



---

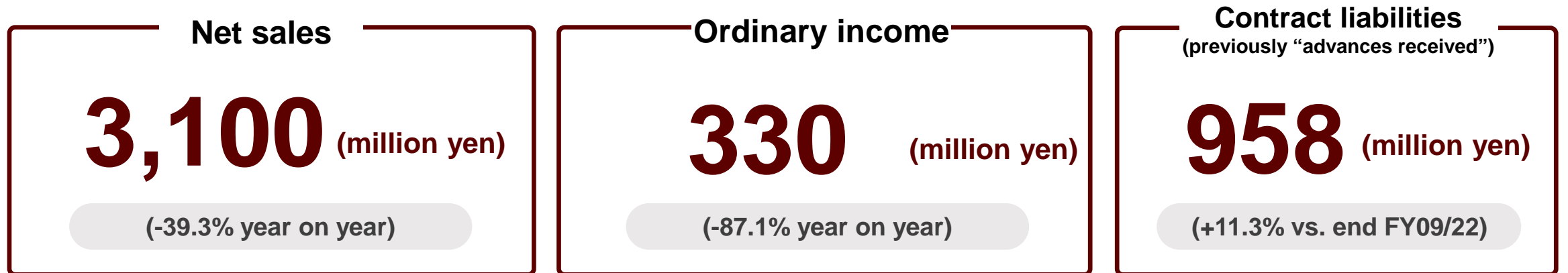
## 2023 1st Quarter Financial Results

January 30th, 2023

<b>1</b>	<b>Results</b>	<b>P3</b>
<b>2</b>	<b>Growth Strategy</b>	<b>P14</b>
<b>3</b>	<b>Company Overview</b>	<b>P26</b>
<b>4</b>	<b>Characteristics and Strengths of M&amp;A Capital Partners</b>	<b>P33</b>
<b>5</b>	<b>Social Significance of M&amp;A Capital Partners</b>	<b>P49</b>
<b>6</b>	<b>M&amp;A Capital Partners' Sustainability Initiatives</b>	<b>P60</b>
<b>7</b>	<b>Business Environment</b>	<b>P65</b>

Due to fewer deals closed and the impact at non-consolidated level of relocating to the new office, both number of deals closed and performance dipped during the quarter

However, due to steady increases in the number of consultants, an abundance of active deals (including large deals), and maintenance of contract liabilities at high level, we expect to recover over the full year and have not changed forecasts





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



<b>1</b>	<b>Results</b>	<b>P3</b>
<b>2</b>	<b>Company Overview</b>	<b>P14</b>
<b>3</b>	<b>Growth Strategy</b>	<b>P27</b>
<b>4</b>	<b>Characteristics and Strengths of M&amp;A Capital Partners</b>	<b>P36</b>
<b>5</b>	<b>Social Significance of M&amp;A Capital Partners</b>	<b>P48</b>
<b>6</b>	<b>M&amp;A Capital Partners' Sustainability Initiatives</b>	<b>P61</b>
<b>7</b>	<b>Business Environment</b>	<b>P65</b>

Net sales and ordinary income dipped during the quarter due to effects of fewer deals closed, the impact on SG&A of initial costs associated with relocation, doubled rental payments during work required before moving in, etc., and increases in rent caused by upfront investment in the new office

However, most of these cost increases represent one-off expenses and fixed costs, and [we expect profit margins to improve significantly going forward as sales rise from 2Q onward.](#)

	 <span>M&amp;A CAPITAL PARTNERS</span> M&A Capital Partners Co., Ltd.		 <span>RECOF</span> RECOF	
	Result	Year-on-year Change	Result	Year-on-year Change
<b>Net sales</b>	<b>2,821 million yen</b>	<b>-39.3%</b>	<b>192 million yen</b>	<b>-47.1%</b>
<b>Ordinary income</b>	<b>547 million yen</b>	<b>-79.0%</b>	<b>-150 million yen</b>	<b>-</b>
<b>Number of Deals</b>	<b>30 deals</b>	<b>-26.8%</b>	<b>3 deals</b>	<b>-40.0%</b>
<b>Large deals</b>	<b>5 deals</b>	<b>-44.4%</b>	<b>0 deals</b>	<b>-</b>
<b>Number of consultants</b>	<b>132</b>	<b>+17</b>	<b>37</b>	<b>-2</b>

\*Because non-consolidated information is shown, amortization (56 million yen) due to business integration is not included.

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

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

Although 1Q represented a dip, we perceive this to be within the range of normal volatility, as seen in previous fiscal years

Units: Millions of yen

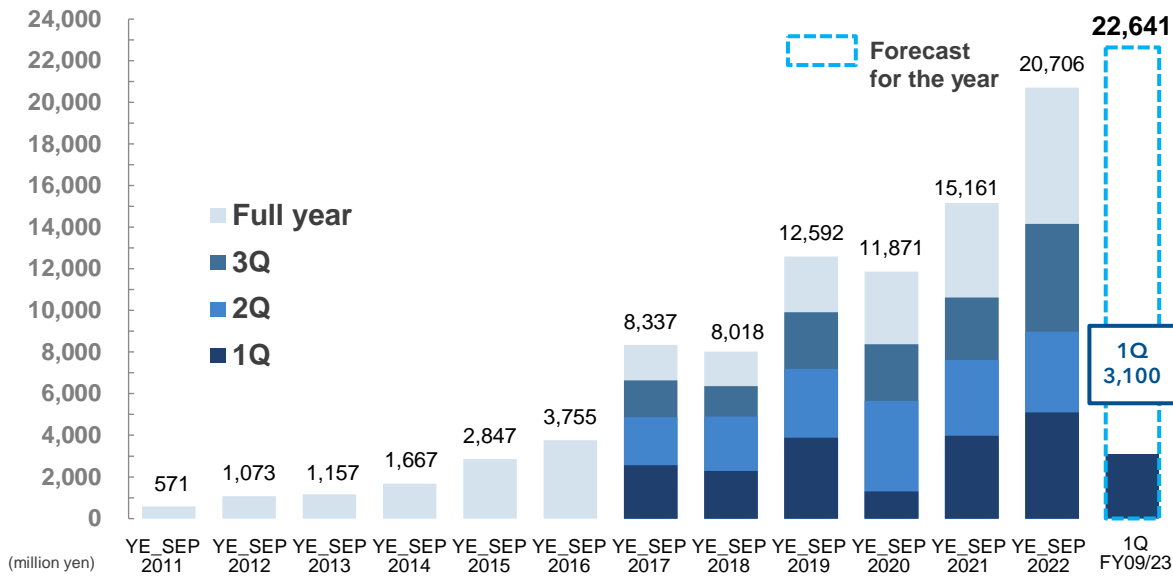
- Net sales (consolidated)
- Ordinary income (consolidated)

1Q	
Net sales (consolidated)	3,100
Ordinary income (consolidated)	330

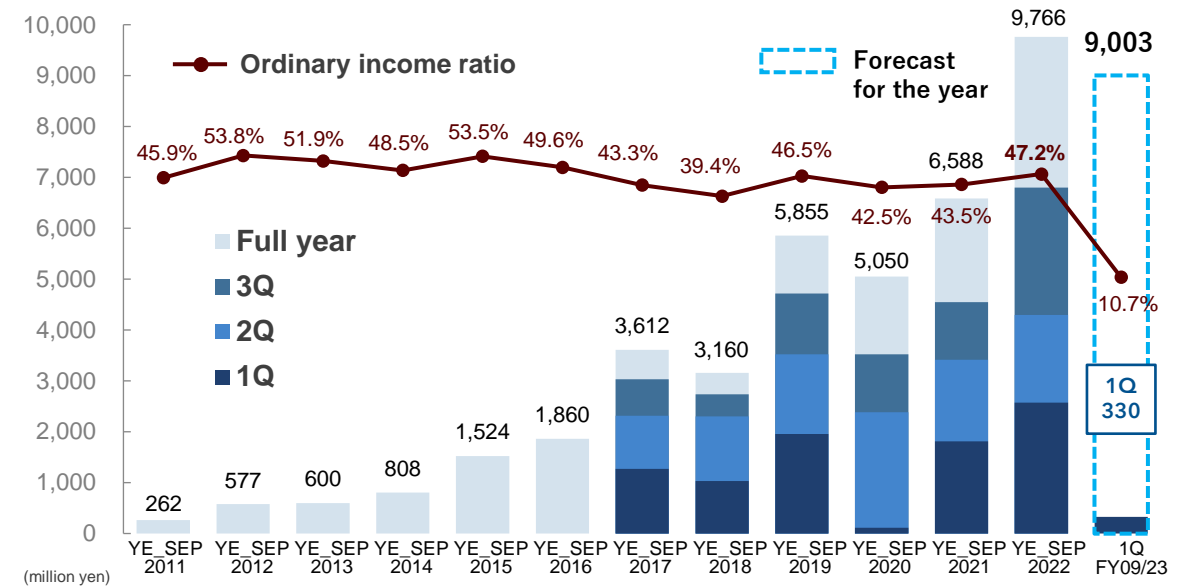
Forecast for the year	
Net sales (consolidated)	22,641
Ordinary income (consolidated)	9,003

Progress for Entire Year	
Net sales (consolidated)	13.7%
Ordinary income (consolidated)	3.7%

## Net sales



## Ordinary income



Non-consolidated



Consolidated



Non-consolidated



Consolidated



## Quarterly dip caused by impact of lower revenue and relocation to new office

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

	1Q FY09/22 (Consolidated)	1Q FY09/23 (Consolidated)		
			Year-on-year Change	Main Factors Causing Change
<b>Net sales</b>	<b>5,105</b> (100%)	<b>3,100</b> (100%)	-39.3%	• Only 5 major deals closed
<b>Gross profit</b>	<b>3,372</b> (66.1%)	<b>1,636</b> (52.8%)	-51.5%	• Impact of lower revenue
<b>SG&amp;A</b>	<b>801</b> (15.7%)	<b>1,306</b> (42.1%)	+63.1%	• Rents +188 • Advertising expenses +179 • Supplies expenses +48
<b>Operating income</b>	<b>2,571</b> (50.4%)	<b>330</b> (10.7%)	-87.2%	• Impact of lower revenue
<b>Ordinary income</b>	<b>2,573</b> (50.4%)	<b>330</b> (10.7%)	-87.1%	
<b>Net income</b>	<b>1,751</b> (34.3%)	<b>81</b> (2.6%)	-95.4%	

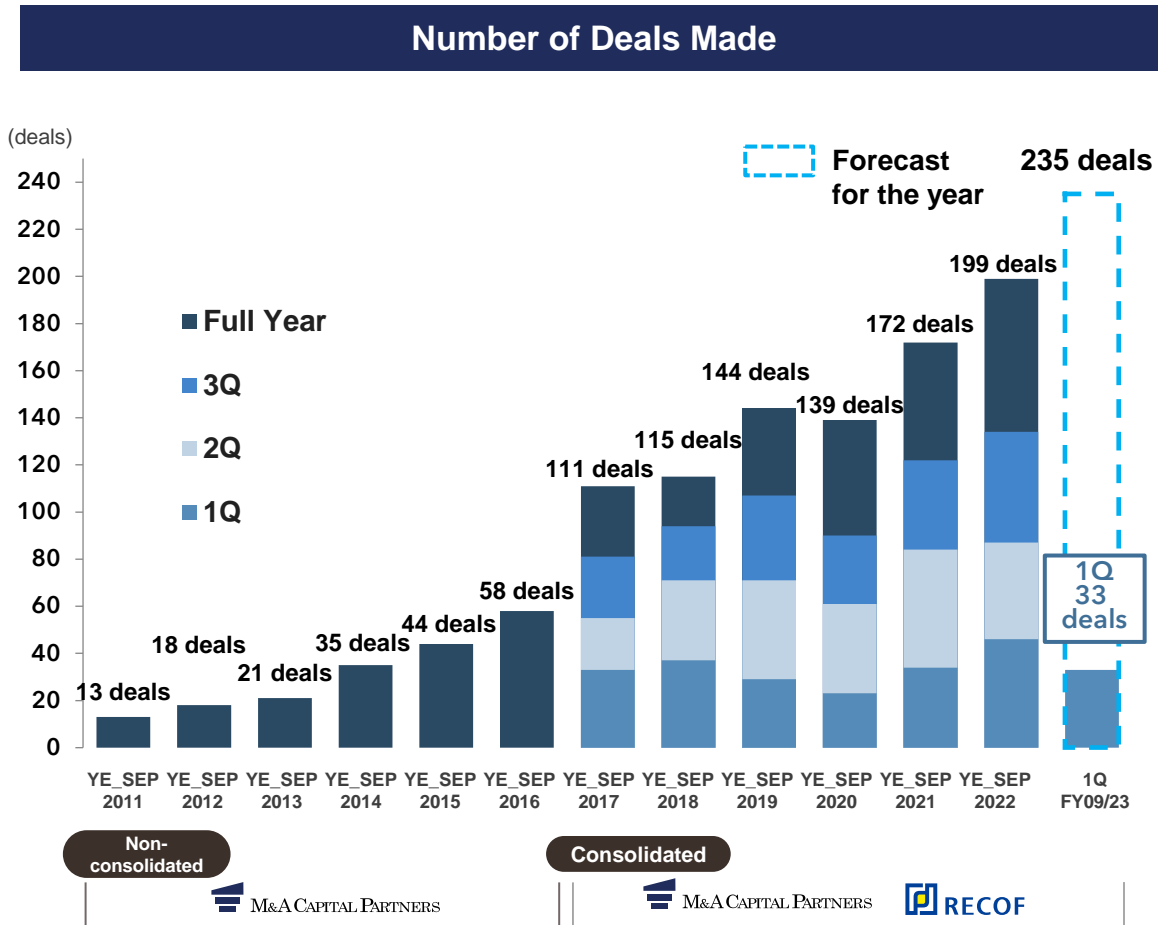
## Solid financial condition backed by stable shareholders equity

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

	September 30, 2022 (Consolidated)	FY09/23 1Q-end (Consolidated)		
			Change	Main Factors Causing Change
<b>Current assets</b>	<b>36,717</b> (92.0%)	<b>32,878</b> (88.6%)	-3,838	<ul style="list-style-type: none"> <li>• Cash and deposits -3,107</li> <li>• Accounts receivable - trade -714</li> </ul>
<b>Noncurrent assets</b>	<b>3,196</b> (8.0%)	<b>4,248</b> (11.4%)	+1,052	<ul style="list-style-type: none"> <li>• Facilities attached to buildings +902</li> </ul>
<b>Total assets</b>	<b>39,913</b> (100.0%)	<b>37,127</b> (100.0%)	-2,786	
<b>Current liabilities</b>	<b>6,422</b> (16.1%)	<b>3,554</b> (9.6%)	-2,867	<ul style="list-style-type: none"> <li>• Income taxes payable -2,334</li> <li>• Accrued consumption taxes -591</li> </ul>
<b>Noncurrent liabilities</b>	<b>892</b> (2.2%)	<b>632</b> (1.7%)	-260	<ul style="list-style-type: none"> <li>• Provision for bonuses -210</li> </ul>
<b>Total liabilities</b>	<b>7,314</b> (18.3%)	<b>4,186</b> (11.3%)	-3,128	
<b>Total net assets</b>	<b>32,598</b> (81.7%)	<b>32,940</b> (88.7%)	+342	<ul style="list-style-type: none"> <li>• Subscription rights to shares +262</li> <li>• Retained earnings +81</li> </ul>
<b>Total liabilities and net assets</b>	<b>39,913</b> (100.0%)	<b>37,127</b> (100.0%)	-2,786	



## Quarterly dip and year-on-year decline for the Group as a whole (-28.3% year on year)



### Number of deals (consolidated)

1Q  
**33 deals**

Forecast for the  
year  
**235 deals**

Vs. full-year  
forecast  
**14.0%**

### Number of deals (non-consolidated)

M&A CAPITAL PARTNERS M&A Capital Partners Co., Ltd.

**30 deals closed (-26.8% year on year), including 5 large deals**

- Year-on-year decline
- Only 5 large deals

RECOF RECOF

**3 deals closed (-40.0% year on year), with 0 large deals**

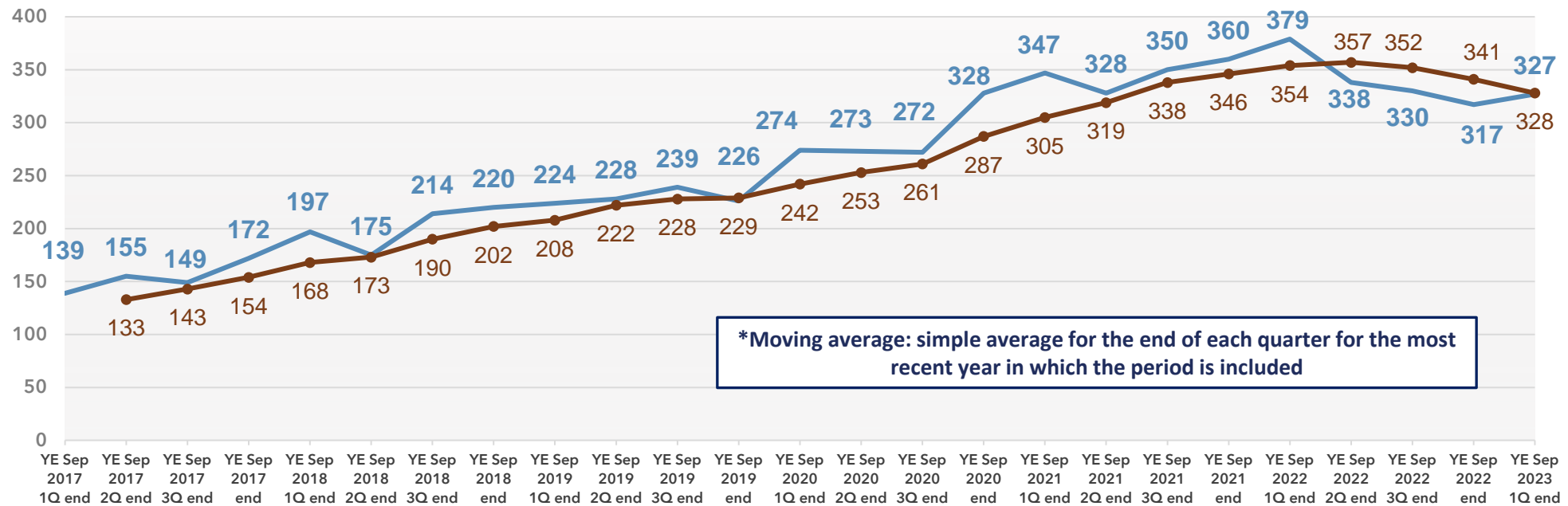
\* Deals with a commission of 100 million yen or more

## 327 active deals (-13.7% year on year)

### Highly profitable large deals are on a rising trend

#### Number of Active Deals (Non-consolidated)

(Number of deals)



\*Moving average: simple average for the end of each quarter for the most recent year in which the period is included

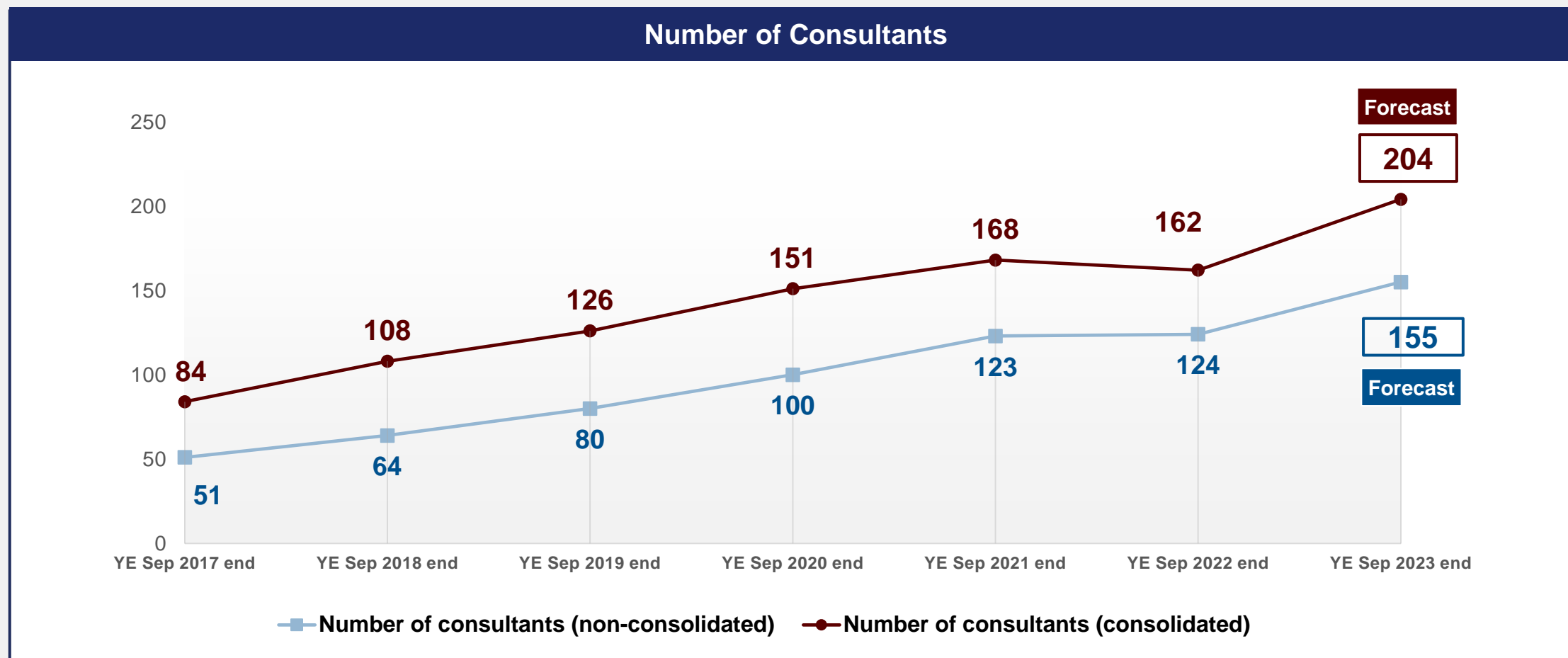
— Number of active deals (non-consolidated)

— Number of active deals (non-consolidated moving average)\*

## Steady progress toward consolidated target of 204 persons

Achieved progress in terms of provisional offer acceptance of **63.6%** vs. plan to raise recruitment by 25% (to 155 persons) at non-consolidated level

\*As of December 31, 2022



## Highest rate of growth among M&A intermediary companies listed on TSE Prime

Market capitalization has increased about 12 times over the 9 years since listing

### Market Capitalization

Units: 100 million yen

\*As of January 26, 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

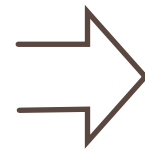
**235** (deals)

(+18.1% year on year)

### Large deals

**50** (deals)

(+4.2% year on year)





### Number of consultants

**204** Persons

(+42 year-on-year)

## Earnings Forecasts

	 <b>M&amp;A CAPITAL PARTNERS</b> <b>M&amp;A Capital Partners Co., Ltd.</b>		 <b>RECOF</b> <b>RECOF</b>	
		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.

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

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

<b>1</b>	<b>Results</b>	<b>P3</b>
<b>2</b>	<b>Growth Strategy</b>	<b>P14</b>
<b>3</b>	<b>Company Overview</b>	<b>P26</b>
<b>4</b>	<b>Characteristics and Strengths of M&amp;A Capital Partners</b>	<b>P33</b>
<b>5</b>	<b>Social Significance of M&amp;A Capital Partners</b>	<b>P49</b>
<b>6</b>	<b>M&amp;A Capital Partners' Sustainability Initiatives</b>	<b>P60</b>
<b>7</b>	<b>Business Environment</b>	<b>P65</b>



## M&A CAPITAL PARTNERS

To be the world's leading investment bank

To be the world's leading investment bank



### FY09/23 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 -

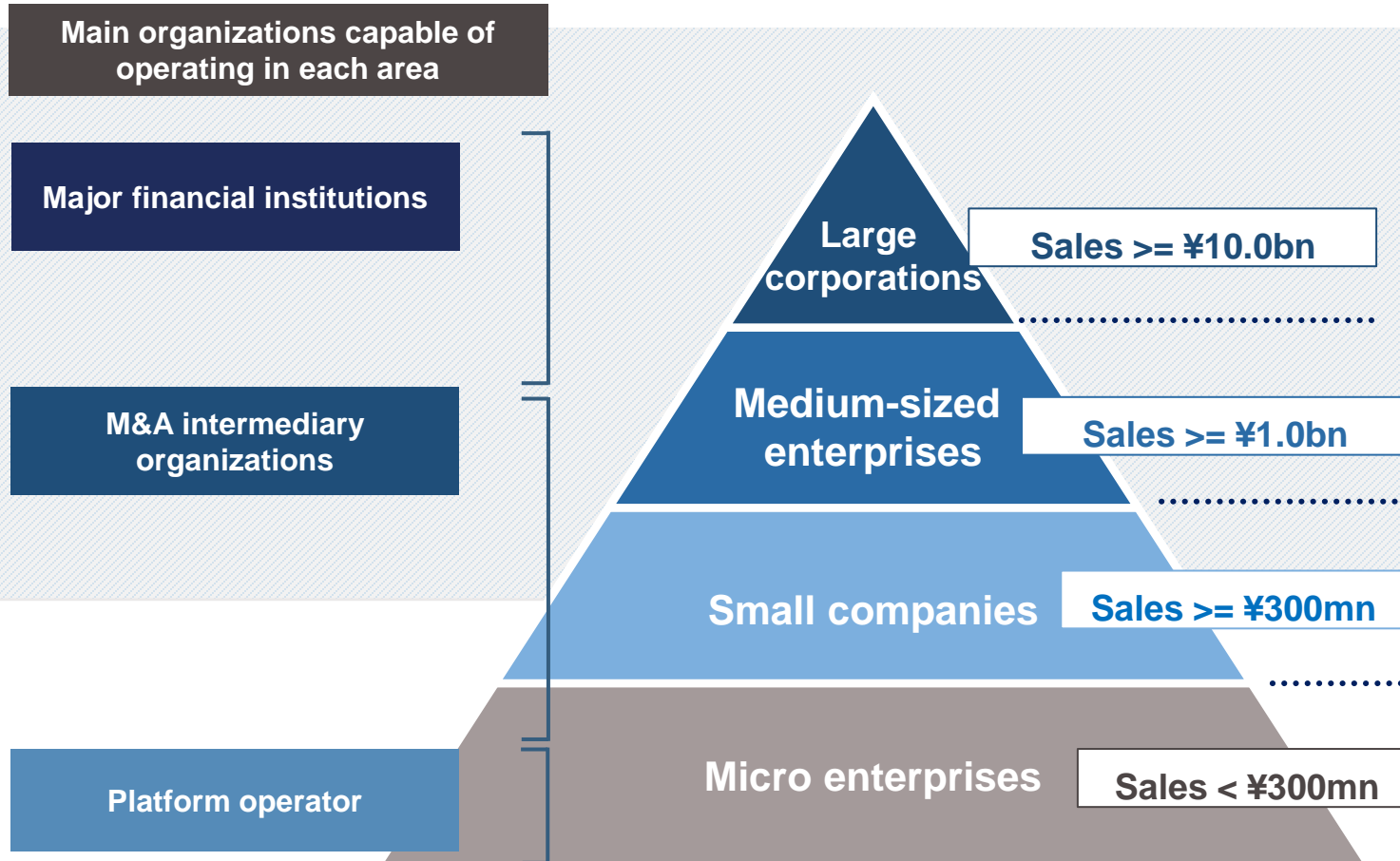


## Providing the optimal M&A for every client Japan's most professional M&A group



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



### Areas in which M&A Capital excels



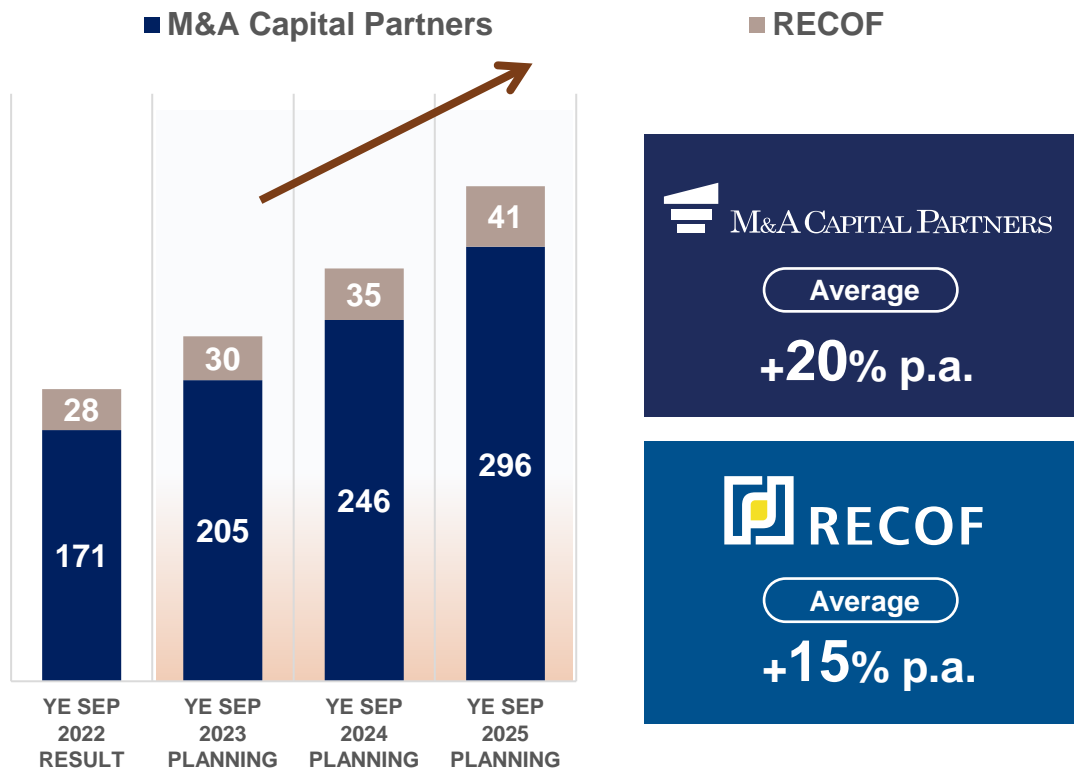
M&A intermediation  
Financial advisory (FA)



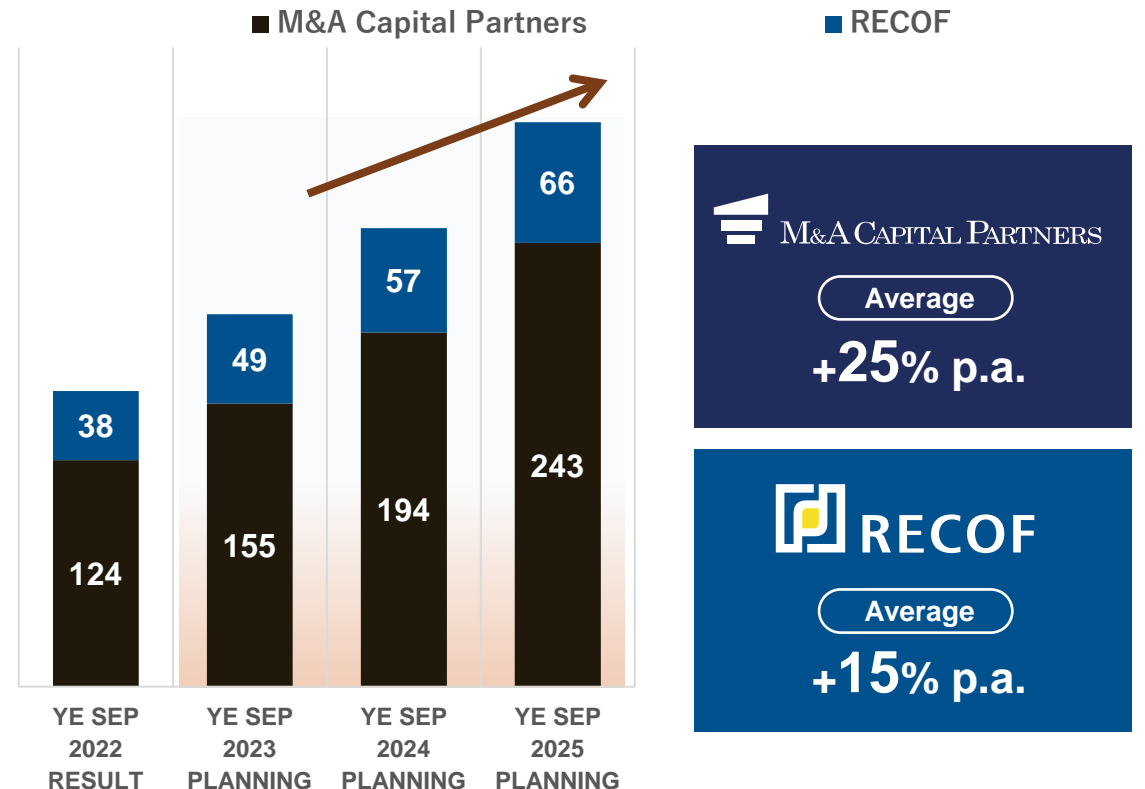
M&A matching support

## Three-year plan for the number of deals closed and the number of consultants required to achieve further growth FY09/2023 -FY09/2025

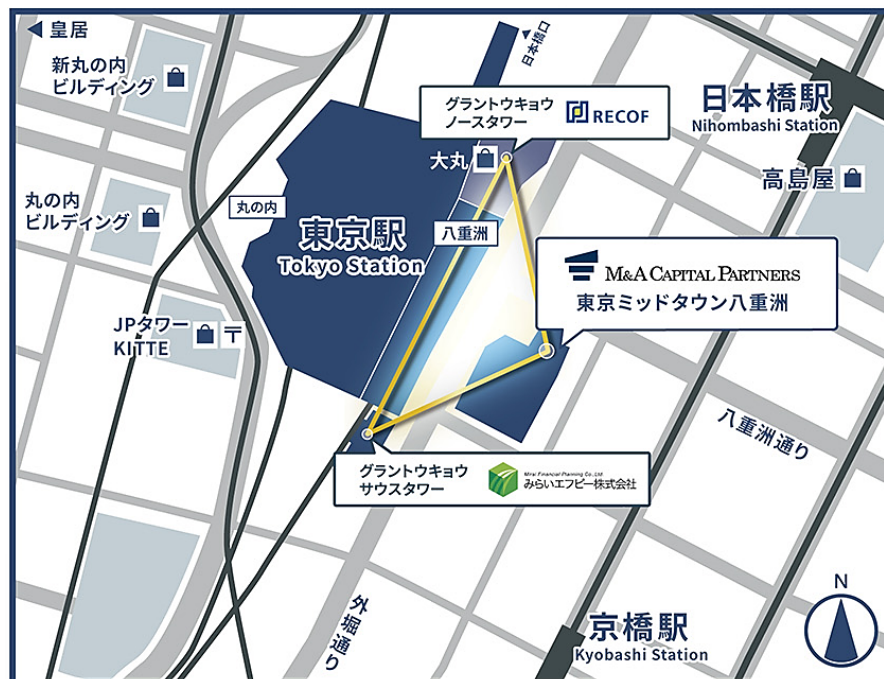
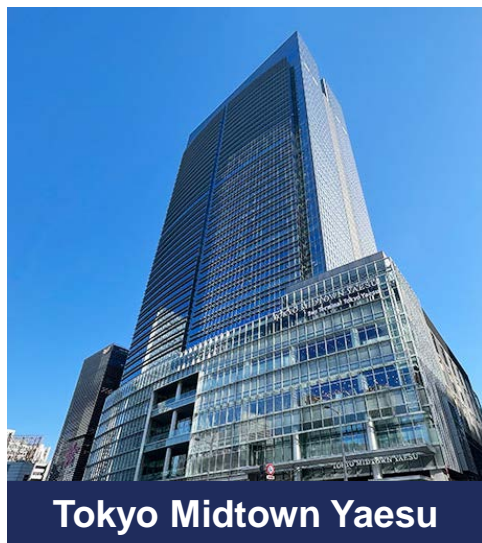
### Number of Deals



### Number of consultants



## End of CY2022 Completed move of M&A Capital Partners/Mirai Financial Planning Co., Ltd. head office Solidly reinforcing infrastructure as a first step towards becoming Japan's leading M&A group



Mirai Financial Planning Co., Ltd.  
みらいエフピー株式会社

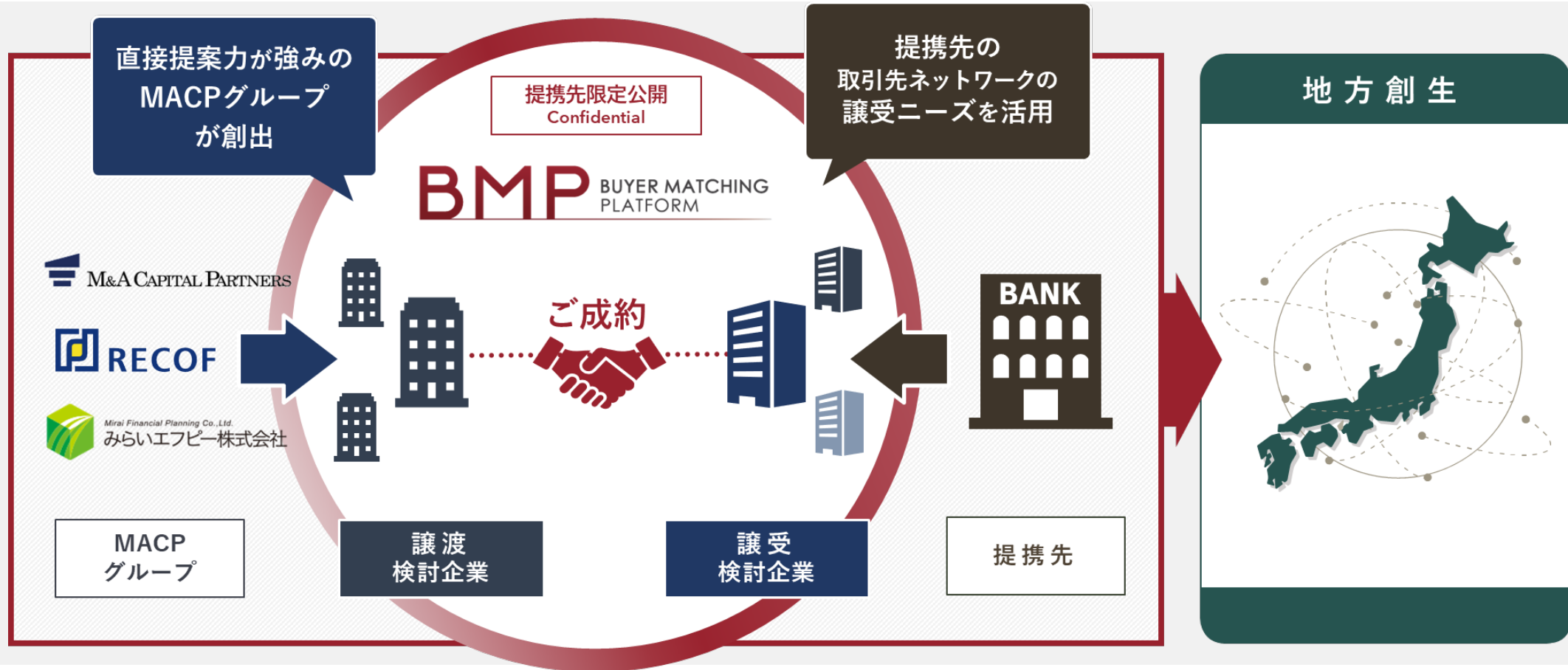


Relocation scheduled for March 2023



## Further strengthening of matching functions unsurpassed in the industry

Release of Transferee Candidate Matching Platform to enable partners to introduce companies considering receiving transfer of businesses



**22 alliance partner financial institutions (as of December 31, 2022)**

**We have officially begun our recruitment activities for new graduates in 2023!**

**As one of the industry's leading companies, our objective is to turn out new-graduate talent who can bring about "Fair M&A"**

## Our Role as a Leading Company in the M&A Intermediary Industry



共に世界最高峰へ。

Launch of specialist site for  
recruitment of new graduates



Video explaining "M&A Advisors"  
to new graduates



**Finding talent that aspires to "getting to the top together"**

Activities aimed at raising awareness of “business succession” as a leading company in the M&A intermediary industry  
Beginning of nationwide broadcast of television program discussing case studies of M&A deals in which M&A Capital Partners were involved

December 2022 Broadcast by Fukui Broadcasting (FBC)



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

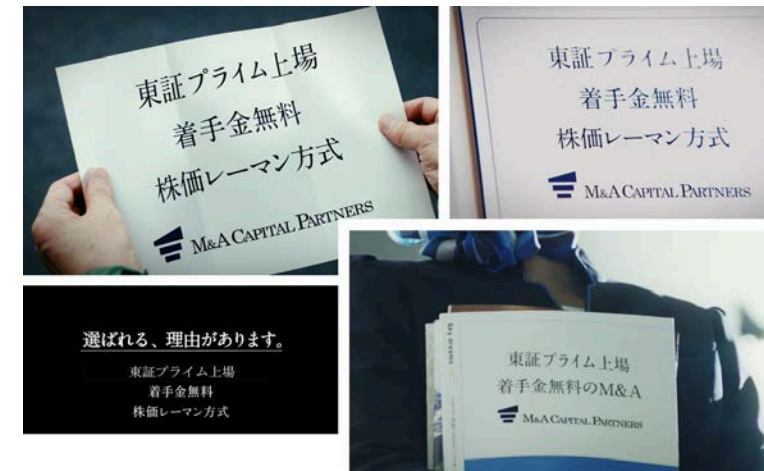
**Our role in raising awareness of “M&A” as a leading company in the M&A intermediary industry**  
**Popular “lion president” commercials have won unparalleled brand awareness**

## 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 Nichiyō 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

Electrical engineering + Transfer of shares

M&A to protect a company whose work is essential to the community

#48

Temporary staffing + Transfer of shares

Need to unite with a strong partner for further growth and development

#47

Manufacturing industry + Transfer of shares

M&A with an emphasis on mutual sincerity

#46

Education + Transfer of shares

Overcoming the COVID-19 pandemic to accelerate further growth.

#45

**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 “correct M&A” will be held

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

## Industry + M&A seminar

Holding M&A seminars that dig deep into industries in the spotlight

迫る 2024年問題 物流業界向けオンラインセミナー  
**経営リスクとM&A**  
 「特別対談」物流ウィークリー代表×行政書士×M&Aコンサルタント  
 2022年11月17日(木) オンライン配信×録画配信 15:00~16:00 受講費無料  
 物流ウィークリー 高田 直樹 | 行政書士事務所 松本 明美 | 共催 物流USonly | M&A+ヒューマンリソースパートナーズ 藤澤 真人

第12回  
**介護経営サミット**  
 ※旧 住まい×介護×医療サミット  
 2022年12/6(火)、7(水)、8(木) オンライン開催 聴講無料

## Geographic region + M&A seminar

Holding M&A seminars focused on business owners in different regions

東北経営者フォーラム 2023  
**経営戦略の  
 新たな思考**  
 主催・共催  
 東奥日報社 | 岩手日報社 | 河北新報社  
 秋田新報 | 福島民報社 | 山形新聞社  
 協賛 M&A CAPITAL PARTNERS

<b>1</b>	<b>Results</b>	<b>P3</b>
<b>2</b>	<b>Growth Strategy</b>	<b>P14</b>
<b>3</b>	<b>Company Overview</b>	<b>P26</b>
<b>4</b>	<b>Characteristics and Strengths of M&amp;A Capital Partners</b>	<b>P33</b>
<b>5</b>	<b>Social Significance of M&amp;A Capital Partners</b>	<b>P49</b>
<b>6</b>	<b>M&amp;A Capital Partners' Sustainability Initiatives</b>	<b>P60</b>
<b>7</b>	<b>Business Environment</b>	<b>P65</b>

## 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>36F, Yaesu Central Tower, Tokyo Midtown Yaesu Yaesu 2-2-1, Chuo-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 December 31, 2022)</b>
<b>Employees</b>	<b>Consolidated: 239; non-consolidated: 168 (as of December 31, 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 Transfer to Prime Market

December 2022 Relocation of head office



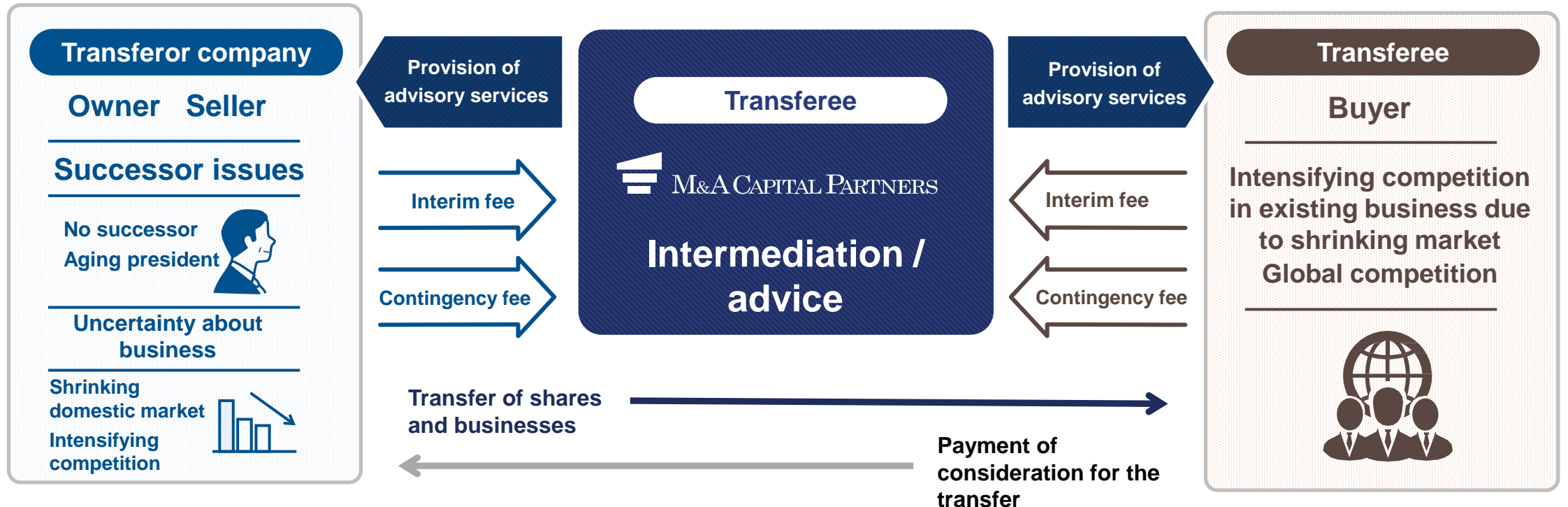
## Business Content

## 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: Competitive survey for specified area of listed and major unlisted M&A intermediary companies, and others, as of March 31, 2022

\*The above is referenced from MACP 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>
<b>2</b>	<b>Growth Strategy</b>	<b>P14</b>
<b>3</b>	<b>Company Overview</b>	<b>P26</b>
<b>4</b>	<b>Characteristics and Strengths of M&amp;A Capital Partners</b>	<b>P33</b>
<b>5</b>	<b>Social Significance of M&amp;A Capital Partners</b>	<b>P49</b>
<b>6</b>	<b>M&amp;A Capital Partners' Sustainability Initiatives</b>	<b>P60</b>
<b>7</b>	<b>Business Environment</b>	<b>P65</b>

---

M&A CAPITAL PARTNERS CORPORATE IDENTITY

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

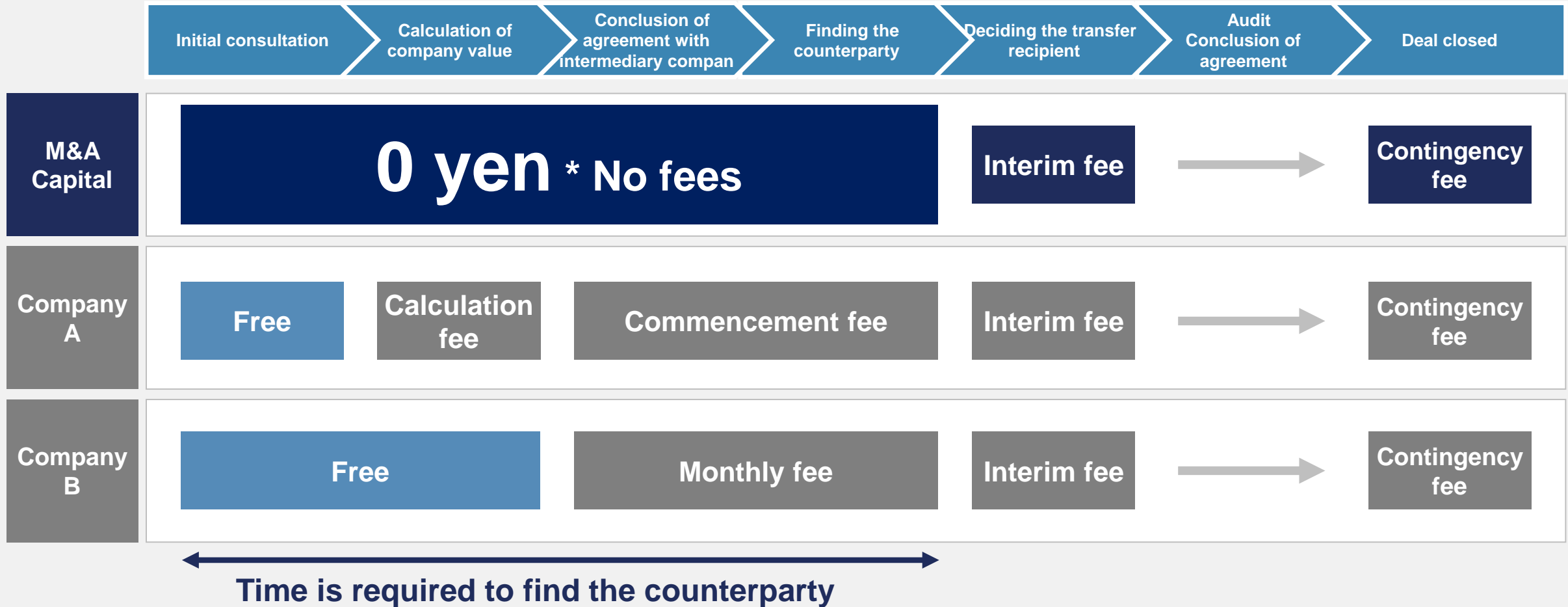
---

**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



Ever since the founding of the company, we have used the **“Lehman Formula based on share value,”** which leads to overwhelmingly lower costs, as the formula for calculating fees in a way that convinces customers

## 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

Lehman Formula based on the total assets moved used by other companies

**2 billion yen** × commission rate

#### Balance Sheet

Total assets moved 2.0 billion yen	Debt 1.5 billion yen
	Equity value 500 million yen

Lehman Formula based on share value used by MACP

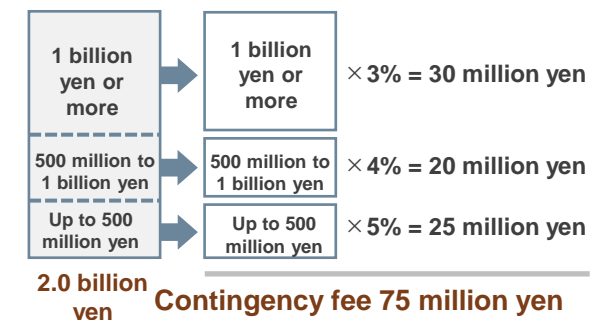
**500 million yen** × commission rate

### 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%

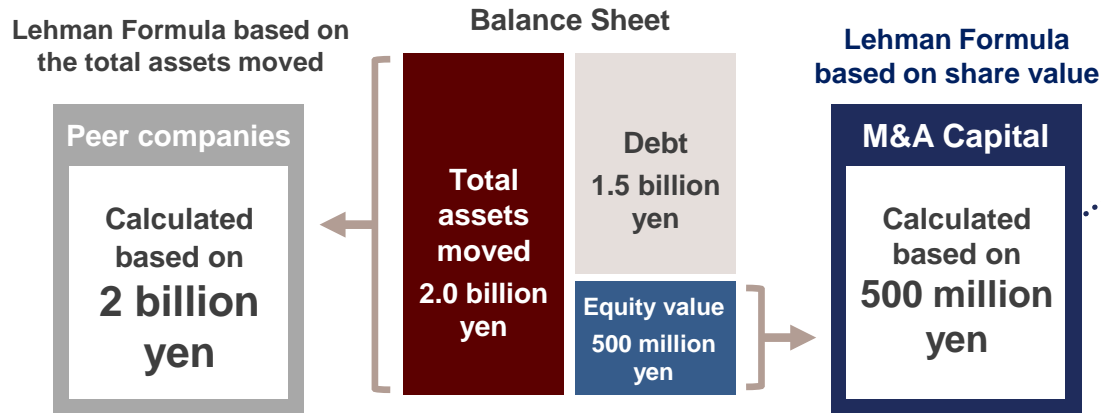
### Calculation using the Lehman Formula

If a 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 share 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%\***



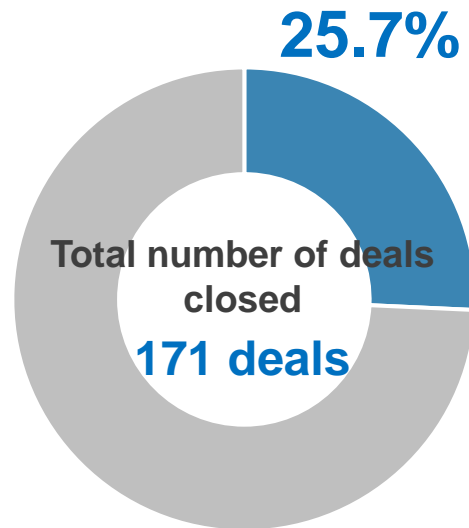
\* Cumulative up to September 30, 2022

\* 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



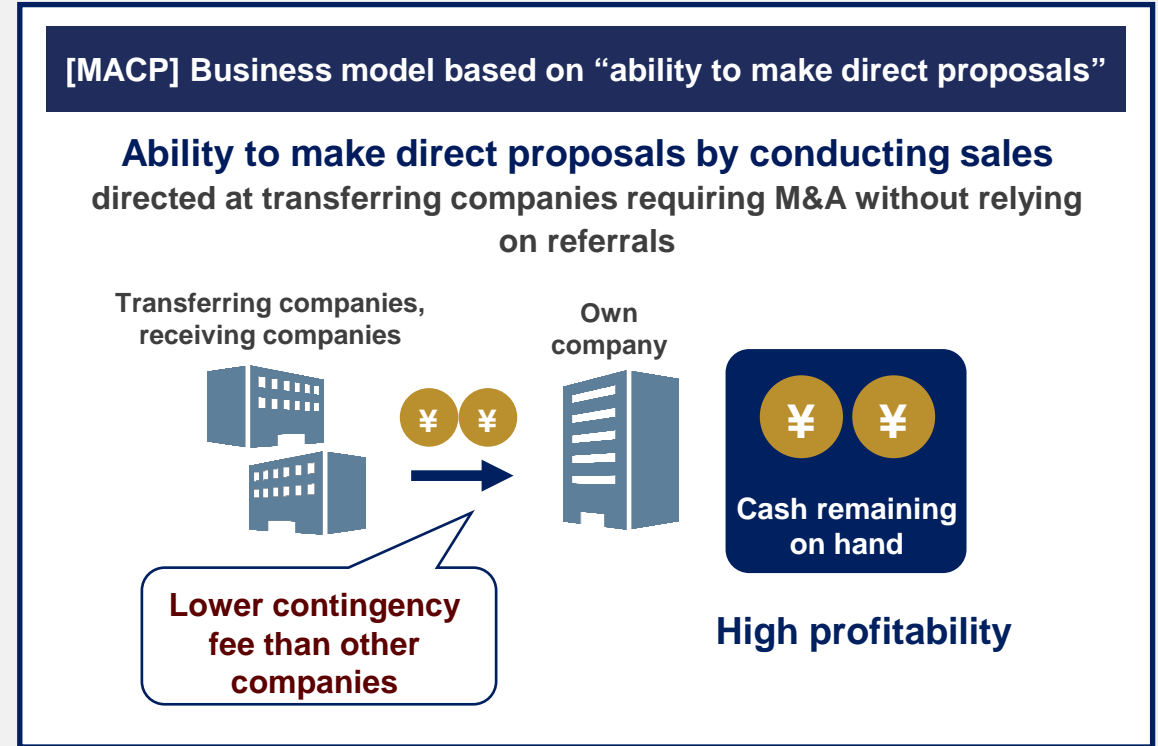
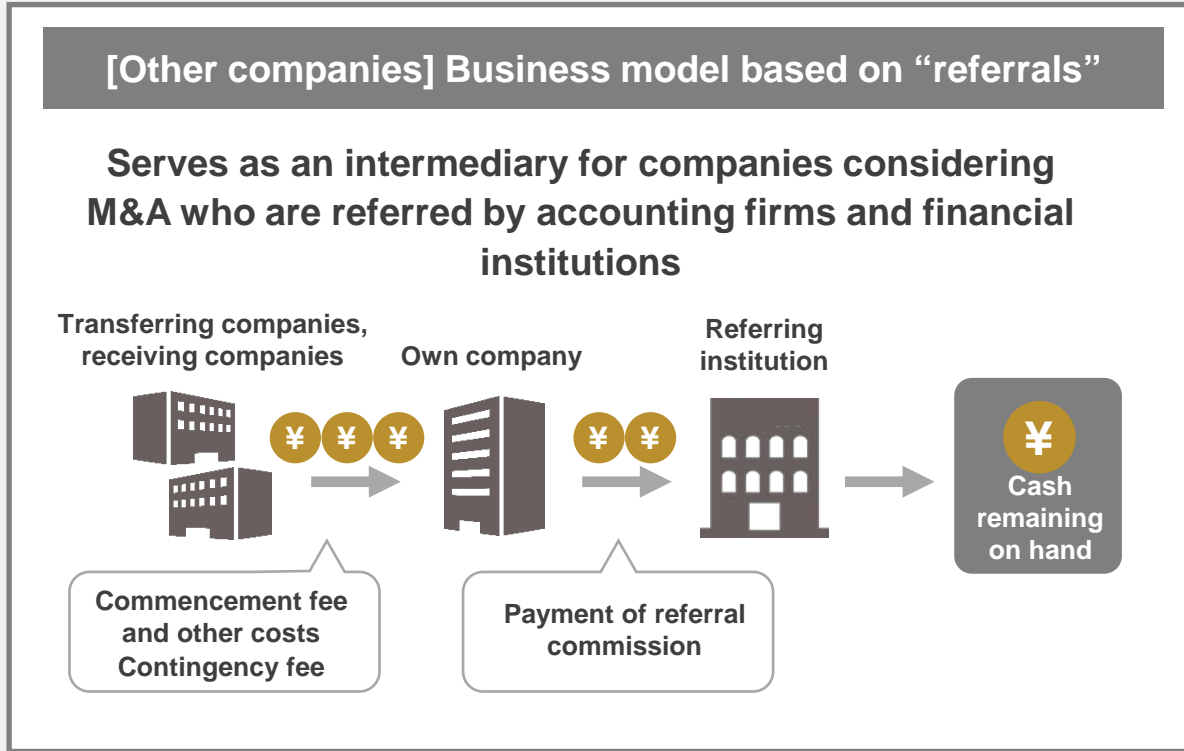
**1 in 4 deals** are large deals with commission of 100 million yen or more

Average value of share transfer: Approx. **15.0 billion yen**

\*Non-consolidated fiscal 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**



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**

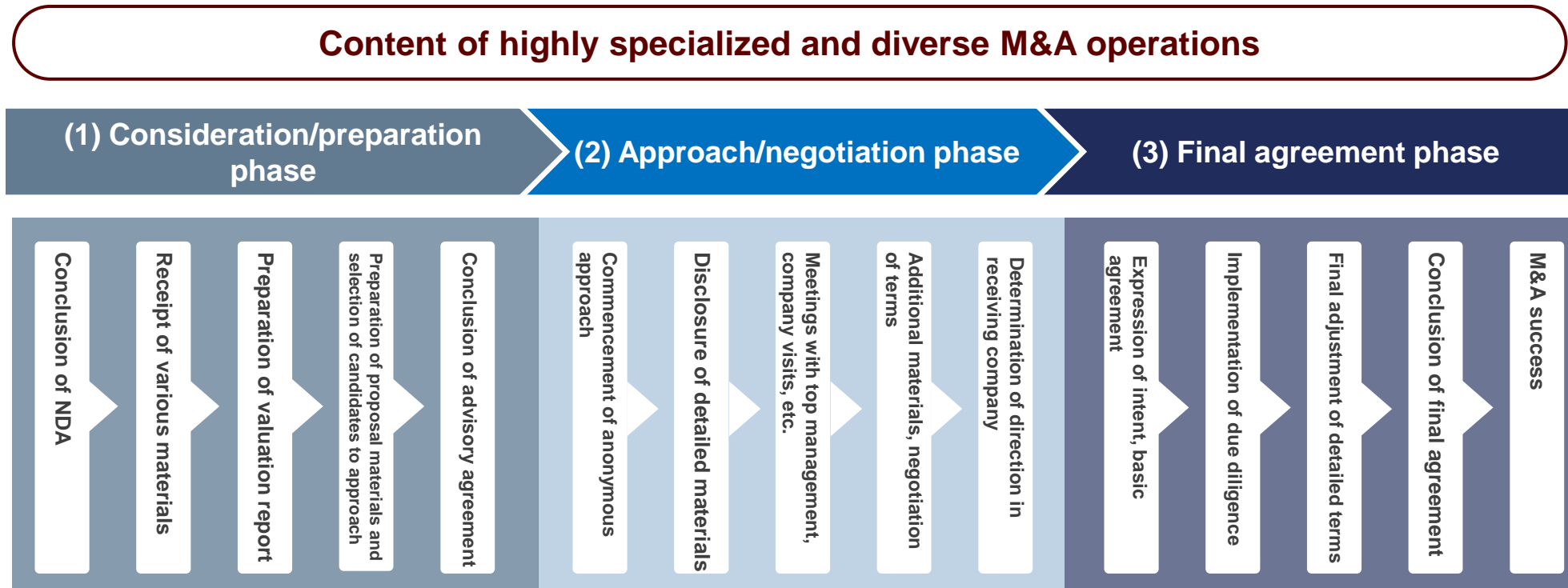
Rank	Company name	Average annual income (10,000 yen)	Average age (years)
1	<b>M&amp;A Capital Partners Co., Ltd.</b>	<b>2,688.4</b>	<b>31.4</b>
2	Company A	2,182.7	35.8
3	Company B	1,803.2	39.4
4	Company C	1,694.4	42.7
5	Company D	1,579.7	42

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

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

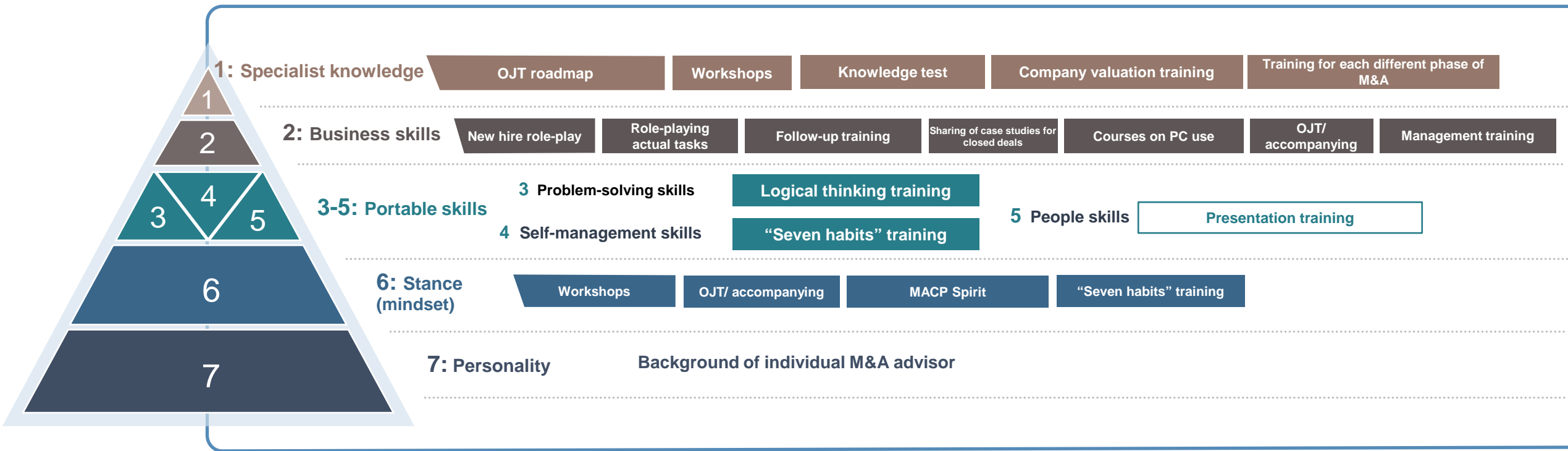
## Highly specialized and diverse M&A operations

Importance of a sense of responsibility and mission to growth 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, M&A advisors 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.**

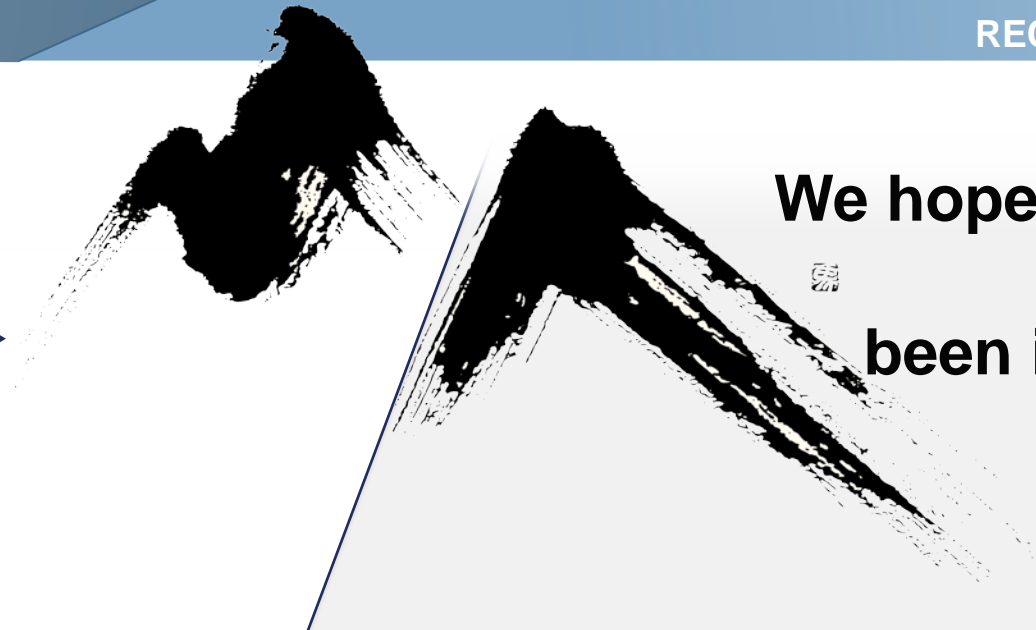
M&A Capital Partners' passion for customers since the company was founded  
Satoru Nakamura



**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.**

---

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

---



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

Over  
**1.6551 trillion yen**

(Cumulative sales of transferred companies)

Contribution to sustainability of Japanese economy in FY09/22

**446.2 billion yen**

(Cumulative sales of transferred companies)

Contribution to sustainability of jobs in FY09/22

**24,002 jobs**

(Cumulative number of employees of transferred companies)

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

1	Results	P3
2	Growth Strategy	P14
3	Company Overview	P26
4	Characteristics and Strengths of M&A Capital Partners	P33
<b>5</b>	<b>Social Significance of M&amp;A Capital Partners</b>	<b>P49</b>
6	M&A Capital Partners' Sustainability Initiatives	P60
7	Business Environment	P65



**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 transferred company and the receiving company.

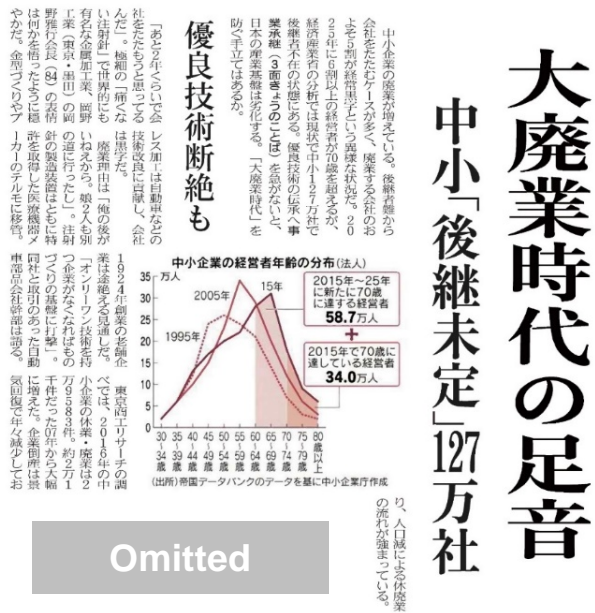
In addition, by engaging as a leading company in M&A that provides a model for the M&A intermediary industry, we hope to contribute to a sound future for the Japanese economy.

---

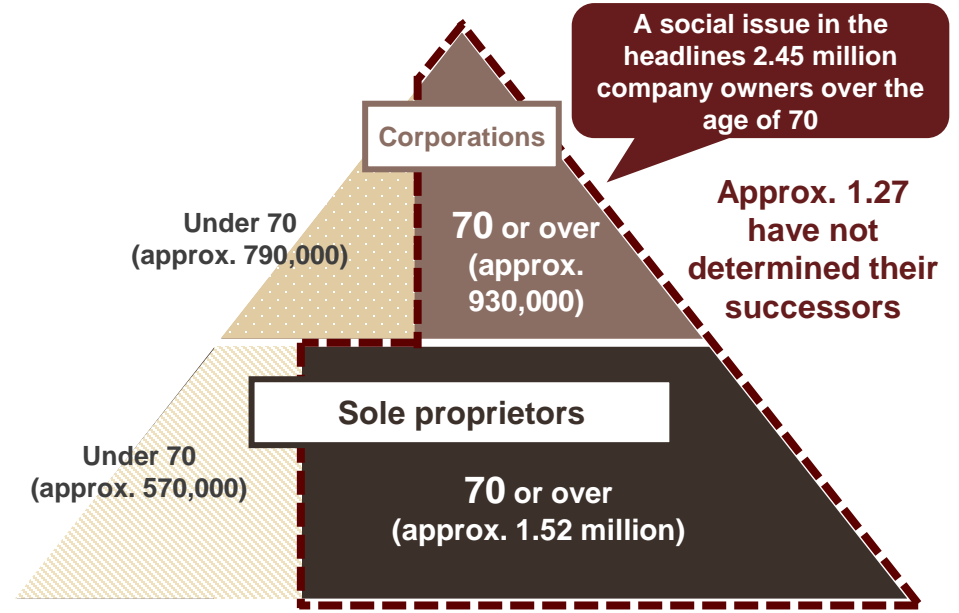
**Through this “Fair M&A,” we will contribute to sustainability and fulfill our social responsibilities.**

## 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



### Absence of approximately 1.27 million successors



Source: Small and Medium Enterprise Agency SME Business Succession Support Package (December 20, 2019)

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

Approx. 1.27 million have yet to determine their successors

600,000 companies 670,000 companies

Companies at risk of going out of business while they are in the black in the decade until 2025

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

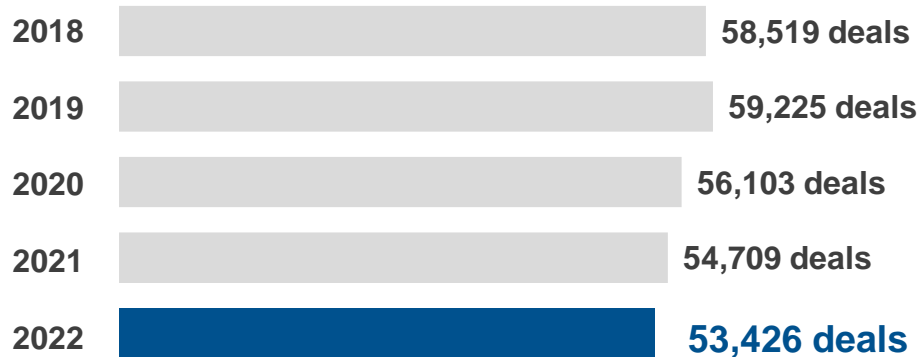
Source: Small and Medium Enterprise Agency (December 20, 2019)

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 bankruptcy or going out of business while they are in the black

### Number of suspensions, closures and dissolutions

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



Source: Survey of Trends in "Suspensions, Closures and Dissolutions" of Companies Nationwide (2022, Teikoku Databank)

### Number of bankruptcies related to COVID-19



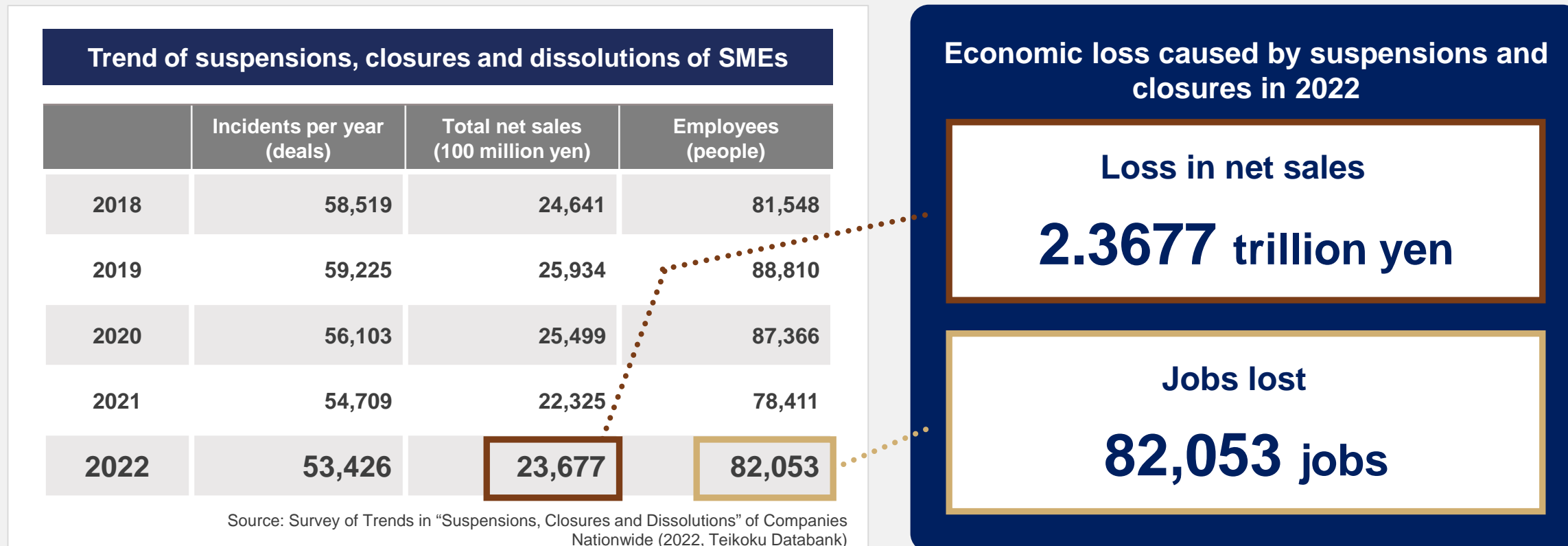
**4,976** businesses went bankrupt due to  
COVID-19

Source: Survey of Trends in "Bankruptcies Related to COVID-19"  
(January 26, 2023, Teikoku Databank)

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

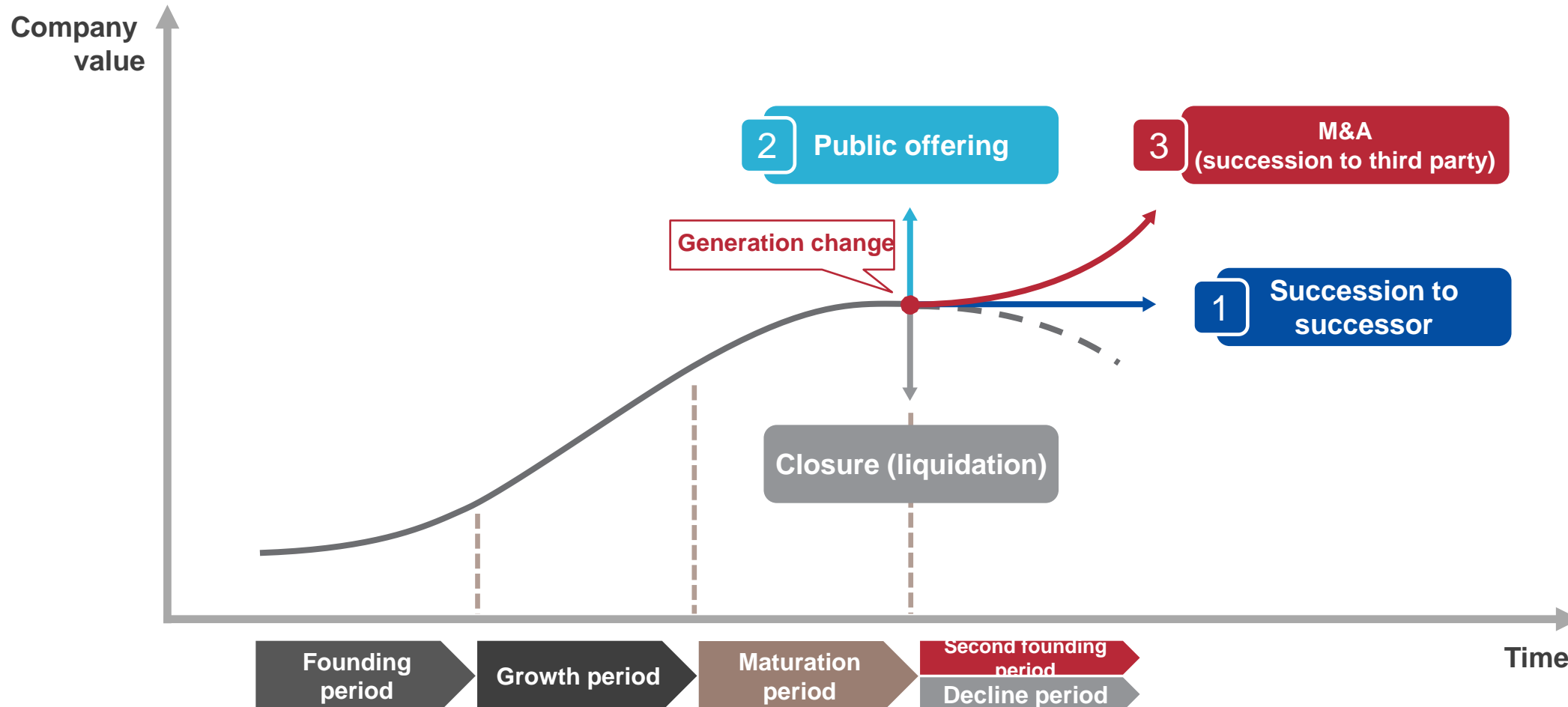
Despite the number of small and medium enterprises choosing suspension or closure decreasing for three consecutive years, the economic losses are increasing

The number of small and medium enterprises “giving up” on the continuation of the business due to external environmental factors such as high prices is increasing



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



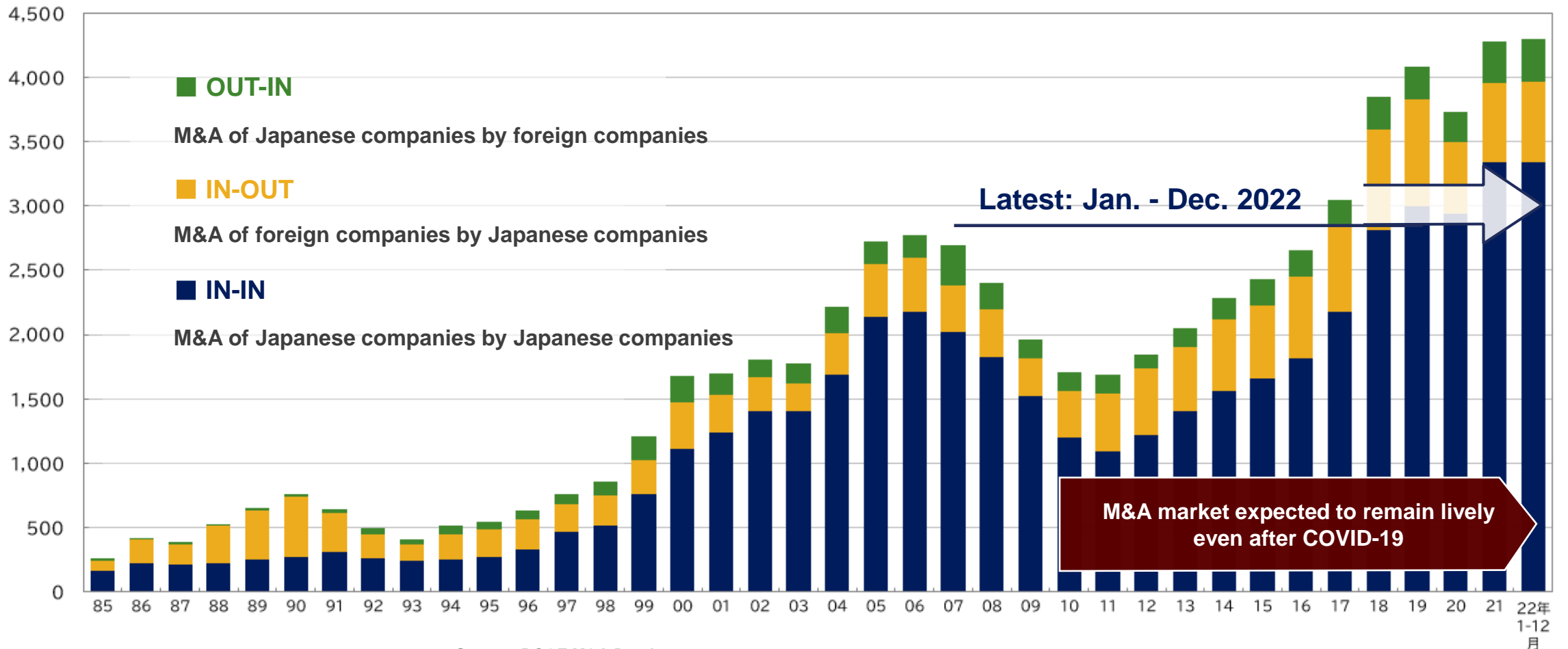


## M&A maintains employees' jobs and relationships with business partners

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

Option		● Advantages	▲ Disadvantages
1	Closure (liquidation)	Securing profit for founder (fewer than other options)	Termination of business (causing difficulties for business partners) Dismissal of all employees Risk of being unable to repay debt during closure
2	Succession to successor	Relatives 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
	Officers and employees	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
3	Public offering	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)
4	M&A (succession to third party)	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 2022, there were 4,304 M&A deals involving Japanese companies, a record high for second consecutive year**  
**By market, both IN-IN and OUT-IN achieved new records**



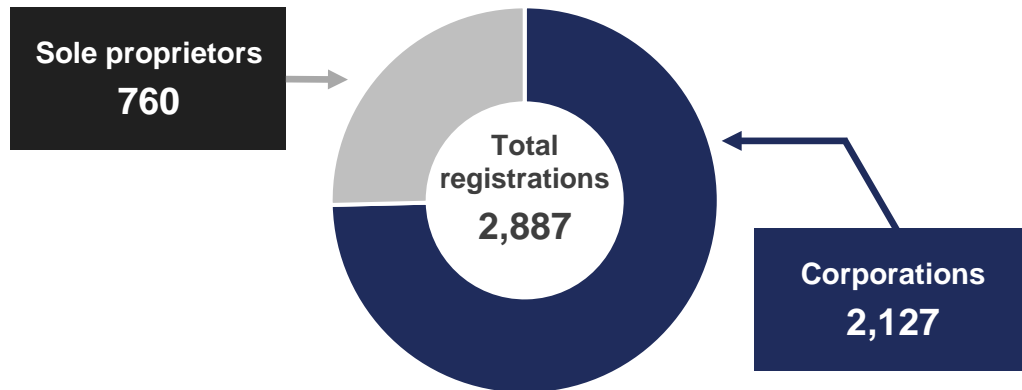
© 2023 RECOFDATA Corporation All Rights Reserved.

Source: RCOF M&A Database

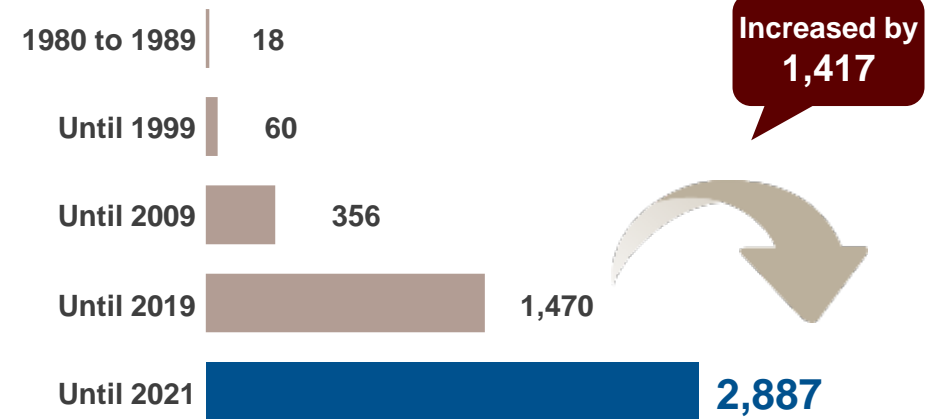
The number of M&A advisory firms has increased sharply in recent years  
 M&A advisory firms established since 2020 account for approximately half the total

## 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



**1,417 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 January 16, 2023)

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 レーマン方式

以上の諸点を踏まえ報酬を算定する手法として、レーマン方式が採られることが多い。レーマン方式は、「基準となる価値」に応じて変動する各報酬の「率」を各自、各報酬の「基準となる価値」に該当する各部分にそれぞれ乗じた金額を合計して、報酬を算定する手法であり、特に M&A 専門業者において広く採用されている。

例えば、下記のような費用を用いて報酬を算定するが、算出された各報酬における金額・割合は必ずしも下記の値額・割合に限定されるものではなく、各分業者・FA により異なる。そもそも、レーマン方式を採用せず、「基準となる価値」によらず一律の割合を定めるケースや、定額とするケースもある。

また、原則としてレーマン方式によらずとも、譲り渡し額が小規模である場合には、「基準となる価値」が小さく、十分な成功報酬を確保できないケースもあり得るため、これに加えて最低手数料を付けている分業者・FA は多い。最低手数料の金額は、各分業者・FA により異なるため、分業者・FA に依頼する中小企業は、最低手数料を含め、手数料の算定方法を事前に確認しておく必要がある。

基準となる価値（円）	算定割合（%）
6億円以下の部分	5
6億円超10億円以下の部分	4
10億円超50億円以下の部分	3
50億円超100億円以下の部分	2
100億円超の部分	1

※あくまで一例であり、各報酬における金額・割合は各分業者・FA により異なる。

3 具体例

以下では、仮に、M&A 専門業者が中小 M&A のマッチング支援を行った場合に、譲り渡し額又は（譲り渡し額発生後であることが多い）譲り渡し義務者が支払うことになる手数料について、具体的な事例を示す。なお、算出額及び地方自治体独自10%と設定する。

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 in October 2021 as an industry group aimed at the sound advancement of the M&A industry and developing and maintaining the Japanese economy  
It began full-fledged operation in April 2022.



Strong coordination between government and the private sector continues to be vital going forward for addressing the progressing problem of absence of successors

1	Results	P3
2	Growth Strategy	P14
3	Company Overview	P26
4	Characteristics and Strengths of M&A Capital Partners	P33
5	Social Significance of M&A Capital Partners	P49
<b>6</b>	<b>M&amp;A Capital Partners' Sustainability Initiatives</b>	<b>P60</b>
7	Business Environment	P65



## 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



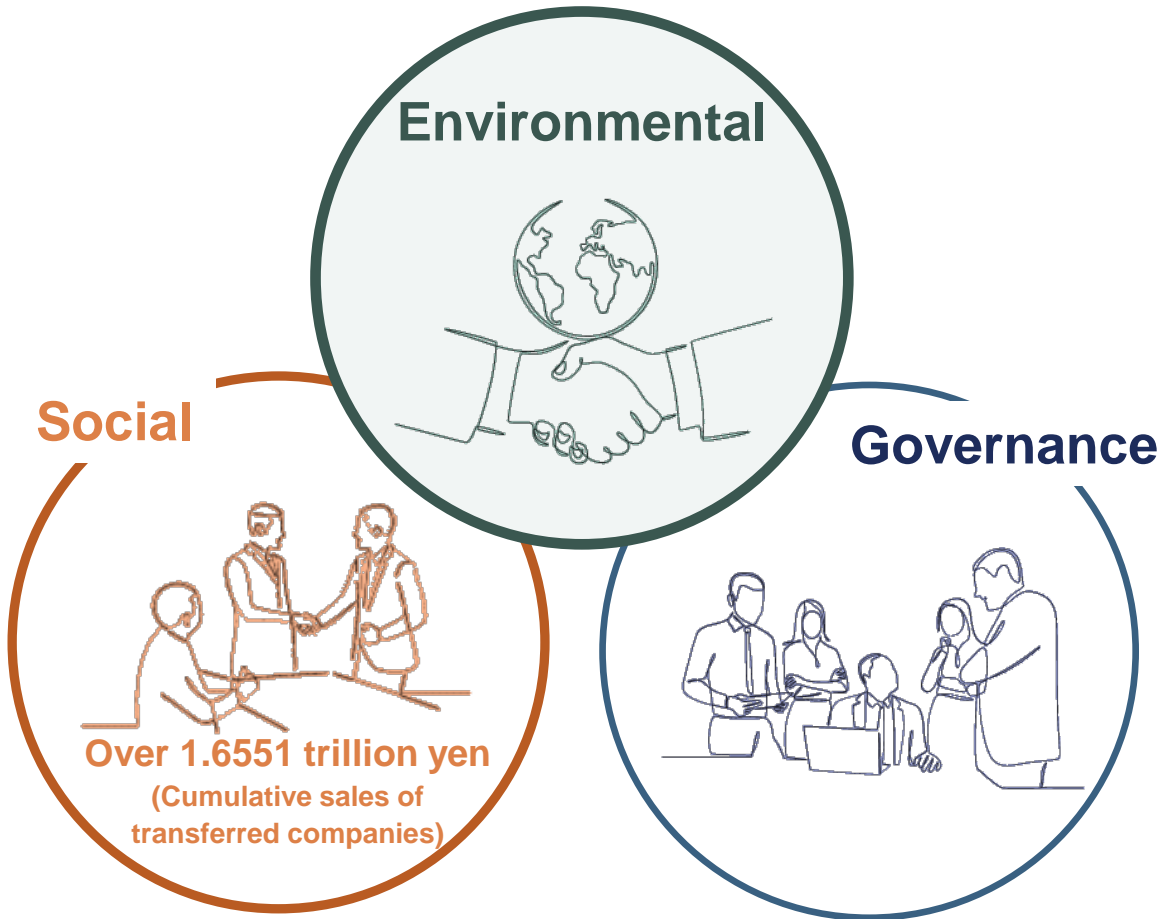
## Work together in partnership to achieve goals

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 service business



### 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 service business, 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

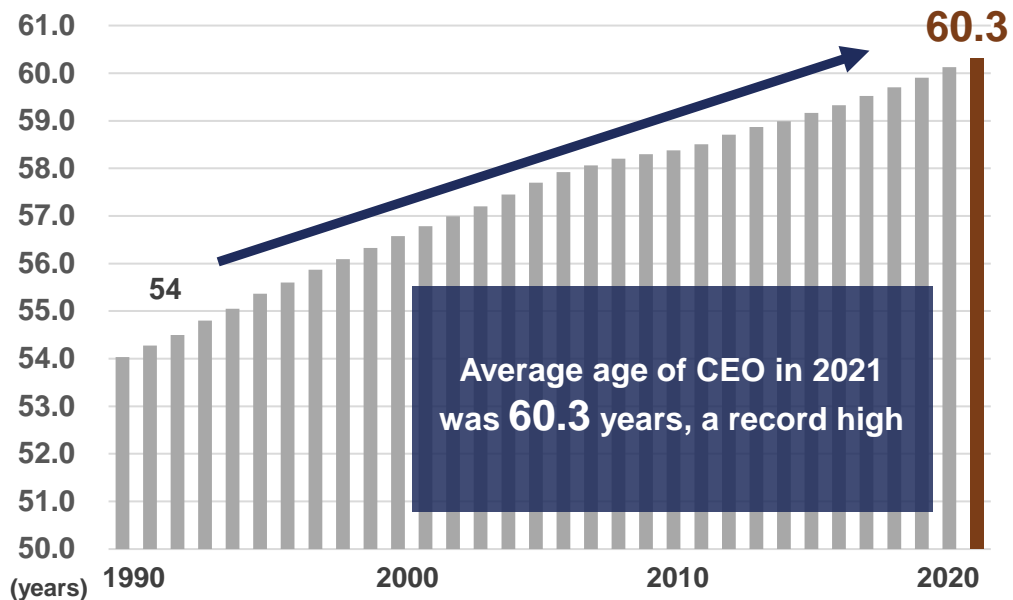
**“Rated as a ‘Evaluated as a company expected to be likely to grow’”**

<b>1</b>	<b>Results</b>	<b>P3</b>
<b>2</b>	<b>Growth Strategy</b>	<b>P14</b>
<b>3</b>	<b>Company Overview</b>	<b>P26</b>
<b>4</b>	<b>Characteristics and Strengths of M&amp;A Capital Partners</b>	<b>P33</b>
<b>5</b>	<b>Social Significance of M&amp;A Capital Partners</b>	<b>P49</b>
<b>6</b>	<b>M&amp;A Capital Partners' Sustainability Initiatives</b>	<b>P60</b>
<b>7</b>	<b>Business Environment</b>	<b>P65</b>

**Ages of company presidents are higher than ever**

**The number of companies without successors also remains high**

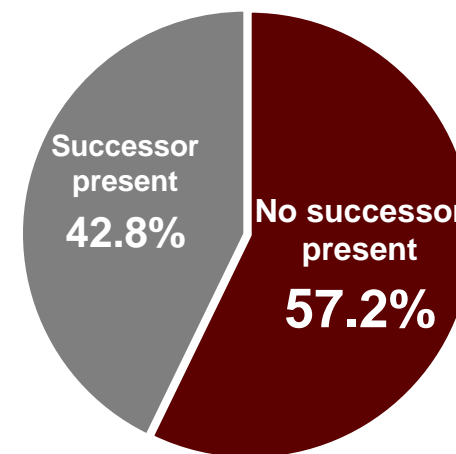
## Average age of company presidents



Source: Nationwide Analysis of Company Presidents (March 4, 2022, Teikoku Databank)

## 57.2% of companies do not have a successor

Two in three companies do **not have a successor**



Source: Survey of Trends in "Rate of Absence of Successor" of Companies Nationwide (November 16, 2022, Teikoku Databank)

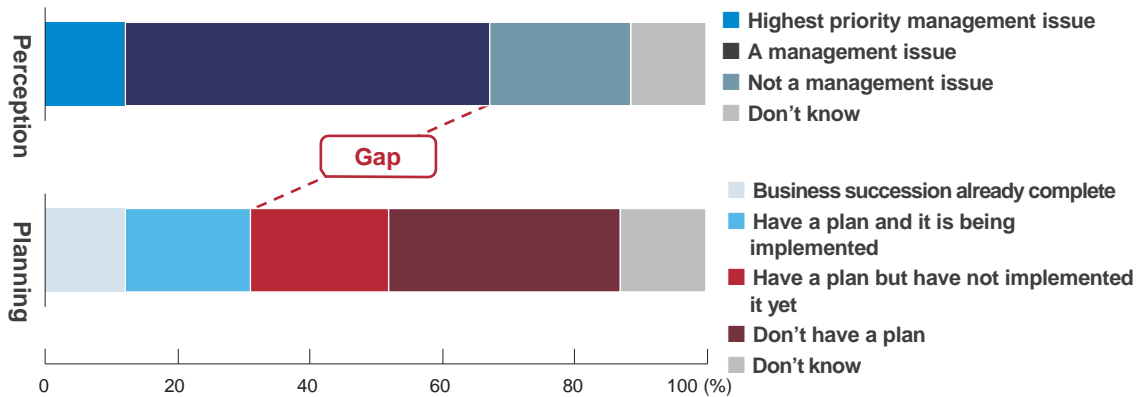
**Business succession by companies without a successor is a major key for the future growth of the Japanese economy**

**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

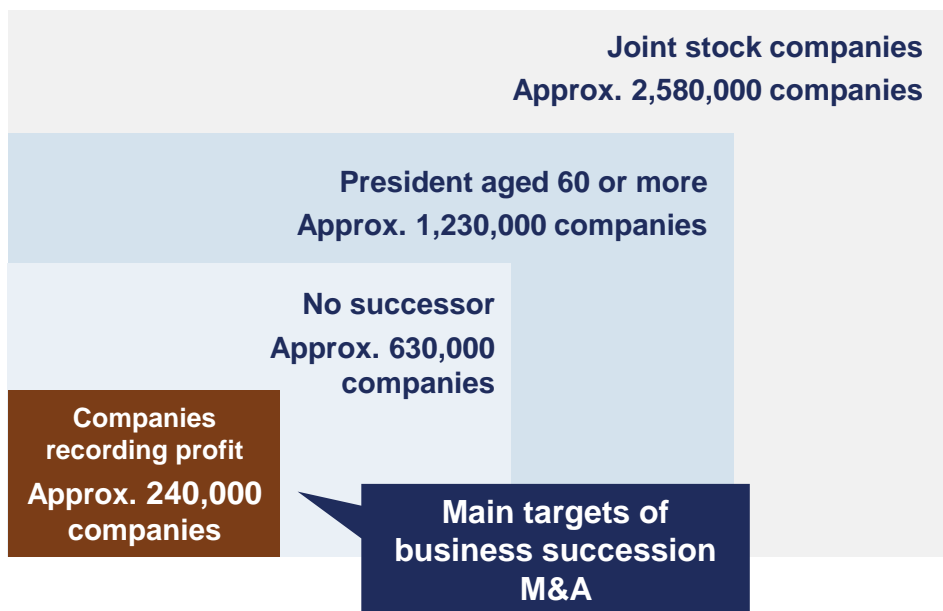
Past difficulties			Potential difficulties		
		%			%
1	Development of successor	48.3	1	Development of successor	55.4
2	Tax measures such as inheritance tax and gift tax	31.7	2	Determination of successor	44.6
3	Handling of assets such as the company's shares	30.5	3	Understanding of employees	25.5
4	Determination 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**

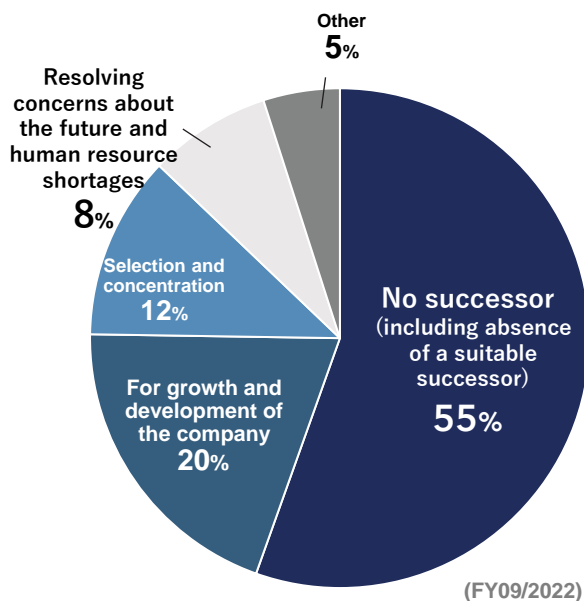
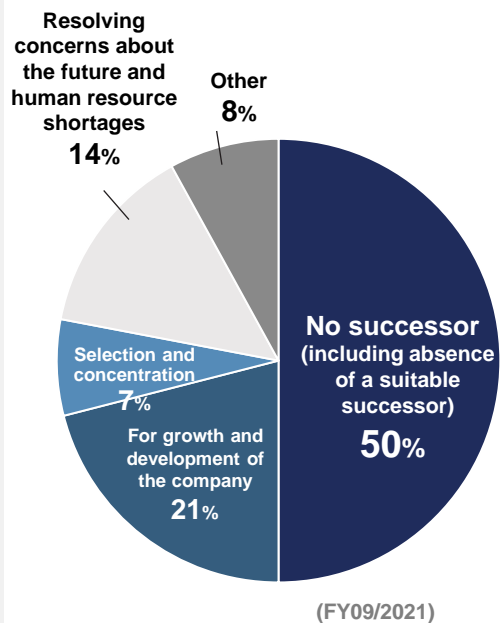
**Able to grow steadily** by continually hiring consultants

**Focus on M&A intermediary business** 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

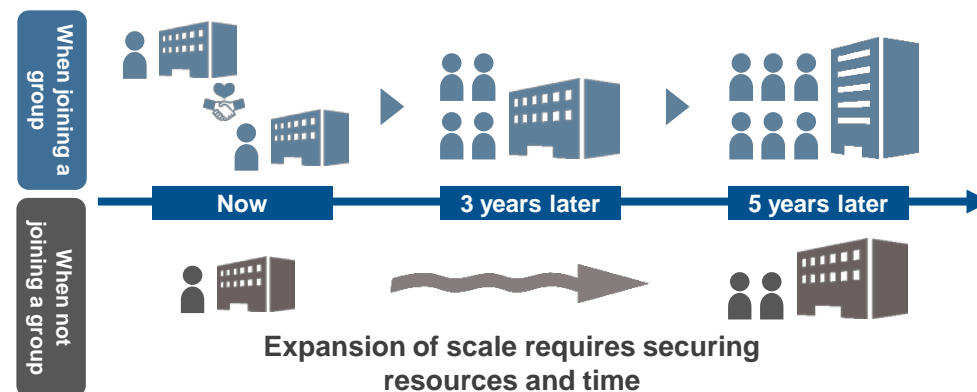
## Management’s reasons for transferring the business

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

---

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.

---