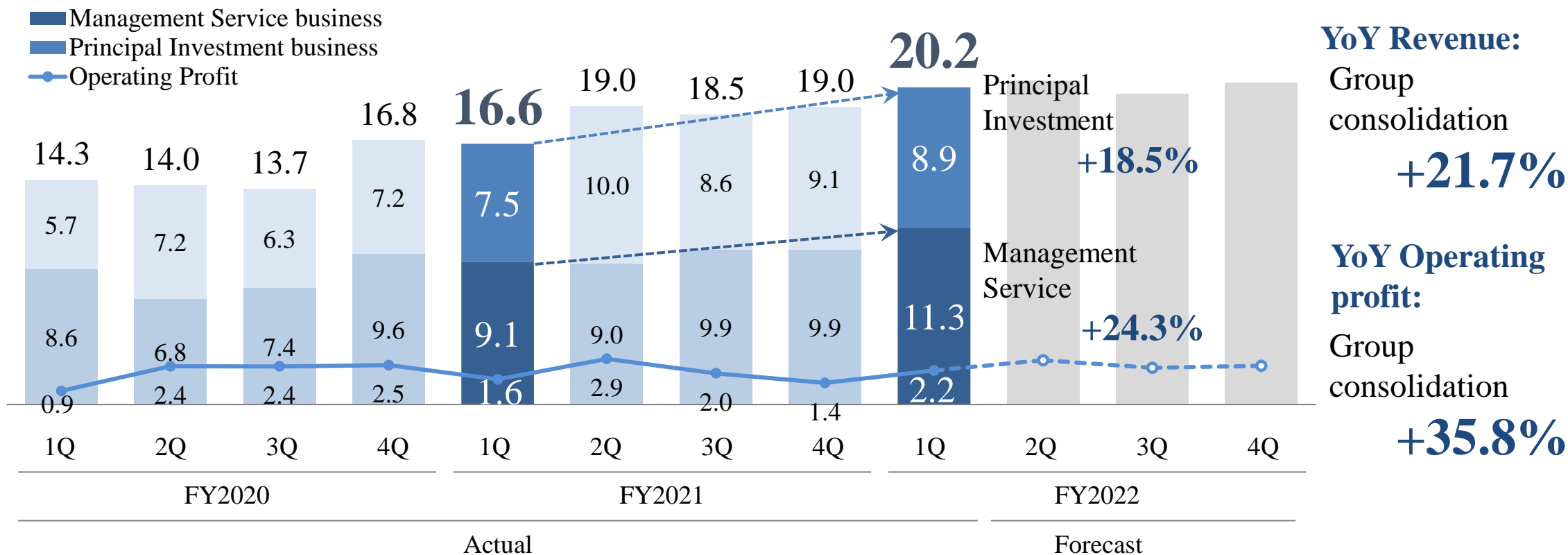
\* Conversion to Japanese yen is calculated based on 1US\$ = 122.41 yen (exchange rate on 31 March 2022)

# FY2022 1Q Group Consolidated Results



In FY2022 1Q, sales revenue of USD20.2million (JPY2.48billion\*) and operating profit of USD2.2million (JPY270million\*) were achieved. The core management services business achieved a significant increase in revenue and profit, driving growth for the Group as a whole.

## Revenue and operating profit trends (USD million)



\* Conversion to Japanese yen is calculated at \$1 = ¥122.41 (exchange rate on 31 March 2022).

# Introduction of Management Services

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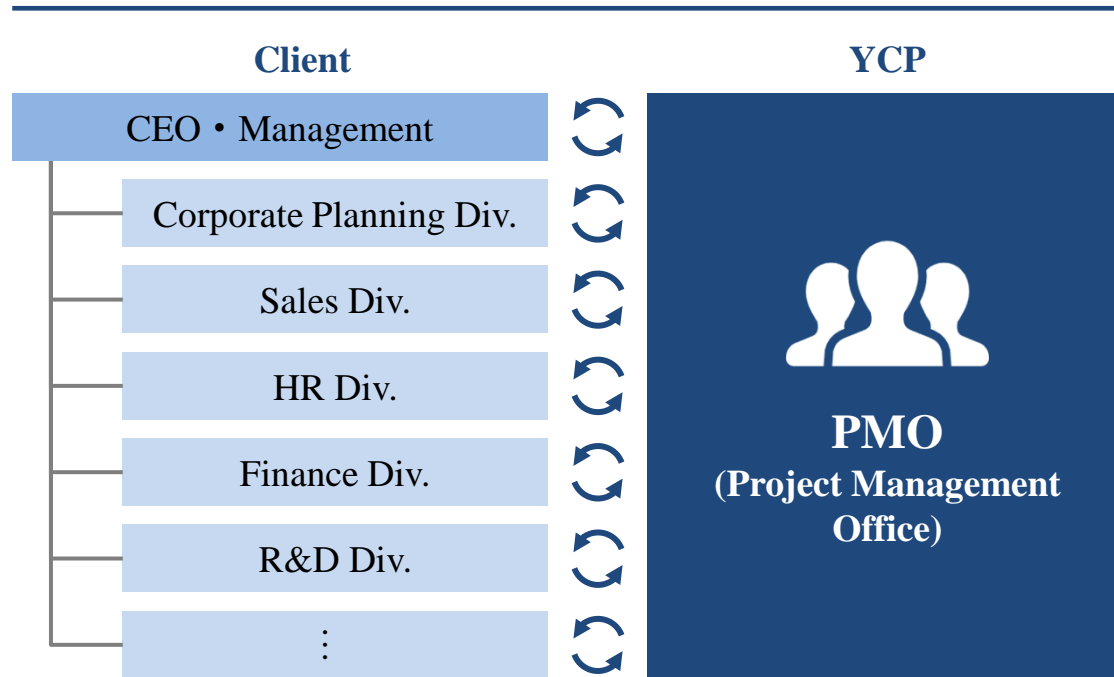


# Introduction and Overview of Businesses

## FY 2021 Business Results for Management Services

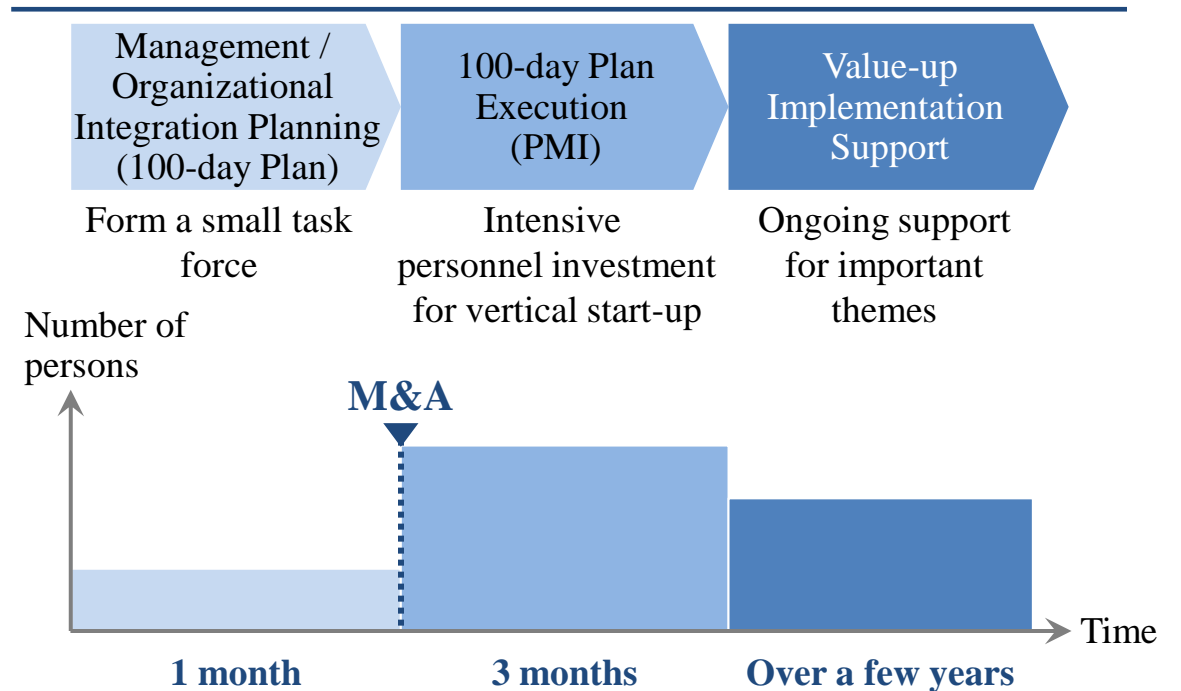
YCP Solidiance, a wholly owned subsidiary of YCP Group, offers our core business of Management Services. It provides mainly PMO-type execution support services such as M&A and DX implementation for clients.

### What is PMO (Project Management Office)



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

### PMO Support in M&A



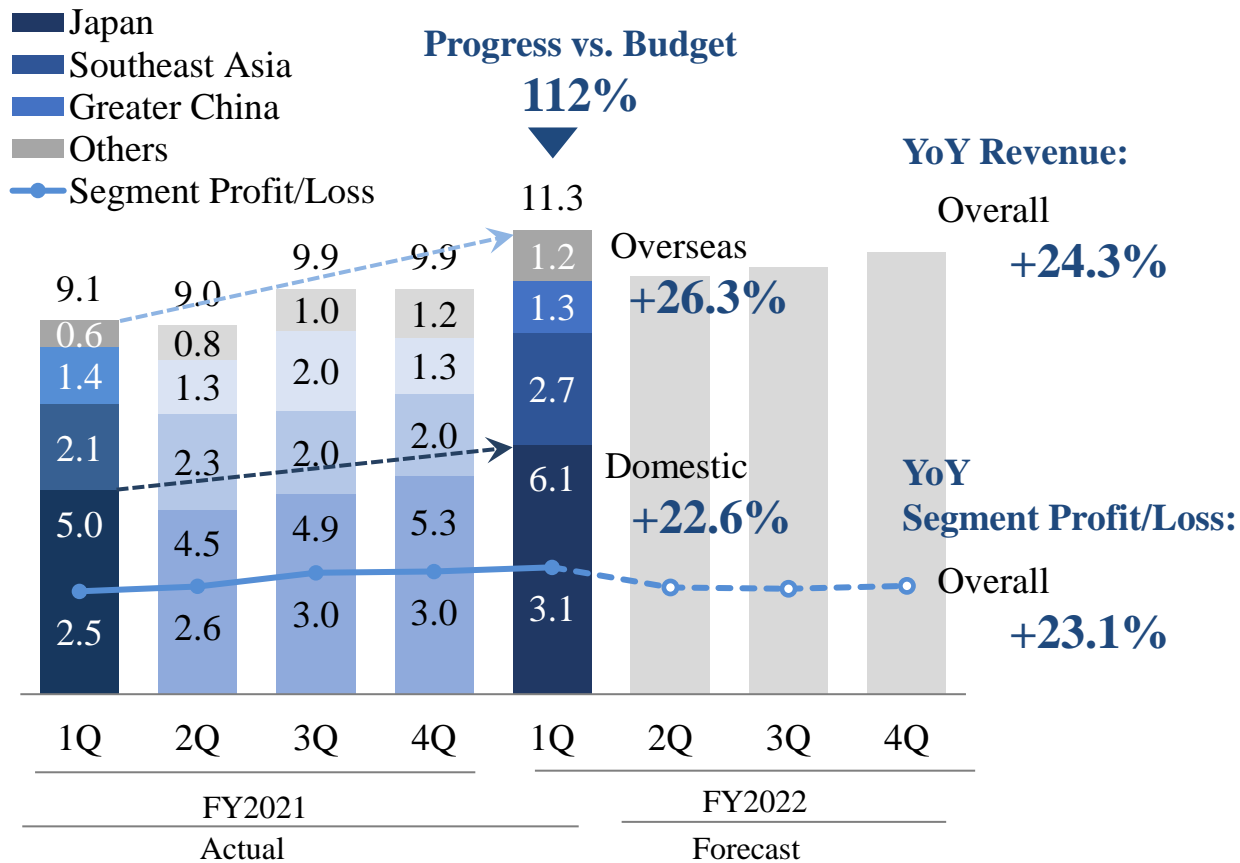
We begin providing support from one month prior to M&A execution, and continue to provide long-term support via our PMO.

# Business Performance and KPI Trends

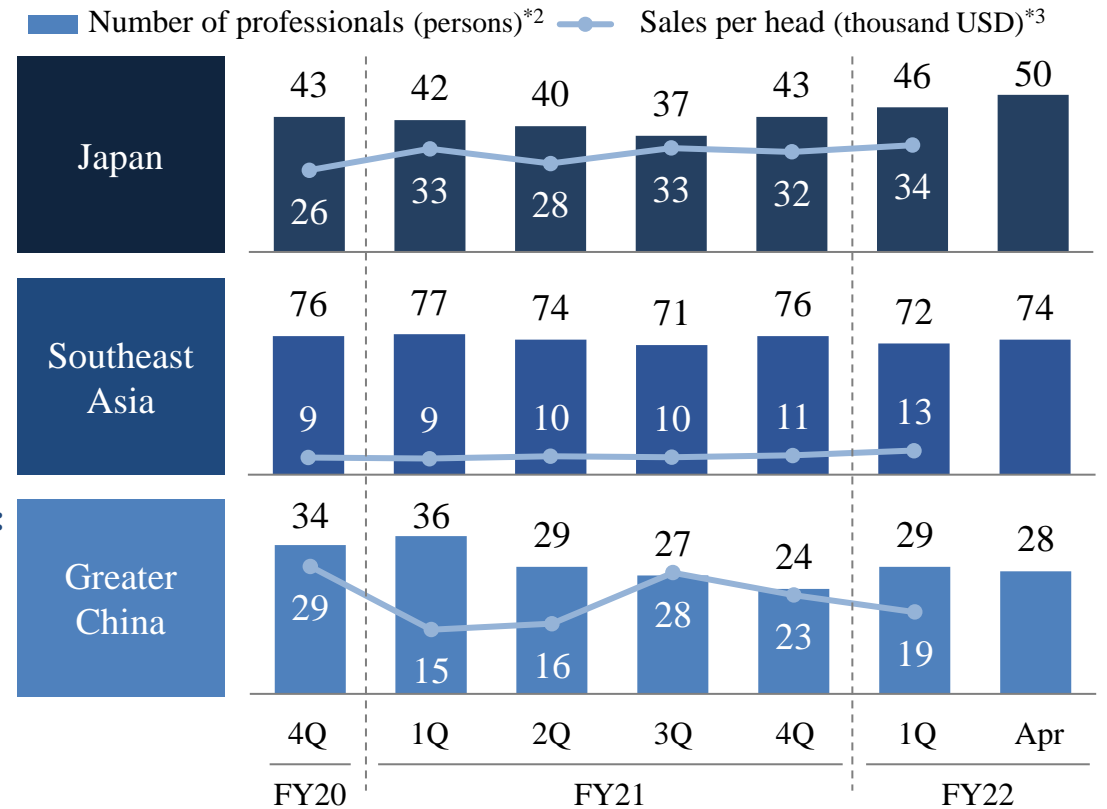
## FY 2021 Business Results for Management Services

In FY2022 1Q, revenue was USD11.3million (JPY1.39billion\*1) and segment profit was USD3.1million (JPY0.38billion\*1). Management Service business maintained high profitability and achieved 112% of budgeted revenue.

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



### KPI



\*1: Conversion to Japanese yen is calculated at \$1 = ¥122.41 (exchange rate on 31 March 2022).

\*2 : Number of full-time employees in the Management Services Division (excluding Operations Division) at the end of each period.  
\*3 : Revenues from the management services business for each period divided by the average number of employees during the period (excluding the Operations Division), including contractors

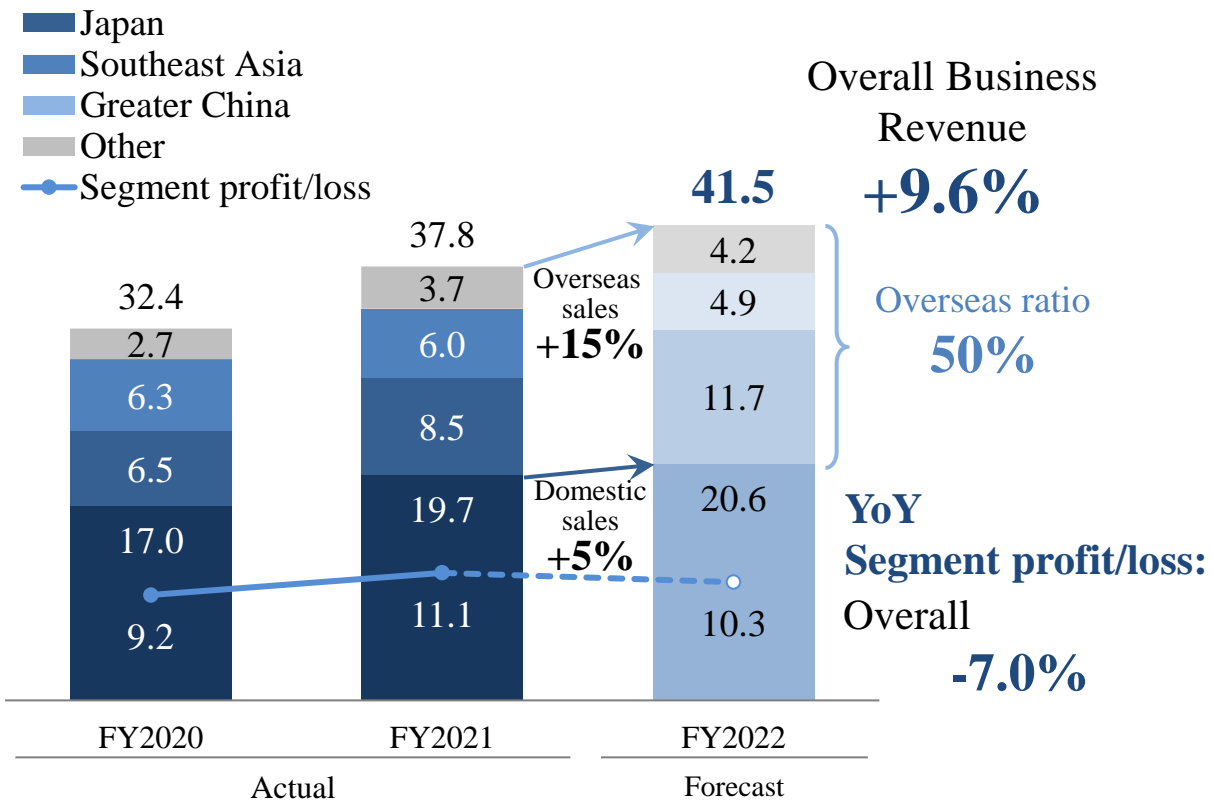


# Management Services Forecast

## Forecast for FY2022

For FY2022, we forecast revenue of USD41.5million (JPY5.08billion\*) and operating profit of USD10.3million (JPY1.26billion\*), and while FY2021 was higher than our initial forecast, the FY2022 plan is conservative, resulting in a lower profit picture. (2Q), we will consider revising the budget based on progress through the first half 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.

\*1: Conversion to Japanese yen is calculated at \$1 = ¥ 122.41 (exchange rate on 31 March 2022).

# Introduction of Principal Investment

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

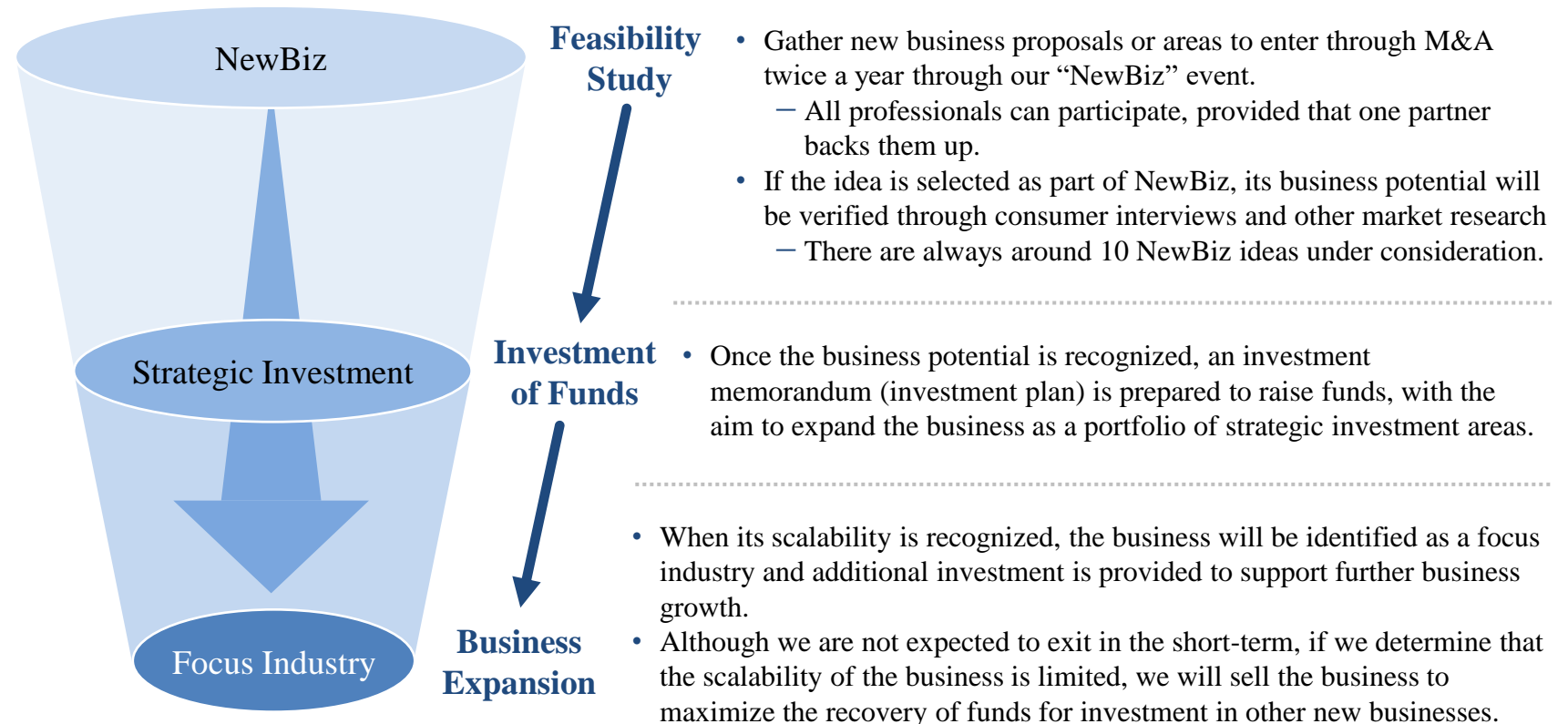
Utilizing the professional platform cultivated through the management service business, we invest our own funds in small and medium-sized emerging companies.

## Investment Requirements

The following 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

# SOLIA



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.

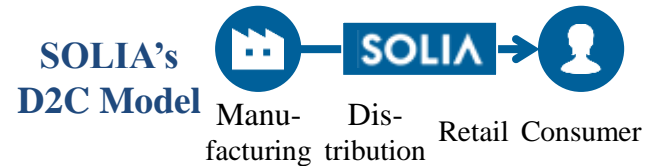
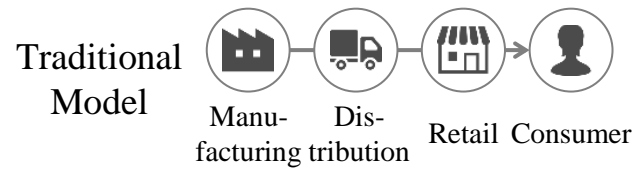
## Core Brand



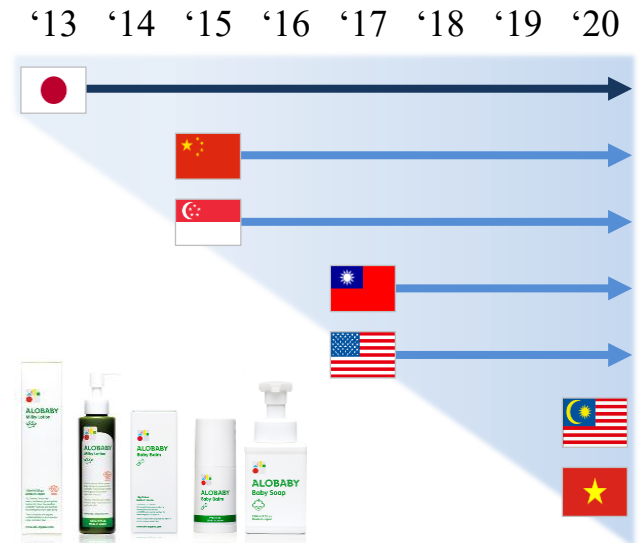
## Business Strategy



### SOLIA's D2C Model



### ALOBABY's Overseas Expansion

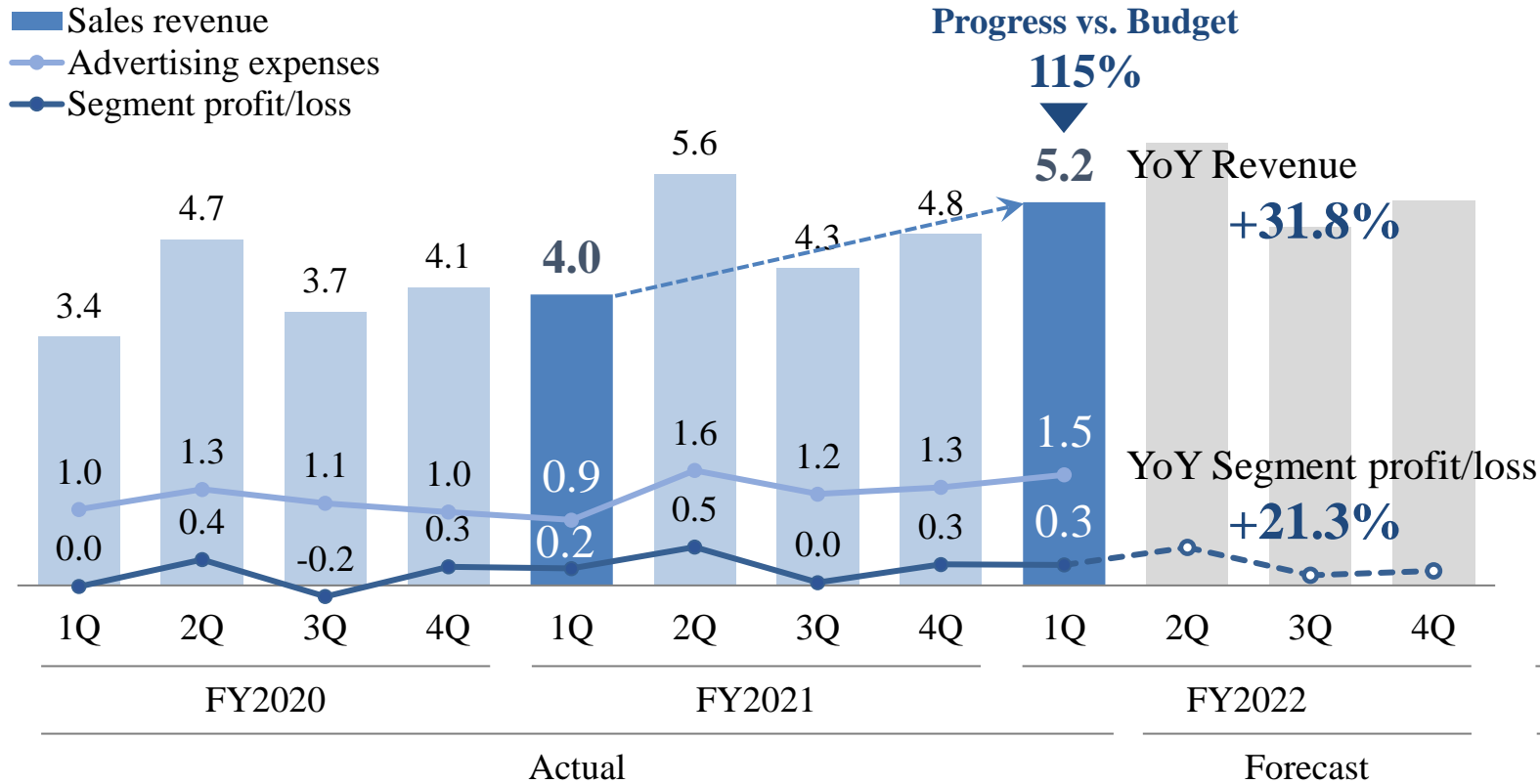


# Actual and Forecast in Personal care area

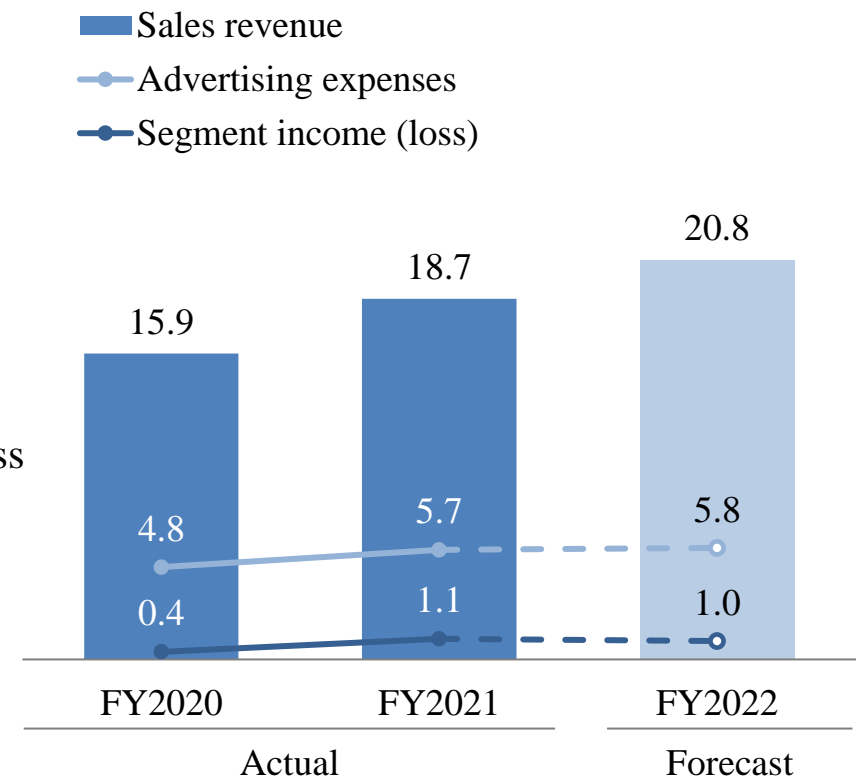


In FY2022 1Q, sales revenue was USD5.2million (JPY640million\*) and segment income was USD0.3million (JPY30million\*) were achieved. In addition to the main brand "ALOBABY," the new brand "AMBIQUE" expanded steadily, achieving a significant increase in sales of +31.8% YoY (+44.6% excluding the effect of exchange rates)

## Business performance(USD million)



## FY2022 Forecast (USD million)



\* Conversion to Japanese yen is calculated at \$1 = ¥122.41 (exchange rate on 31 March 2022).



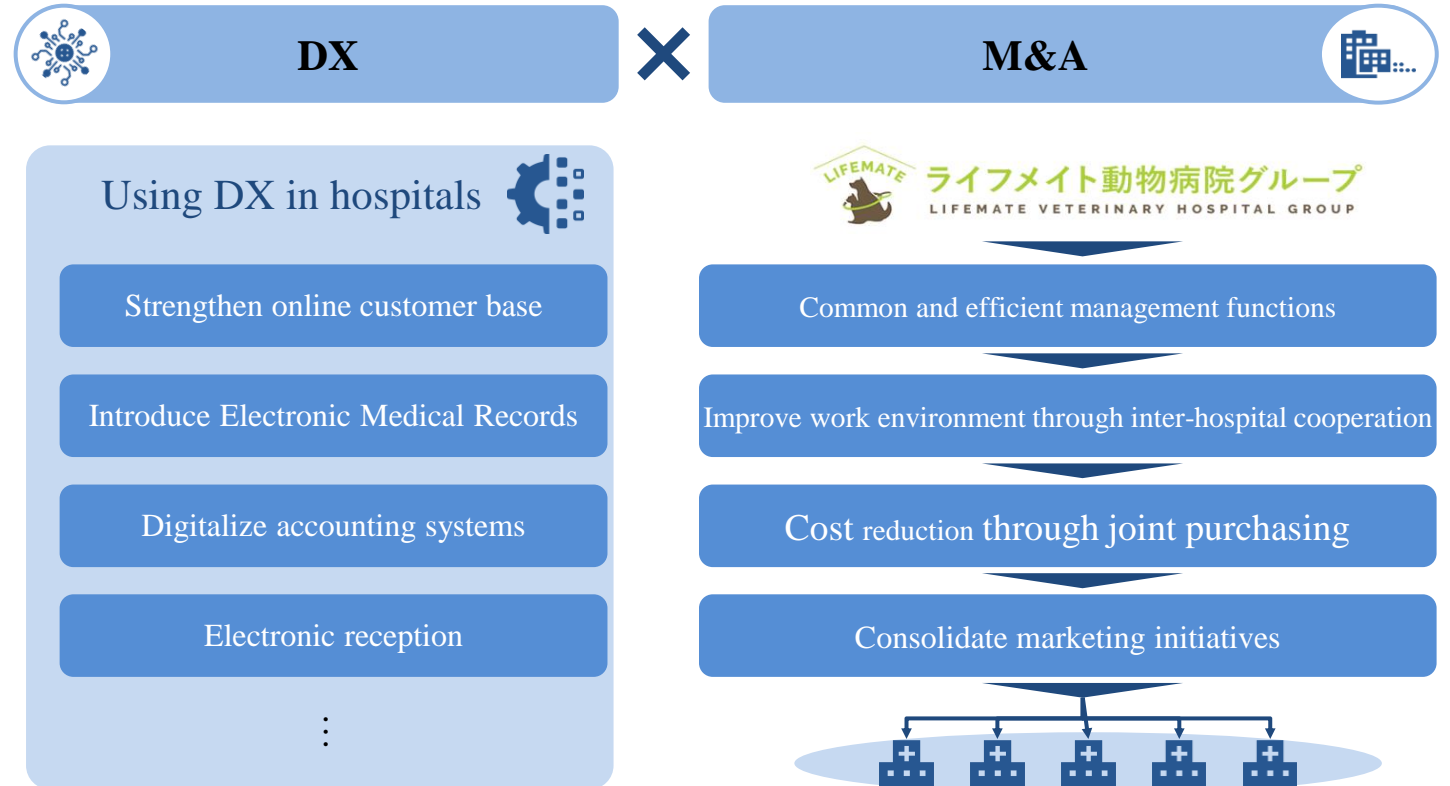
Scale up business by grouping multiple veterinary hospitals through business succession and DX

## Operation of Veterinary Hospital



Grouping several veterinary hospitals through business succession. Currently operates 5 hospitals in Kanto and Hokkaido, and is constantly considering M&A opportunities.

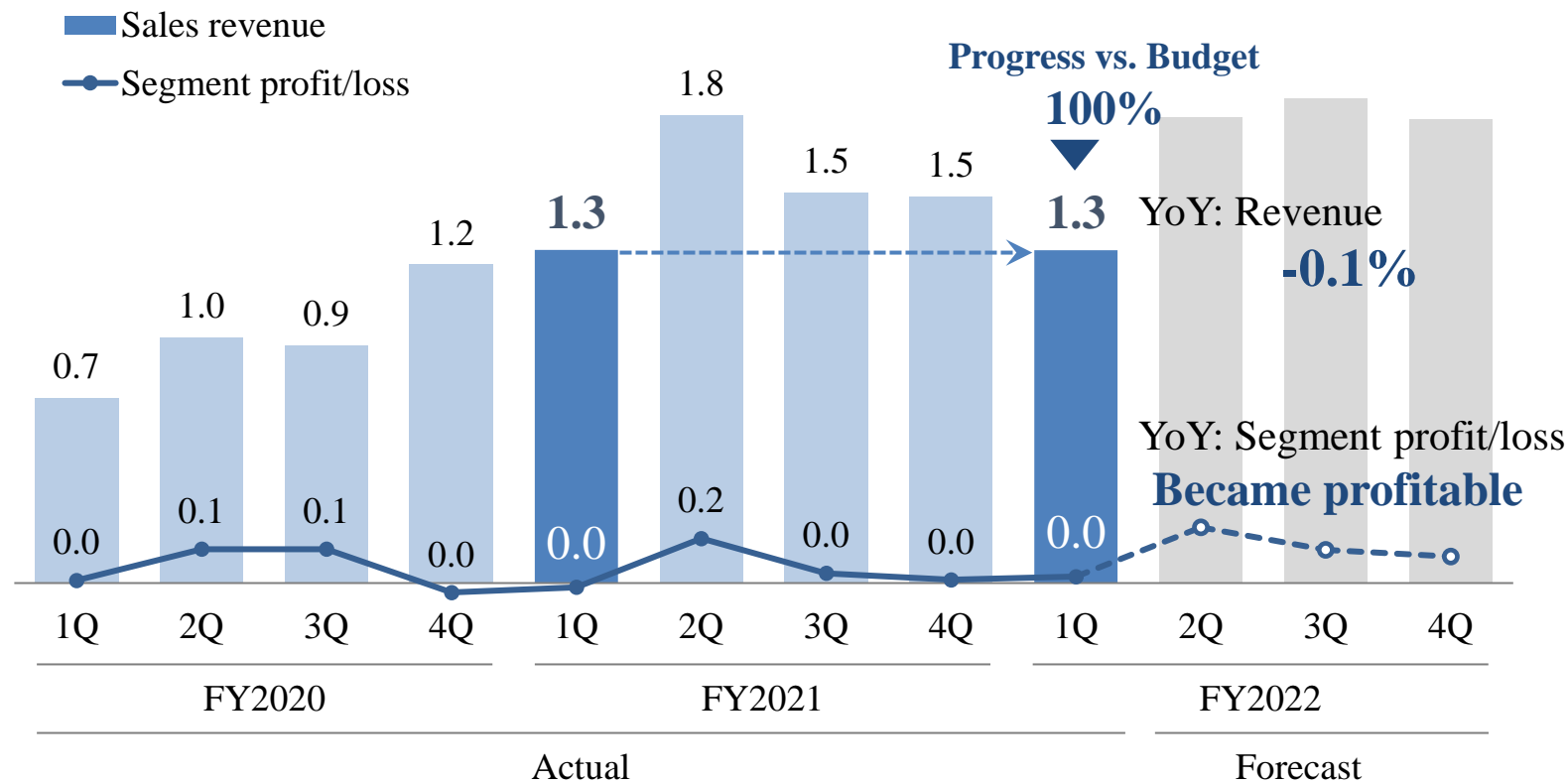
## Business Strategy



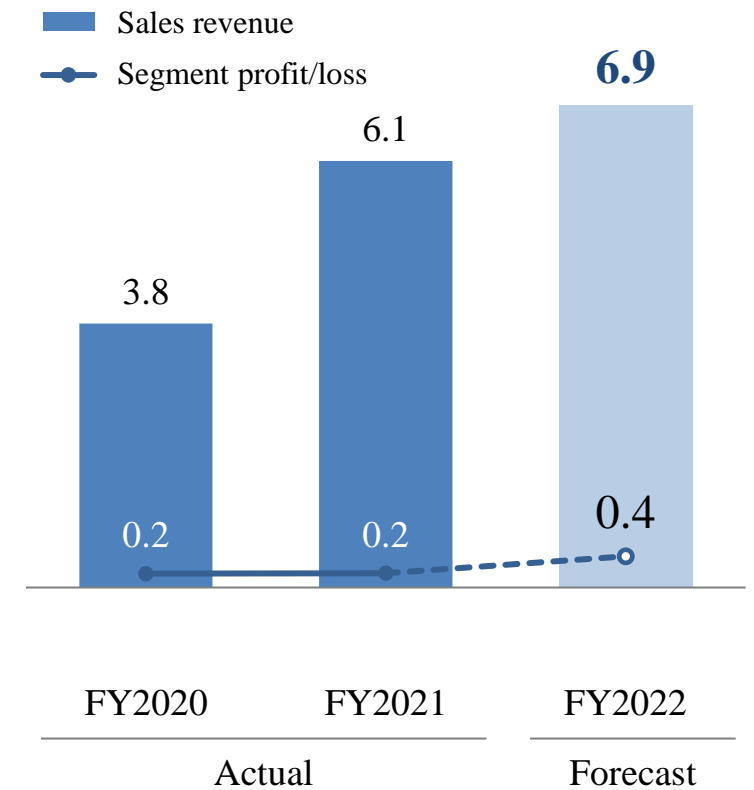
# Actual and Forecast in Pet care area

In FY2022 1Q, sales revenue was USD1.3million (JPY160million\*) and segment profit was US\$0.0million (JPY0.0million\*), and although sales revenue increased by 9.6% YoY on JPY basis due to the contribution of Sapporo Midorigaoka Veterinary Hospital, which was taken over in March 2021, segment income was flat on a USD basis due to the impact of JPY depreciation.

## Business performance(USD million)



## FY2022 Forecast (USD million)



\* Conversion to Japanese yen is calculated at \$1 = ¥122.41 (exchange rate on 31 March 2022).

# Strategic Investment



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 services for seniors in Singapore and Hong Kong.

## 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



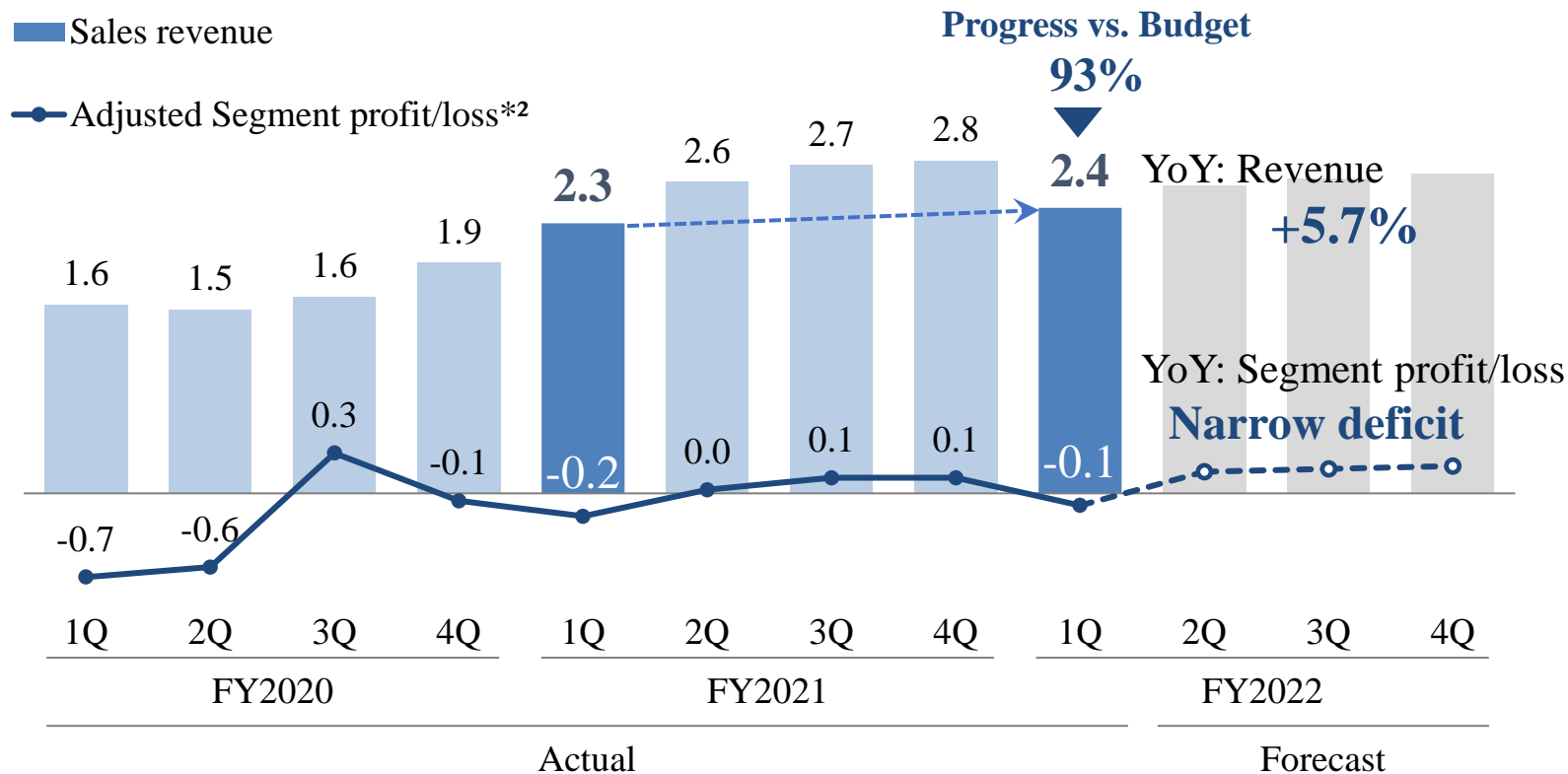
We offer a new option that requires no management, no successor, and no religious affiliation



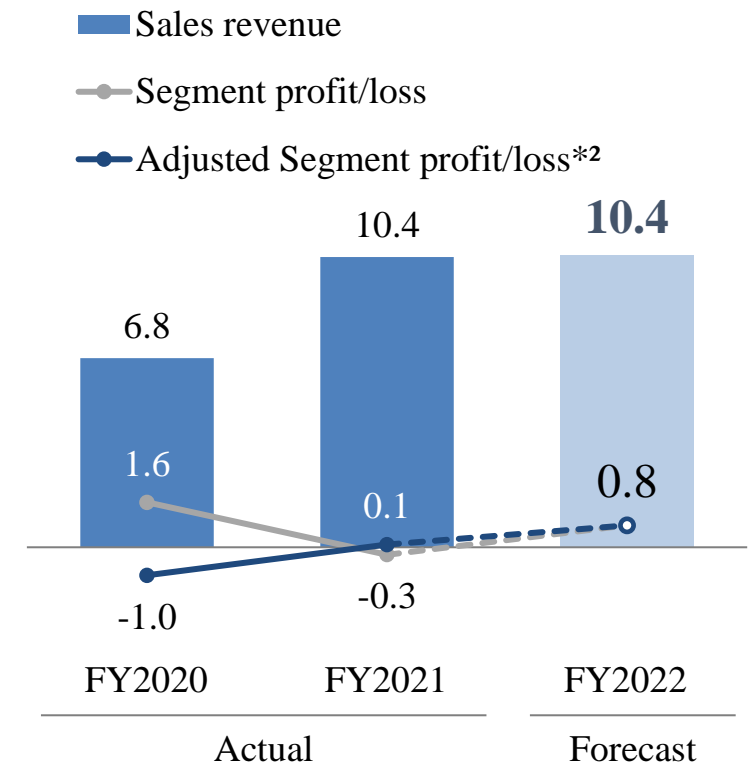
# Actual and Forecast in Strategic Investment care area

In FY2022 1Q, sales revenue was USD2.4million (JPY290million\*<sup>1</sup>) and adjusted segment profit/loss\*<sup>2</sup> was USD-0.1million (-JPY0.01billion\*<sup>1</sup>). In the Food & Beverage service, which is the main business, we missed the budget by 93% in FY2022 1Q due to the impact of restrictions on restaurant operations caused by the Omicron outbreak in Hong Kong, but achieved an increase in revenue in YoY and a narrowing of the deficit.

## Business performance(USD million)



## FY2022 Forecast (USD million)



\*1 : Conversion to Japanese yen is calculated at \$1 = ¥122.41 (exchange rate on 31 March 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

# Forecast for FY2022

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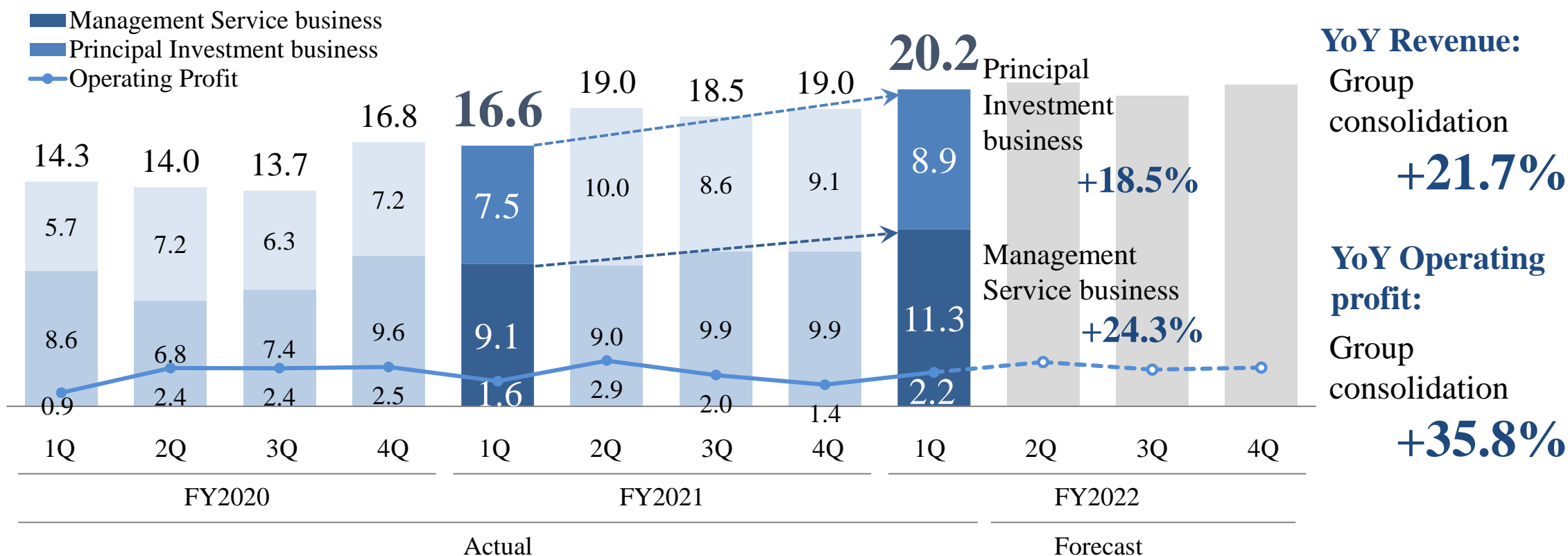


# (Re) FY2022 1Q Group Consolidated Results



In FY2022 1Q, sales revenue of USD20.2million (JPY2.48billion\*) and operating profit of USD2.2million (JPY270million\*) were achieved. The core management services business achieved a significant increase in revenue and profit, driving growth for the Group as a whole.

## Revenue and operating profit trends (USD million)



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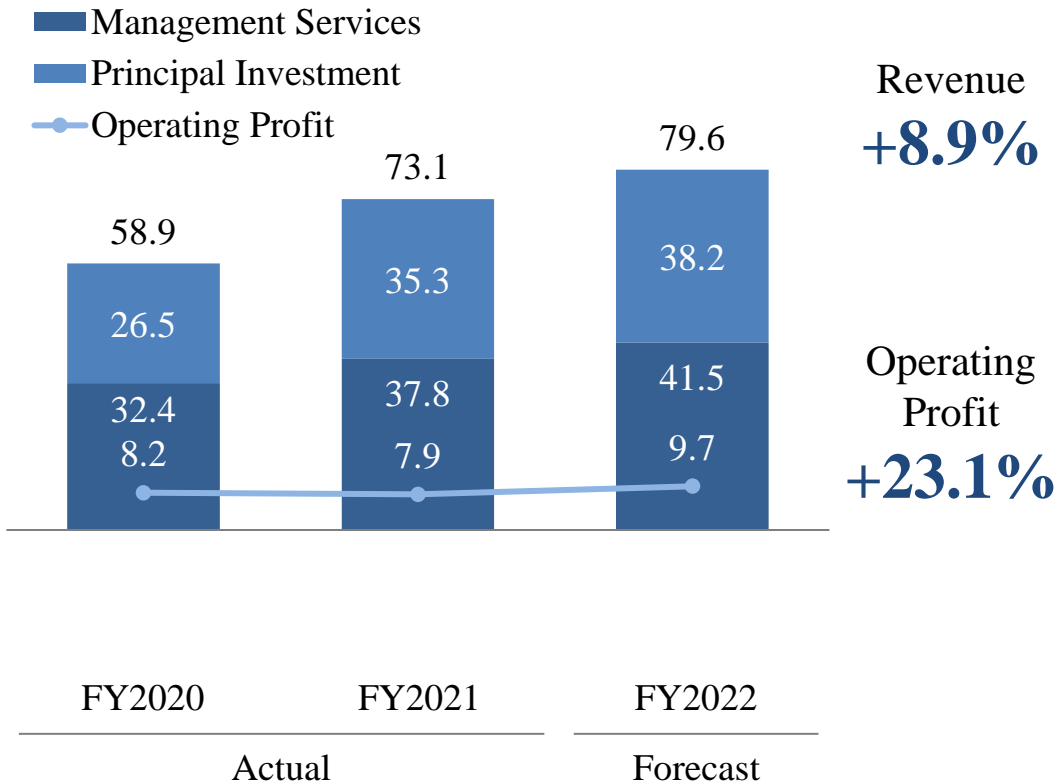


# Consolidated Financial Forecast

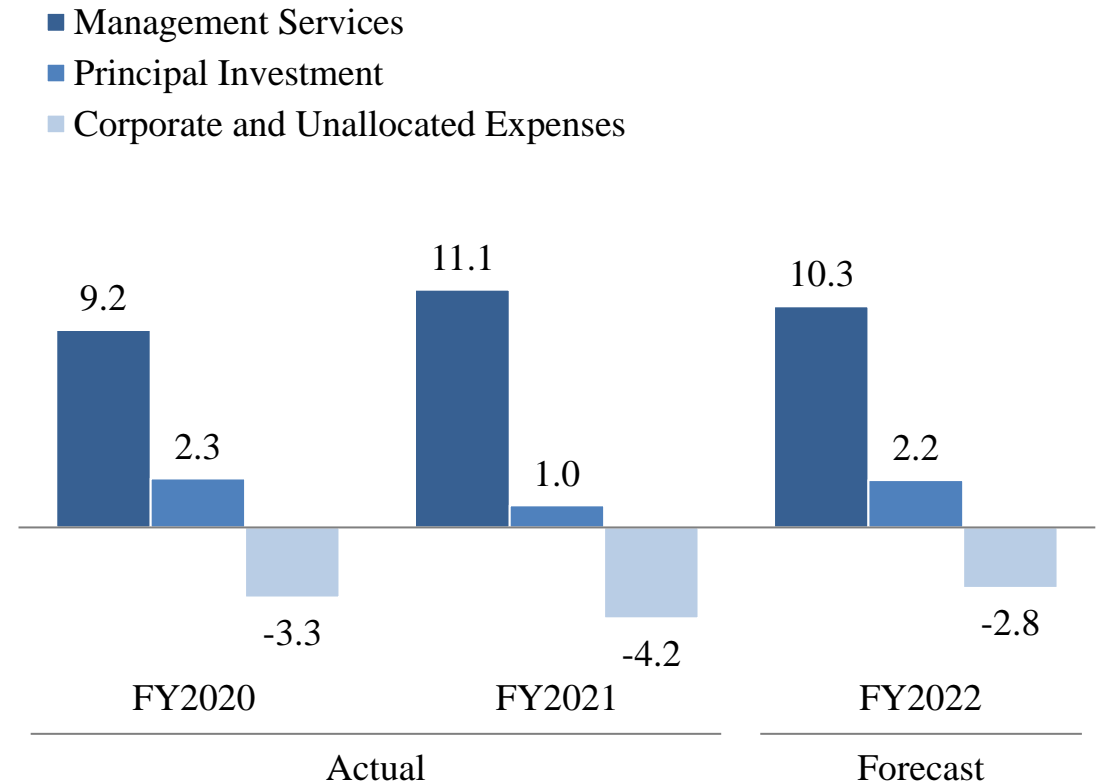
## Forecast for FY2022

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)



# Appendix

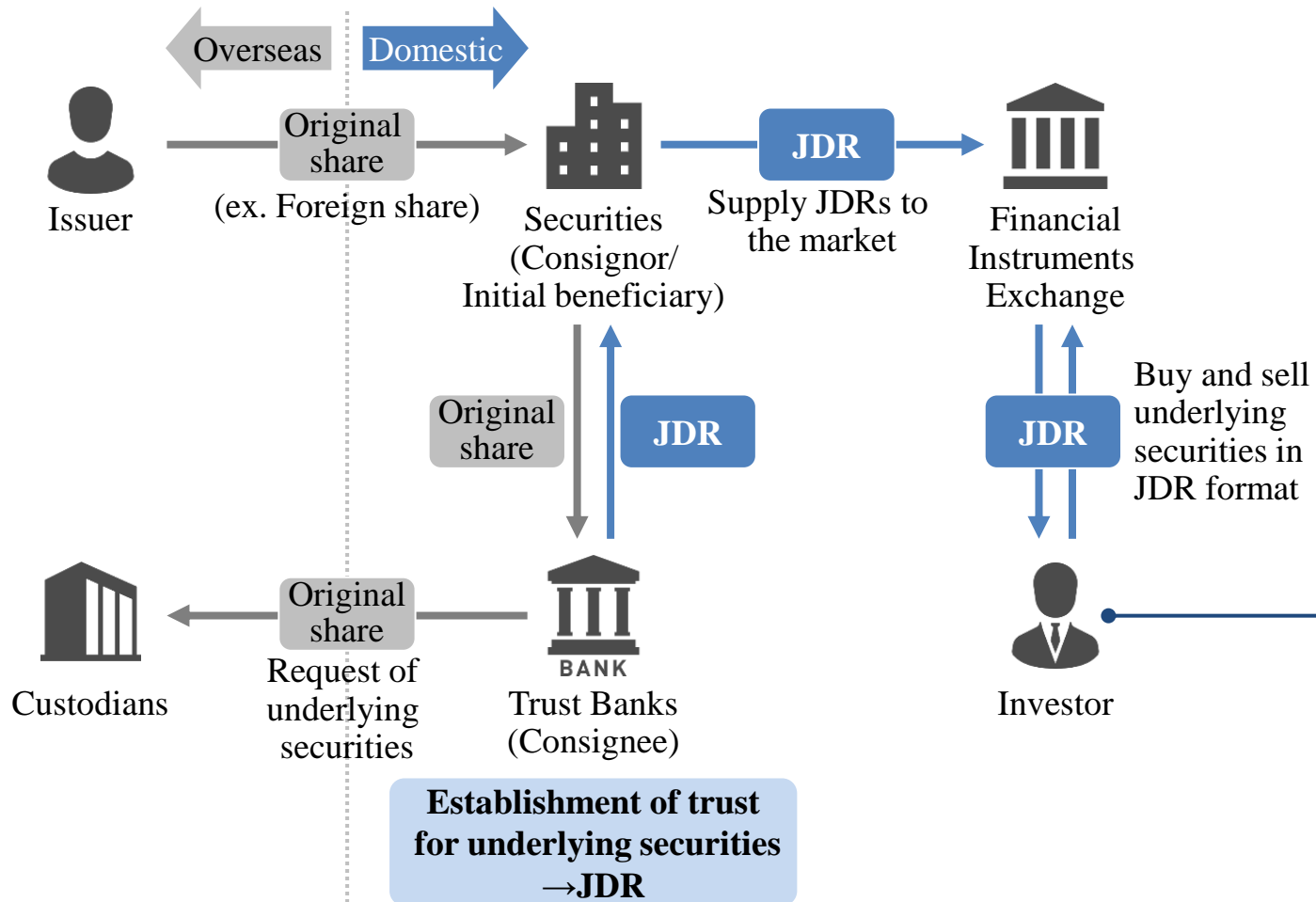
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# About JDR (Japanese Depository Receipt)

## 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>

