



M&A CAPITAL PARTNERS

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## 2022 Financial Results

October 28th, 2022

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## Achieved record results and record number of deals closed

Continued strong performance due to increase in the large deals that are a strength of the MACP Group

Results even exceeded upward revision to full-year earnings forecasts announced in September 2022

Despite small declining number of consultants, which is an indicator of growth potential, the trend is one of significant improvement, and contract liabilities also increased steadily

### Net sales

**20,706** (million yen)

(+36.6% year-on-year)

### Ordinary income

**9,766** (million yen)

(+48.2% year-on-year)

### Contract liabilities

(previously "advances received")

**861** (million yen)

(+2.9% year-on-year)

\*The change in presentation from "advances received" to "contract liabilities" is due to revision of accounting policies.

### Number of deals

**199** deals

(+15.7% year-on-year)

### Large deals

Record high **48** deals

(+33.3% year-on-year)



### Number of consultants

**162**

(-6 year-on-year)

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# Non-consolidated Financial Highlights for the Fiscal Year Ended September 30, 2022

	 <b>M&amp;A CAPITAL PARTNERS</b> <b>M&amp;A Capital Partners Co., Ltd.</b>		 <b>RECOF</b> <b>RECOF Corporation</b>	
	Result	Year-on-year Change	Result	Year-on-year Change
<b>Net sales</b>	<b>17,810 million yen</b>	<b>+28.7%</b>	<b>2,518 million yen</b>	<b>+133.4%</b>
<b>Ordinary income</b>	<b>9,076 million yen</b>	<b>+31.7%</b>	<b>953 million yen</b>	<b>—</b>
<b>Number of deals</b>	<b>171 deals</b>	<b>+10.3%</b>	<b>28 deals</b>	<b>+64.7%</b>
<b>Large deals</b>	<b>44 deals</b>	<b>+29.4%</b>	<b>4 deals</b>	<b>+100.0%</b>
<b>Number of consultants</b>	<b>124</b>	<b>+1</b>	<b>38</b>	<b>-7</b>

\*Because non-consolidated information is shown, amortization (235 million yen) due to business integration is not included.

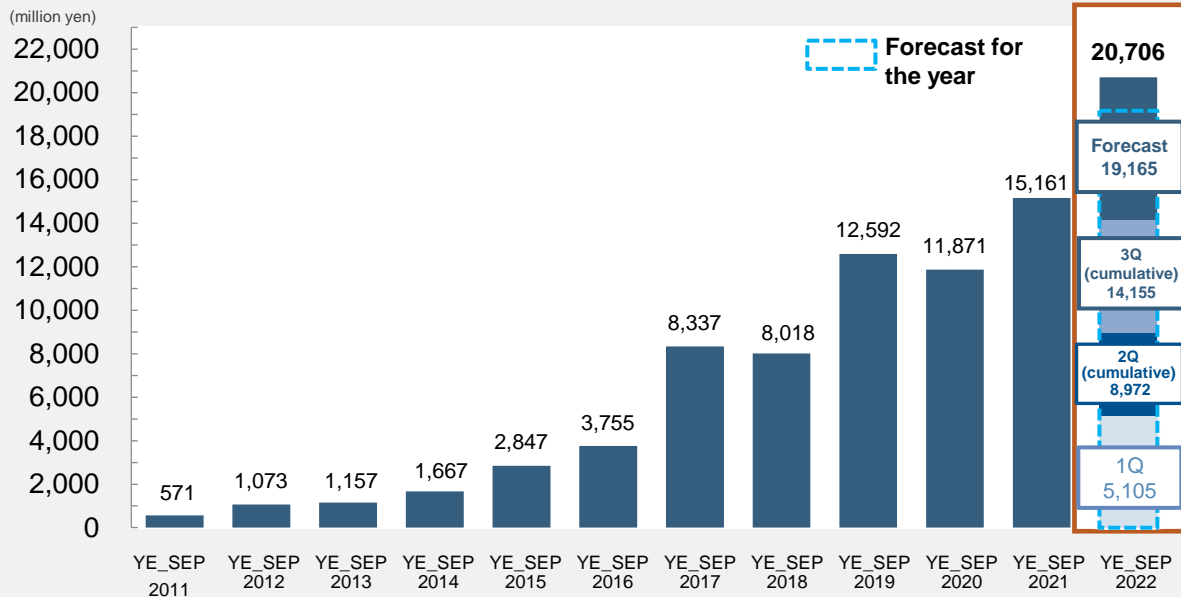
\*We have omitted listing Group companies of relatively low importance.

\*The figures for RECOF Corporation are simple aggregate figures including RECOF Vietnam Co., Ltd.

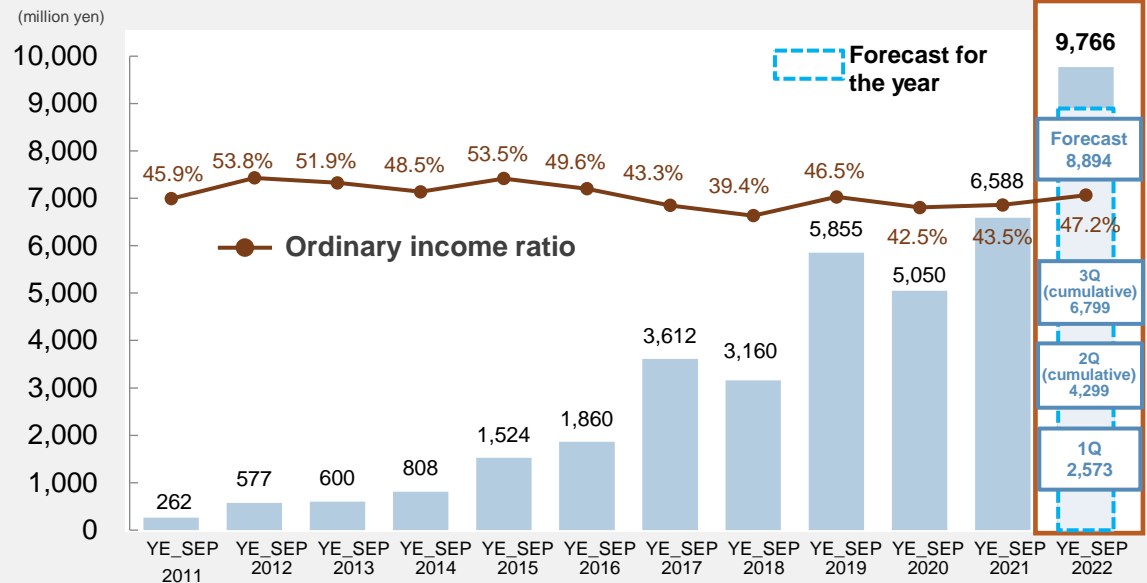
In 9 years since listing (year ended September 2013), sales have increased rapidly by more than 18x.

	Result for the year	Forecast for full year (post-revision)	Progress for full year (post-revision)	Units: Millions of yen
<b>Net sales</b>	20,706	19,165	108.0%	<b>Net sales and ordinary income both further overshoot the revised full-year forecasts</b>
<b>Ordinary income</b>	9,766	8,894	109.8%	

## Net sales



## Ordinary income



Non-consolidated



Consolidated



Non-consolidated



Consolidated



## Achieved record net sales, operating income and ordinary income

(Units: millions of yen, second line is composition ratio)

	FY09/21 (Consolidated)	FY09/22 (Consolidated)		
			Year-on-year Change	Main Factors Causing Change
<b>Net sales</b>	<b>15,161</b> (100%)	<b>20,706</b> (100%)	+36.6%	- Record number of deals closed - Closed 48 large deals
<b>Gross profit</b>	<b>9,770</b> (64.4%)	<b>13,632</b> (65.8%)	+39.5%	- Impact of higher revenue
<b>SG&amp;A</b>	<b>3,198</b> (21.1%)	<b>3,919</b> (18.9%)	+22.6%	
<b>Operating income</b>	<b>6,572</b> (43.3%)	<b>9,713</b> (46.9%)	+47.8%	- Impact of higher revenue
<b>Ordinary income</b>	<b>6,588</b> (43.5%)	<b>9,766</b> (47.2%)	+48.2%	
<b>Net income</b>	<b>4,311</b> (28.4%)	<b>6,794</b> (32.8%)	+57.6%	

## Solid financial condition backed by stable shareholders equity

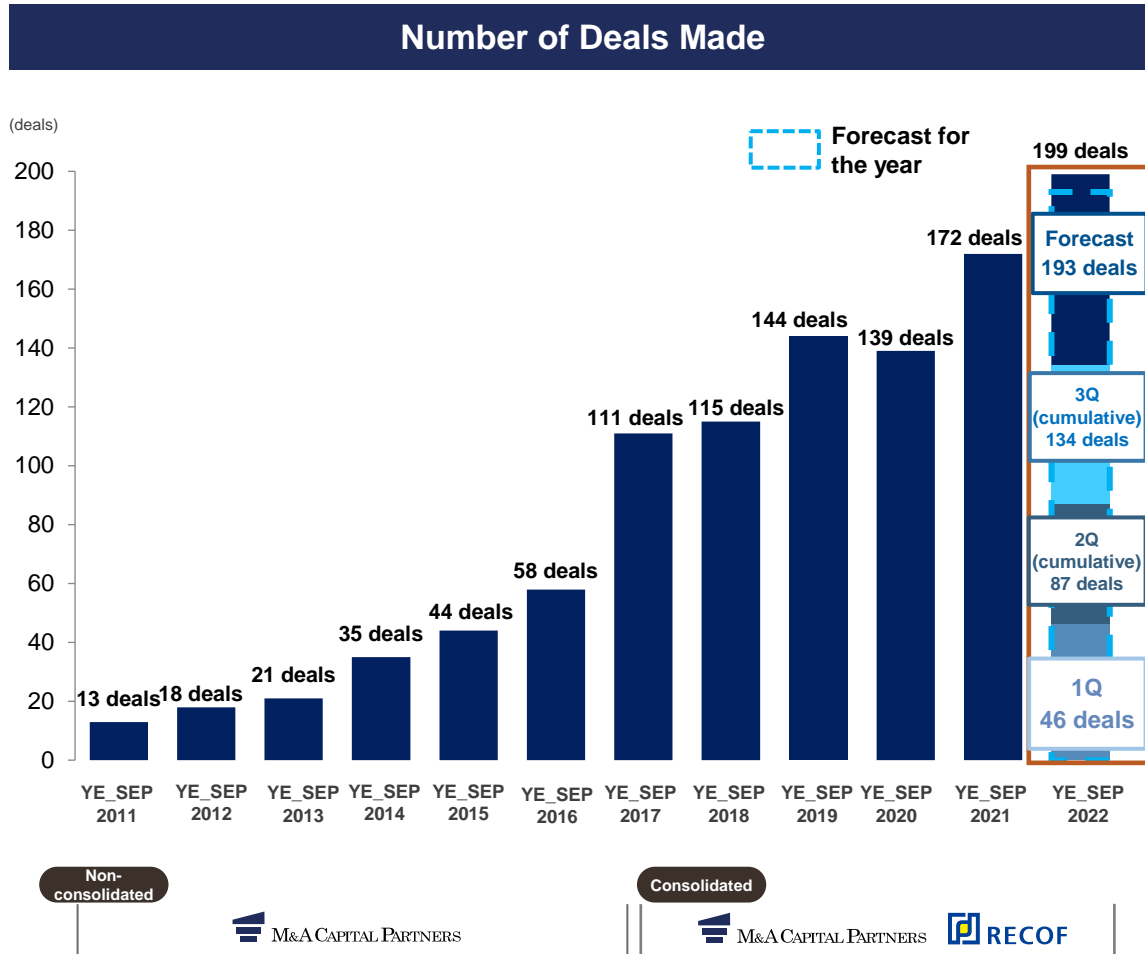
(Units: millions of yen, second line is composition ratio)

	September 30, 2021 (Consolidated)	September 30, 2022 (Consolidated)		
			Change	Main Factors Causing Change
<b>Current assets</b>	<b>27,720</b> (90.0%)	<b>36,717</b> (92.0%)	+8,996	• Cash and deposits +8,406
<b>Noncurrent assets</b>	<b>3,076</b> (10.0%)	<b>3,196</b> (8.0%)	+120	• Deferred tax assets +424 • Goodwill -193 (Amortization of goodwill) • Facilities attached to buildings -70 • Trademark right -33
<b>Total assets</b>	<b>30,796</b> (100.0%)	<b>39,913</b> (100.0%)	+9,117	
<b>Current liabilities</b>	<b>4,690</b> (15.2%)	<b>6,422</b> (16.1%)	+1,731	• Income taxes payable +736 • Accounts payable - other +660 • Accrued consumption taxes +205
<b>Noncurrent liabilities</b>	<b>264</b> (0.9%)	<b>892</b> (2.2%)	+628	• Provision for bonuses +562
<b>Total liabilities</b>	<b>4,954</b> (16.1%)	<b>7,314</b> (18.3%)	+2,360	
<b>Total net assets</b>	<b>25,841</b> (83.9%)	<b>32,598</b> (81.7%)	+6,756	
<b>Total liabilities and net assets</b>	<b>30,796</b> (100.0%)	<b>39,913</b> (100.0%)	+9,117	



The number of deals made exceeded forecasts and reached the highest level on record at 199 (up 15.7% year on year)

Large deals\* were also at the highest level on record at 48 (+33.3% year-on-year)



### Number of deals (consolidated)

Result for the year  
**199 deals**

(Revised) Forecast for the year  
**193 deals**

vs. Forecast for the year  
**103.1%**

### Number of deals (non-consolidated)

M&A Capital Partners Co., Ltd.

44 of the 171 deals closed (+10.3% year on year) were large deals

- Record number of deals closed for the full year
- Large deals also significantly exceeded forecasts of 30 deals for the year, reaching a record high

RECOF Corpotion



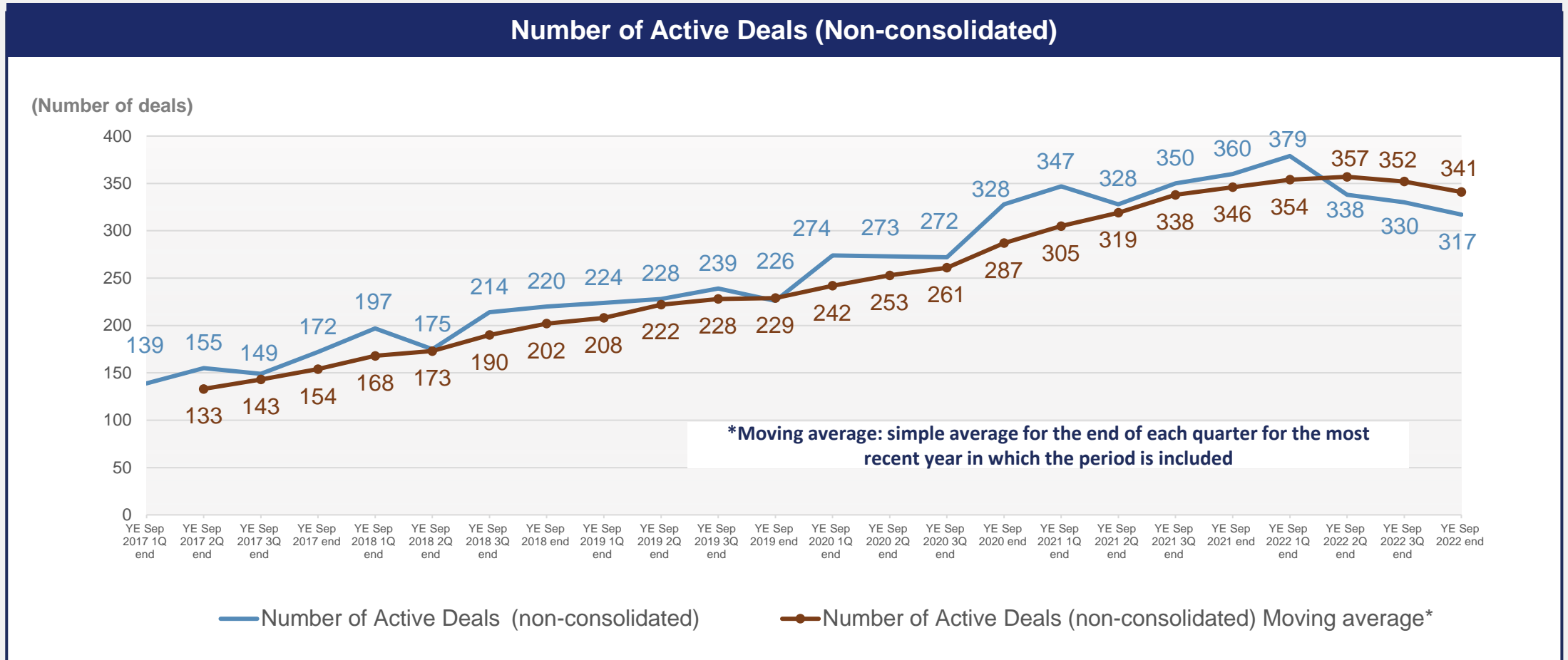
4 of the 28 deals closed (+64.7% year on year) were large deals

- Record number of deals closed for the full year

\* Deals with a commission of 100 million yen or more

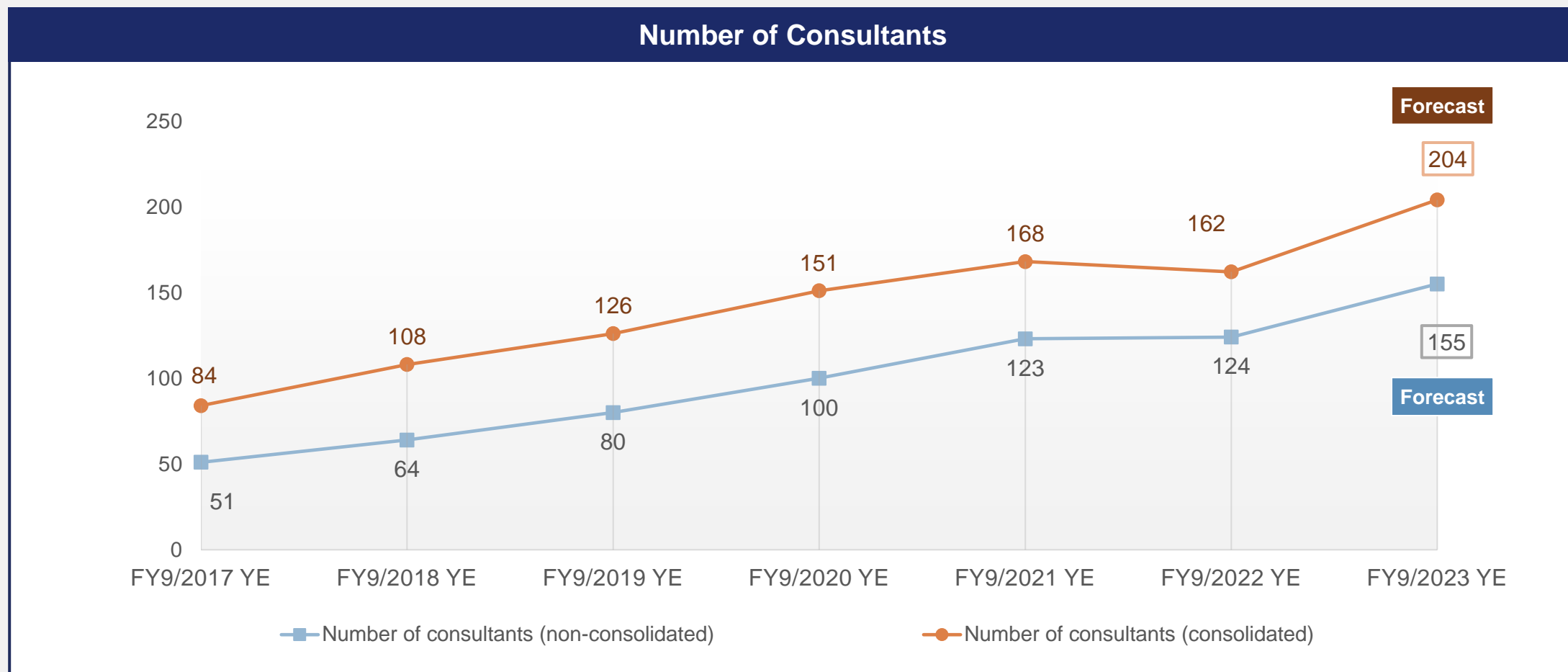
**317 active deals (-11.9% year on year)**

Although there was a slight decrease in normal deals, highly profitable large deals are increasing



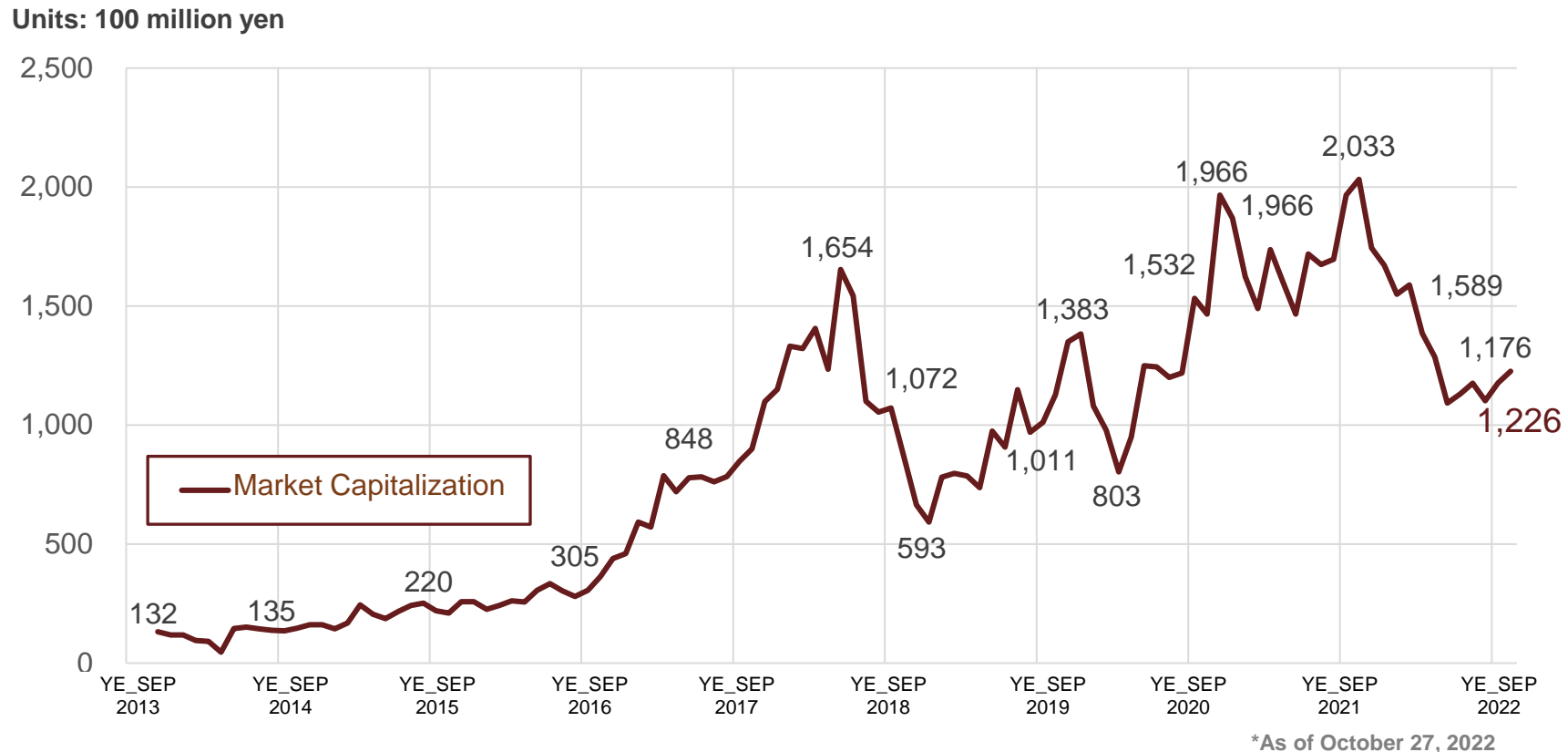
**Despite non-consolidated setting record high, consolidated -6 YoY to 162**

**With recruitment for FY9/23 going well, we forecast 25% increase in personnel for full year (155 non-consolidated), compared to progress of 45.4%**



**Highest rate of growth among M&A intermediary companies listed on TSE Prime**  
Market capitalization has increased about 9 times over the 9 years since listing.

## Market Capitalization



# Consolidated Earnings Forecasts for the Fiscal Year Ending September 30, 2023

## Earnings Forecasts

**Increase in large deals led to continuation of robust performance,  
and recruitment also strong**

Aiming for further growth through active investment in priority initiatives  
(DX, advertising, head office relocation expenses)

Net sales

**22,641** (million yen)

(+9.3% year-on-year)

Ordinary income

**9,003** (million yen)

(-7.8% year-on-year)

Number of deals

**235** deals

(+18.1% year-on-year)



Large deals

**50** deals

(+4.2% year-on-year)



Number of consultants

**204**

(+42 year-on-year)

# Non-consolidated Earnings Forecasts for the Fiscal Year Ending September 30, 2023

## Earnings Forecasts

	 M&A CAPITAL PARTNERS M&A Capital Partners Co., Ltd.		 RECOF RECOF Corporation	
		Year-on-year Change		Year-on-year Change
<b>Net sales</b>	<b>19,476 million yen</b>	<b>+9.4%</b>	<b>2,616 million yen</b>	<b>+3.9%</b>
<b>Ordinary income</b>	<b>8,585 million yen</b>	<b>-5.4%</b>	<b>869 million yen</b>	<b>-8.7%</b>
<b>Number of deals</b>	<b>205 deals</b>	<b>+19.9%</b>	<b>30 deals</b>	<b>+7.1%</b>
<b>Large deals</b>	<b>45 deals</b>	<b>+2.3%</b>	<b>5 deals</b>	<b>+25.0%</b>
<b>Number of consultants</b>	<b>155</b>	<b>+31</b>	<b>49</b>	<b>+11</b>

\*Because non-consolidated information is shown, amortization (235 million yen) due to business integration is not included.

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\*The figures for RECOF Corporation are simple aggregate figures including RECOF Vietnam Co., Ltd.

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## To be the world's leading investment bank

## To be the world's leading investment bank



# M&A CAPITAL PARTNERS



One of the world's leading M&A groups

Flagship group that supports the Japanese economy

Leading M&A group, ranked No.1 in Japan



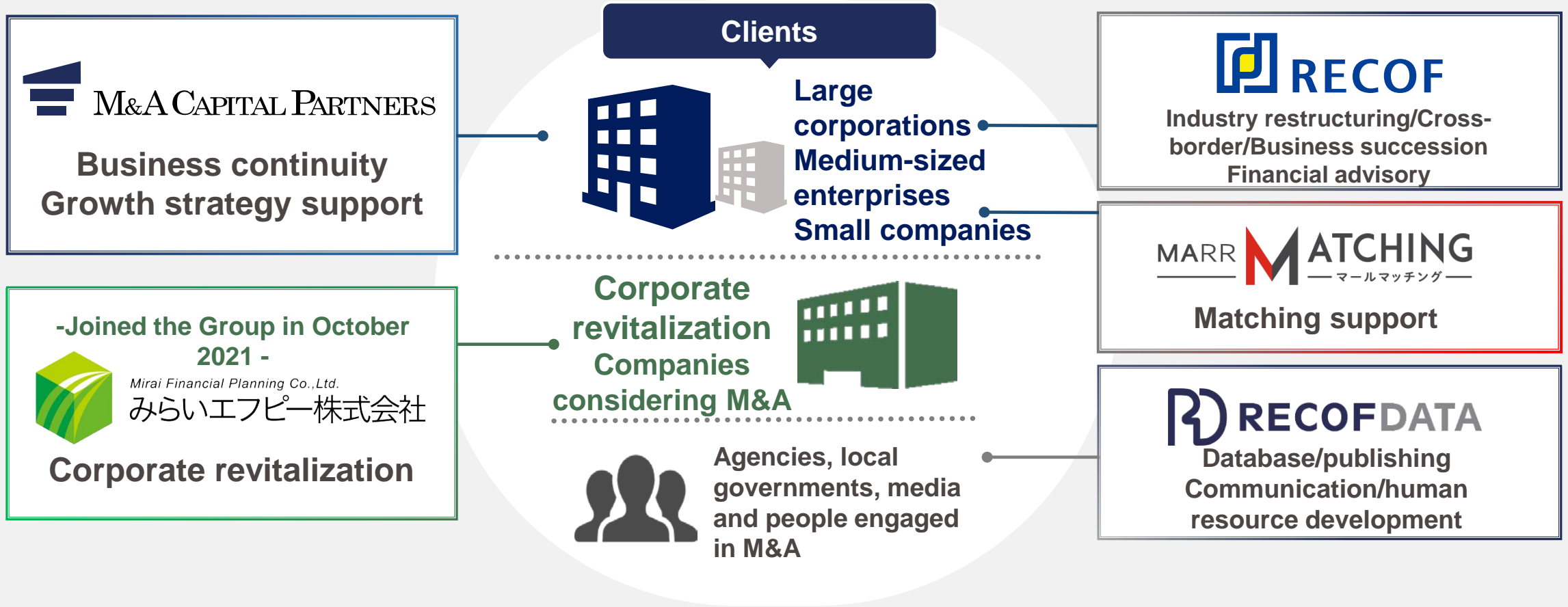
### FY9/23 MACP Group

An important phase in our development, marking a powerful first step towards becoming a leading M&A group, ranked No.1 in Japan

- Concentrating the Group operating base, and leveraging the strengths of each company to create new challenges -



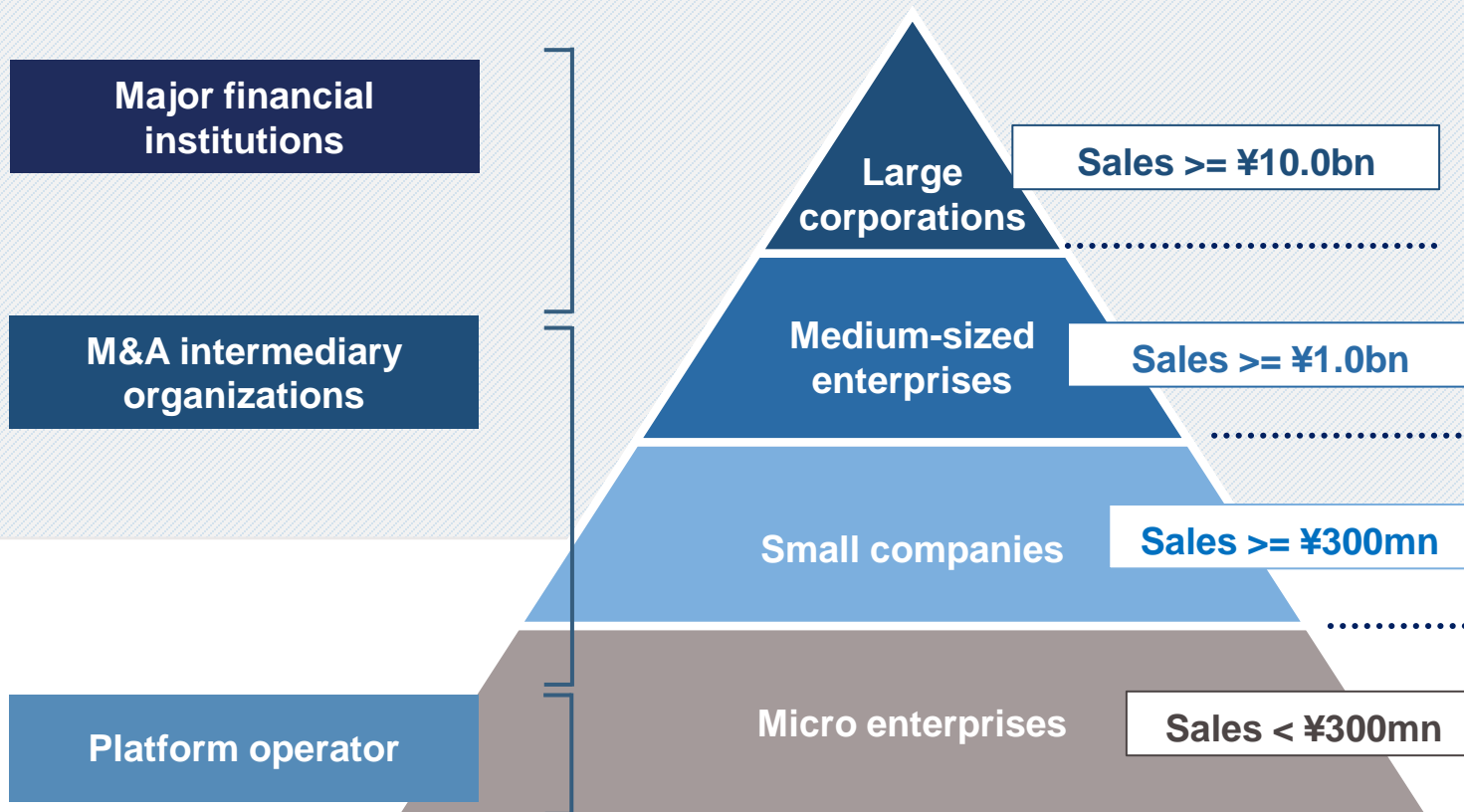
Providing the optimal M&A for every client  
Japan's most professional M&A group



Coverage of all service areas related to a variety of forms of M&A by 5 group companies

## We support every client from small to large corporations with group synergy

### Main organizations capable of operating in each area



### Areas in which M&A Capital excels



M&A intermediation  
Financial advisory (FA)

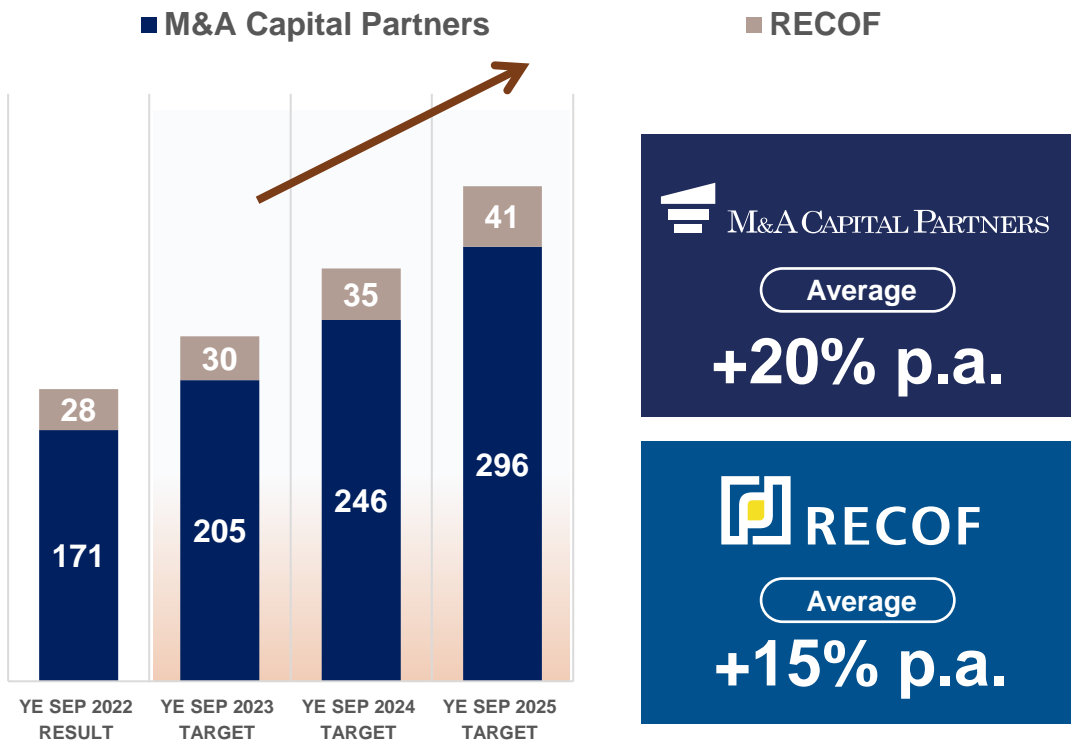


M&A matching support

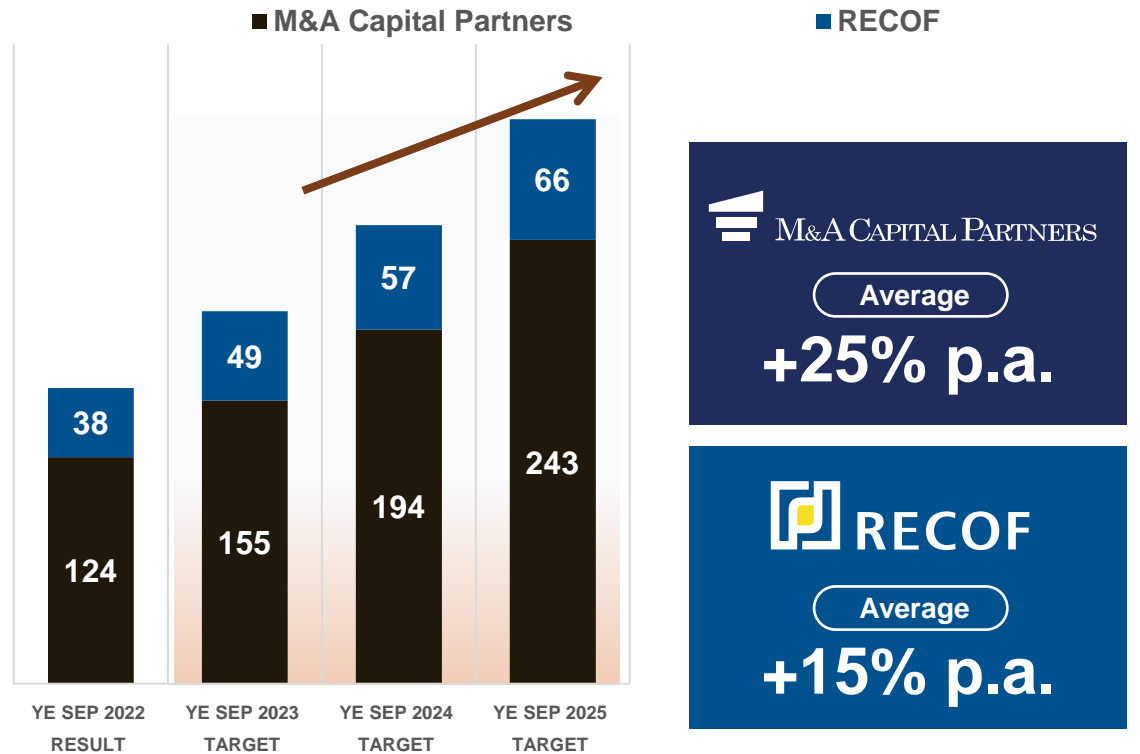
## Three-year plan for the number of deals closed and the number of consultants required to achieve further growth

FY9/2023 - FY9/2025

### Number of Deals



### Number of Consultants





# Solidly reinforcing infrastructure as a first step towards becoming Japan's leading M&A group

Group companies scheduled to relocate head offices, centered on Tokyo Station



March 2023

Gran Tokyo North Tower



December 2022

Gran Tokyo South Tower

March 2023



Tokyo Station environs

## Promoting DX strategy to achieve further growth

Building the most advanced M&A infrastructure in the industry by focusing on three priority items

Alliance partner matching platform  
Current alliance partner financial institutions  
**21 companies**  
as of September 30, 2022

Improve matching ratio



Strengthen information security



Enhance productivity



### Currently bolstering recruitment of IT personnel

AI recommends candidates based on track record of closing deals

Strengthen measures to prevent unauthorized access from outside the company

Accelerate business by searching for potential candidates for M&A

Improve efficiency of approaching activities/management systems

Strengthen internal server security

Improve management efficiency by visualizing sales flow

Approximately ¥110 million\* in DX investment is scheduled for FY9/23 to enable us to provide M&A services to customers with confidence

\*Rather than being restricted to non-current and other assets, this DX investment represents additional disbursements for the 18th term aimed at strengthening IT for greater efficiency and other measures.



M&A Capital Partners was selected as a constituent of the JPX-Nikkei Mid and Small Cap Index for FY2022

### JPX-Nikkei Mid and Small Cap Index



# JPX-NIKKEI 400

**M&A Capital Partners was selected as a new constituent of the JPX-Nikkei Mid and Small Cap Index, which is jointly calculated by JPX Market Innovation & Research, Inc. and Nikkei Inc., for FY2022 (August 31, 2022-August 30, 2023)**

#### ▼What is the JPX-Nikkei Mid and Small Cap Index?

An index established in 2017 that applies the concept of listed companies that are highly attractive to investors, which is the concept underlying the JPX-Nikkei Index 400, to the mid- and small-cap stocks that make up the majority of listed companies, and which is made up of companies whose managements are aware of shareholders and the need for sustainable enhancements in corporate value.

Index constituents are drawn from stocks whose main market is the TSE Prime Market, Standard Market, or Growth Market, with the top 200 being selected on the basis of their scores in quantitative indicators, as well as on qualitative factors.

**Rated as a highly attractive company for institutional investors**

**Activities aimed at raising awareness of “business succession” as a leading company in the M&A intermediary industry**

**Broadcast television program discussing case studies of M&A deals in which M&A Capital Partners were actually involved**



その火丁を消すな!

©テレビ東京

Currently being streamed on “TV TOKYO BIZ” (TV TOKYO Business on Demand)

**TV TOKYO Network**

**THE Business Succession  
“Don’t Turn Out That Light!”**

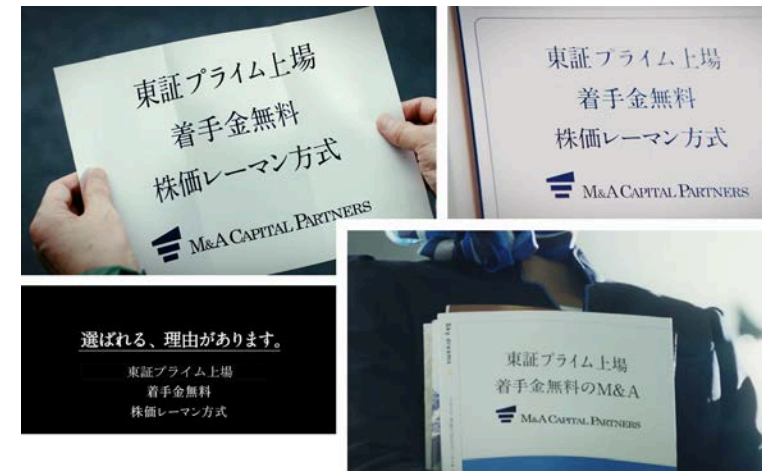
Our role in raising awareness of “M&A” as a leading company in the M&A intermediary industry  
Popular “lion president” commercials have won unparalleled brand awareness

## Television commercial lineup - History of commercial slots since April 2022 -

- TV Asahi Network Hodo Station
- TV TOKYO World Business Satellite (WBS)
- TV TOKYO Cambria Kyuden
- TV TOKYO Network “Naze Soko? Special”
- Fuji Television Network Nichiyo Hodo THE PRIME
- TV TOKYO Morning Satellite
- TV TOKYO Gaia no Yoake
- NTV “Rugby -Japan vs. Uruguay”



“TSE Prime” version, from April 2022 onward (excerpt)





## Interviews with business owners who have actually experienced M&A: “owner’s choices” Web content that depicts the feelings of business owners as they come to a decision about M&A



### Examples of most recent deals

- |  |     |
|--|-----|
| Pharmacy + Transfer of business  | #44 |
| Pharmacy business succession that began with a single phone call                               |     |
| Dental hospital + Transfer of shares   | #43 |
| M&A to secure succession for a dentist with a passion for contributing to community healthcare |     |
| Facilities construction + Transfer of shares   | #42 |
| Using M&A to put in place a business foundation for the next generation                        |     |
| Website advertising + Transfer of shares   | #41 |
| Clarifying a vision for business expansion through developmental M&A                           |     |
| Plant engineering + Transfer of shares   | #40 |
| Reigniting a waning appetite for business through M&A with an industry impact                  |     |

Teaching people about the **realities of M&A** through interviews, packed with different emotions, conducted with those who have completed deals

Held seminars providing information on “Fair M&A”

Strengthen seminars to advocate for “Fair M&A” and drive a sound M&A industry

## Industry + M&A seminar

「地域医療の存続・発展のために」  
**ヘルスケア M&A EXPO 2022**  
 3DAYS オンラインセミナー 参加費 無料

DAY	Date	Theme	Time
1	9.28 [水]	調剤薬局	19:00-20:00
2	9.29 [木]	歯科	19:00-20:00
3	9.30 [金]	介護・福祉   病院・クリニック	14:35-15:40   19:00-20:00

Speakers include: 土屋 淳 (M&A Capital Partners), 松井 聡 (M&A Capital Partners), 円谷 修平 (M&A Capital Partners), 渡辺 研 (M&A Capital Partners), 三浦 仁志 (M&A Capital Partners).

## Geographic region + M&A seminar

「経営者フォーラム2022 in 山陰」  
**経営の革新**  
 参加費 無料 (事前登録制)  
 主催 山陰中央新報社 協賛 M&A CAPITAL PARTNERS

2022年9月13日(四) 会場参加 | 15:00~17:00

Speakers: 田部 長右衛門氏 (M&A Capital Partners), 櫻井 教子氏 (M&A Capital Partners), 桑原 正樹氏 (M&A Capital Partners), 十亀 洋三氏 (M&A Capital Partners).

「経営者フォーラム2022 in FUKUOKA」  
**承継と発展**  
 参加費 無料 (事前登録制)  
 主催 M&A CAPITAL PARTNERS 後援 RKB毎日放送

2022年9月2日(金) 会場参加×録画配信 | 15:00~17:00

Speakers: 川原 武浩 (M&A Capital Partners), 下田 文代 (M&A Capital Partners), 中村 悟 (M&A Capital Partners).

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## - Management Philosophy -

**Aiming to be the world's leading investment bank seeking maximum contributions to clients and the happiness of all employees**

### Action Guidelines

1

We will continually pursue higher knowledge, service levels, teamwork and new fields as one of the world's leading groups of professionals and, above all, will work to achieve the solutions and gains our customers expect with earnestness and passion that far exceeds our competitors.

2

Our employees will achieve personal growth, economic prosperity and happy family lives through work at a broader and higher level.  
We understand that our business results and future depend on the success of our employees.

3

We are not a small-scale boutique but will continually move forward and expand into an investment bank with the world's top brand, human resources and capabilities.  
We will maintain thorough confidentiality and legal compliance to protect our credibility and high profitability to strengthen our capital and attract the top human resources.

<b>Trade Name</b>	<b>M&amp;A Capital Partners Co., Ltd.</b>
<b>Listed Market</b>	<b>Tokyo Stock Exchange Prime Market (Securities Code: 6080)</b>
<b>Head Office Location</b>	<b>38F, Gran Tokyo North Tower, 1-9-1 Marunouchi, Chiyoda-ku, Tokyo</b>
<b>Business Content</b>	<b>M&amp;A-related services</b>
<b>Representative</b>	<b>Satoru Nakamura, President and Representative Director</b>
<b>Established</b>	<b>October 2005</b>
<b>Capital</b>	<b>2.8 billion yen (as of September 30, 2022)</b>
<b>Employees</b>	<b>Consolidated: 229 Non-consolidated: 159 (as of September 30, 2022)</b>
<b>Affiliates</b>	<b>RECOF Corporation, RECOF DATA Corporation, Mirai Financial Planning Co., Ltd. MARR MATCHING Co., Ltd.</b>



October 2005

Company established

- Company founded in Shinjuku-ku, Tokyo, for the purpose of carrying out M&A intermediary business

February 2007

Relocation due to growth of company

- Head office relocated to Kojimachi 3-chome, Chiyoda-ku, Tokyo

November 2013

Listed on Tokyo Stock Exchange Mothers

- Listed on the Tokyo Stock Exchange Mothers market

March 2014

Relocation to current head office

- Head office relocated to Marunouchi 1-chome, Chiyoda-ku, Tokyo

December 2014

Listed on Tokyo Stock Exchange First Section

- Listing changed to Tokyo Stock Exchange First Section (now the Prime Market)

October 2016

M&A for business growth

- Business integration with RECOF Corporation and RECOF DATA Corporation
- Business integration with Mirai Financial Planning Co., Ltd.

October 2021

Industry Association set up

- Founding member of the M&A Intermediaries Association

April 2022 Transition to Prime Market

December 2022 Relocation of head office

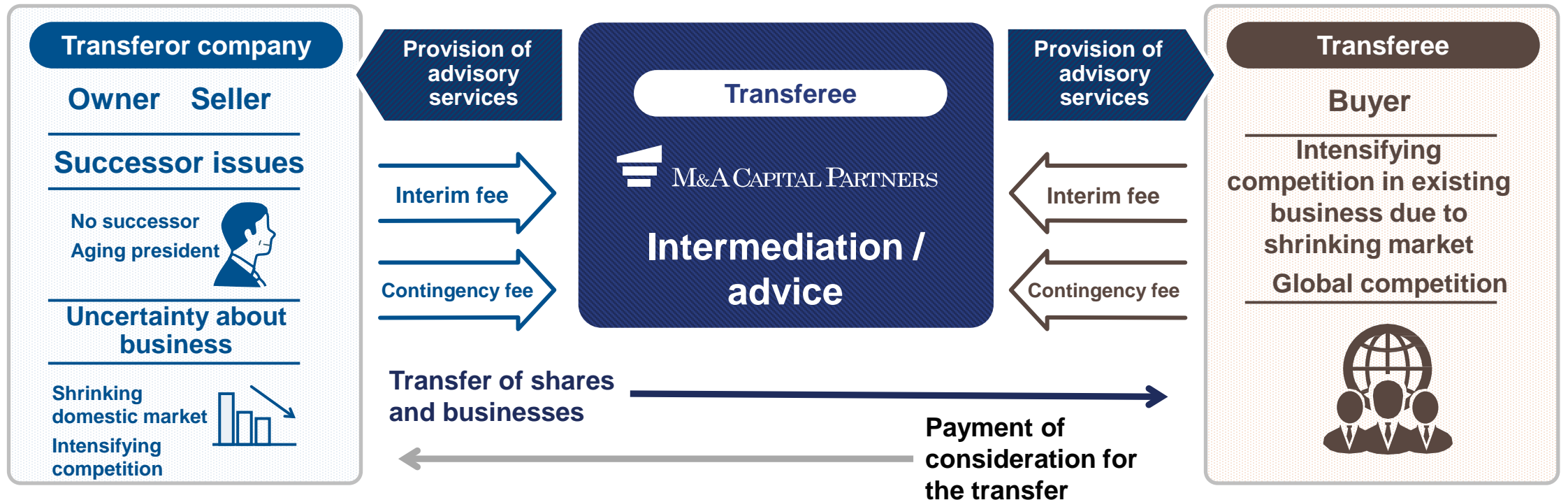


## Business Content M&A-related services

We provide advisory services for the realization of M&A standing between the transferor (seller) and the transferee (buyer) from an independent and impartial position.

## Characteristics

We propose M&A-focused solutions and support them to implementation for company owners who have concerns about finding a successor for the business.



Established the No.1 brand in Japan among M&A intermediary companies  
against a backdrop of unparalleled awareness

M&Aキャピタルパートナーズは、  
M&A仲介業界  
主要5部門で

No.1※

認知度

*First place*

支払手数料率の  
低さ

*First place*

取扱案件の  
平均譲渡価格

*First place*

法令遵守  
イメージ

*First place*

コンサルタント1人あたり  
売上高・経常利益

*First place*

- Research conducted by TOKYO SHOKO RESEARCH, LTD.  
Survey overview: As of March 31, 2022  
Competitive survey for specified area of listed and major unlisted M&A intermediary companies, and others
- \* The above is referenced from M&A capital website



## Pharmacy

Pharmacy

## Construction/ engineering works

Air-conditioning facility construction  
 Water supply/drainage facility construction  
 Electrical facilities construction  
 Telecommunications construction  
 General contractor construction  
 Public works  
 Reinforcing steel construction  
 Building metal construction  
 Residential construction  
 Interior work  
 Construction-related surveys  
 Building structural design  
 Building structural diagnostics  
 Painting  
 Temporary material rental

## Wholesaling

Building materials wholesaling  
 Wooden building materials wholesaling  
 Processed lumber products wholesaling  
 Chemicals wholesaling  
 Fuel wholesaling  
 Cosmetics wholesaling  
 Lifestyle products wholesaling  
 Machinery and appliances wholesaling  
 Electronic materials wholesaling  
 Dental materials/pharmaceuticals wholesaling  
 Solar power wholesaling  
 Textiles/clothing wholesaling  
 Miscellaneous goods wholesaling  
 Food ingredient wholesaling  
 Food import wholesaling  
 Fishery product wholesaling  
 Agricultural and livestock wholesaling  
 Wholesaling of confectionery  
 Second-hand machinery wholesaling

## Manufacturing industry

Metal products manufacture/processing  
 Chemical industry  
 Industrial machinery manufacture  
 Tool manufacture  
 Precision parts manufacture  
 Electrical machinery/appliance manufacture  
 Steel fabrication  
 Rolled-copper product processing  
 Electronic components manufacture/processing  
 Transportation machinery/appliance manufacture  
 Automotive parts manufacture  
 Air-conditioning equipment  
 Energy-saving machinery design/manufacture  
 Cleaning/drying equipment manufacture  
 Machinery repair  
 Concrete products manufacture  
 Medical appliance manufacture  
 Supplement planning/manufacture  
 Women's clothing manufacture  
 Daily goods planning/manufacture  
 Textile product manufacture  
 Fishery product processing  
 Confectionery manufacture  
 Food manufacture/processing  
 Pharmaceutical manufacture  
 Beauty products manufacture

## IT/ information services

Data mining  
 Information services  
 Outsourced software development  
 System development  
 Consulting  
 Research/analysis

## Distribution

General freight transportation  
 Newspaper delivery  
 Distribution processing  
 Truck rental  
 Warehousing  
 Transportation of passengers

## Eating out

Eating out  
 Home-delivered meals

## Real estate

Real estate brokerage  
 Multi-unit apartment maintenance  
 Investment real estate development  
 Building maintenance  
 Lease management

## Nursing care/healthcare/welfare

Nursing care business  
 Clinical study support  
 Medical corporations  
 Dental clinic  
 Daycare  
 Veterinary hospital

## Retail and distribution

Supermarkets  
 Discount stores  
 Mail order  
 Apparel  
 Supplements  
 Health food products  
 OA equipment  
 Interiors  
 Daily goods  
 Outdoor  
 Vehicle sales/servicing  
 Gas and fuel sales

## Advertising/printing/media

Printing  
 Advertising agency  
 Paper bag manufacture  
 Event planning/preparation  
 Design  
 Video creation  
 Package software development  
 Game development

## Other

Lease/rental  
 Temporary staffing  
 Temporary engineer staffing  
 BPO  
 Medical preparatory school  
 Preparatory school  
 Fitness  
 Hot spring resorts  
 Hotels  
 Operation of amusement facilities  
 Facilities security  
 Insurance/Insurance agency  
 Buying/selling of tickets  
 Sales promotion  
 Trading company  
 Waste processing  
 Funerals  
 Translation

**M&A coverage spanning a wide range of industries and businesses**

<b>1</b>	<b>Results</b>	<b>P3</b>
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<b>7</b>	<b>Business Environment</b>	<b>P65</b>

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## M&A CAPITAL PARTNERS CORPORATE IDENTITY

Aiming to be the world's leading investment bank seeking **maximum contributions to clients** and the happiness of all employees

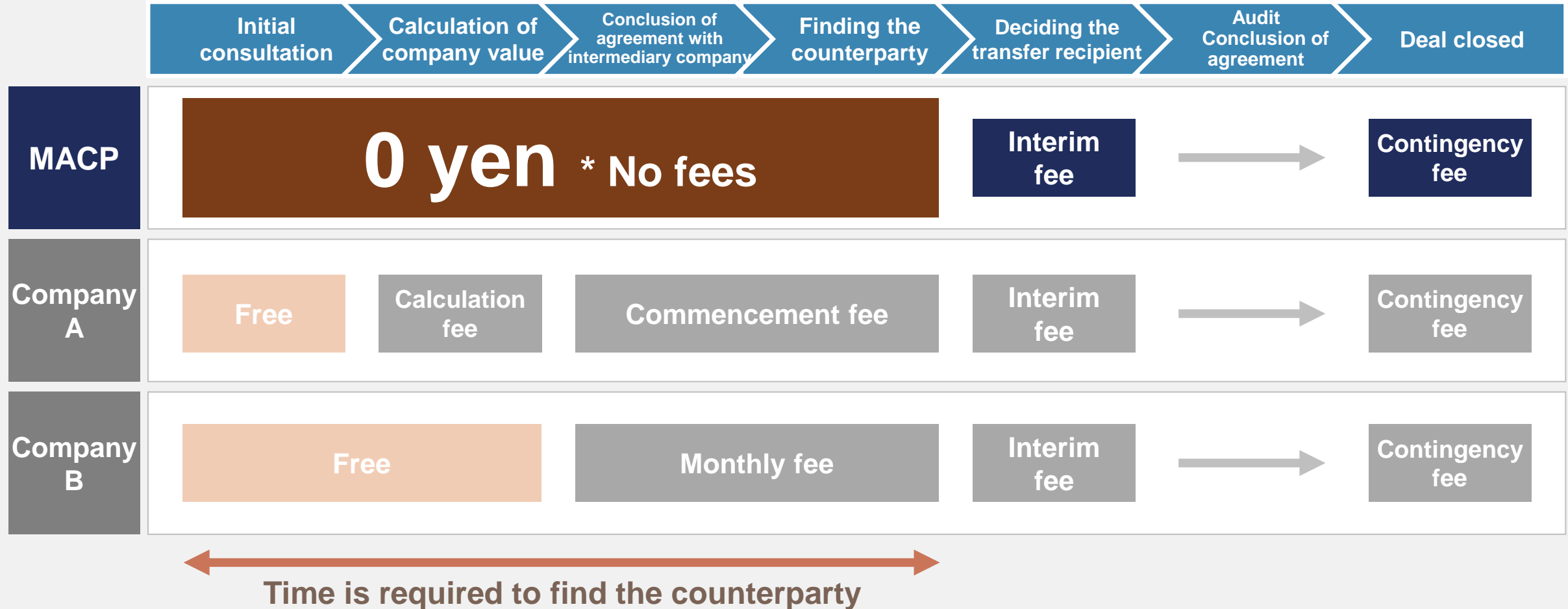
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What has never changed since the founding of the company is our approach of always prioritizing the needs of the customer.

Even within that management philosophy, we uphold “maximum contributions to clients” as the most important concept

Below we discuss the characteristics and strengths of our team, which prioritizes the needs of the customer.

Since the founding of the company we have maintained a clear “no commencement fee” structure, which has become the de facto standard in the M&A intermediary industry, and which gives customers peace of mind when consulting with M&A Capital Partners



# Compensation Calculated Using the “Lehman Formula Based on Share Value”

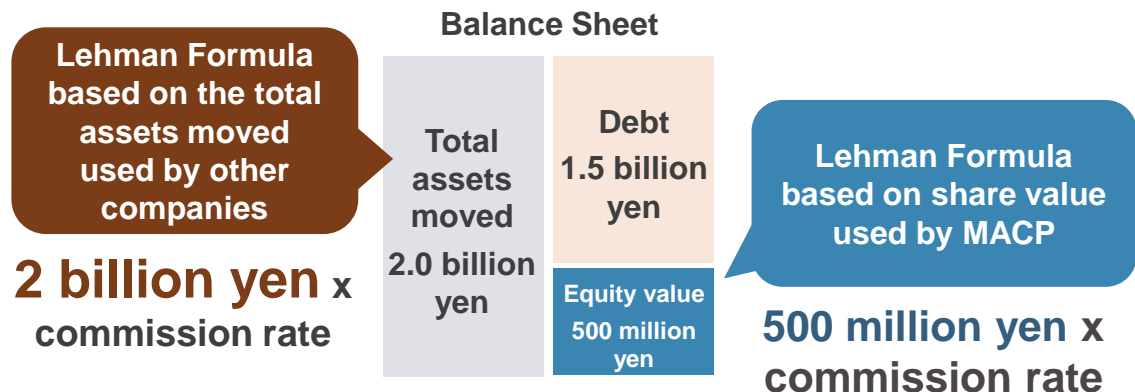
Since the founding of the company we have used the Lehman Formula based on share value as the method for calculating fees, an approach that convinces customers and leads to dramatically lower fees

## What is the Lehman Formula?

- ✓ A general calculation formula used for M&A intermediary contingency fees. Calculating fees according to a fixed commission rate against the value of the transaction
- ✓ Typical examples are the “Lehman formula based on the total assets moved” multiplying the total assets moved by a commission rate and the “Lehman Formula based on share value\*” multiplying the share value by a commission rate

\* It is a calculation formula created by referring to the fee structure used by the U.S. investment bank Lehman Brothers. The M&A team of the former Yamaichi Securities led by RECOF Corporation founder Masaaki Yoshida first adopted it in the Japanese market in 1974, and it has been widely used by RECOF Corporation to calculate contingency fees in the M&A industry since then. It is also referred to as the “Lehman Scale.”

### MACP using the Lehman Formula based on share value

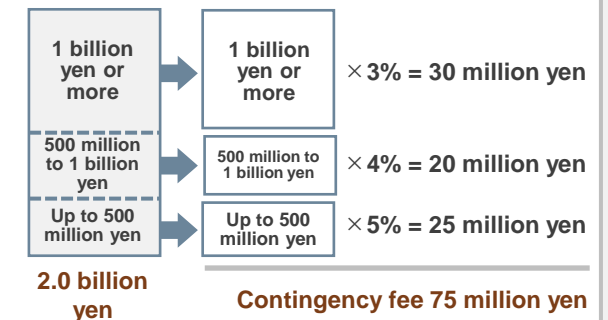


### Examples of Lehman Formula rates

Transaction value, etc.	Commission rate
Over 10 billion yen	1%
5 billion yen up to 10 billion yen	2%
1 billion yen up to 5 billion yen	3%
500 million yen up to 1 billion yen	4%
Up to 500 million yen	5%

### Calculation using the Lehman Formula

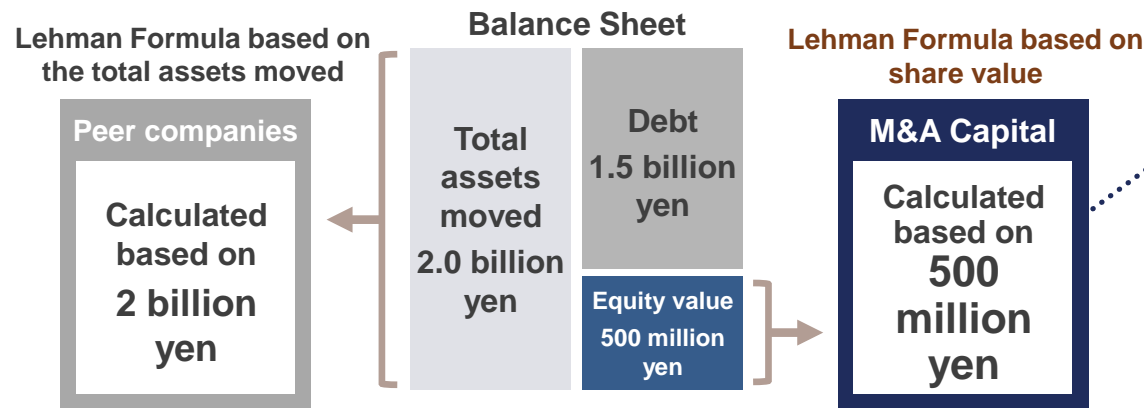
If the transaction value of 2 billion yen is estimated using the Lehman Formula based on the total assets moved





Since the founding of the company we have prioritized the needs of the customer, and charged the lowest intermediary commission rates in the M&A intermediary industry

**How it differs from other fixed-fee systems (difference between usual Lehman Formula based on total assets moved and Lehman Formula based on shared value)**



Use of the Lehman Formula based on share value results in dramatically lower costs for the customer

Intermediary commission rate  
Results in rate of **2.7%\***



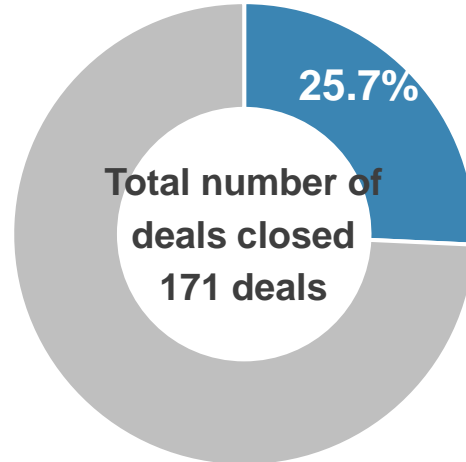
\* Cumulative up to September 30, 2022

\* Intermediary commission rate

Effective intermediary commission rate per client calculated by multiplying the total commission value ratio for the share transfer value by 0.5.

## Achieving an extraordinary average value of share transfer in the M&A intermediary industry by working on many difficult large deals

### Handling difficult large deals



Up by 10 deals year on year

**44 large M&A deals**



**1 in 4 deals are large deals with a commission of 100 million yen or more**

Average value of share transfer: **Approx. 1.5 billion yen**

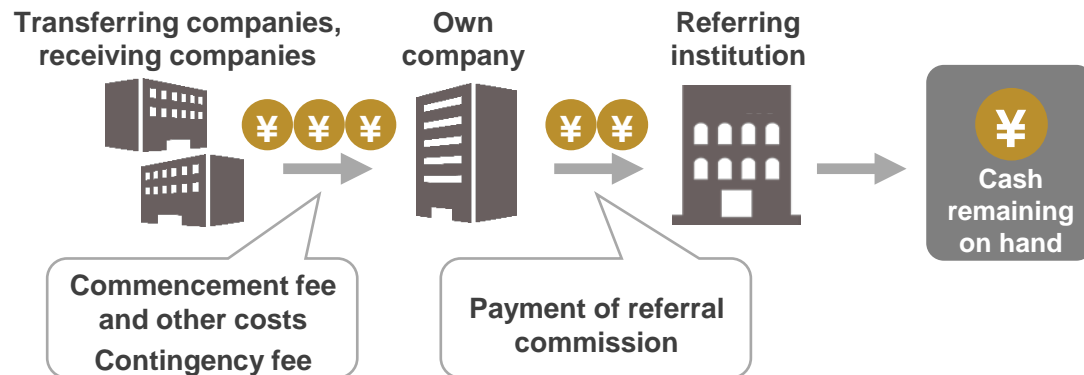
\* Non-consolidated for the year ended September 30, 2022

A “true M&A intermediary” that does not rely on just referrals

A unique business model in the industry made possible by overwhelming ability to make direct proposals

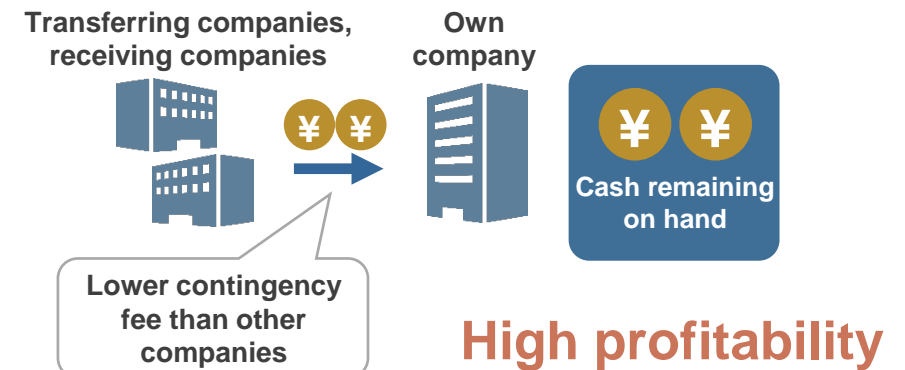
### [Other companies] Business model based on “referrals”

Serves as an intermediary for companies considering M&A who are referred by accounting firms and financial institutions



### [MACP] Business model based on “ability to make direct proposals”

Ability to make direct proposals by conducting sales directed at transferring companies requiring M&A without relying on referrals



Ratio of deals derived from a referring institution was 9.9% in FY9/22, the lowest among the industry’s major players  
Realized high profitability



## M&A CAPITAL PARTNERS CORPORATE IDENTITY

**Aiming to be the world's leading investment bank seeking maximum contributions to clients and the happiness of all employees**

As well as being the driver of corporate growth, human resources are also the source of our unique brand.

Since the founding of the company, the management philosophy has placed great importance on the “happiness of all employees.”

The development of Japan's leading M&A consultants, who combine passion with the absolute sincerity that leads to the maximization of contribution to clients, is the source that will drive our transformation into the world's leading investment bank.

Average wages have been the highest in the industry for eight consecutive years, since the listing of the Company. A structure offering the highest level of compensation in Japan has enabled us to assemble the country's leading human resources.

## ■ FY2021 (April-March) Top 5 Ranking

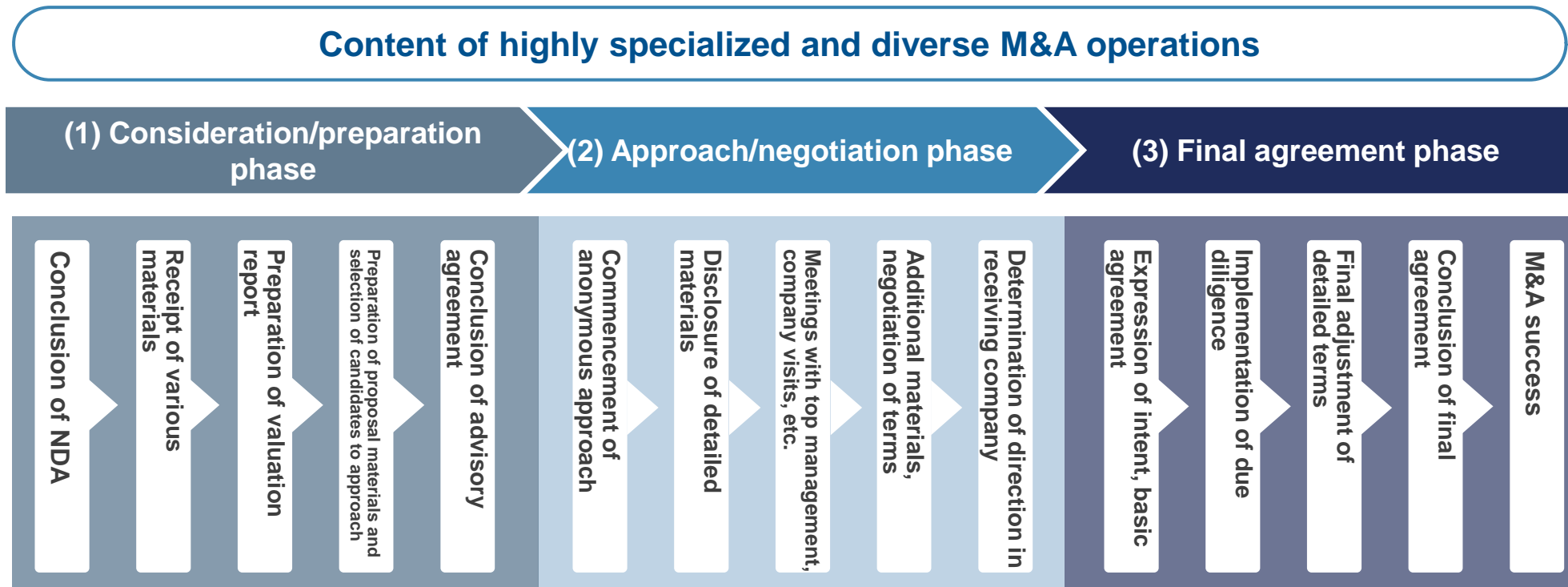
Rank	Company name	Average annual income (10,000 yen)	Average age (years)
1	<b>M&amp;A Capital Partners Co., Ltd.</b>	2,688.4	31.4
2	Company A	2,182.7	35.8
3	Company B	1,803.2	39.4
4	Company C	1,694.4	42.7
5	Company D	1,579.7	42

Source: TOKYO SHOKO RESEARCH, LTD., "FY2021 Average Annual Wage Survey" (August 9, 2022)

**High-level M&A provided by Japan's leading M&A consultants**

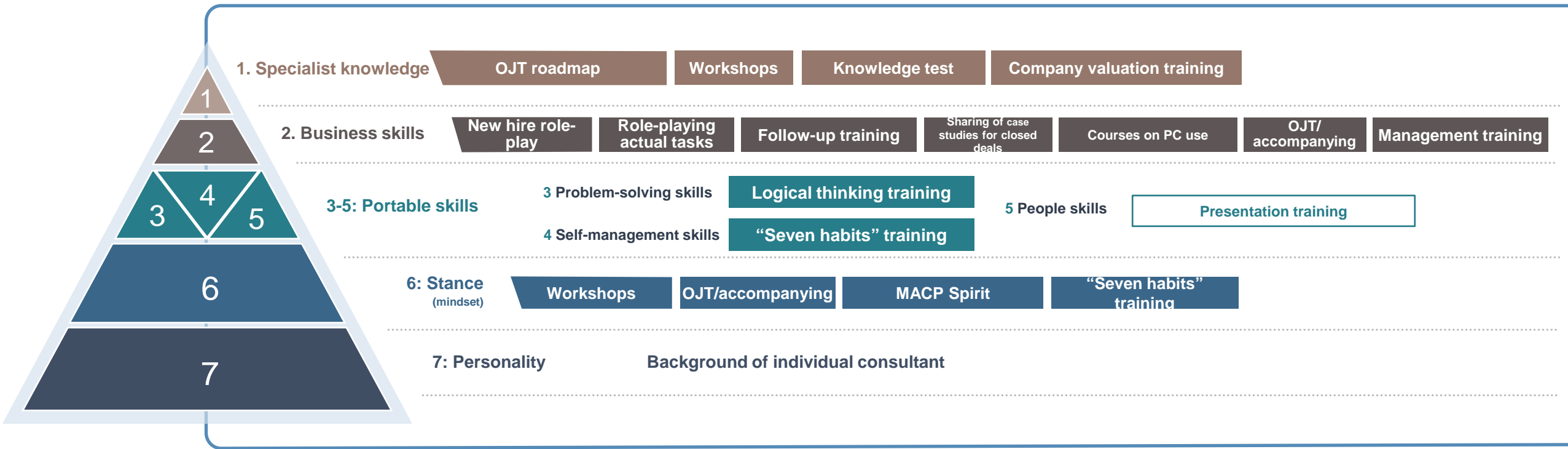
## Highly specialized and diverse M&A operations

Importance of a sense of responsibility and mission to support growth of the Japanese economy



The most important skills required of an M&A consultant include not only a wide range of specialized knowledge on M&A but the absolute sincerity and passion required to make proposals that match the customer's feelings

## We have created a training program for further developing the best talent in Japan into the best talent in the world



Through intensive development after joining the company, consultants obtain the best skills in Japan  
Individual growth leads to growth of the organization as a whole

**Individual growth is a source of growth of the organization as a whole  
Corporate culture that has emphasized teamwork, rooted in the management philosophy,  
since the founding of the company**

**Point  
1**

**We value not only individual performance, but human qualities expressed as leadership and the creation of an atmosphere that enables participation by everybody**

### **360° Evaluation**

**Since it was founded the Company has used 360° evaluations given by all employees including managers, subordinates, and co-workers**

**Point  
2**

**A culture of sharing the joy with for all employees**

**Sharing the joy of closing by high fives all round for the consultant that closes a deal with the customer**

**Point  
3**

**Openness that leads to mutual support for all employees**

**Openness in the form of sharing of various pieces of information, including weekly case studies and workshops**

**Based on the management philosophy of “maximum contributions to clients,” we foster a positive atmosphere in which all employees work together**

Unparalleled productivity per person in the M&A intermediary industry,  
proving that we have the best consultants in Japan

Net sales per consultant

**144.79**  
**million yen**  
(+6.8% year-on-year)

Ordinary income per consultant

**73.79**  
**million yen**  
(+9.3% year-on-year)

\* Non-consolidated fiscal year ended September 30, 2022 (number of consultants is based on the start of the fiscal year)



# DNA Passed On from the Founders of M&A in Japan MACP Group Principles for Consultants to Abide by



**Wholeheartedly responding to customers' resolutions.**

M&A Capital Partners' passion for customers since the company was founded  
Satoru Nakamura



**M&A with heart**

Passion for customers that has continued since the company was founded in 1987  
RECOF founder Masaaki Yoshida

Philosophy and visual symbol of RECOF since it was founded in 1987



**We hope every M&A deal we have been involved in to be the best**

**M&A for our clients.**



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M&A CAPITAL PARTNERS CORPORATE IDENTITY

Aiming to be the **world's leading investment bank**  
seeking maximum contributions to clients and the  
**happiness of all employees**

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Our contribution to the sustainability of the Japanese economy since the Company was founded is over 1.6551 trillion yen

In FY9/22, our contribution was 446.2 billion yen and 24,002 jobs in terms of sustainability of the Japanese economy and of jobs, respectively

Contribution to sustainability of Japanese economy since the Company was founded

More than  
**¥1.6551 trillion**

(Cumulative sales of transferred companies)

FY9/22

Contribution to sustainability of the Japanese economy

**¥446.2 billion**

(Cumulative sales of transferred companies)

FY9/22

Contribution to sustainability of jobs

**24,002**

(Cumulative number of employees of transferred companies)

\* Estimates based on internal research (as of September 30, 2022)

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**Drive “fair M&A” to realize a sound  
future for the Japanese economy**

Social significance (purpose)

Drive “fair M&A” to realize a sound future for the Japanese economy

Ever since the founding of the Company, our concept of “Fair M&A” has been that of a “**client-first M&A**” that prioritizes the interests of the customer.

Our role is to guide clients to the best option through high-quality M&A that addresses the issues and dreams that customers wish to resolve or achieve, such as business succession or corporate expansion, and that takes a serious approach to the new lives of business owners and employees both in the transferor company and the receiving company.

In addition, by engaging as a leading company in M&A that provides a model for the M&A intermediary industry, we hope to contribute to a sound future for the Japanese economy.

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Through this “Fair M&A,” we will contribute to sustainability and fulfill our social responsibilities.

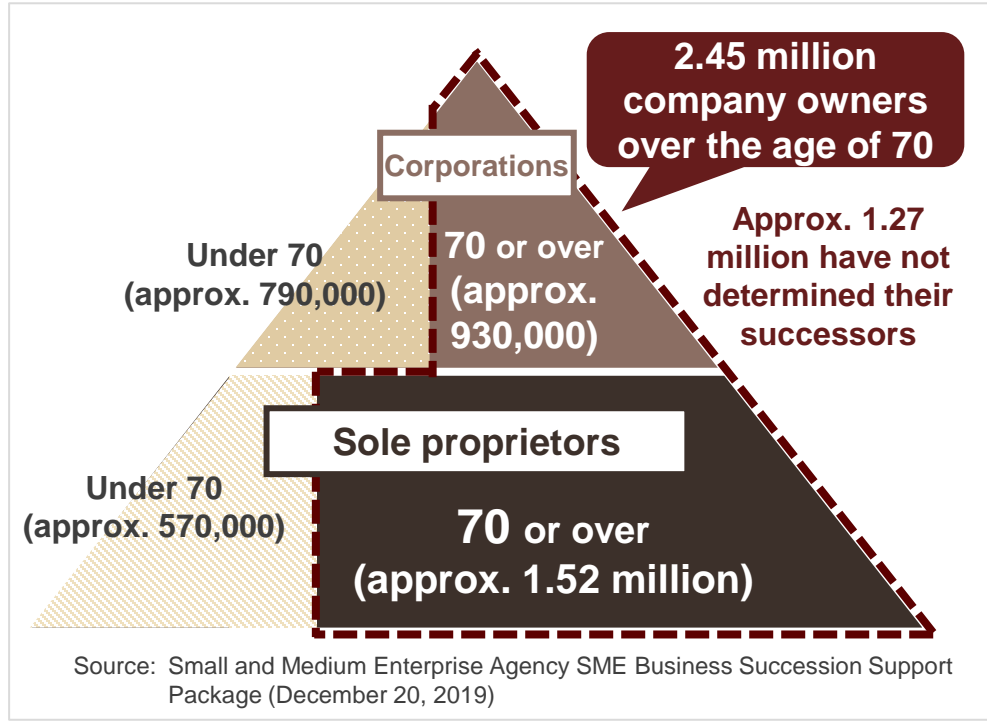


## Save as many SMEs as possible from closure, and contribute to growth of the Japanese economy through M&A

### A social issue in the headlines

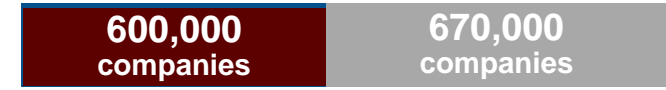
Source: The Nikkei, October 6, 2017

### Absence of approximately 1.27 million successors



### Approx. 60,000 companies require support each year

Approx. 1.27 million have not determined their successors



Companies at risk of black-ink bankruptcy in the decade until 2025

**Approx. 60,000 business operators require M&A support each year**

Source: Small and Medium Enterprise Agency (December 20, 2019)

Owners of SMEs need an environment in which they can utilize M&A with confidence

Toward the creation of a sound M&A intermediary industry to save approximately 60,000 business operators per year from “black-ink bankruptcy”

## Number of suspensions, closures and dissolutions

Approximately **60,000** business operators choose to **closure or bankruptcy** every year



Source: Survey of Trends in “Suspensions, Closures and Dissolutions” of Companies Nationwide (2021) (Teikoku Databank)

## Number of bankruptcies related to COVID-19



**4,357** businesses went bankrupt due to COVID-19

Source: Survey of Trends in “Bankruptcies Related to COVID-19” (October 26, 2022) (Teikoku Databank) (Teikoku Databank)

Owners of SMEs need an environment in which they can utilize M&A with confidence



## Increase in SMEs choosing to close business Further accelerated by uncertainty caused by COVID-19

Trend of suspensions, closures and dissolutions of SMEs			
	Incidents per year (deals)	Total net sales (100 million yen)	Employees (people)
2017	59,702	25,890	87,922
2018	58,519	24,641	81,548
2019	59,225	25,934	88,810
2020	56,103	25,499	87,366
2021	54,709	22,325	78,411

Source: Survey of Trends in "Suspensions, Closures and Dissolutions" of Companies Nationwide (2021) (Teikoku Databank)

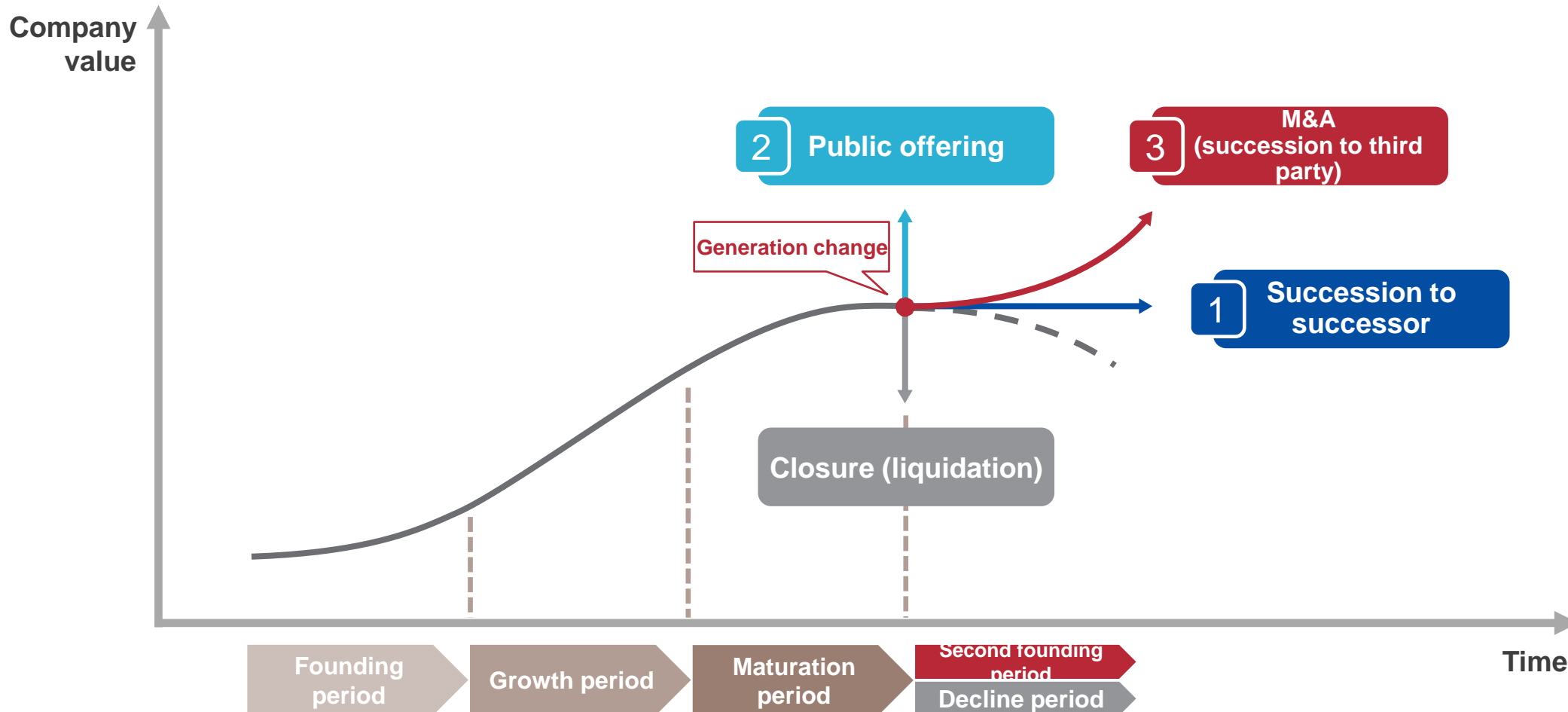
**Economic loss caused by suspensions and closures in 2021**

**Loss in net sales**  
**2.2325 trillion yen**

**Jobs lost**  
**78,411**

**Closures have an extremely large impact on regional economies and the Japanese economy, such as the loss of employees' jobs and the impact on business partners**

## Company owners are faced with three options when determining business succession



## M&A maintains employees' jobs and relationships with business partners

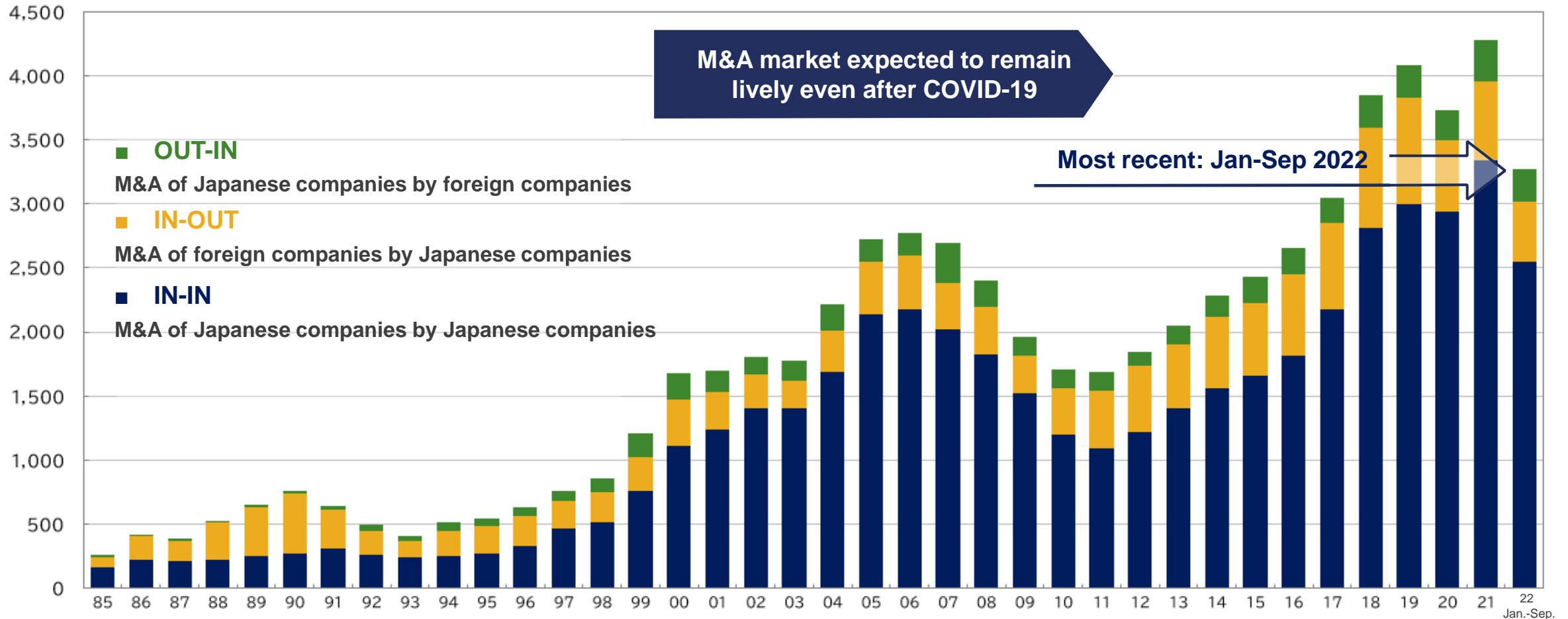
The personal suretyship is also lifted, making it the optimal means of maximizing founder's profit

Option		● Advantages	▲ Disadvantages
<b>1</b>	<b>Closure (liquidation)</b>	Securing profit for founder (less than other options)	Termination of business (inconveniencing business partners) Dismissal of all employees Risk of being unable to repay debt during closure
<b>2</b>	<b>Succession to successor</b>		
	<b>Relatives</b>	Continue status as owner's family	Absence of successor Time required for share transfer Takes on risks including personal suretyship Need to consider suitability of successor
	<b>Officers and employees</b>	Passed on to officers and employee who understand the business	Lack of funds to purchase shares Risk of being unable to remove president's personal suretyship
<b>3</b>	<b>Public offering</b>	Separation of management and capital Improvement of recruiting and funding capabilities	Stricter listing criteria Requires years of time Does not lead to succession of capital (shares cannot be converted into cash)
<b>4</b>	<b>M&amp;A (succession to third party)</b>	Company: Growth with stronger operating base Owner: Securing profit for the founder, removal of personal suretyship Employees: Stability of employment	Time may be required for consideration

In Jan-Sep 2022, M&A deals involving Japanese companies reached 3,272, a record high for the period

By market, both IN-IN and OUT-IN achieved new records

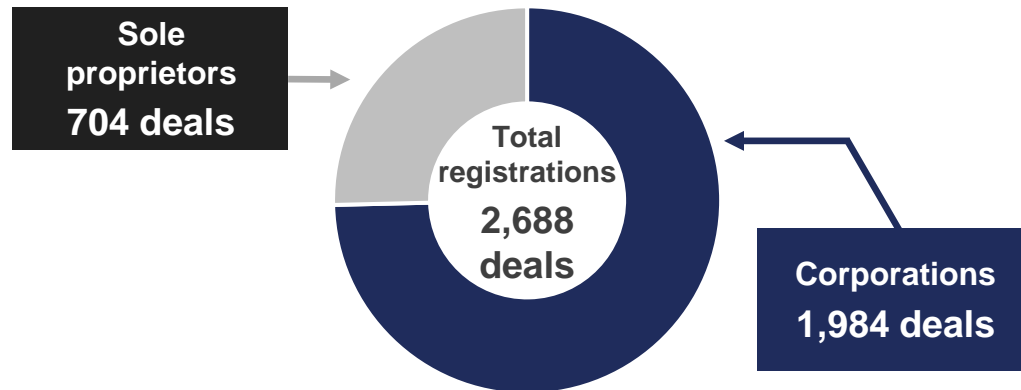
Source: RCOF M&A Database



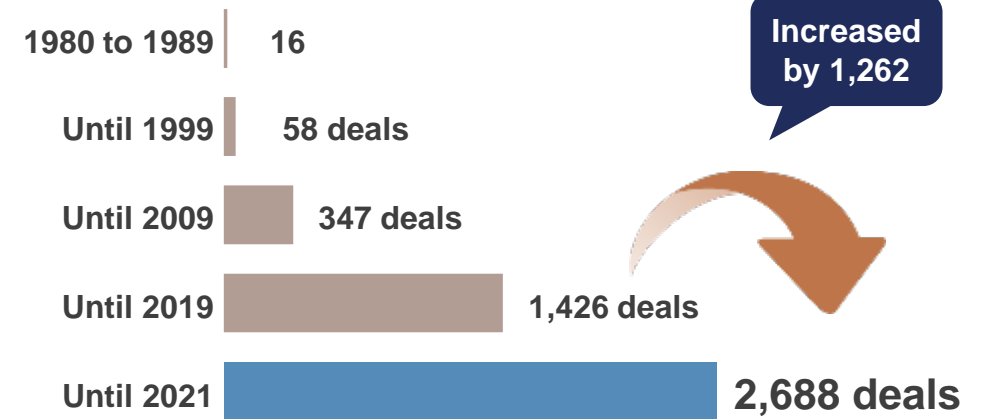
The number of M&A advisory firms has increased sharply in recent years  
 M&A advisory firms established since 2020 account for approximately half the total

## Number of M&A advisory firms registered with the Small and Medium Enterprise Agency

Number of M&A advisory firms registered with the “Small and Medium Enterprise Agency’s “Registration System for M&A Advisory Firms”



## Cumulative total registrations by decade of establishment



**1,262 just for those established since 2020**

Source: Small and Medium Enterprise Agency “Announcement of Registered Financial Advisors and Brokers for the M&A Support Institution Registration System (solicitations for 2022)” (as of October 25, 2022)

We have begun working with the Small and Medium Enterprise Agency to provide managers of SMEs with understanding of M&A and enable M&A advisory firms to conduct appropriate M&A in order to resolve the business succession problem

## SME M&A Guidelines established on March 31, 2020

中小 M&A ガイドライン

～第三者への円滑な事業引継ぎに向けて～

令和2年3月  
中小企業庁

2 中小 M&A に向けた事業準備  
第1章 事業引継ぎが、中小 M&A を実行すべくご担当者としての意思決定を補助  
で行うとは容易なことではない。したがって、まずは早期に身近な支援機関へ相談

Publication of basic matters to encourage understanding of M&A among SMEs without successors and ensure the appropriate execution of M&A by M&A advisory firms

“Business Succession Guidelines” Review Committee  
Two people from the MACP Group participated in drafting

Toward resolution of (1) lack of knowledge and experience, (2) concerns about cost, and (3) distrust of M&A support that cause SMEs hesitate to engage in M&A

Other coordinated support activities by government and the private sector

“SME and Small Business Operator Policy Study Group”  
(December 3, 2019)

“Establishment of M&A Support Institution Registration System”  
(August 2, 2021)

The “M&A Intermediaries Association” was established on October 1, 2021 as an industry group aimed at the sound advancement of the M&A industry and developing and maintaining the Japanese economy  
Began full-fledged operation in April 2022.





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## SDGs

**SDGs (Sustainable Development Goals):** shared goals for international society to create a more sustainable world, adopted at the United Nations Sustainable Development Summit held in September 2015.

**We will contribute to a sustainable future by encouraging the development of the Japanese economy and working to solve social problems.**

**At a meeting held in November 2021, the Company's Board of Directors set material ESG issues that incorporate an SDGs perspective.**



**End poverty everywhere,  
ensure healthy lives for all**

Implementing business succession  
M&A to maintain employment based  
on a stable platform by ensuring the  
continuation of the business



**Build a base for infrastructure and  
technological innovation, and  
develop sustainable human  
settlements**

Develop industry through synergistic M&A,  
and create M&A nationwide to contribute to  
local economies



**Decent work and  
economic growth**

Workplace environment  
that supports sustainable  
growth and self-realization  
for outstanding  
consultants



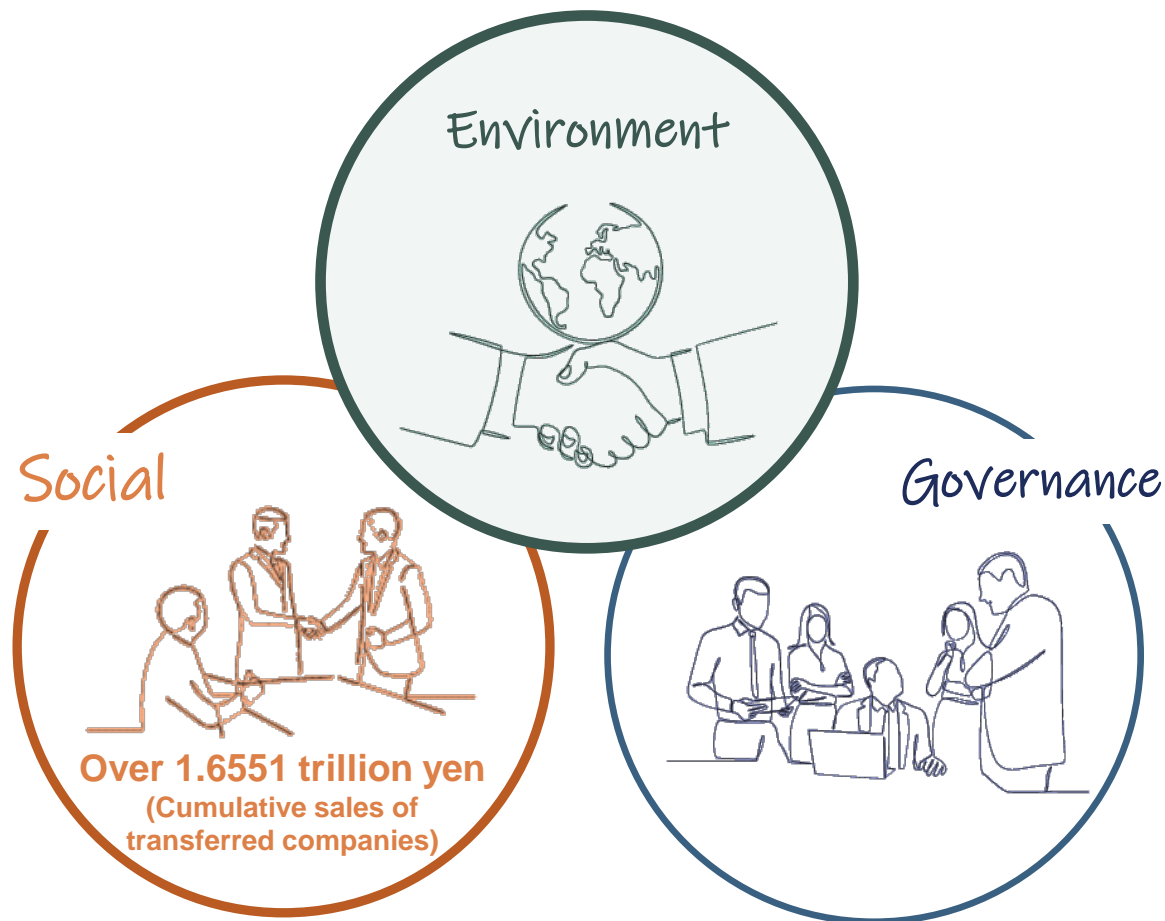
**Work together in  
partnership to achieve  
goals**

Fulfilling our social  
responsibilities through  
cooperation with government  
agencies, and contributing to  
sustainability by facilitating  
business succession



**Maintaining a robust system of governance  
as one of the industry's leading companies**

## Implement ESG initiatives through M&A-related services



### Our approach to ESG

The sharp rise in suspensions and closures of SMEs in Japan is widely recognized to be an important issue.

According to calculations made by the Small and Medium Enterprise Agency, if it is left to continue it could lead to a loss of as much as ¥22 trillion in GDP by 2025. There is an urgent need for companies to contribute to resolving this serious social problem through the use of M&A for business succession.

Since the founding of the company, we at M&A Capital Partners have made contributions to the sustainability of the Japanese economy of more than ¥1.6551 trillion. Going forward, by implementing ESG initiatives through our M&A-related services, we will continue to help achieve a sustainable society.

**Going forward, we will continue to help achieve a sustainable society.**



## February 2022 Forbes JAPAN

Selected in the potential ranking for “Growth stocks expected to improve performance due to promotion of SDGs/ESG”



### COMPANIES WITH POTENTIAL RANKING

**“Growth stocks expected to improve performance due to promotion of SDGs/ESG” published by Forbes JAPAN  
Ranked 8th in the Potential Ranking.**

About the Forbes JAPAN “Growth stocks expected to improve performance due to promotion of SDGs/ESG” .

Identifies SDGs/ESG elements that may have an impact on results growth in n years. Selects companies expected to be likely to grow.

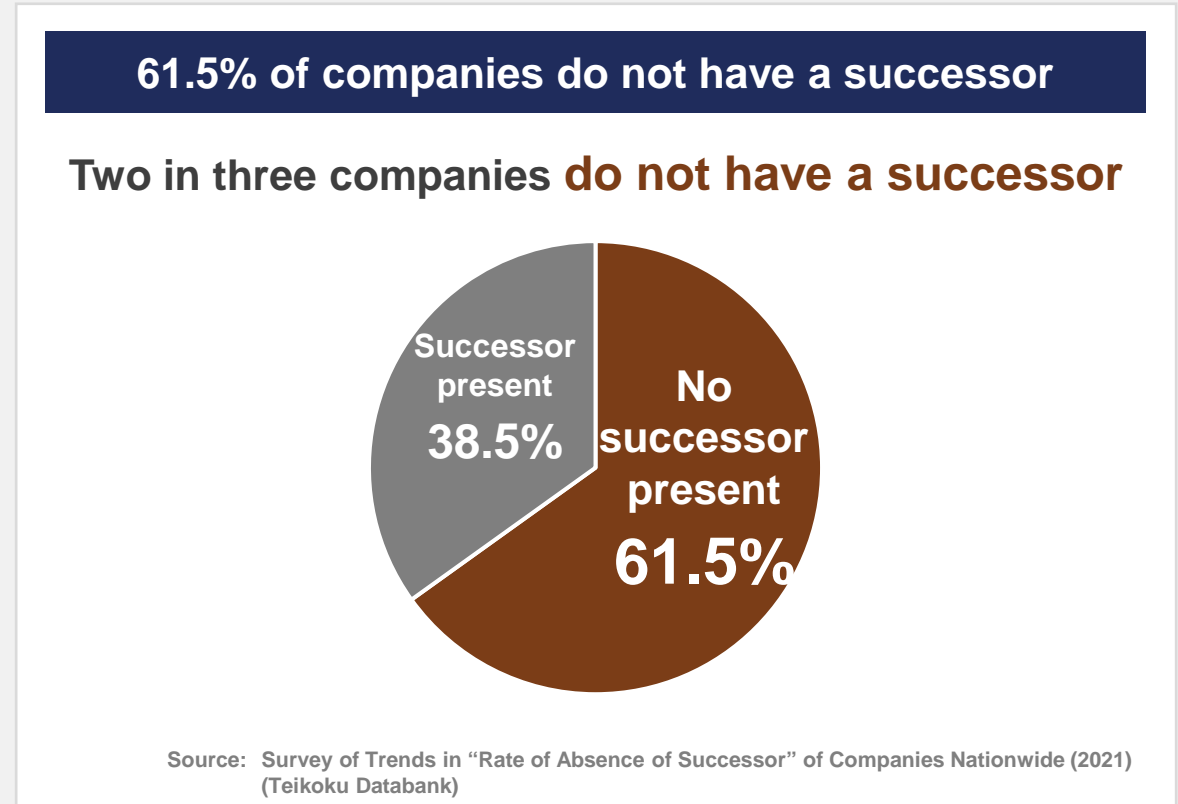
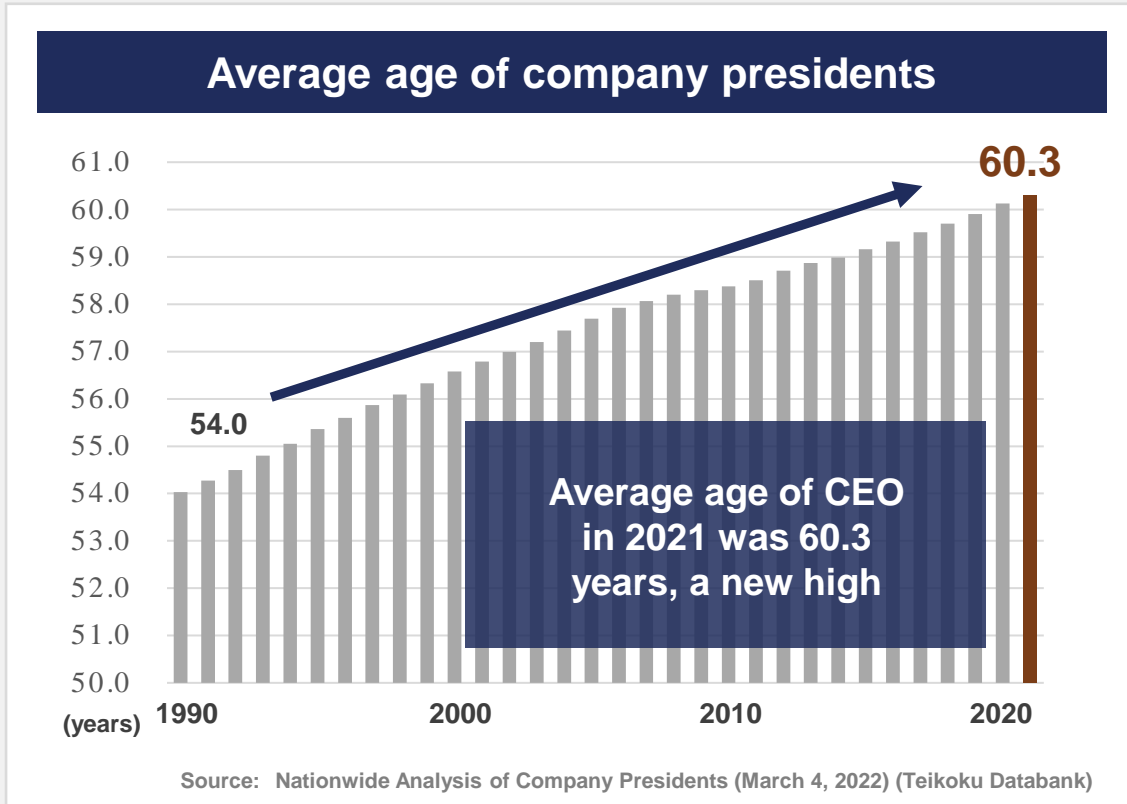
Covers all 2,189 companies listed on the First Section of the Tokyo Stock Exchange. Financial data, non-financial data and global indicators for ESG and SDGs are added into the calculation. Market capitalization is as of August 31, 2021.

Source: Forbes JAPAN news site

**“Evaluated as a company expected to be likely to grow”**

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## Ages of company presidents are higher than ever The number of companies without successors also remains high



**Business succession by companies without a successor is a major key for the future growth of the Japanese economy**

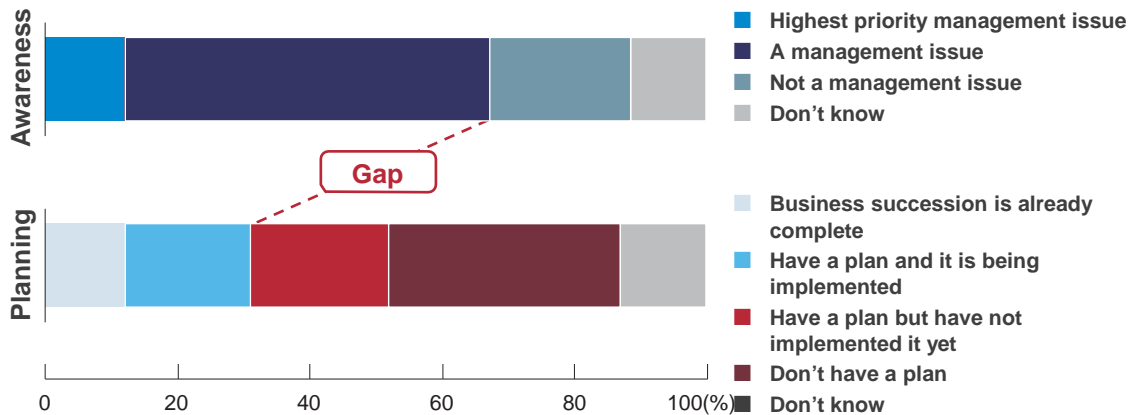


70% of company owners are conscious of business succession but have not reached the point of planning

It is necessary to dig up latent needs for M&A

## Gap between business succession awareness and planning

Not leading to action is a factor in the current situation of business succession not going ahead



Source: Teikoku Databank "Survey of Corporate Attitudes towards Business Succession"

## Issues in implementation of business succession

Past difficulties			Potential difficulties		
		%			%
1	Development of successor	48.3	1	Development of successor	55.4
2	Tax measures such as inheritance tax and gift tax	31.7	2	Determination of successor	44.6
3	Handling of assets such as the company's shares	30.5	3	Understanding of employees	25.5
4	Determination of successor	28.2	4	Enhancement of future potential and appeal of business	22.3
5	Transfer of authority to successor	26.4	5	Handling of assets such as the company's shares	19.6

Source: Teikoku Databank "Survey of Corporate Attitudes towards Business Succession"

Latent needs can be approached through the ability to make direct proposals, which is MACP's strength

There is still a large business succession M&A market, and approaches will continue to be made to companies with business succession needs

## Targets of Business Succession M&A



Sources: Estimated by M&A Capital Partners based on Teikoku Databank "Nationwide Analysis of Company Presidents," Teikoku Databank "Nationwide Analysis of Owner-operated Companies" and National Tax Agency "Results of Sample Survey of Companies"

It is estimated that the targets for business succession M&A number **around 240,000**

The Company has handled **199** business succession M&A deals (per year)

The business succession M&A **market is extremely large**

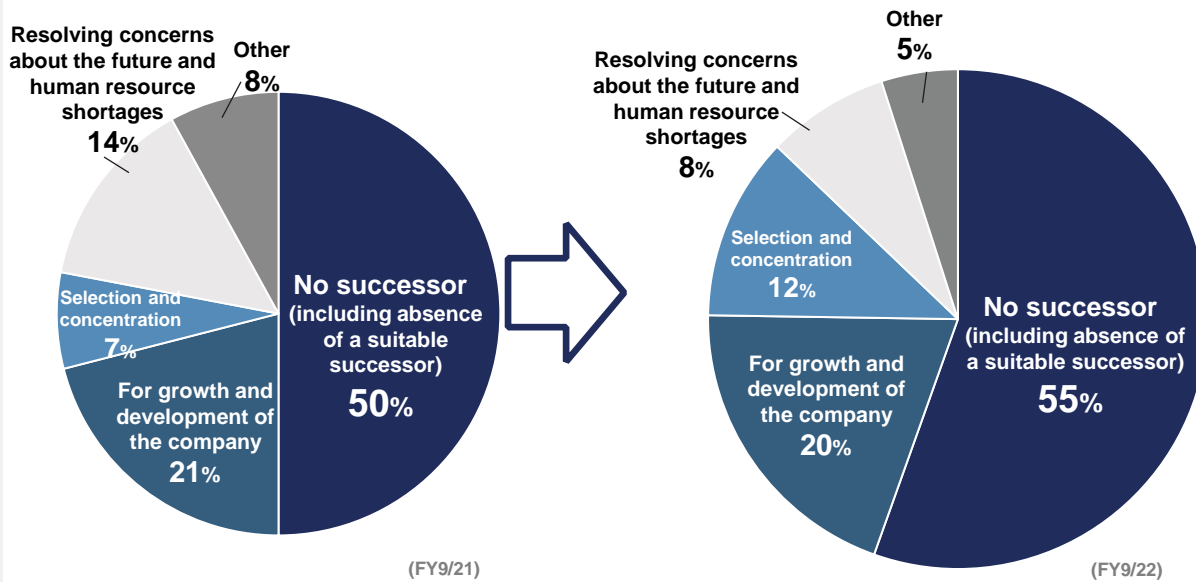
**Able to grow steadily** by continually hiring consultants

**Focus on M&A-related services** centered on business succession M&A

“Business succession M&A” resolving the absence of successor, which continues to be in demand  
 “Business growth M&A” leading to growth with an eye to the future that has been increasing in recent years

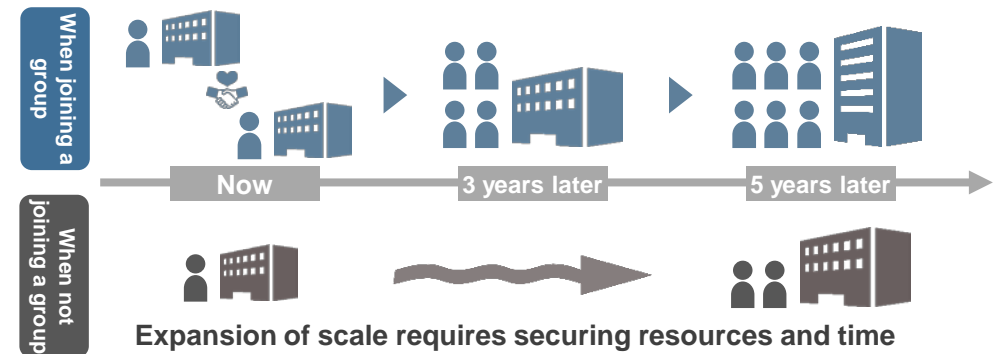
## Management’s reasons for transferring the business

Number citing “No successor” as reason for transfer increased to 55%  
 Rising need for “business succession M&A”



## What is “business growth M&A”?

M&A utilizing the resources of the buyer company by joining the group of the buyer company with the aim of business growth



The seller company often survives without changing its name, and with the president continuing to manage the company

Shortening of time required for company growth

Strengthening of company’s base

Creation of synergies

## Handling of These Materials

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The plans, forecasts and strategies, etc. contained in these materials are forecasts on future performance based on information available at the time the materials were prepared, and these include inherent risk and uncertainty.

Actual performance may differ from forecasts and predictions due to such risk and uncertainty.

Information considered useful for explaining our business environment has been provided in these materials.

The results in the data may vary depending on the method or timing of the survey.

Information within these materials on other topics besides the Company is quoted from published information and other sources. As such, the accuracy, appropriateness, etc. of the information has not been verified, nor are any guarantees provided thereof.

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