



M&A 総研HD

FY2024/9 1Q
Financial Results Presentation

January 30, 2024

M&A Research Institute Holdings Inc. (TSE Prime: 9552)

Table of Contents

- 1** **FY2024/9 1Q Earnings Results**
- 2 FY2024/9 Earnings Forecast
- 3 Medium- to Long-term Growth Strategy
- 4 Q&A
- 5 Company Overview
- 6 Competitive Advantages of M&A Research Institute
- 7 Reference

1. FY2024/9 1Q Earnings Results

Earnings Summary

Net sales ¥2,125mn → ¥**4,900mn**
(FY23/9 1Q → FY24/9 1Q) (+**130.6%**)

Operating profit ¥1,398mn → ¥**3,353mn**
(FY23/9 1Q → FY24/9 1Q) (+**139.8%**)

Operating margin
(FY24/9 1Q)

68.4%

Sales growth rate
(FY23/9 1Q → FY24/9 1Q) +**130.6%**

Number of M&A advisors
(for transferring companies)
(FY24/9 1Q)

200

Increase from the end of
FY23/9 1Q (90 advisors)

+**110** (+**122.2%**)

As of January, the number of M&A advisors, including those who have accepted offers, is 265, and the progress is proceeding smoothly.

Sales per M&A advisor
(for transferring companies)¹
(FY23/9)

¥67mn

FY21/9 FY22/9 FY23/9
¥61mn ▶ ¥74mn ▶ ¥67mn

For FY23/9, the performance exceeded the initial plan (65 million yen), achieving a robust landing (3.1% above the plan)

Average time to M&A conclusion²
(–FY23/9 average)

6.7 months

The shortest time

1.5 months

Maintained 6-7 months while also expanding business

Notes:

1. Calculated based on the average number of employees during the period
2. Average of all deals signed since inception (excluding financial advisor deals)

Performance

**Net sales of ¥4,900 million (up 130.6% YoY),
Operating profit of ¥3,353 million (up 139.8% YoY), and
Operating margin of 68.4% (65.8% a year earlier) were recorded.
The fees per deal closed in the FY24/9 1Q ¥74 million¹.**

- M&A advisors who were recruited in the previous year are showing steady results. Thorough cost management has enabled us to maintain an operating profit margin on par with the same period last year.
- Due to the impact of a large M&A deal closed, the fees per deal has increased. We will continue to prioritize the maximization of net sale per capita.

The average time to M&A conclusion was 6.7 months², maintaining the standard of 6~7months.
→ Maintained short time to M&A conclusion by simultaneously promoting scale expansion and efficiency.

Recruitment

At the end of Q1, the number of M&A advisors increased by +19 (181 → 200). **Including those who accepted offers as of January, the total number of M&A advisors increased by +84 (265 in total). The progress rate against the current year's plan of +139 additions (320 in total) is currently at 60.4%.**
→ The success is attributed to the effective promotion of our company's appeal and data-driven recruitment efforts.

Notes:

1. To enable comparison with industry peers, the calculation method for transaction unit prices has been changed from FY24/9 1Q, now determined by “Revenue in M&A brokerage business ÷ Number of transactions concluded (excluding FA cases).”
2. Average of all deals signed since inception (excluding FA cases).

1. FY2024/9 1Q Earnings Results

Financial Highlights

	FY21/9 1Q	FY22/9 1Q	FY23/9 1Q	FY24/9 1Q ¹	YoY
Net sales	¥249 million	¥1,010 million	¥2,125 million	¥4,900 million	+130.6%
M&A Brokerage	¥249 million	¥1,010 million	¥2,125 million	¥4,892 million	+130.2%
Others	-	-	-	¥7 million	-
Gross profit	¥206 million	¥888 million	¥1,788 million	¥4,045 million	+126.2%%
Gross profit margin	82.6%	88.0%	84.2%	82.6%	-1.6Pt
SGA	¥95 million	¥177 million	¥390 million	¥692 million	+77.3%
Operating profit	¥110 million	¥711 million	¥1,398 million	¥3,353 million	+139.8%
M&A Brokerage ²	¥110 million	¥711 million	¥1,398 million	¥3,249 million	+135.6%
Others ²	-	-	-	¥-12 million	-
Operating margin	44.3%	70.4%	65.8%	68.4%	+2.6Pt
Ordinary profit	¥110 million	¥705 million	¥1,397 million	¥3,352 million	+139.9%
Ordinary income margin	44.3%	69.9%	65.8%	68.4%	+2.6Pt
Profit	¥75 million	¥486 million	¥958 million	¥2,175 million	+127.0%
Net income margin	30.1%	48.1%	45.1%	44.4%	-0.7Pt

Notes:

1. Consolidated financial statements have been implemented since the FY23/9 2Q

2. In addition to these, unallocated corporate expenses amounting to 710 million yen have been incurred across various segments, and the total of these corresponds to the operating profit in the consolidated income statement.

1. FY2024/9 1Q Earnings Results

Financial Highlights(only for M&A Business)

	FY21/9 1Q	FY22/9 1Q	FY23/9 1Q	FY24/9 1Q	YoY growth
Net sales	¥249 million	¥1,010 million	¥2,125 million	¥4,892 million	+130.2%
Operating profit	¥110 million	¥711 million	¥1,398 million	¥3,294 million	+135.6%
Operating margin	44.3%	70.4%	65.8%	67.3%	+ 1.5Pt
Number of M&A advisors	18	40名	90	200	+122.2%
Closed M&A deals ¹ (large-scale deals ²)	5 (0)	17 (2)	33 (4)	66 (9)	+ 100%
Fees per deal ³	¥43 million	¥58 million	¥61 million	¥74 million	—
Average time to M&A conclusion ⁴	7.0 months	7.9 months	6.6 months	6.7 months	—

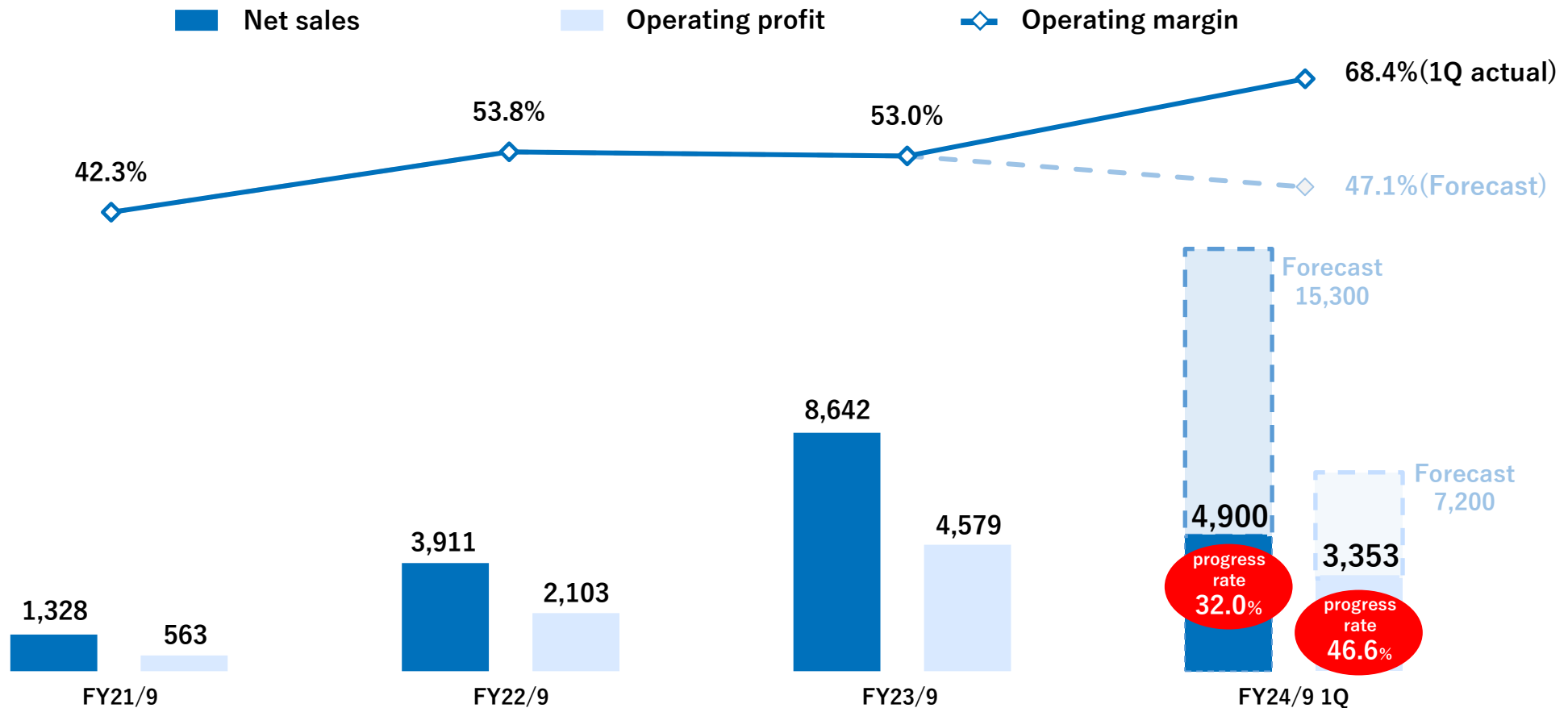
Notes:

1. Non-facilitated advisory (FA) cases are excluded from the count of concluded transactions.
2. Cases with a total commission fee exceeding 100 million yen are defined as large-scale transactions.
3. To enable comparison with industry peers, the calculation method for transaction unit prices has been changed from FY24/9 1Q, now determined by “Revenue in M&A brokerage business ÷ Number of transactions concluded (excluding FA cases)”.
4. The average value of all concluded cases since inception (excluding FA cases).

Net Sales and Operating Profit

The net sales progress rate is at 32.0% compared to the full-year plan, and the operating profit progress rate is 46.6%, showing a favorable trend. The operating profit margin is also maintained at a level similar to the same period last year, standing at 68.4%.

Net sales and operating profit (¥ million)

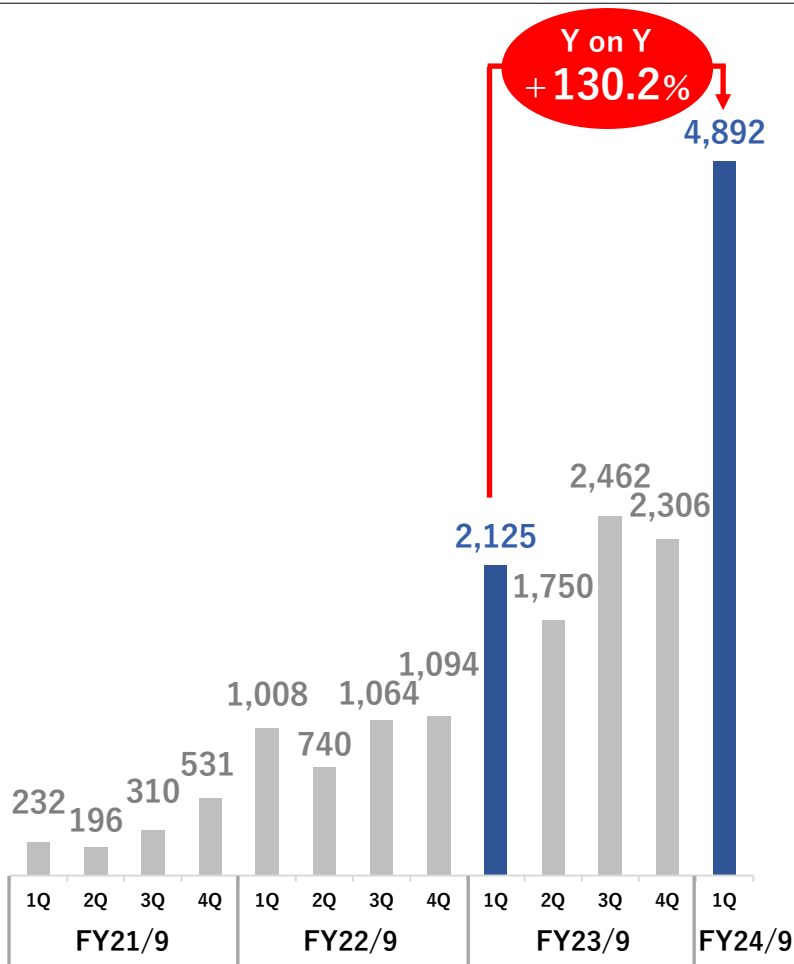


1. FY2024/9 1Q Earnings Results

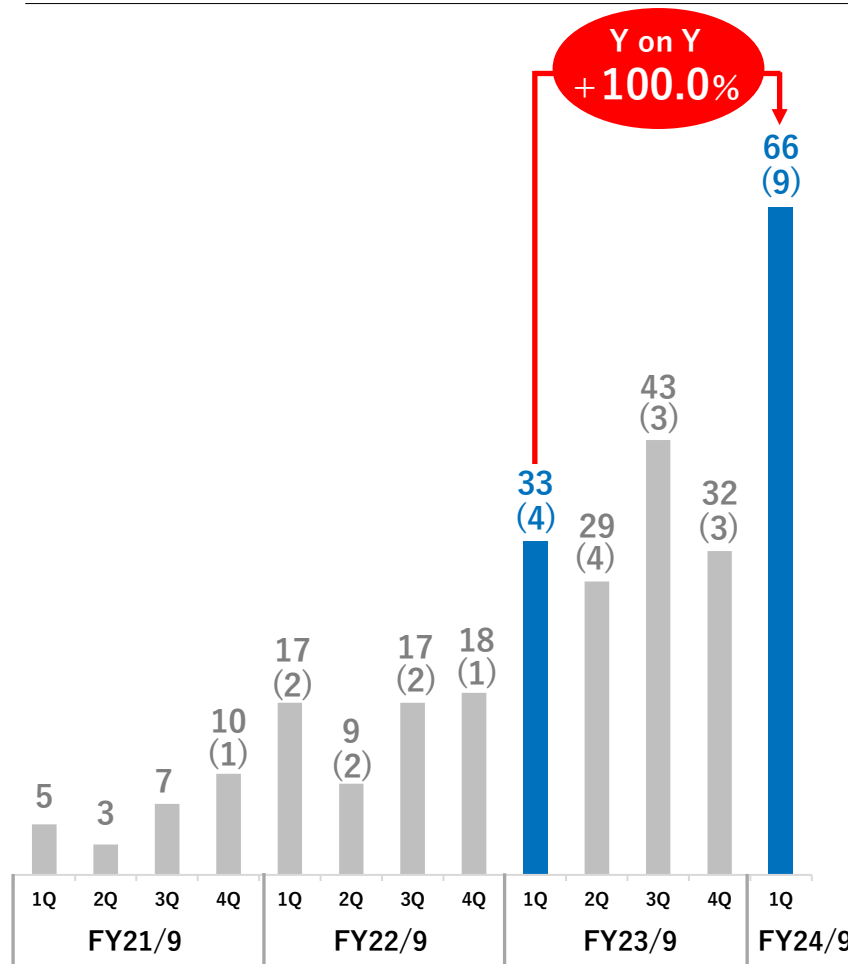
Sales, Closed M&A Deals, and Fees Per Deal (only for M&A Business)

In the first quarter, the net sales was 4,892 million yen (an increase 130.2% YoY), and the number of transactions was 66 (an increase of 100% YoY). Nine large deals were successfully closed M&A deals, marking the highest ever on a quarterly basis.

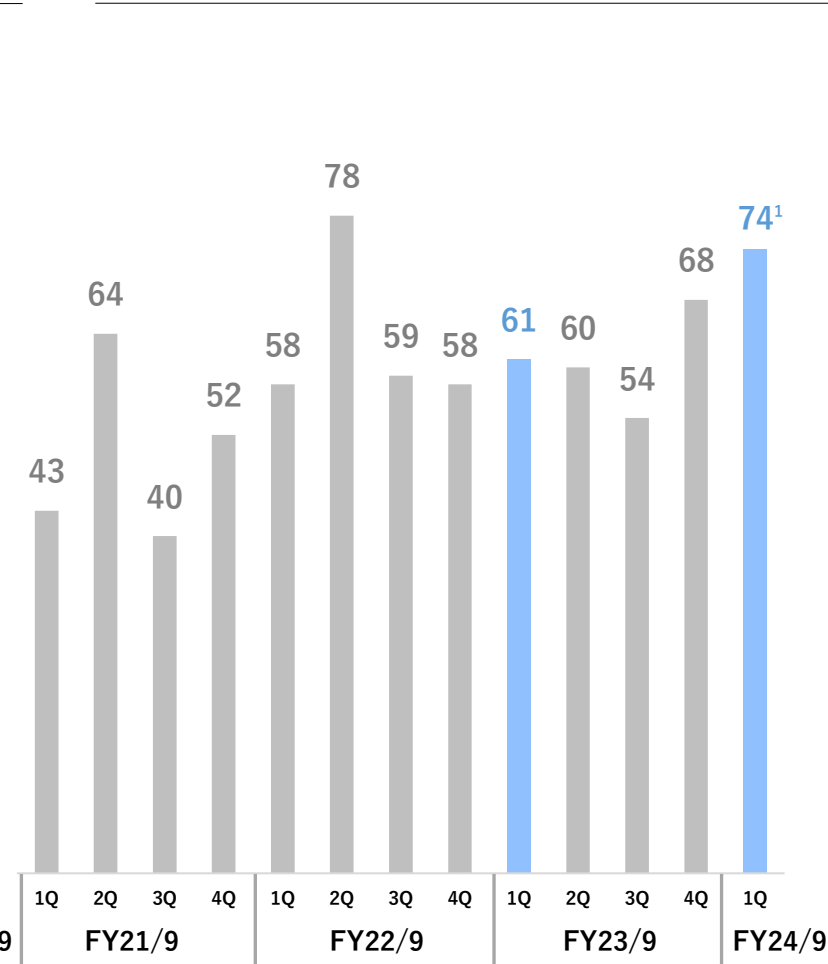
M&A brokerage sales (¥ million)



Closed M&A deals (large-scale deals)



Fees per deal ¹(¥ million)



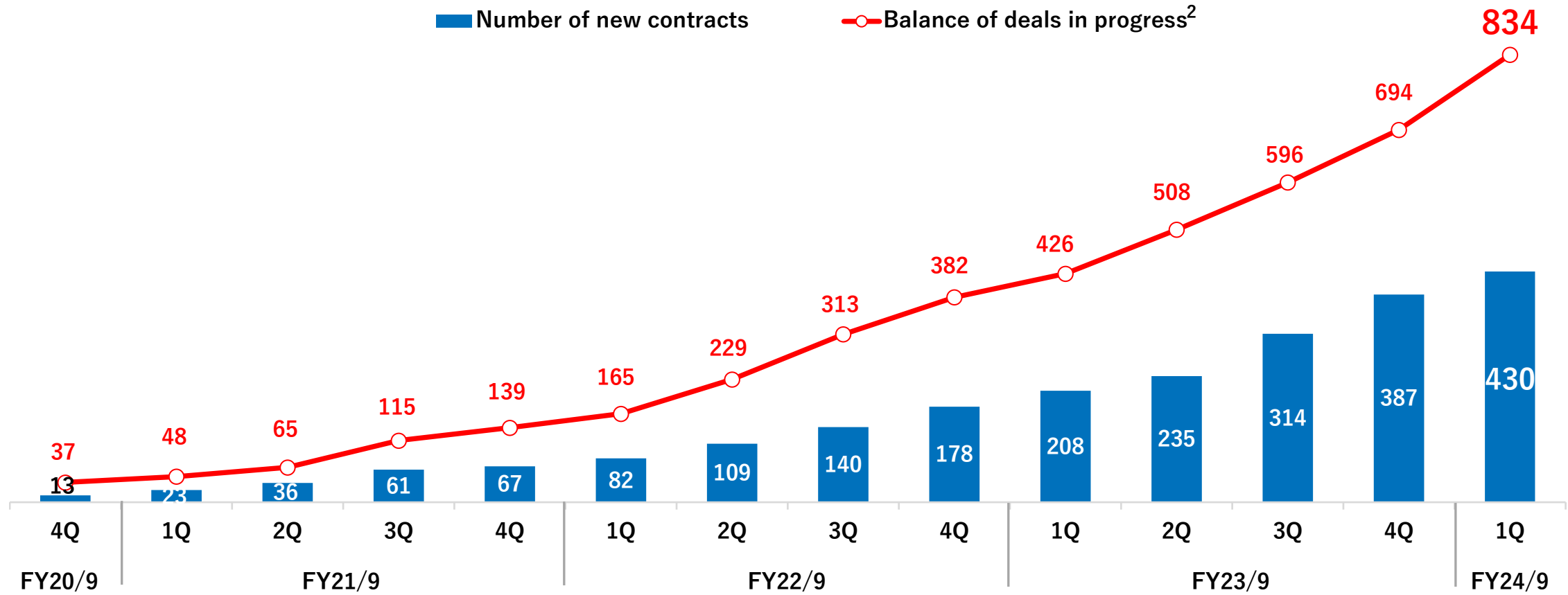
Note:

- To enable comparison with industry peers, the calculation method for transaction unit prices has been changed from FY24/9 1Q, now determined by "Revenue in M&A brokerage business ÷ Number of transactions concluded(excluding FA cases)".
The transaction unit price for 1Q based on the traditional calculation method was 72 million yen.

Number of New Advisory Contracts¹ and Deals in Progress

The accumulation of contracted balances, which forms the foundation for future revenue, continues to progress smoothly. Newly recruited advisors are also steadily securing contracts.

Quarterly number of new advisory contracts and number of deals in progress at the end of each quarter²



Notes:

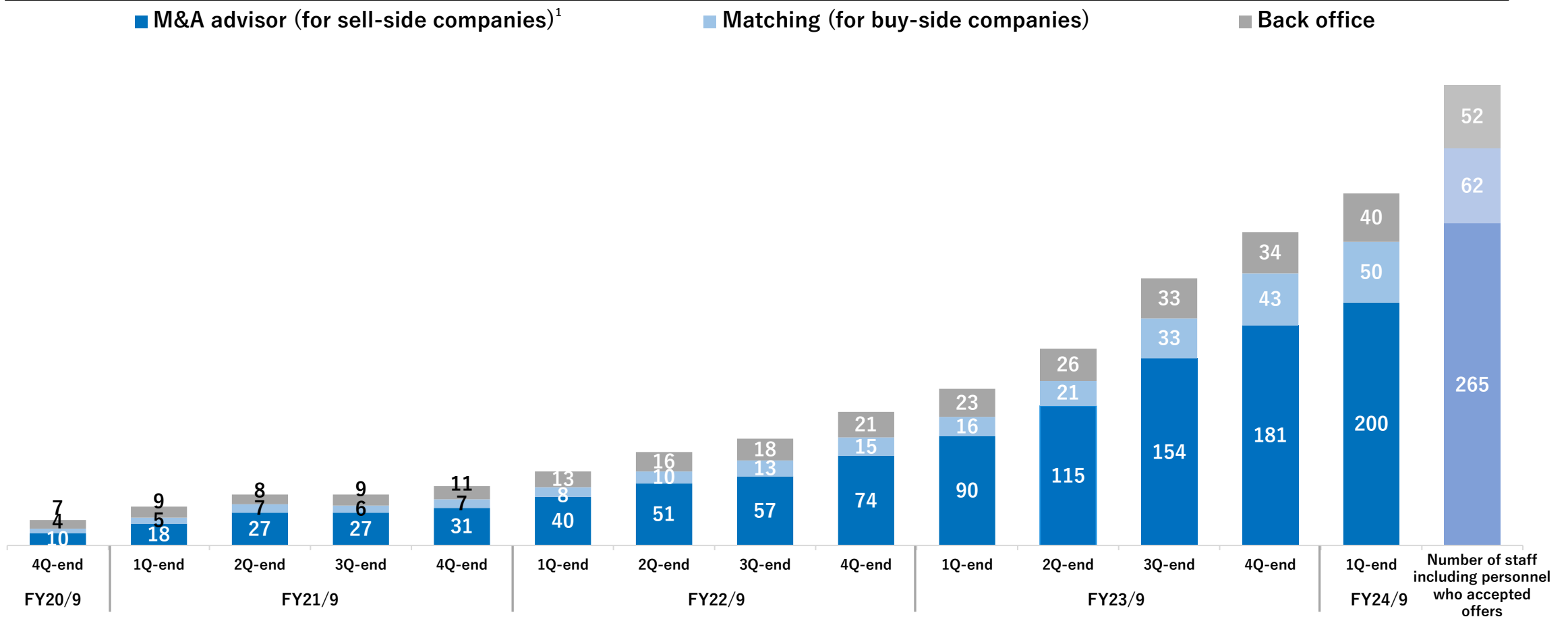
1. M&A advisory contracts concluded with the selling company

2. Only active deals, excluding pending deals, are counted. Cases in which the progress of an Item has stopped once and may progress again after a period of time have been conservatively pending and excluded from the number of cases.

Number of Employees (only for M&A Business)

The M&A brokerage business operates on a labor-intensive business model, and **the increase in the number of M&A advisors is a key metric**. Against the plan to increase M&A advisors by +139 for the current fiscal year, the number of M&A advisors, **including those scheduled to join as of January, has increased by +84, showing a favorable progress rate of 60.4%**.

Number of employees by division (as of the end of each quarter)



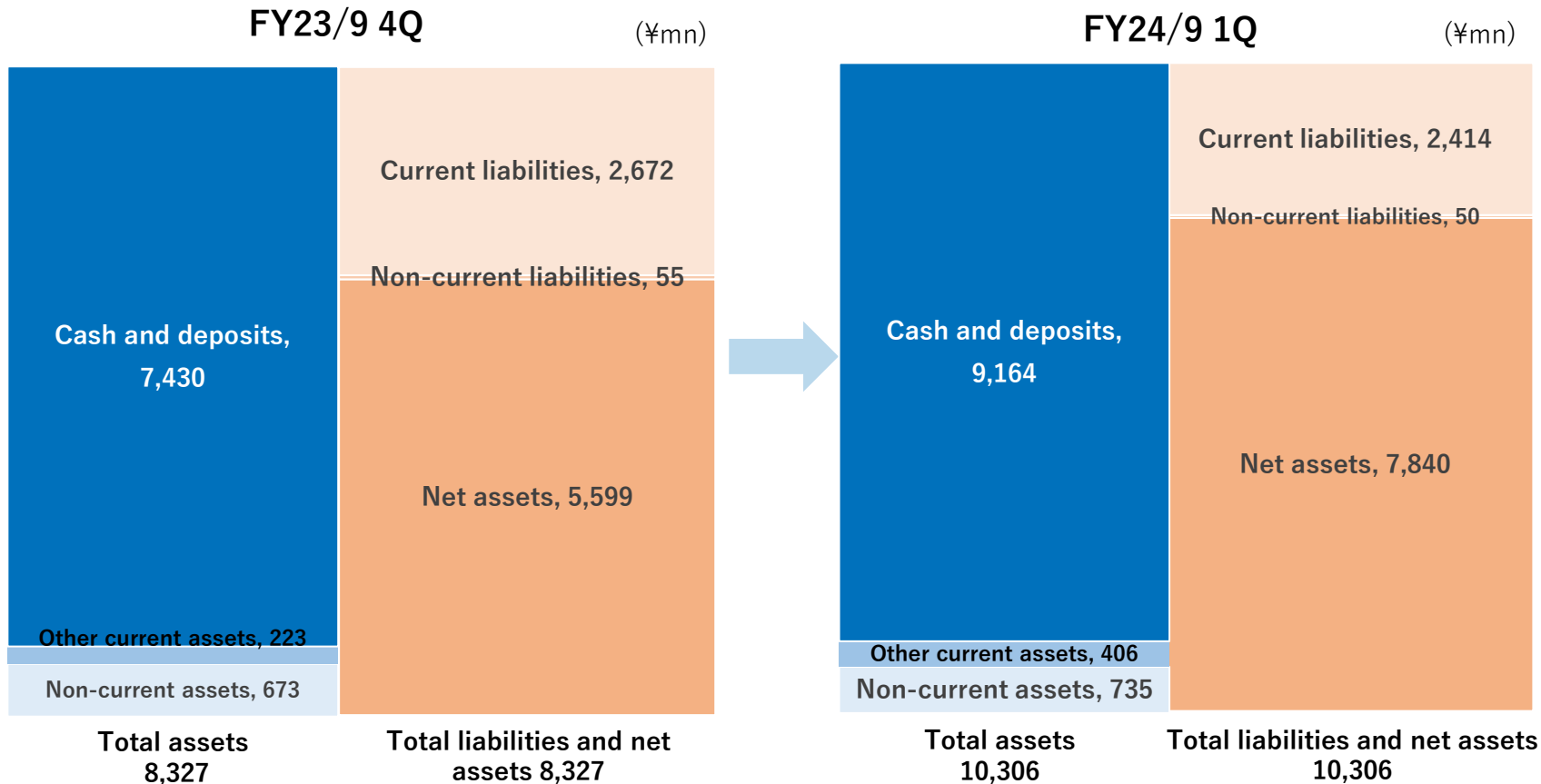
Note:
1. The number of M&A advisors is the number of those who have sales goals.

1. FY2024/9 1Q Earnings Results

Consolidated Balance Sheet

The Company is highly financially sound with increased cash and deposits due to net cash provided by operating activities.

Despite the growth in net assets as profits are generated, ROE is very high owing to thorough and efficient management.



(Ref.) ROA ¹		
FY21/9	FY22/9	FY23/9
37.3%	47.5%	42.1%

(Ref.) ROE ²		
FY21/9	FY22/9	FY23/9
62.0%	71.6%	62.1%

Notes:

1. Profit / Total assets (average of at the beginning and ending of the period). We do not calculate ROIC because our business invested assets and total assets are similar.
2. Net income / Shareholder's equity (average of at the beginning and ending of the period)

Table of Contents

- 1 FY2024/9 1Q Earnings Results
- 2 FY2024/9 Earnings Forecast**
- 3 Medium- to Long-term Growth Strategy
- 4 Q&A
- 5 Company Overview
- 6 Competitive Advantages of M&A Research Institute
- 7 Reference

Consolidated Earnings Forecast

We will continue to achieve strong growth, particularly in the M&A brokerage business.
Conservatively accounting for only costs in our others.

	FY23/9(actual)	FY24/9(forecast)	YoY growth
Net sales	8,642 million	15,300 million	+77.0%
M&A Brokerage	8,642 million	15,300 million	+77.0%
Others	-	-	-
Operating profit	4,579 million	7,200 million	+57.2%
M&A Brokerage	4,579 million	7,700 million	68.2%
Others	-	△500 million	-
Operating margin	53.0%	47.1%	▲5.9Pt
Profit	2,646 million	4,677million	+76.8%
Earnings per share	¥45.89	¥80.67	+75.8%

	Others Considerations in Performance Forecasts
Net sales	For Asset Management Consulting Inc and Quants Consulting ,Inc., we plan to initiate services for net sales generation starting from the fiscal year ending September 2024. However, <u>as the net sales figures are yet to be confirmed, we have conservatively included only costs in our performance forecasts. Our intention is to provide updates as and when the net sales figures become more certain after the commencement of these operations.</u>
SGA	The main components are recruiting and personnel expenses at Asset Management Consulting Inc. and Quants Consulting ,Inc.

Forecasts in the M&A Brokerage

The number of M&A advisors has been updated to include those who accepted offers as of July, but other figures have not changed since the previous announcement.

	FY23/9 (actual)	FY24/9 (forecast)	YoY growth
Net sales	¥8,642 million	¥15,300 million	+77.0%
Operating profit	¥4,579 million	¥7,700 million	+68.2%
Operating margin	53.0%	50.3%	-2.7Pt
Number of M&A advisors	181	320	+76.8%
Sales per advisor (Average number of advisors during the term)	¥67 million (127.5)	¥61 million (250.5)	—
Closed M&A deals	137	255~275	
Fees per deal	¥61 million	¥55~60 million	—
Average time to M&A conclusion	6.6 months	6~7 months	—

Assumption of Earnings Forecasts in the M&A Brokerage

	Assumption of earnings forecast
Net sales	Calculated based on the possibility of closing each deal in progress and each expected closing fee.
Operating margin	Fluctuations in net sales may change the operating margin in the future. (See next page for details.) It should be noted that hiring more M&A advisors than planned can increase hiring costs and affect operating income.
Number of M&A advisors	As of FY23/9, the number of M&A advisors was 181, meeting the planned target. While maintaining the target of 320 advisors for FY24/9 (as per the plan announced in April 2023), there is also consideration for exceeding the planned value through additional hiring.
Sales per advisor (calculated based on the average number of employees during the period)	The actual amount for FY9/2023 is ¥67 million, but the plan is set at ¥61 million as a conservative figure.
Closed M&A deals	Expected to increase proportionally as the number of advisors increases There are items recorded as sales (interim fees received from the buy-side company) even though the contract has not been concluded, so there is a difference between the amount obtained by multiplying the number of closed M&A deals by the fees per deal and sales
Fees per deal	Expect to maintain the current price level. While emphasizing the maximization of sales per M&A advisor, we will also implement measures aimed at improving fees per deal.
Average time to M&A conclusion¹	Expected to remain at 6~7 months. This level has been reached as a result of continuous improvement of efficiency in the four years since our inception. Important to maintain this short period while rapidly expanding our scale in the future.

Note:

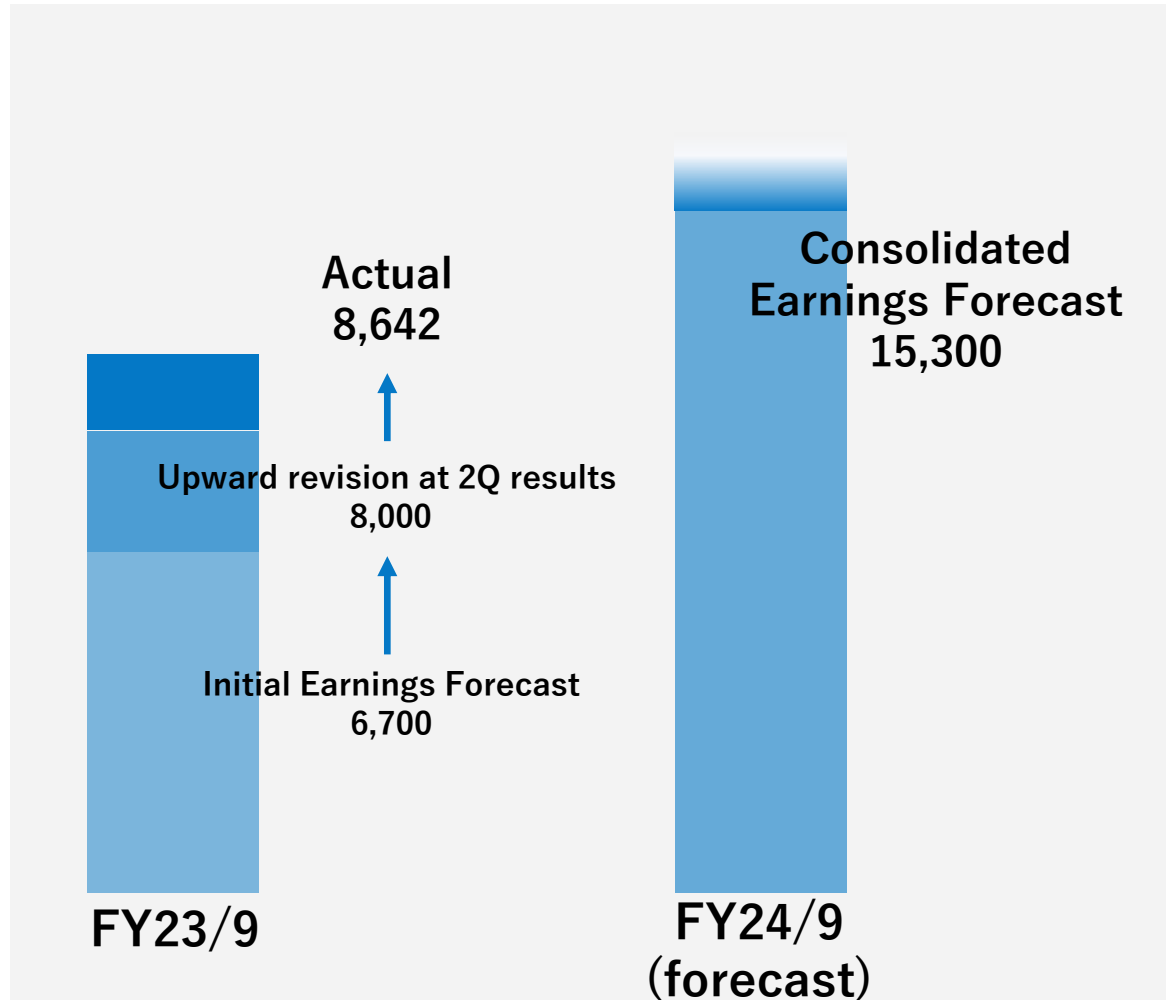
1. Average of all deals signed since inception (excluding financial advisor deals)

Assumption of Operating Margin in Earnings Forecast (1)

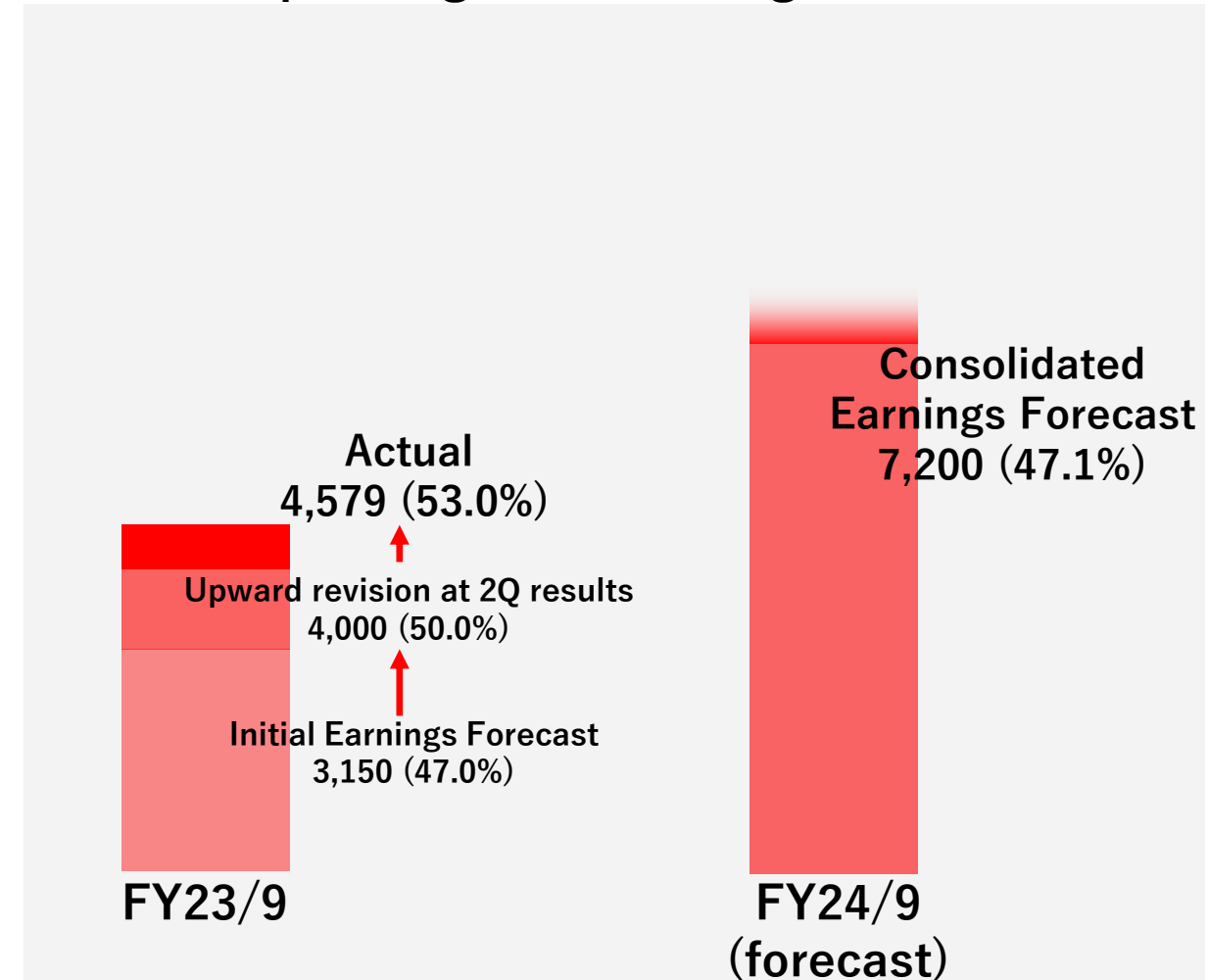
Operating margin improved in FY 22/9 due to actual results exceeding forecast figures.

This is because the additional cost is **limited when sales exceed its forecast**, and it could be the same structure in FY2023/9.

Net sales



Operating income (margin)



Assumption of Operating Margin in Earnings Forecast (2)

- (i) Sales: Forecast = Each deal fee x **Expected value** considering the possibility of closing the deal
 For other businesses, we plan to disclose net sales as and when the expectations rise
- (ii) Cost: Even if sales exceed the forecast, **additional costs are limited**
- (iii) Margin: Structure that **improves the operating margin if sales exceed the forecast**

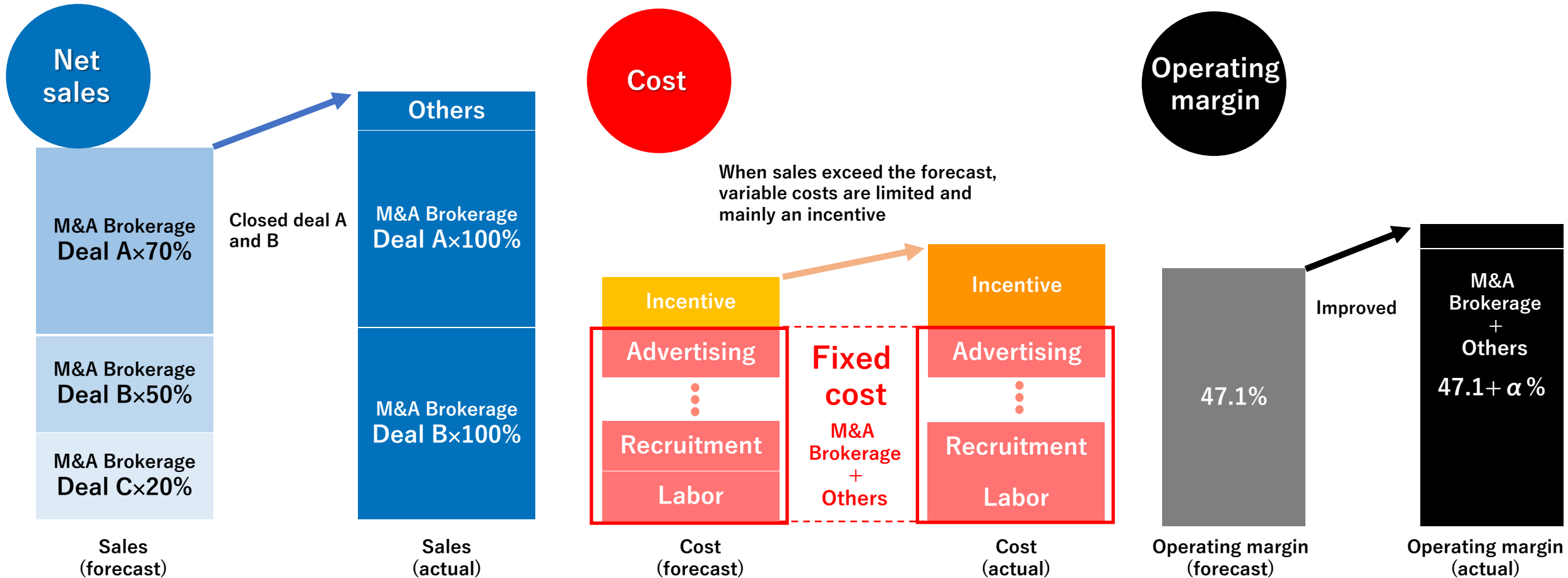


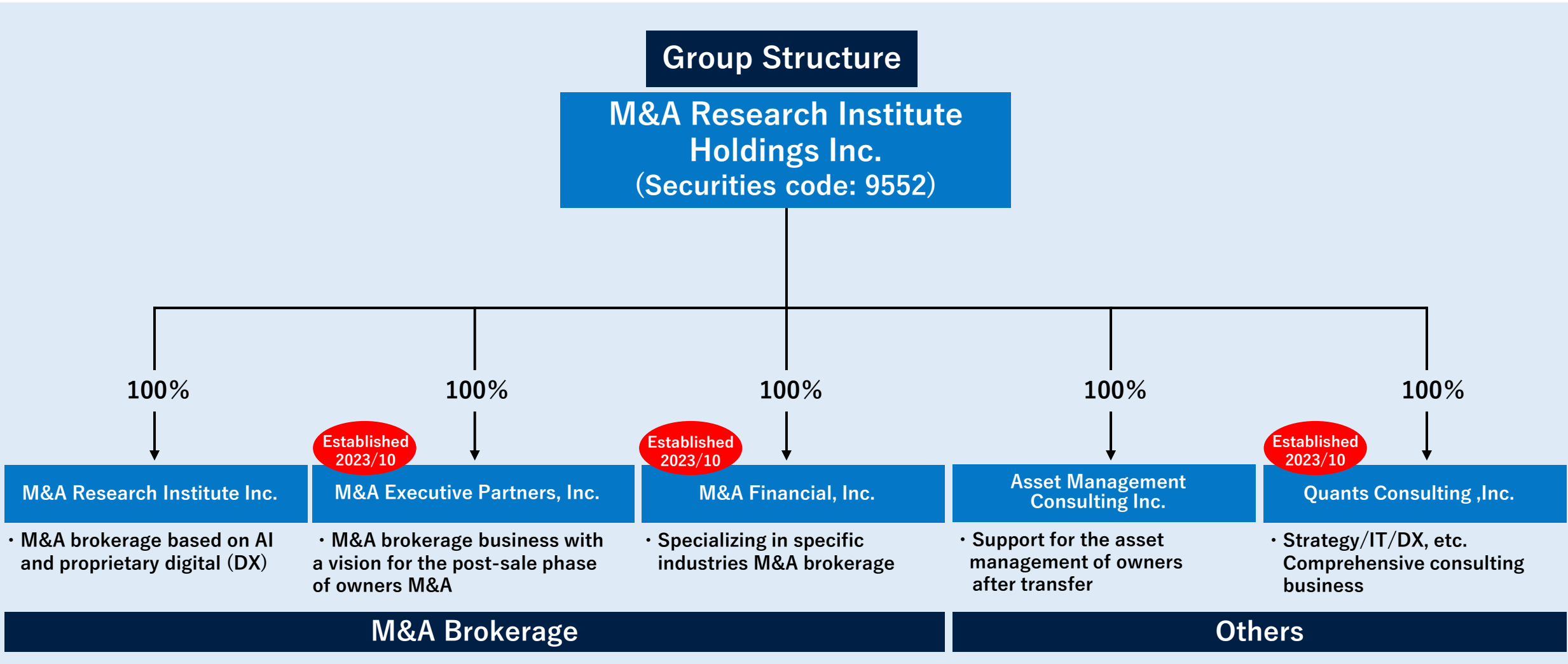
Table of Contents

- 1 FY2024/9 1Q Earnings Results
- 2 FY2024/9 Earnings Forecast
- 3 Medium- to Long-term Growth Strategy**
- 4 Q&A
- 5 Company Overview
- 6 Competitive Advantages of M&A Research Institute
- 7 Reference

3. Medium- to Long-term Growth Strategy

Structure of the Group

Establish three new companies in October 2023 to further accelerate growth



New Company Overview

Established two M&A intermediary-related companies and one consulting firm.

Expand the scale of our M&A intermediary business to meet various needs in the M&A intermediary market, while entering the consulting business where our business model is similar and we can leverage our management assets.



Company name	M&A Executive Partners, Inc.
Established	October 2, 2023
Representative	Kengo Masuda
Address	1-8-1 Marunouchi, Chiyoda-ku, Tokyo
Capital stock	10 million
Business description	M&A brokerage business with a vision for the post-sale phase of owners M&A
Service Contents	In addition to M&A brokerage services, operate a membership-based community for owners after closing M&A

Company name	M&A Financial, Inc.
Established	October 2, 2023
Representative	Yuta Kobayashi
Address	1-8-1 Marunouchi, Chiyoda-ku, Tokyo
Capital stock	10 million
Business description	M&A brokerage business specializing in specific industries
Service Contents	M&A brokerage business specializing in specific industries

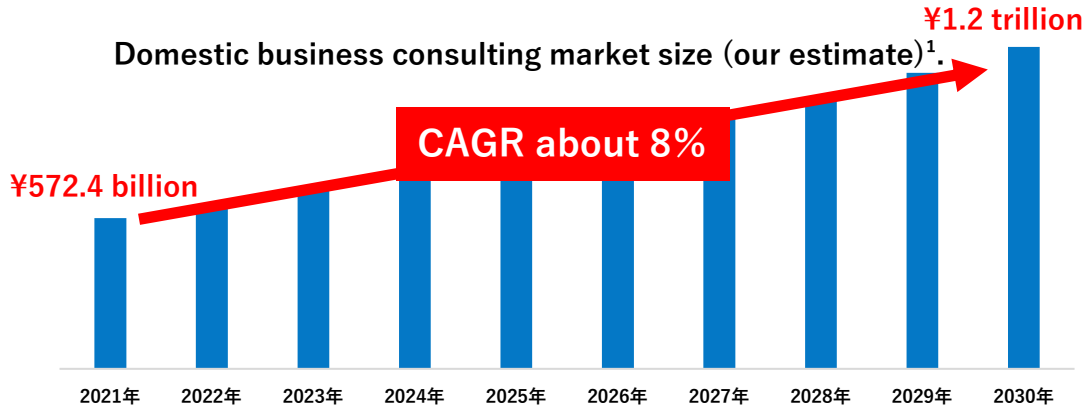
Company name	Quants Consulting, Inc.
Established	October 17, 2023
Representative	Shunsaku Sagami
Address	1-8-1 Marunouchi, Chiyoda-ku, Tokyo
Capital stock	25 million
Business description	Consulting Business
Service Contents	Strategy/IT/DX, etc. Comprehensive consulting business

3. Medium- to Long-term Growth Strategy

Launch of new consulting business

The consulting industry continues to expand, and the market size¹ is **expected to reach ¥1.2 trillion by 2030**.
The business model is similar to the M&A intermediary business, and we aim to expand the business by leveraging our strengths.

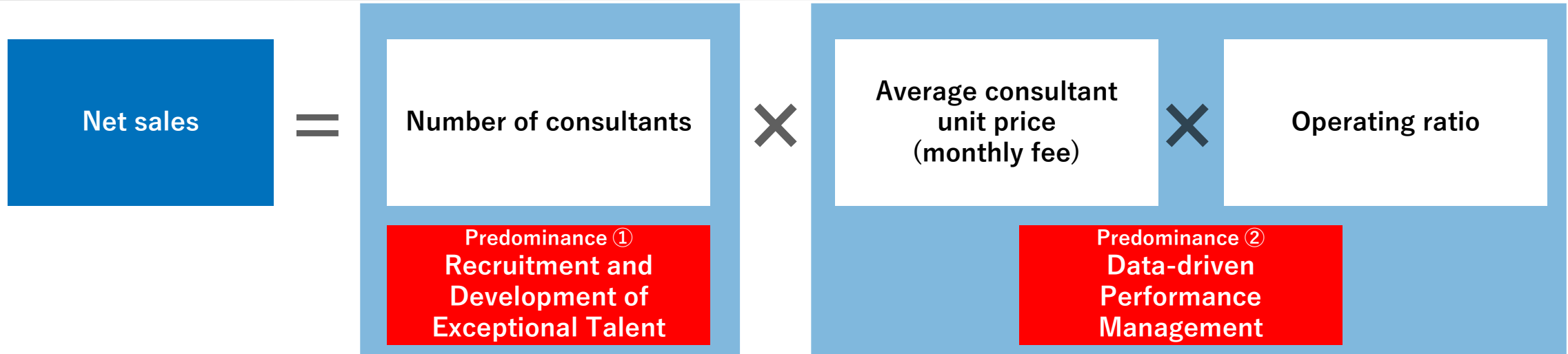
Consulting Industry Market



- ✓ Demand for DX support in the corporate sector continues to grow
- ✓ In a wide range of segments such as strategy, IT, and business improvement The consulting market is expanding

Note:
 1. Our estimates based on the domestic business consulting market forecast (IDC Japan / May 23, 2022), etc.

Business Model and Our Advantages



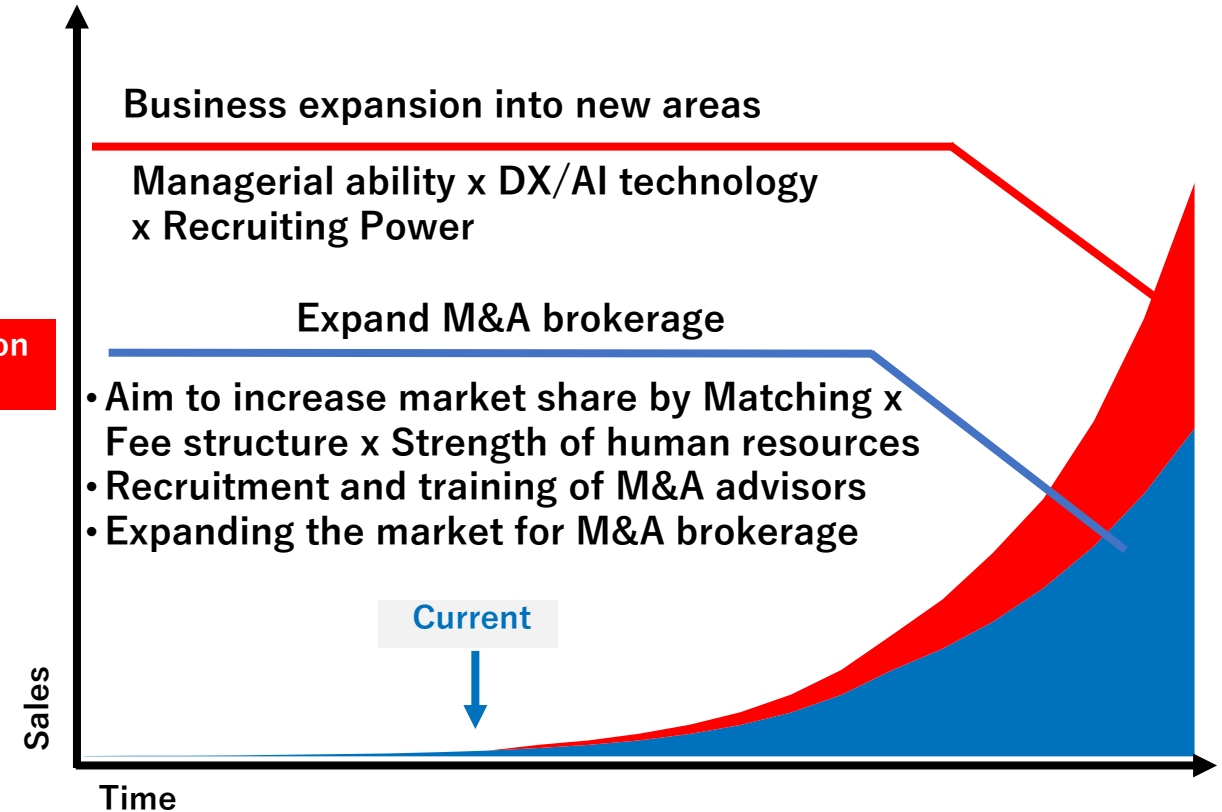
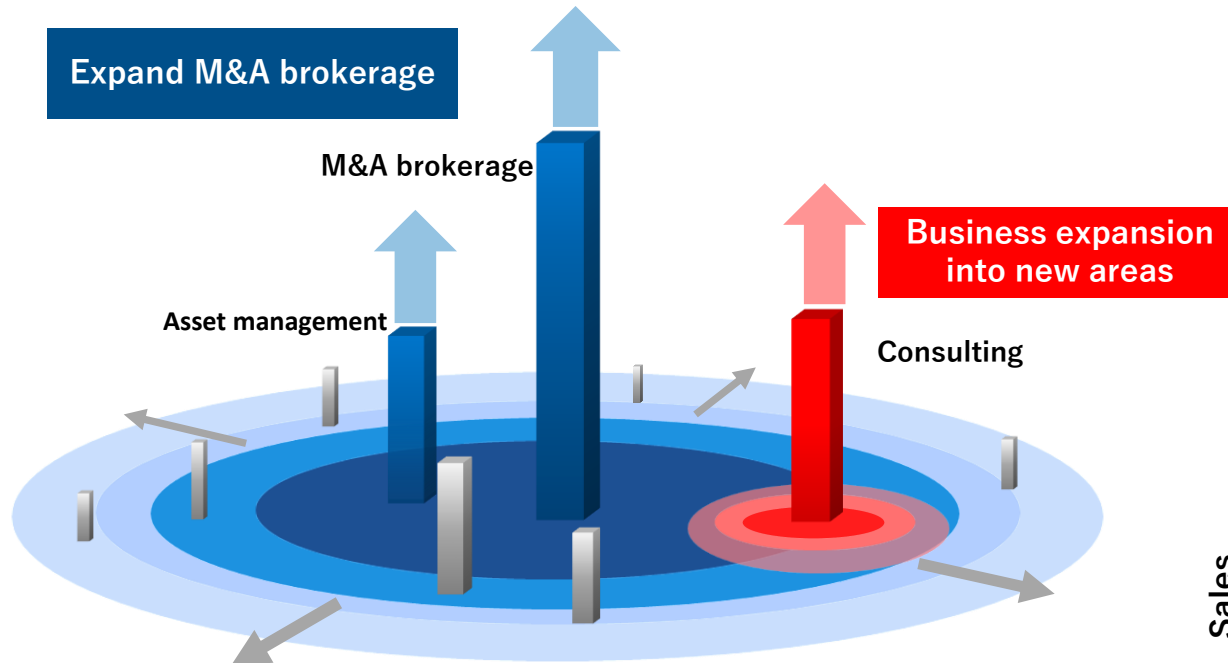
3. Medium- to Long-term Growth Strategy

New Business Development

While continuing to grow the M&A brokerage business in order to increase the amount of profit for the group as a whole, entering the consulting industry, which is expected to have a large enough market and high growth potential.

The Company's growth vision

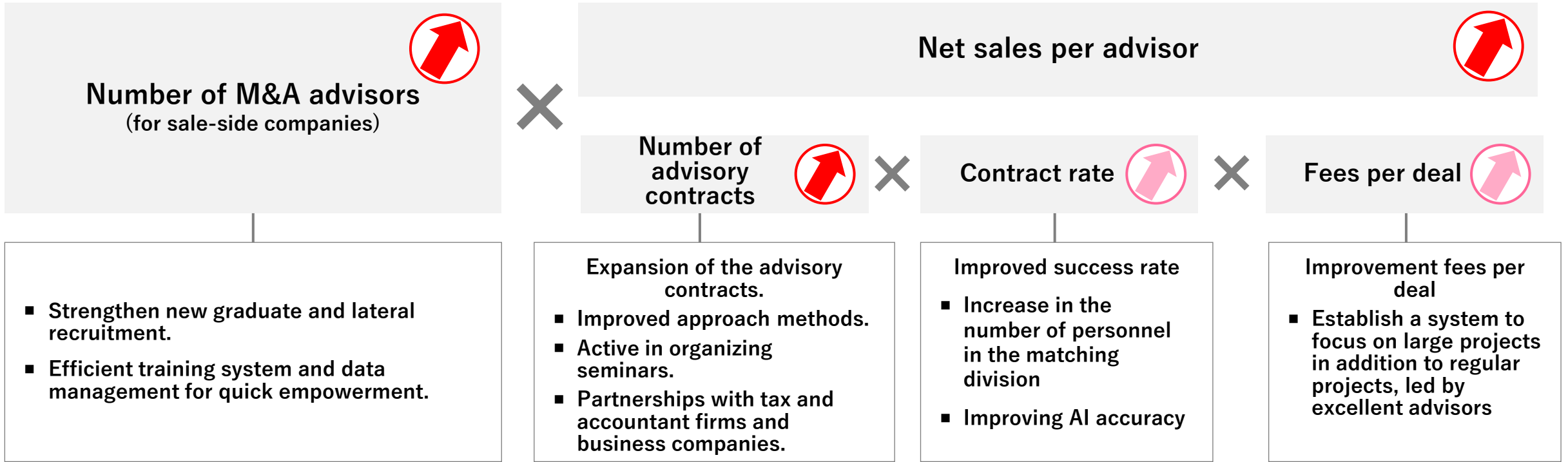
Managerial ability × DX/AI technology × Recruiting ability
Leveraging these strengths to develop new businesses



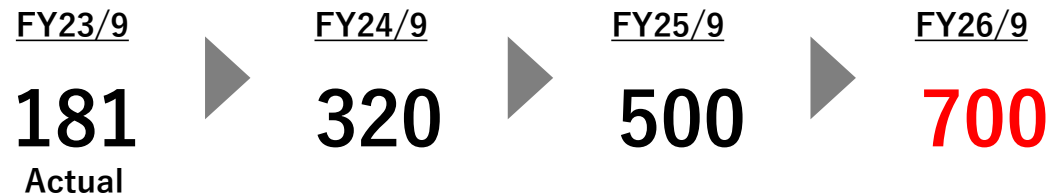
Growth strategy centered on headcount expansion

Aim for significant growth by increasing the number of M&A advisors hired and increasing net sales per advisor.

Top priority



Number of M&A advisors (Plan)



Medium- to Long-Term Plan for Human Resources Strategy

M&A intermediary business operates on a labor-intensive business model, with the increasing number of M&A advisors being a key indicator. **Will continue to advance data-driven hiring and strive to achieve staffing goals.**

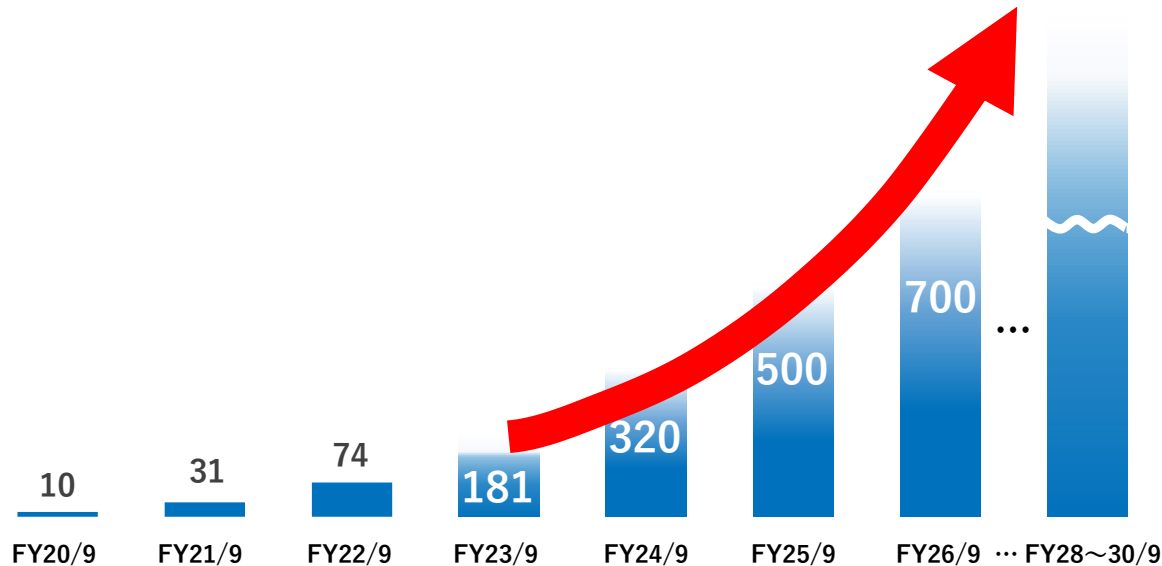
Given the rapid growth and business model, we must be overly conservative in providing a sales plan for the next three years, and disclose only the human resource plan to avoid being misleading. The Company intends to disclose sales as soon as the probability of sales increases.

Target number of M&A advisors

Number of Advisors (FY26/9)

700 Net increment **+ about 520**
 (FY23/9 actual 181) **CAGR 57.0%**

Aiming to be No. 1



Human Resource Strategy

Recruitment

Strengthening recruitment toward 700 advisors

- Continue to focus on lateral recruitment and strengthen the employment of new graduates.
- Break down the recruitment process to use data-driven recruitment based on data management.

Development

Efficient training and data management for early deployment

- Reduce training time through analysis of training content required for empowerment.
- Reduce the time required for onboarding by establishing a system to learn as needed through text and video content regarding questions arising in the course of work.
- Manage and analyze the sales activities of each M&A advisor to optimize sales performance.

3. Medium- to Long-term Growth Strategy

Human Resource Training System

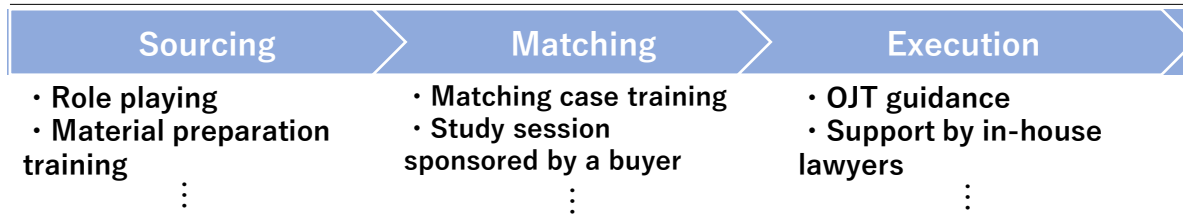
In the three years since our founding, we have created a system and environment that enable recruited personnel to achieve results quickly and **withstand organizational expansion**. **Rapid expansion of the organization has been made possible by shortening the time to M&A conclusion and bringing recruited personnel into the instructional side at an early stage**

Bringing human resources into the workforce at an early stage

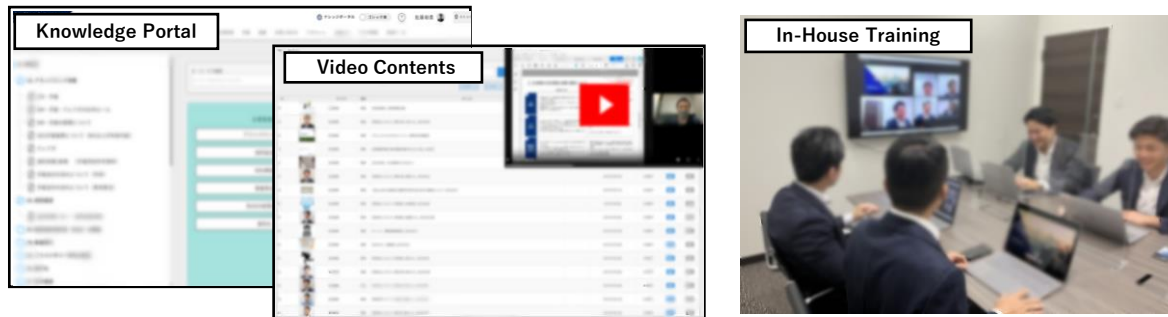
- Policy for early practical experience through unique and streamlined training programs
- Use DX and AI to streamline operations and **reduce the average time to M&A conclusion**
- **Maintain and improve productivity** even as the number of employees increases

Efficient education to achieve results in a short period of time

(1) Constantly improving training content for each business process



Establish an environment for sharing knowledge and learning efficiently through in-house systems

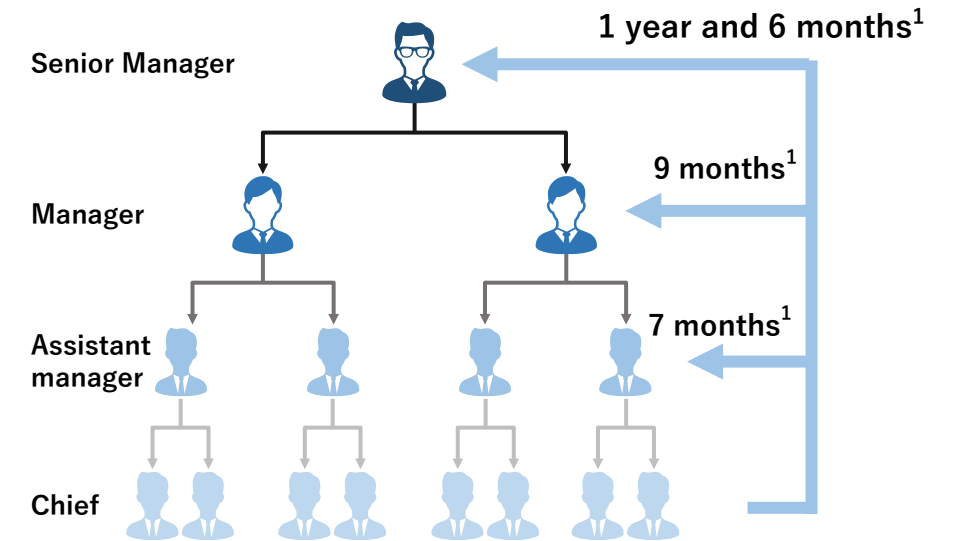


Organizational expansion

- Bringing new employees into the workforce within a year has enabled them to have subordinates on the instructional side at an early stage.
- One person can instruct more than one person, so **rapid expansion of the organization is possible**.
- **An organizational culture of teamwork in support of bringing personnel into the workforce** has taken root

Education and guidance system

Organizational structure in which employees are promoted within a short period of time after joining the Company to provide guidance to their subordinates



Note:
1. Results of employees Joined in and after FY2020/9

In addition to outbound sales and inbound sales, we will focus on acquiring additional advisory contracts through partnership with each external entity.

We will actively hold various seminars to raise awareness and find new contacts in the inbound sales.

Sales strategy to expand the number of contracted projects

Outbound sales

Develop a large number of sell- side candidates through identification of companies with high transfer needs and improvement of approaches to lead to the acquisition of contracts.

Inbound sales

Increase brand recognition through further expansion of the website advertising and holding of various seminars to lead to the acquisition of contracts.

Partnership

Promote partnerships with community-based tax accountant firms, accounting firms, and business companies to lead to the acquisition of contracts through referrals.

3. Medium- to Long-term Growth Strategy Initiatives: M&A Insight Seminars

Free monthly online M&A seminars for owners of sell-side companies. Various seminars such as "Co-sponsored seminars" and "Industry-specific seminars."

Holding of co-sponsored seminars

Holding of various seminars

Cumulative number of seminars held¹

79

Note:
1. Cumulative number of seminars held by the end of December 2023

Participation in M&A Brokerage Associations

Our subsidiary, the M&A Comprehensive Research Institute, which is a full member, has actively participated in the M&A Intermediaries Association. In order to promote the healthy development and further enhance the quality of the M&A intermediary industry, the association has established the "Code of Ethics and Industry Self-Regulation Rules 3 Regulations."

Our corporate group is committed to adhering to the Code of Ethics and industry self-regulation rules. By doing so, we aim to contribute to the overall credibility of the industry and support the sustainable growth of medium-sized and small businesses.



Association Overview

Japanese name

一般財団法人M&A仲介協会

English name

M&A Intermediaries Association (MAIA)

Established

October 1, 2021

Location

1-8-3 Marunouchi, Chiyoda-ku, Tokyo

Activities

- Promoting fair and smooth transactions in M&A brokerage
- Adherence to Appropriate Transaction Rules, Including M&A Guidelines
- Support for M&A support personnel development
- Operation of a complaint and consultation service for M&A intermediaries
- Other related businesses incidental to the preceding items

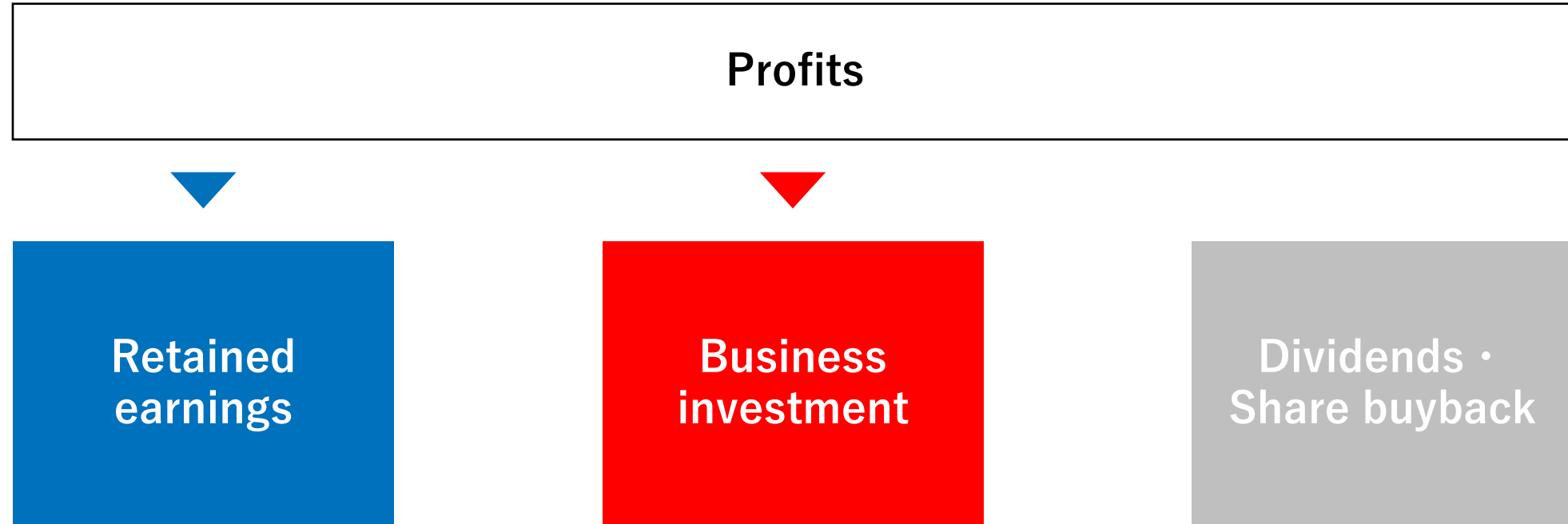
3. Medium- to Long-term Growth Strategy Strengthened Governance

Independence and diversity have been emphasized in the governance framework, which has been further refined. Through rigorous risk management and compliance, along with transparent and proactive information disclosure, we seek to strengthen the foundation of management and drive the creation of new value.



Name	Position	Independent	Expertise and experience						
			Business management	Sales & Marketing	Accounting & Finance	Compliance and Risk Management	M&A	Human Resources Development	Legal
Shunsaku Sagami	Director & CEO		●	●		●	●	●	
Akihiro Yabuki	Director & COO			●			●	●	
Hikaru Ogino	Director & CFO				●	●			
Ryo Mizutani	Outside Board Director	●	●		●		●	●	
Toru Kamiyama	Outside Board Director	●	●		●		●		
Mika Aoki (New)	Outside Board Director	●				●			●
Naoki Okamoto	Executive Auditor	●			●	●			
Makoto Kumazawa	External Auditor	●	●			●	●		●
Yousuke Azuma	External Auditor	●			●	●	●		

At this point, the possibility and timing of dividend payments and share buybacks have not yet been determined. We are continuing to examine the ROE level to be achieved over the medium to long term and the level of cash and cash equivalents to be retained. We will disclose our dividend and share buyback policy as soon as it is finalized, while always keeping them in mind.



We are actively considering the launch of new businesses, including consulting businesses, as well as investments in existing businesses to increase corporate value over the medium to long term.

New businesses will be launched both by the company itself, such as the consulting business announced this time, and by acquiring existing companies through M&A. We will continue to work on accumulating funds for future M&A activities.

Table of Contents

- 1 FY2024/9 1Q Earnings Results
- 2 FY2024/9 Earnings Forecast
- 3 Medium- to Long-term Growth Strategy
- 4 Q&A**
- 5 Company Overview
- 6 Competitive Advantages of M&A Research Institute
- 7 Reference

4. Q&A

Q&A (Bold text indicates changes and additions made since the last version.)

Items	Question	Answer
Performance	What KPIs are you focusing on?	We are <u>focusing on the number of M&A advisors</u> because our business model is labor-intensive.
	What is your outlook for the fees per deal in the future?	Expected to <u>remain at 6–7 months</u> . This level has been reached as a result of continuing to improve efficiency in the five years since our founding. It is important to maintain this short period while rapidly expanding our scale in the future.
	What is your outlook for the time to M&A conclusion?	Expect to maintain the current price level. We place a strong emphasis on maximizing revenue per capita while also taking measures to increase unit prices. However, we are cautious about overly focusing on securing large-scale projects solely for price increases, as it may lead to increased volatility in performance and a less sustainable business operation. Therefore, our primary approach is to maintain the current price level as a foundation, all while prioritizing the maximization of revenue per capita.
	Quarterly numbers of close deals and sales fluctuate. Is there any seasonality in performance?	There is no seasonality. The fluctuation is due to the still small number of closed deals. The performance is expected to stabilize as the number of closed deals increases in the future.

Items	Question	Answer
Market condition	<p>Despite ongoing factors such as rising interest rates, inflation, and international political instability, has the M&A intermediary industry been affected?</p>	<p><u>There has been no outstanding impact.</u> No outstanding impact of the macro environment on M&A of SMEs. The demand continues to be strong because it is based on the risk of closing business due to the lack of successors As there are several potential buyers for a single sale in the current sellers' market, it is unlikely that interest-rate hikes will have a significant impact on the general situation even if some companies hold off purchases.</p>
	<p>What is the competitive environment with competitors like?</p>	<p><u>The four major companies continue to develop</u> the blue ocean market. Many new companies are entering the M&A brokerage industry because there are no direct regulations and barriers to entry are low. However, while there are high barriers to business growth, we have an advantage for the following reasons: (1) M&A brokers need to clarify their competitive advantage over other companies and have the ability to recruit excellent human resources. (2) Since M&A intermediaries are platform companies, it is necessary to build a sales structure that develops not only seller companies but also buyer companies.</p>

4. Q&A

Q&A (Bold text indicates changes and additions made since the last version.)

Items	Question	Answer
Business model	Fees are cheaper than competitors' in a complete success fee system?	<u>Almost the same</u> We do not set the cheaper fees while we receive fees only when the deal closes successfully
	How do you acquire deals?	<u>The majority are outbound, in which we provide a proposal directly.</u> There are few inbound deals, acquired from receiving direct requests or through third parties' introduction
	Do you plan to increase referrals from partners in the future?	The margin in referral deals becomes lower because the referral fee has to be paid to the referral source In addition, in recent years, business succession through M&A has become a commodity, and brokerage companies can have deals by our direct proposals without financial institutions' referral. This is why we have adopted a sales policy mainly based on outbound. On the other hand, we are also developing measures for acquiring inbound deals in order to respond to a wide range of deals in the future.
	Do you have plans to expand into overseas markets?	We are paying attention to overseas markets and have actually received inquiries on cross-border deals, but we plan to <u>enter at the timing where we can expect profitability with a high probability</u>
	What is the revenue recognition like?	We recognize revenue <u>at the closing of M&A</u> (transfer of shares between parties and completion of payment settlement)

Items	Question	Answer
Recruitment	Do you hire only mid-career workers? Do you plan to hire new graduates in the future?	<p><u>Seven new graduate M&A advisors joined the company in April 2023.</u> We plan to continue to hire new graduates even after April 2024. We are hiring only high-quality human resources who can be work-ready immediately, so we expect that there will be almost no training costs.</p>
	How much does it take to make new graduate employees work-ready?	<p><u>About a year</u> if we define the closing of the first deal as work-ready More than half of new hires close a deal within a year after joining the company, and some of them close their first deal within three months. So, we believe that approximately one year is enough to make them work-ready.</p>
	About how much is the turnover rate? What do you think of this figure?	<p><u>FY23/9 was 11%.</u> We will continue to expand recruitment while keeping in mind the possibility of fluctuating retirement rates.</p>

4. Q&A

Q&A (Bold text indicates changes and additions made since the last version.)

Items	Question	Answer
Capital policy	12.5% of the share acquisition rights (SO) have been issued. How do you expect the future dilution?	<p>The 12.5% mainly comprises the following: (1) 7.5%: Ordinary SO granted to employees before listing (2) 5.0%: Trust-type SO issued as an incentive after listing</p> <p>(1) has 5 years of vesting and (2) has 20 years of exercisable period and is granted to the employees who demonstrated high performance in future new businesses, etc., which is not yet granted. Thus, <u>SO is designed to prevent rapid dilution.</u></p>
	We issued a trust-type SO. Is there any impact from the publication of the National Tax Agency's opinion on taxation?	<p><u>There has been no notable impact.</u> We have not granted such shares to its officers or employees, and no one has become subject to tax. The granting policy of a trust-type SO will be decided based on the future trends of the National Tax Agency.</p>
Asset Management Consulting Inc.	<p>What services will be provided? What is the progress toward launching the services?</p>	<p>We are also actively recruiting professionals with experience in asset management, and we are currently in the process of expanding and refining our service offerings in this area. We plan to disclose information gradually in the future</p>
	Is it a business model preceded by deficits? When will you monetize it?	<p>Although this business involves costs in the early stage, they are mainly caused by personnel costs for a few staff involved in starting up the business, which is not expected to result in a large loss. The timing of monetization will be disclosed as soon as the service lineup is ready.</p>

4. Q&A

Q&A (Bold text indicates changes and additions made since the last version.)

Items	Question	Answer
Quants Consulting ,Inc.	What services will be the primary focus of your consulting services?	We will provide consulting services in strategy, IT, DX, and more. Our policy is to operate as a comprehensive consulting firm.
	Will new consultants be hired?	We intends to hire new employees, mainly experienced and inexperienced workers.
	Do you develop your sales activities independently of M&A intermediaries?	In areas where there is relevance to our existing M&A brokerage business, we will expand our consulting services while leveraging synergies.
	What is the expected impact of the launch of Quants Consulting ,Inc. Do you expect the launch of Quantitative Consulting to have an impact on your business performance?	For the fiscal year ending September 2024, we anticipate approximately ¥100 million in cost for Asset Management Consulting and around ¥400 million for Quants Consulting. The majority of these costs are related to personnel and recruitment expenses. Since the net sales figures are currently undetermined, we have conservatively included only costs in our performance forecasts. We plan to disclose revenue figures as soon as they become more certain after commencing operations.

Table of Contents

- 1 FY2024/9 1Q Earnings Results
- 2 FY2024/9 Earnings Forecast
- 3 Medium- to Long-term Growth Strategy
- 4 Q&A
- 5 Company Overview**
- 6 Competitive Advantages of M&A Research Institute
- 7 Reference

5. Company Profile

Company Overview

Company name	M&A Research Institute Holdings Inc.
Established	October 12, 2018
Representative:	Shunsaku Sagami
Address	1-8-1 Marunouchi, Chiyoda-ku, Tokyo
Business description	M&A brokerage business, asset management business, Consulting business
Offices	Tokyo (head office), Nagoya, Osaka and Fukuoka
Executive Officers	Director Akihiro Yabuki
	Director Hikaru Ogino (Certified Public Accountant)
	Outside Board Director Ryo Mizutani
	Outside Board Director Toru Kamiyama
	Outside Board Director Mika Aoki (Lawyer)
	Executive Auditor Naoki Okamoto (Certified Public Accountant)
	External Auditor Yosuke Azuma (Certified Public Accountant)
External Auditor Makoto Kumazawa (Lawyer)	



Vision

Transforming the M&A brokerage sector by fully leveraging AI and DX

Representative Director & CEO
Shunsaku Sagami

Graduated from the Faculty of Agriculture, Kobe University. In 2016, he established his first company, Alpaca, and subsequently sold all shares to VECTOR INC. in 2017.

As a serial entrepreneur, he founded M&A Research Institute (currently M&A Research Institute Holdings Inc.), his second company, in 2018.

- 2013 **Joined MicroAd, Inc.**
 - Worked on the development of an advertisement system algorithm
- 2016 **Established Alpaca**
 - Founded the company as Engineer and CEO at the age of 25, and launched a fashion and make-up media business for women
- 2017 **Sold Alpaca's shares to VECTOR INC. (TSE Prime 6058)**
 - Continued working to expand the business as a management member following the stock transfer
 - Noticed inefficiencies of the M&A brokerage market through experience in multiple M&As
- 2018 **Established M&A Research Institute**
 - Having faced the closing of his grandfather's company, decided to run a M&A brokerage company that works closely with SMEs
- 2022 **Listed on the Japan Exchange Group Growth Market**
 - Listed in June 2022, 3 years and 9 months after its founding
- 2023 **Listed on the Japan Exchange Group Prime Market**
 - Listed in August 2023, 4 years and 11 months after its founding

Management



Akihiro Yabuki, Director and COO

Graduated from Meiji University. Joined Keyence Corporation in 2010. Engaged in consulting sales for the manufacturing industry. Joined Nihon M&A Center Inc. in 2015, completing many successful transactions centered around manufacturers. Joined M&A Research Institute in 2019, where he leads the Sales Division. Appointed as Director in 2020.



Hikaru Ogino, Director and CFO (CPA)

Graduated from Rikkyo University. Joined KPMG AZSA LLC in 2014 and worked in statutory audits and IPO support, primarily for startups. Joined M&A Research Institute in 2020, where he leads the Administrative Division. Appointed as Director in 2020.



Outside Board Director Ryo Mizutani

Graduated from Keio University. Joined Daiwa Securities SMBC Co., Ltd. (currently Daiwa Securities Co., Ltd.) in 2007 and worked in investment banking. Involved in the founding of and factory, inc. in 2014 and appointed as Director. The company succeeded in an IPO on TSE Mothers 4 years after its founding. Founded Beyond X, Inc. in 2019, becoming Representative Director. Appointed as an Outside Director for M&A Research Institute in 2020.



Outside Board Director Toru Kamiyama

Graduated from Keio University. Joined Nomura Securities Co., Ltd. in 2000 and worked in investment banking. He became independent in 2017 and has served as an outside director of HEROZ (TSE: 4382), B-Platz (TSE: 4381), and Itsumo (TSE: 7694), Inc. Appointed as an Outside Director for M&A Research Institute in 2022.



Outside Board Director Mika Aoki (Lawyer)

Graduated from Waseda University. Joined USEN Corporation in 2004. Worked as a freelance announcer in news programs and other media since 2007. Joined the law firm Yamazaki, Akiyama, Yamashita in 2016. Involved in various tasks related to mass media and corporate legal affairs. Appointed as an Outside Board Director of M&A Research Institute in 2023.



Executive Auditor Naoki Okamoto (CPA)

Graduated from Rikkyo University. Joined Asahi & Co. (currently KPMG AZSA LLC) in 1999, working in both statutory audits and IPO support as well as the Digital Innovation department where he focused on promoting the digitalization of auditing operations. Became a Full-time Auditor for M&A Research Institute in 2020.



External Auditor Yosuke Azuma (CPA)

Graduated from Meiji University. Joined Deloitte Touche Tohmatsu LLC in 2006 and worked in statutory audits and IPO support. Joined CyberAgent, Inc. in 2011, and worked in accounting. Joined GameWith, Inc. in 2015 and as an executive in charge of the administrative division, achieved a successful IPO on TSE Mothers, achieving promotion to the TSE 1st Section. Appointed as an External Auditor for M&A Research Institute in 2020.



External Auditor Makoto Kumazawa (Lawyer)

Graduated from Waseda University. Joined Mori Hamada & Matsumoto in 2007. Founded Kumazawa Law Office (currently Shin Saiwai Law Office) in 2011 and worked in legal affairs for many M&As and other transactions as co-representative. Appointed as an External Auditor for M&A Research Institute in 2020.

Two Advantages of the Company Based on Strong Organizational Capabilities

Advantages in services

- 1 The only listed company to adopt a pricing system with only success fees¹
- 2 Average time of 6.7 months to M&A completion²
- 3 Industry-leading matching capability

Advantages in recruitment

- 1 Efficient working environment
- 2 Incentive plan at an industry top level



Underlying structure and philosophy of the Company

Develop and implement optimal strategies through thorough industry analysis and improvement

- 1 Data driven and rational management and organizational capabilities
- 2 Self-development of all in-house systems, efficiency through AI and DX
- 3 Ability to recruit excellent human resources

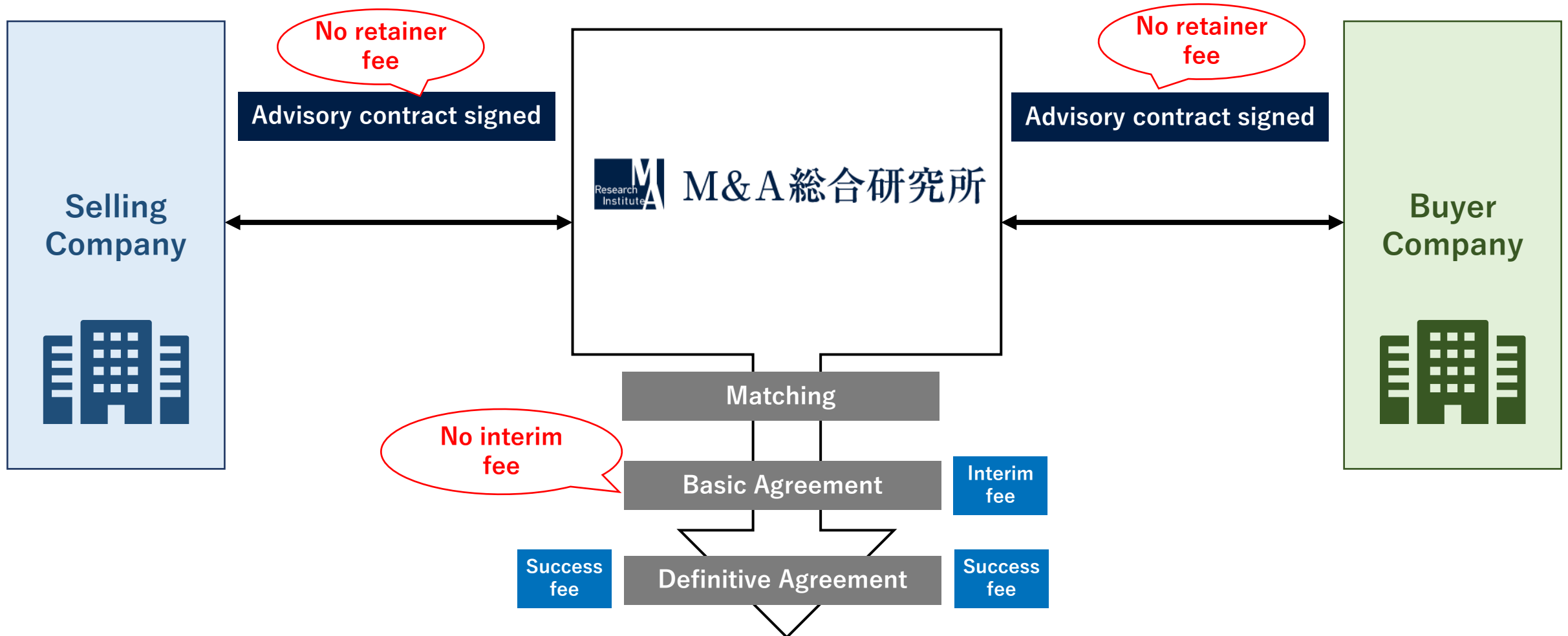
Notes:

1. Market Research in Designated Areas - October 2022 Research Institution: Japan Marketing Research Organization
2. Average of all deals signed since inception (excluding financial advisor deals)

5. Company Profile

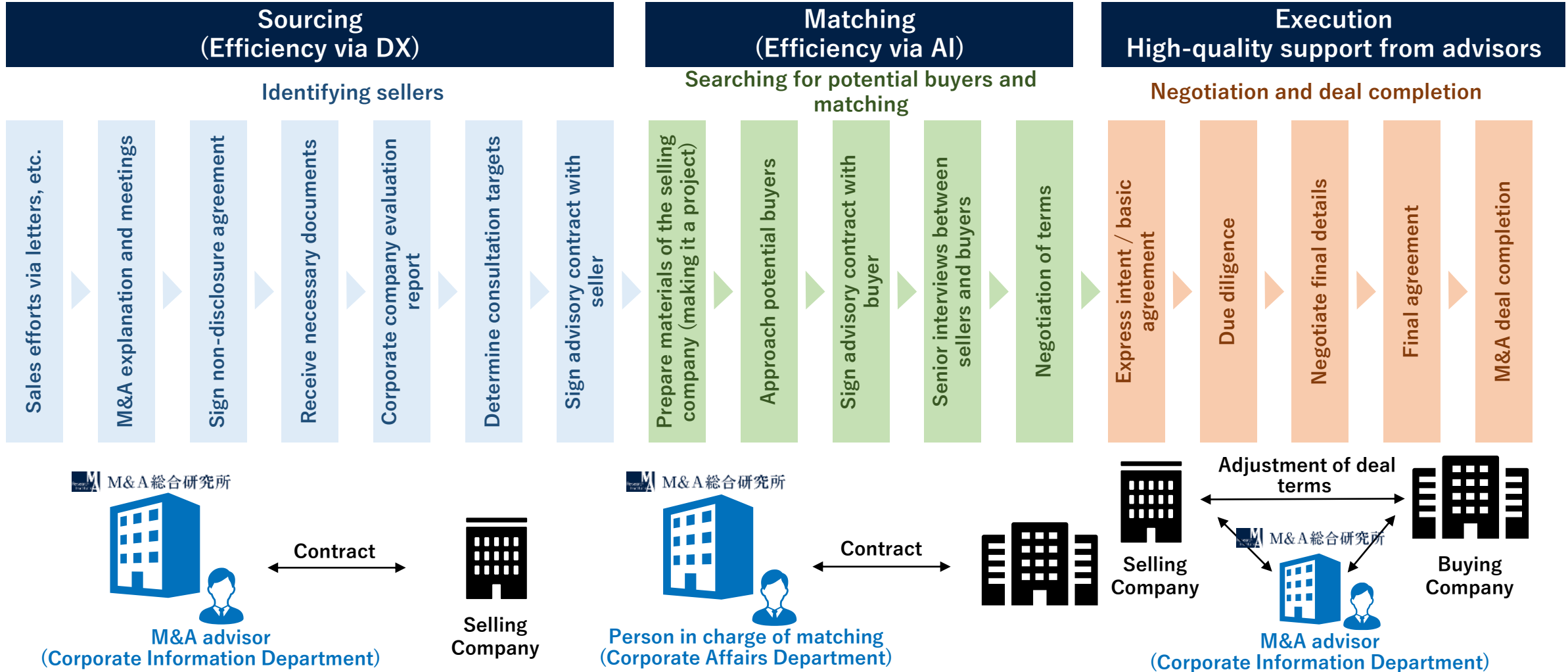
Business model

The brokerage business model charges fees from both the selling and acquiring companies. Succeeded in reducing costs through streamlining and introduced **a system with no start-up or interim fees. Only contingency fees for selling companies.**



M&A Brokerage Deal Flow by Step

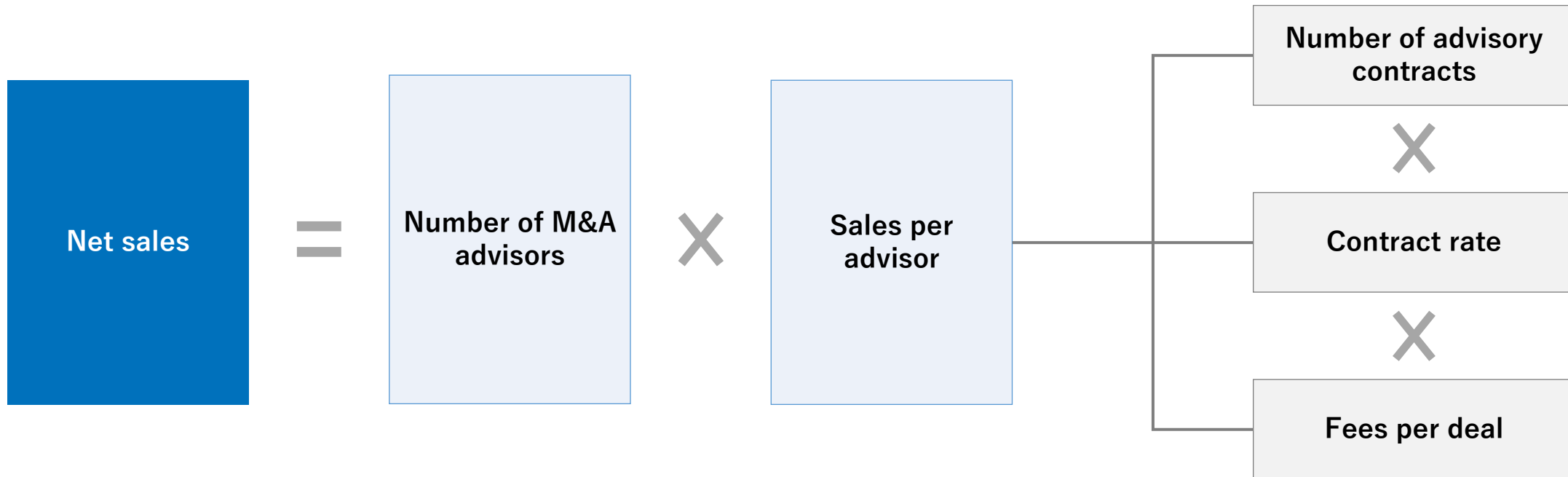
The M&A process is divided into three phases. We respond to the phases by **dividing operations between two departments: the Corporate Information Department (M&A advisor) and the Corporate Affairs Department (matching)**. DX/AI technologies simplify the two phases of sourcing and matching, allowing advisors to spend more time in execution to support, leading to providing quality services.



M&A brokerage earnings are structured as follows: **Sales = number of M&A advisors x sales per advisor.**

Keys to further accelerate the increase in sales are the number of M&A advisors and increase in sales per advisor.

Earnings structure



5. Company Profile

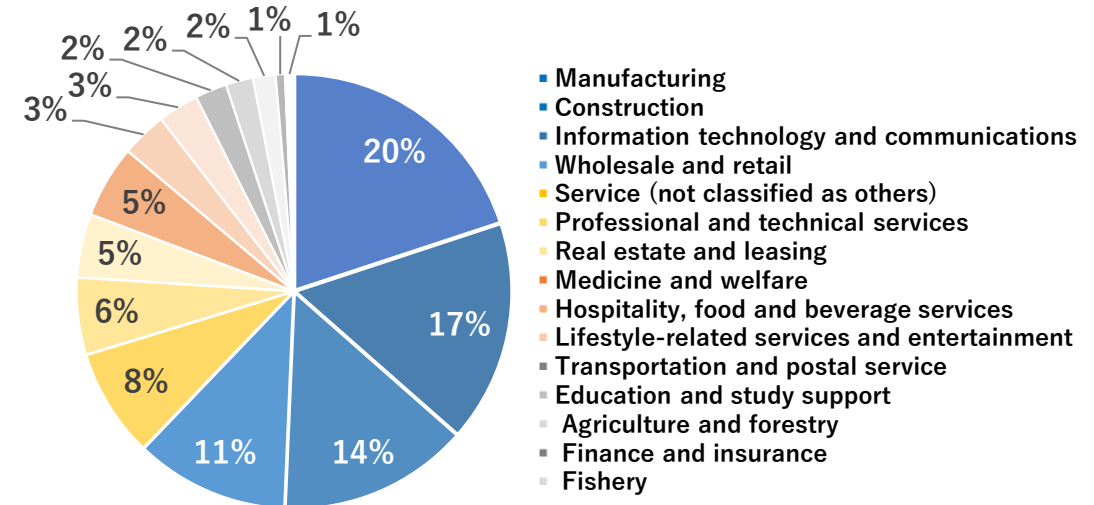
M&A Conclusion

We have successfully brokered M&As with companies in various industries, sectors, and regions.

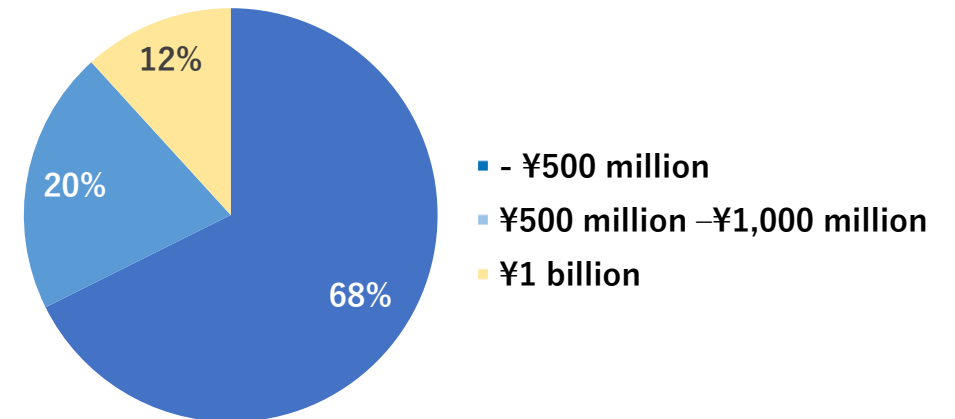
Examples

Selling company		Buyer	
Business description	Region	Business description	Region
1 Construction	Kyushu	Service	Hokkaido
2 Hospitality, food and beverage services	Chugoku	Transportation and postal service	Chugoku
3 Agriculture and forestry	Tokai	Service	Kanto
4 Medicine and welfare	Kanto	Agriculture and forestry	Hokkaido
5 Manufacturing	Kanto	Service	Kanto
6 Lifestyle-related services and entertainment	Chugoku	Hospitality, food and beverage services	Kanto
7 Lifestyle-related services and entertainment	Kanto	Real estate and leasing	Kanto
8 Information technology and communications	Kanto	Lifestyle-related services and entertainment	Kinki
9 Manufacturing	Hokuriku	Wholesale and retail	Kinki
10 Real estate and leasing	Kinki	Service	Kanto
296 Lifestyle-related services and entertainment	Kanto	Lifestyle-related services and entertainment	Kanto
297 Transportation and postal service	Kanto	Transportation and postal service	Tokai
298 Medicine and welfare	Kanto	Finance and insurance	Kanto
299 Manufacturing	Kinki	Manufacturing	Hokuriku
300 Construction	Kanto	Construction	Kanto
301 Service	Tohoku	Finance and insurance	Kanto
302 Information technology and communications	Hokkaido	Service	Kanto
303 Service	Hokkaido	Service	Kanto

Business of selling companies¹



Size of selling companies¹



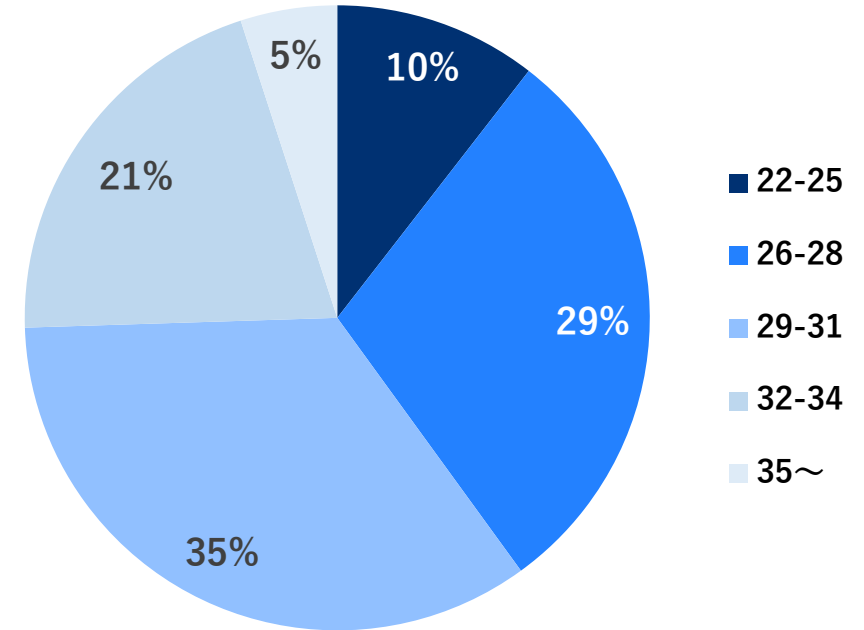
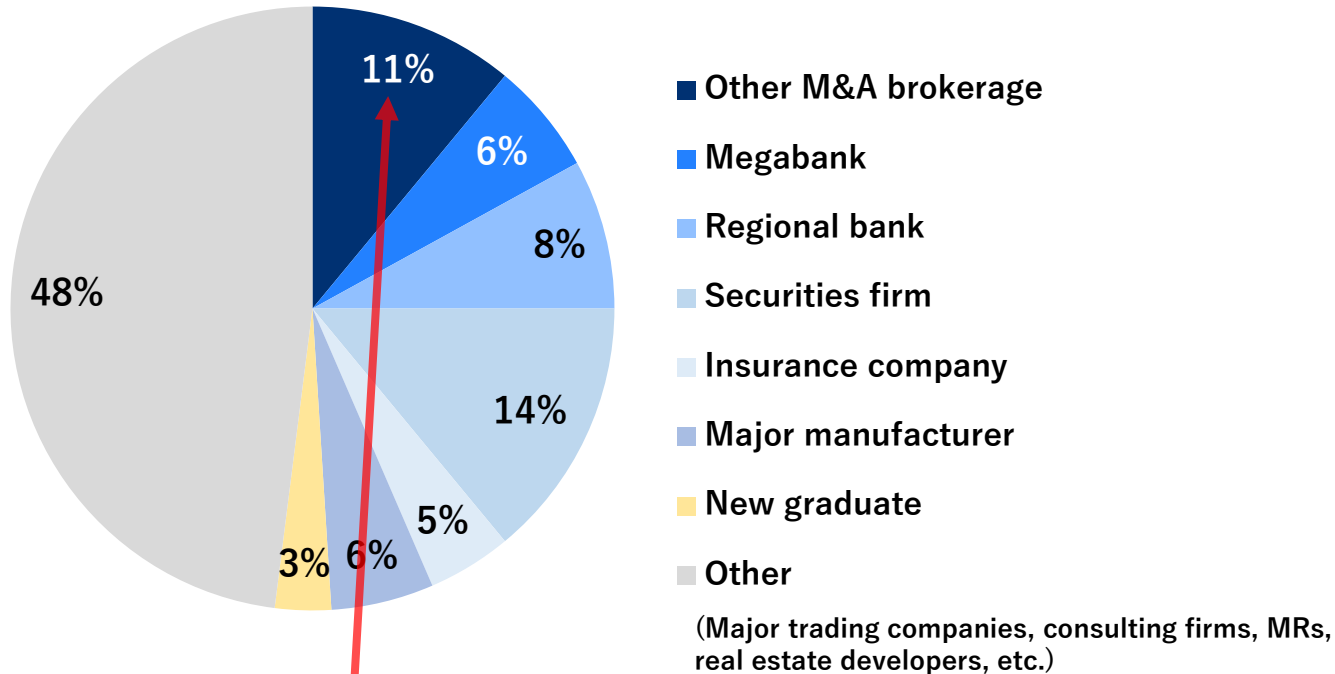
Note 1: Aggregated based on all deals concluded by the end of December 2023.

Background of Our M&A Advisors

M&A Research Institute’s M&A advisors come from various industries and companies. The creation of a work environment enabling younger employees to succeed has gradually lowered the average age of advisors to 29.4 years old.

Former employers of M&A advisors

Breakdown by age of M&A advisors



An environment conducive to success for individuals without prior experience has been established, resulting in a low percentage of job applicants from competing companies at our firm.

Note: Based on our employee data (including those scheduled to join us) as of December 30, 2023

Table of Contents

- 1 FY2024/9 1Q Earnings Results
- 2 FY2024/9 Earnings Forecast
- 3 Medium- to Long-term Growth Strategy
- 4 Q&A
- 5 Company Overview
- 6 Competitive Advantages of M&A Research Institute**
- 7 Reference

Pricing, speed to completing M&A transactions, and matching capability, creating a competitive advantage

1

The only listed company to adopt a pricing system with only success fees¹

Selling companies are charged with only a success fee

No. 1 for successful deals among M&A brokerage companies with a pricing system charging only success fees¹

2

Average time of 6.7 months² to M&A completion

Shorter time to M&A completion versus the industry average through streamlined operations

3

Industry-leading matching capability

AI utilization and an efficient buyer development system improve the possibility of closing deals

Notes:

1. Market Research in Designated Areas - October 2022
Research Institution: Japan Marketing Research Organization
2. Average of all deals signed since inception (excluding financial advisor deals)

6. Competitive Advantages of M&A Research Institute

Pricing System with Only Success Fees

M&A Research Institute is the only one M&A brokerage company which adopts a pricing system charging only success fees, thereby lowering fee-related hurdles for M&As. The pricing system provides an advantage to win competitive bids.

Common brokerage companies

We hesitate because we will be charged fees even if the M&A is not completed

Start-up fee + Interim fee (partial payment of contingency fee) + Success fee

Interim fees and start-up fees are not reimbursed even if the M&A is not concluded

M&A Research Institute

(Pricing system for selling companies)

The pricing system is clear and no fee is charged until the M&A is completed. Let's consider an M&A

~~Start-up fee~~ + ~~Interim fee~~ + Success fee only

The only listed company to adopt a pricing system with only success fees

Pricing system for selling companies	Signing of an advisory contract		Determination of potential acquirers (Matching)		M&A deal completion	
	M&A総合研究所	None		None		Success fee
A	Start-up fee		None		Success fee	
B	None		Interim fee		Success fee	

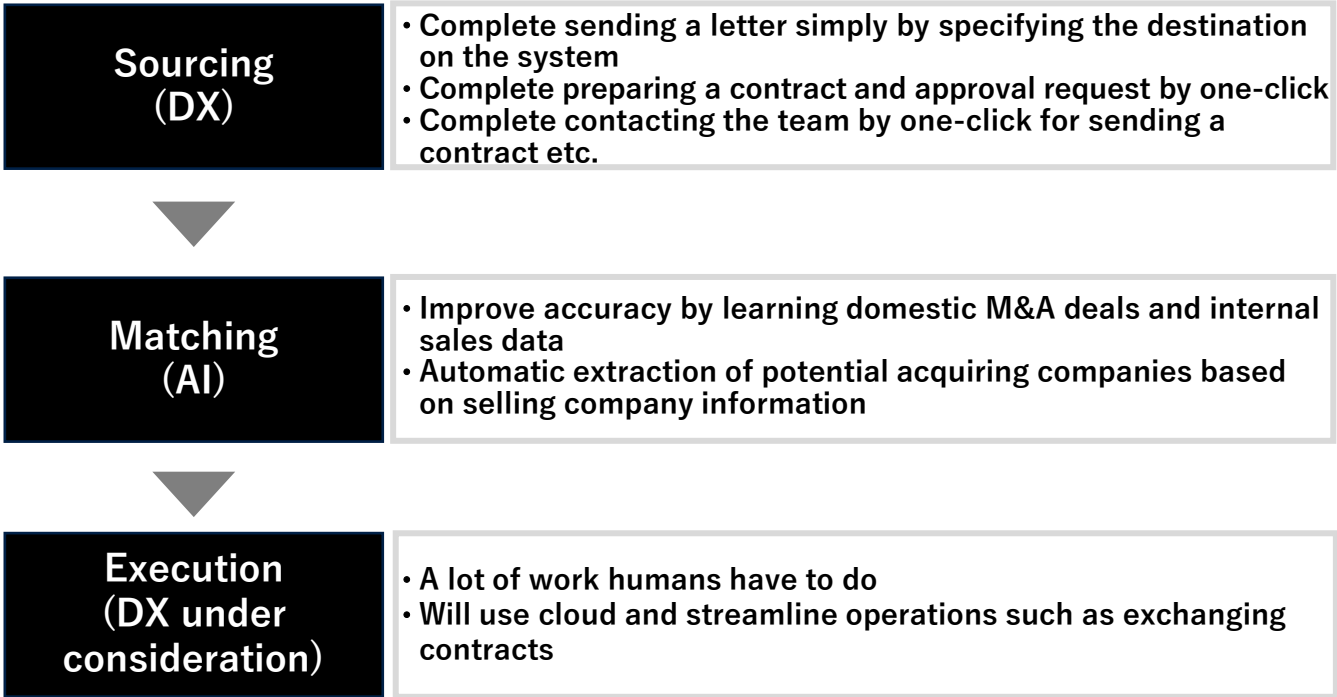
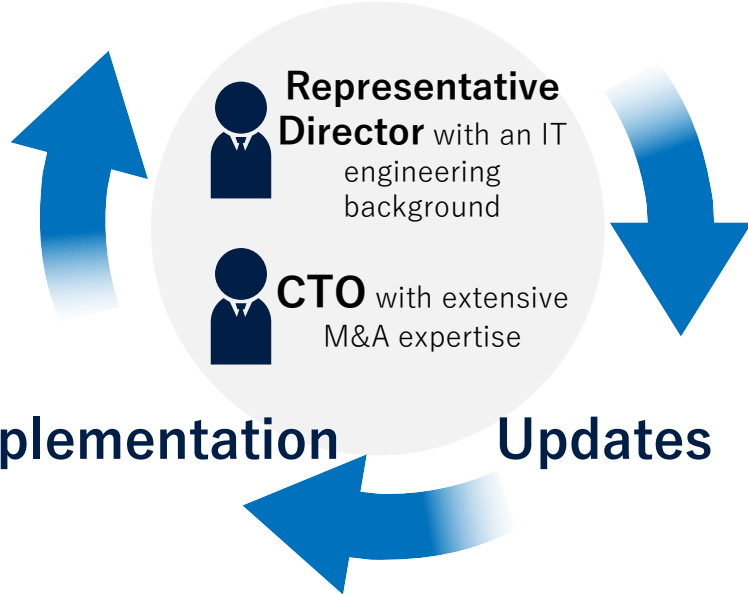
In-House Development of Transformational System

We have developed **a sales management system specialized in M&A** and have already updated it 10,216 times
 We have also **reduced working hours** and shortened **the time required to complete M&A deals to about 6.7 months** by streamlining **inefficient activities through digital transformation (DX) and AI technology**, giving us an advantage.

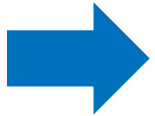
In-house development cycle for the specialized M&A IT system

Three steps of M&A brokerage business and details of efficiency improvement

Proposals from employees



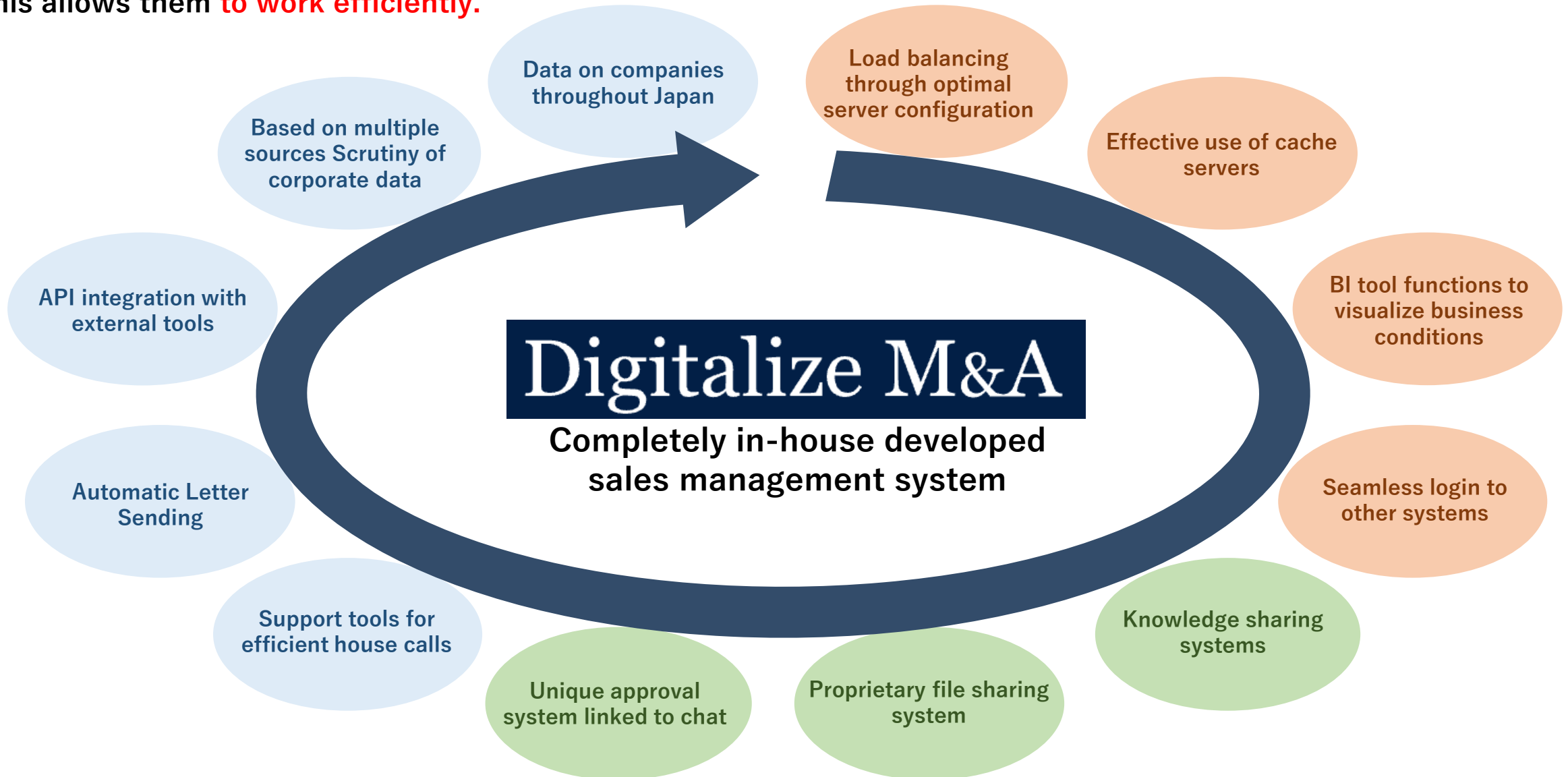
10,216 (inception – Dec 2023) updates
 In-house development of a specialized M&A IT system beyond what is available in the market



Shortening the time for M&A completion and reduction of operation time

Unparalleled In-House Developed System: Technological Advantages

Our company has developed a variety of systems in-house that can be used seamlessly. This allows them to **work efficiently**.



History of developing in-house system and our advantages

History of Development: We realized the disadvantages of an off-the-shelf system and switched to in-house development early on

- In the inception stage of the company, we used an off-the-shelf system, but switched to in-house development due to the disadvantages such as slow development and inability to create specific functions.
 - Building the better system than the off-the shelf from scratch meant that we needed to repeatedly improve the system and deal with many caveats in the beginning with cooperation of all the employees and It took about a year for the system to be fully usable.
- It's realistically difficult to imagine a company discarding an off-the-shelf system for an internally developed one.
- In-house development currently enables smooth and speedy development of various functions.
 - Many functions specialized in shortening the M&A brokerage times have been developed.
- Since it can be connected to multiple external systems, it has made operations other than sales more convenient.

Advantages: Development by engineers with extensive M&A knowledge

- Representative Director Sagami is a former engineer, and the CTO is also a M&A expert.
- There is no separation between M&A experts and engineers, where people familiar with both areas have developed the system.
- We can develop a system responsive to user needs and with true value in streamlining M&A brokerage.

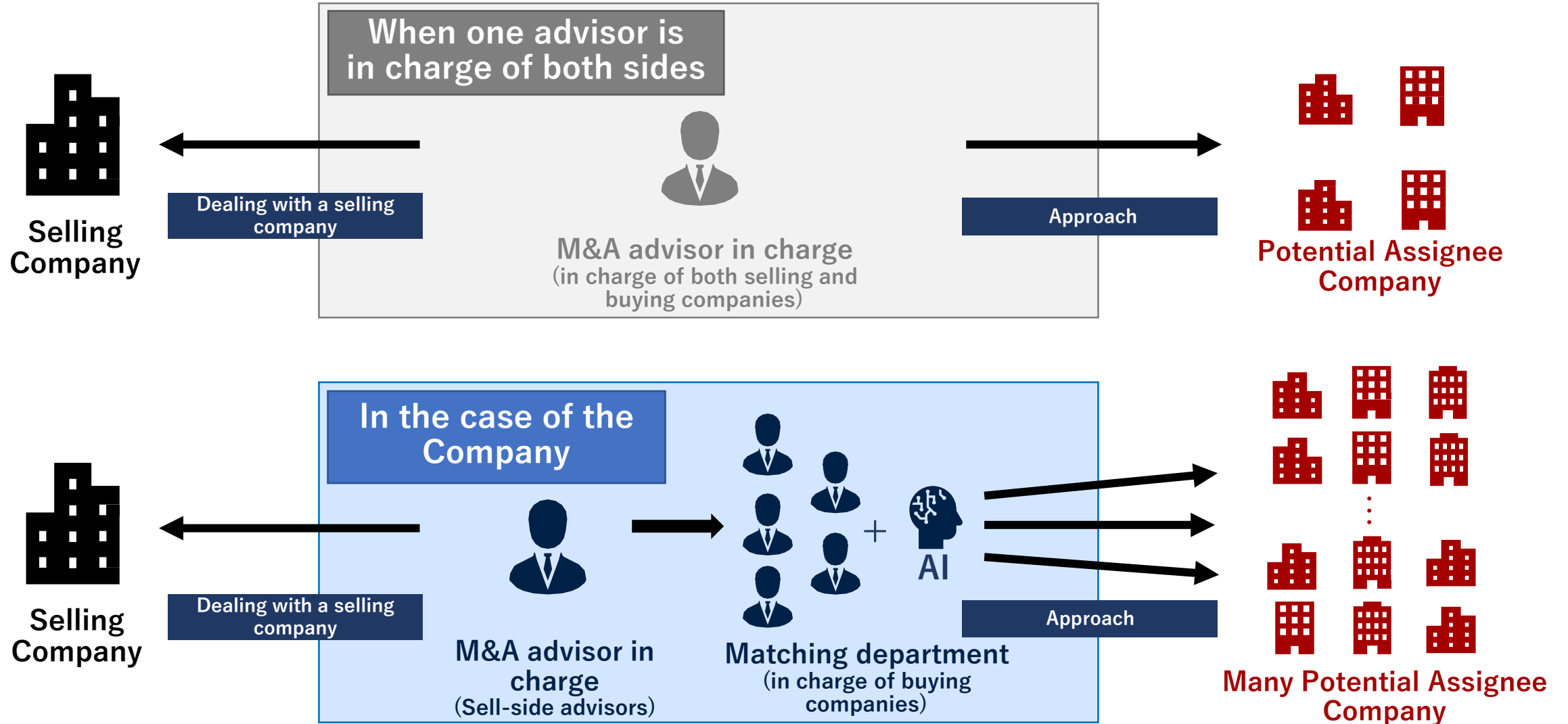
Difficulty of imitation due to our improvement speed: Seamless development for continuous function improvements

- We always listen to employees' needs and they can casually request system development.
- In-house engineers' development without outsourcing enables us to directly discuss the improvement plan and to implement it immediately.
- We provide ideas for streamlining everyday and continuous efficiency improvements has become our corporate culture.

Industry-leading Matching Capability

We have established a system that enables us to quickly make proposals to a large number of companies through a matching-specific department.

AI utilization enables a speedy approach with no omissions.



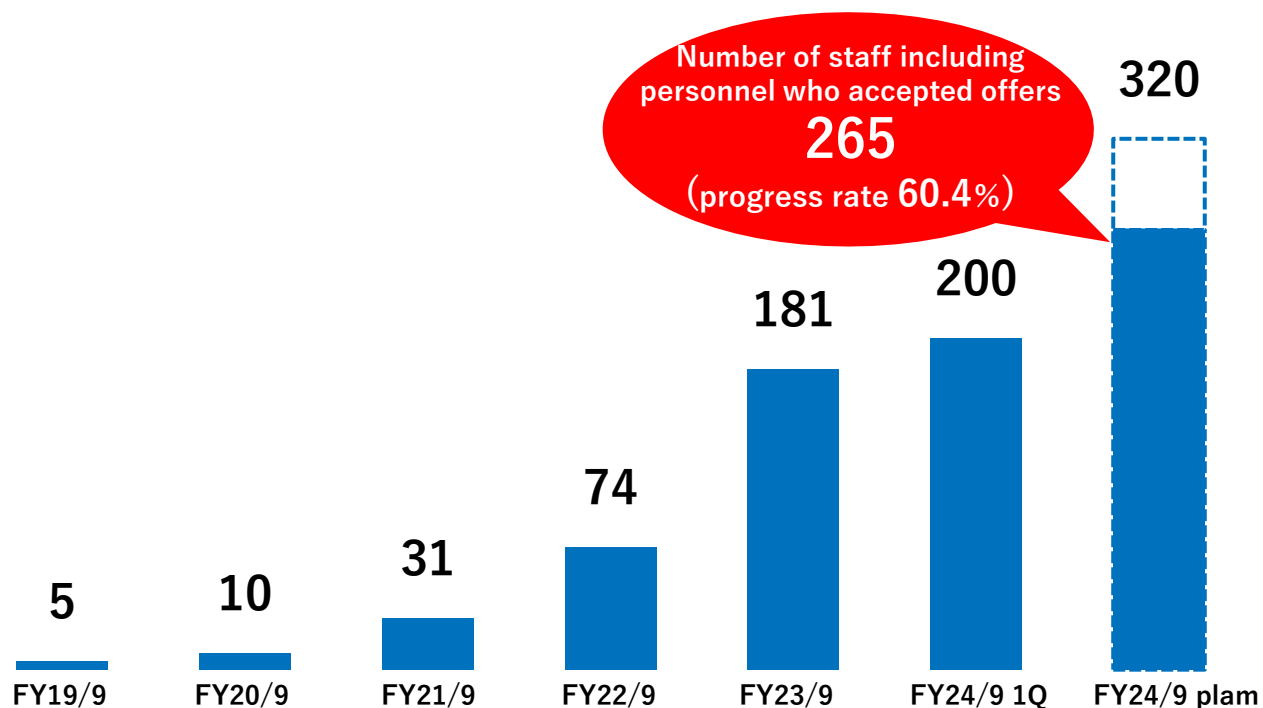
6. Competitive Advantages of M&A Research Institute

Advantages in Recruitment of M&A Advisors

M&A Research Institute is quickly expanding advisor headcount through **its extensive data-driven recruitment strategy**
 Training system focused on OJT **enables employees to become immediately work-ready, and retention remains high.**



Number of M&A advisors (sell-side advisors)



Number of M&A advisors		
FY23/9 1Q	→	FY24/9 1Q
90	+122.2 %	200

Data-driven recruitment strategy has resulted in meeting hiring targets

Advisor turnover	
FY21/9~FY22/9	FY23/9
9%~10%	11%

Thorough Data Management of Recruitment Processes

Recruitment is conducted based on data for each recruitment channel.

KPI management



Detail of KPI management¹

Channel (1) Number of applications via headhunters

Understand the number of applications via headhunters. Conduct joint seminars, etc. to increase the number of applications via headhunters

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Total
Total	50	30	40	40	30	50	40	30	40	50	40	40	480
Agent A	2	1	2	3	2	1	3	2	1	1	2	1	21
Agent B	3	2	1	0	2	3	2	1	1	0	3	2	20
Agent C	1	1	1	2	2	1	2	3	0	0	2	1	16
Agent D	2	1	2	3	2	1	3	2	1	1	2	1	21
Agent E	3	2	1	0	2	3	2	1	1	0	3	2	20
Agent F	1	1	1	2	2	1	2	3	0	0	2	1	16
Agent G	2	1	2	3	2	1	3	2	1	1	2	1	21
Agent H	3	2	1	0	2	3	2	1	1	0	3	2	20
Agent I	1	1	1	2	2	1	2	3	0	0	2	1	16

Note:
1. Figures in the table are hypothetical and not actual figures

Channel (2) Number of scouting messages sent and replies

Check the ratio of successful recruitments to the number of scouting messages sent monthly and adjust the number of scouting based on planned figures

		Target	May	Jun	July	Aug	Sept	Total
Total	Scouting	300	300	300	300	400	400	2,000
	Applications	150	150	150	150	200	200	1,000
	Recruitment	3	3	3	3	3	3	20
Headhunter A	Scouting	100	100	100	100	150	150	1,000
	Applications	50	50	50	50	60	60	500
	Recruitment	1	1	1	1	1	1	10
Headhunter B	Scouting	100	100	100	100	150	150	1,000
	Applications	50	50	50	50	60	60	500
	Recruitment	1	1	1	1	1	1	10

Competitive advantages (2) Advantages in Recruitment

We have created a working environment where M&A advisors can work efficiently concentrating on essential work by promoting systemization of other work with DX and AI technology. We also try to differentiate from other companies by creating a salary structure that makes it easier to earn money.

Simplify sales activities		×	Efficient working environment		×	Incentive plan at a high level	
1	<p><u>The only listed company to adopt a pricing system with only success fees</u></p> <p>The only listed company to adopt a pricing system with only success fees.</p>	×	1	<p><u>Efficient office work through DX and AI</u></p> <p>We provide an environment where M&A advisors can concentrate on essential work by using DX and AI to improve the efficiency of office work or by entrusting such work to office clerks.</p>	×	1	<p><u>Incentive plan at a high level</u></p> <p>We have uniquely designed a balance between work content and incentives. The company has designed a unique balance between work duties and incentives to efficiently target high annual incomes.</p>
	<p><u>A short M&A closing period of 6.7 months, below the industry average</u></p> <p>Shorter time for M&A completion below industry average through streamlined operations</p>			<p><u>Growth Rate of M&A Advisors</u></p> <p>Shorter contracting periods are directly related to the rate of growth. Become an advisor with a lot of M&A experience in a short period of time after joining the company.</p>			<p><u>Evaluation based on merit rather than the years of employment</u></p> <p>We have designed a system in which M&A advisors are evaluated equally according to their performance regardless of the years of employment.</p>
	<p><u>Industry-leading matching capability</u></p> <p>By using AI to identify potential buyers, and through an efficient buyer development system by a department specialized in matching, it is possible to focus on activities other than matching.</p>			2			2

6. Competitive Advantages of M&A Research Institute

Various measures in recruitment activities

Increase exposure and awareness in recruitment by sending out information through a variety of media.

Various measures to increase awareness

1 Posting of video content

(REMEDY)



Not only our own media, Many agent-affiliated channels have picked up on our work, increasing our ability to spread the word.

67 Listed

(Own YouTube channel)

2 Various recruitment events

(M&A Research Institute x CAREER SAFARI)



Deepening understanding of our company through events and seminars

44回¹

(M&A Research Institute x Right Brothers)

3 Expansion of recruitment website and publication in various media

(Published a tie-up article with Forbes CAREER)

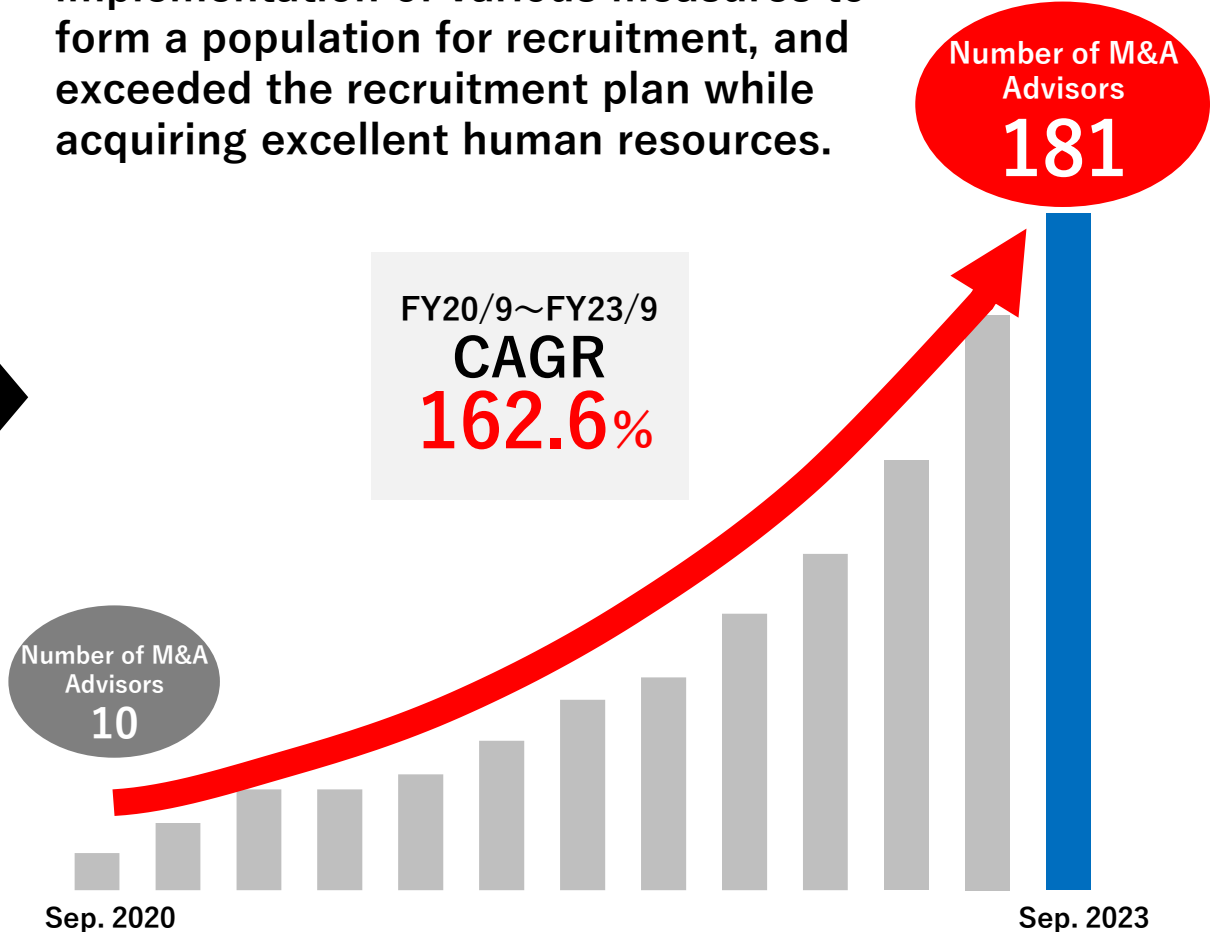


Increase brand power and recognition through site expansion and various media coverage

(Own Recruitment website)

Number of M&A Advisors

Achieved recruitment plan with successful implementation of various measures to form a population for recruitment, and exceeded the recruitment plan while acquiring excellent human resources.

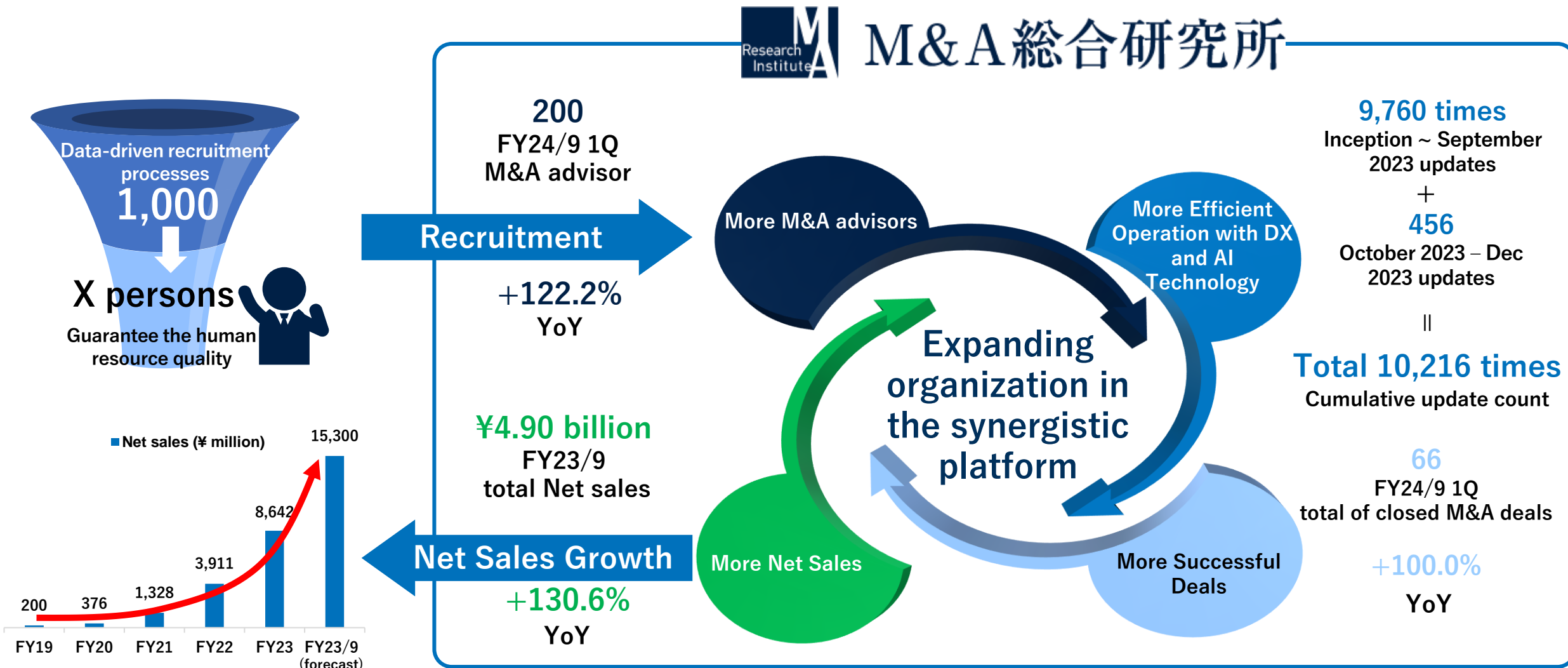


Note:
1. Number of events held or attended by the end of December 2023

Recruitment leads to Continuous Synergistic Growth

In the four years since our founding, we have created a system and environment in which employees make full use of DX and AI technology to quickly produce results.

We are continuing synergistic growth, and **the acceleration of recruitment leads to the sales expansion.**



Get real-time KPIs for sales and recruitment activities. **The entire process is data-managed** and data-driven. It has **developed its own BI tools** for managing and visualizing data and is constantly improving its capabilities.



**Director and COO,
Head of Sales Division
Akihiro Yabuki**

Graduate of Meiji University

2010 Joined Keyence Corporation

- Engaged in consulting sales for the manufacturing industry

2015 Joined Nihon M&A Center Inc.

- Concluded many M & As, mainly in the manufacturing industry, as an advisor

2019 Joined M&A Research Institute

- Leveraging data-driven sales activities cultivated at Keyence Corporation and my experience at the Japan M&A Center to improve the efficiency of M&A intermediation

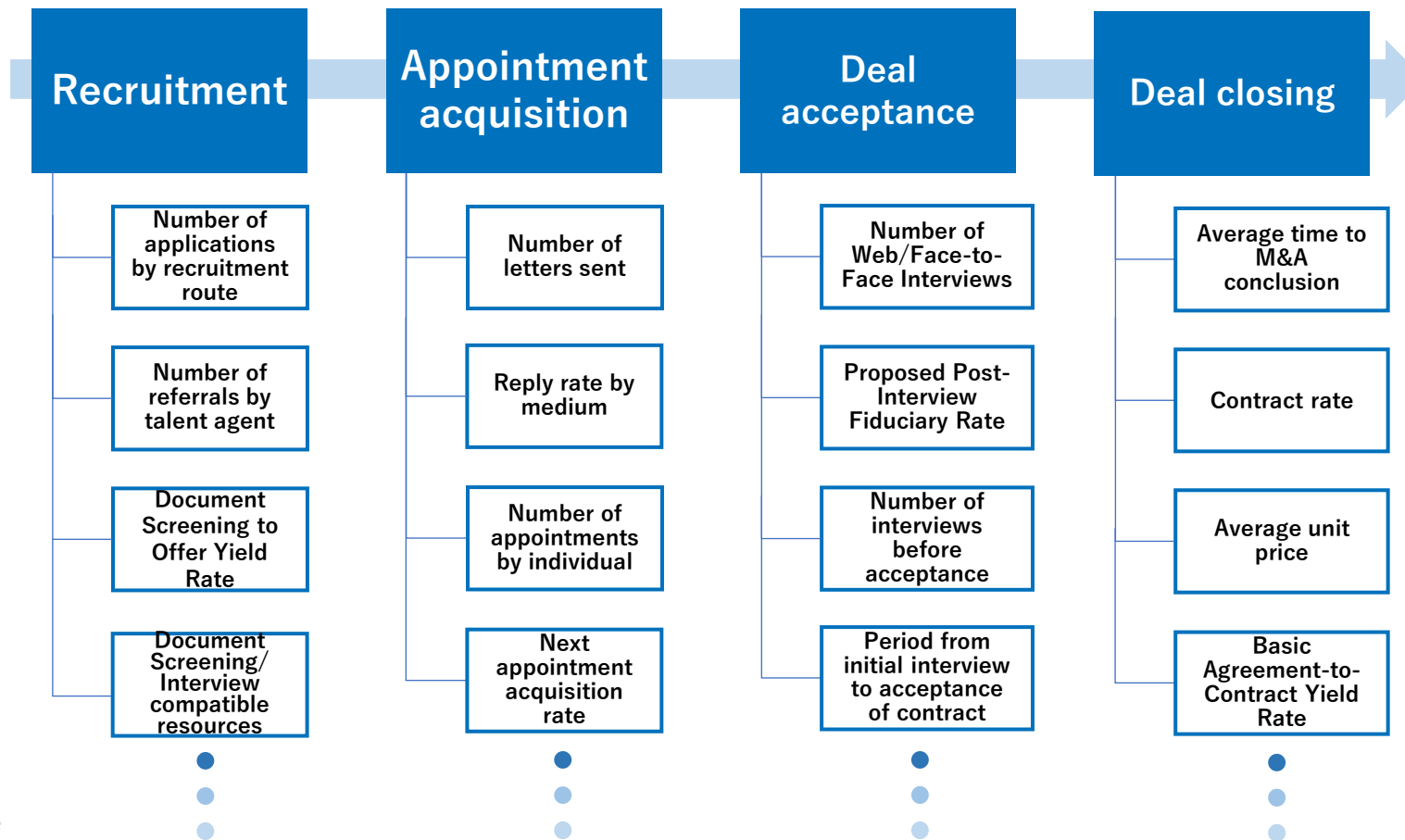
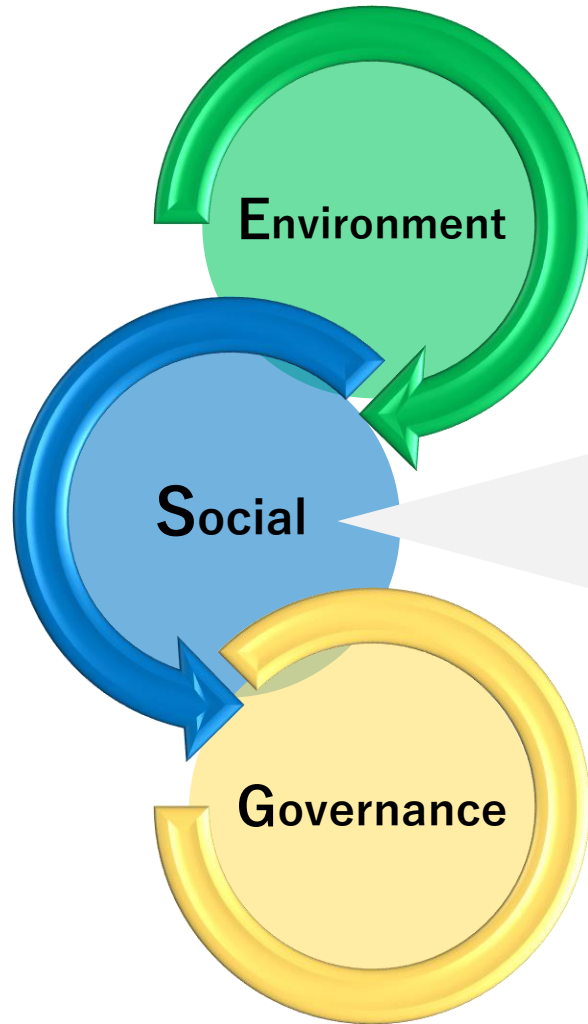


Table of Contents

- 1 FY2023/9 1Q Earnings Results
- 2 FY2024/9 Earnings Forecast
- 3 Medium- to Long-term Growth Strategy
- 4 Q&A
- 5 Company Overview
- 6 Competitive Advantages of M&A Research Institute
- 7 Reference**

Towards the realization of a sustainable society, we aim to solve the “Social” issues facing Japan, where the declining birthrate and aging population are becoming more serious, tackling the business closure issues due to the lack of successors through our M&A brokerage business.



To solve Social issues through M&A brokerage

More than 99% companies in Japan are SMEs. According to Teikoku Databank, “National Survey of Companies Without a Successor (2021),” about two-thirds (61.5%) of the companies had no successors.

Termination of business due to lack of successor not only leads to the loss of proprietary technology and know-how but also disrupts the livelihood of employees and their families.

Moreover, the successor issue is not only for SMEs, but also a factor that worsens the Japanese economy as a whole.

M&A Research Institute will continue to focus on social issues by resolving successor issues through ESG initiatives in the M&A brokerage business.

SDG Initiatives

We aspire to create a sustainable work environment where employees can work in a healthy manner both physically and mentally.

We contribute to solving social issues arising from the lack of successors and realizing a sustainable society through the M&A brokerage business.

3 すべての人に健康と福祉を
Support for living infrastructure

8 働きがいも経済成長も
Realization of an attractive working environment

9 産業と技術革新の基盤をつくろう
Efforts to address the aging working population issue

SUSTAINABLE DEVELOPMENT GOALS



11 住み続けられるまちづくりを
Contribution to the local economy

13 気候変動に具体的な対策を
Paperless transition

16 平和と公正をすべての人に
Compliance-focused management

M&A Research Institute Holdings aims to realize a “sustainable” society through the M&A brokerage business

3. Medium- to Long-term Growth Strategy Focus Area in SDG Initiatives

We will contribute to the SDG Goal 9 and Goal 11 through our M&A brokerage business.
We will also expand information disclosure on our corporate website.

We will contribute to creating a base for industry and technological innovation through the M&A brokerage business.

Opening of sustainability page (<https://masouken.com/holdings/sustainability>)

1

Support the business succession of SMEs based in rural areas with high-quality services and technology
Reduce business closures due to lack of a successor, which result in loss of services and technology are lost

2

Create economic activity maintenance effects in Japan through M&A
Prevent job losses and GDP declines due to the closure of SMEs

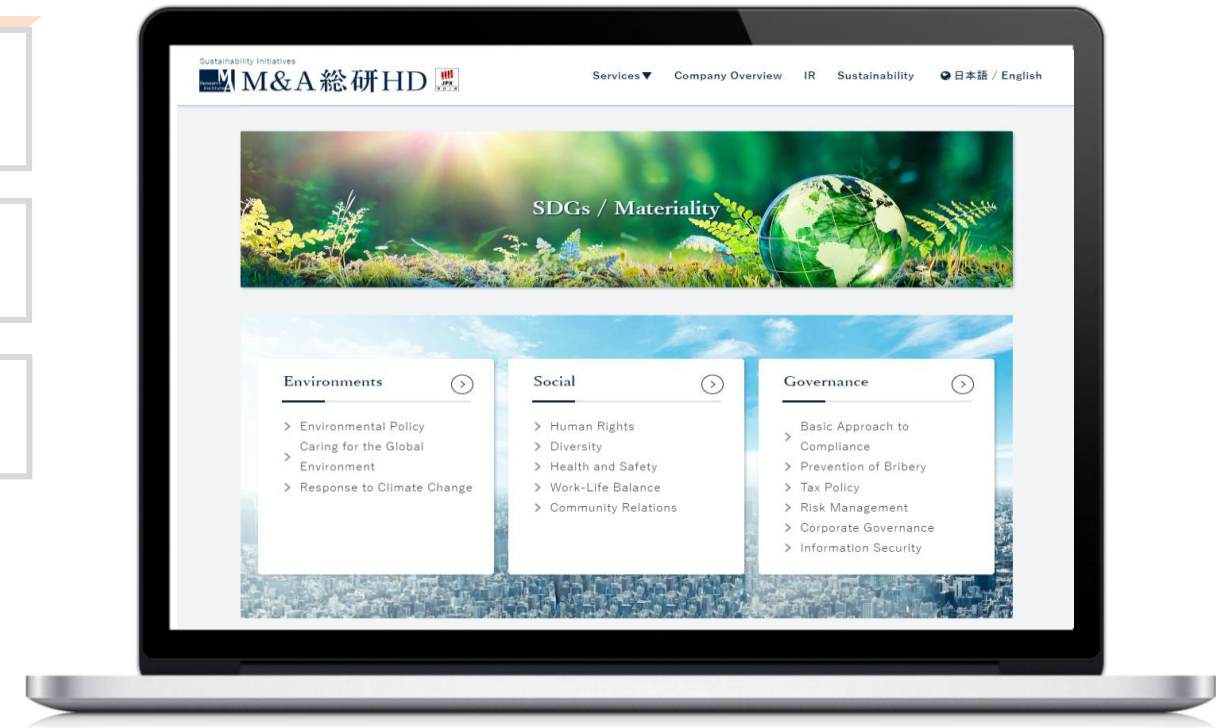
3

Protect the industry by making business and employment remained through business succession
Protect the domestic industry by decreasing business closures

9 産業と技術革新の
基盤をつくらう



11 住み続けられる
まちづくりを



7. Reference: KPI Highlights

Trends in key indicators: Year to date

(¥mn)

	FY21/9 1Q	FY21/9 2Q	FY21/9 3Q	FY21/9 4Q	FY22/9 1Q	FY22/9 2Q	FY22/9 3Q	FY22/9 4Q	FY23/9 1Q	FY23/9 2Q	FY23/9 3Q	FY23/9 4Q	FY24/9 1Q
Net sales	249	462	788	1,328	1,010	1,752	2,817	3,911	2,125	3,874	6,336	8,642	4,900
Gross profit	206	327	589	1,038	867	1,463	2,345	3,123	1,788	3,116	5,055	6,617	4,045
Gross profit margin	82.6%	70.8%	74.7%	78.2%	85.8%	83.5%	83.2%	79.8%	84.2%	80.4%	79.8%	76.6%	82.6%
Operating profit	110	145	273	563	711	1,066	1,680	2,103	1,398	2,287	3,610	4,579	3,353
Operating margin	44.2%	31.5%	34.6%	42.3%	70.4%	60.9%	59.6%	53.8%	65.8%	59.0%	57.0%	53.0%	68.4%
Profit	75	128	187	368	486	728	1,140	1,326	958	1,567	2,427	2,646	2,175
Net income margin	30.1%	27.4%	23.7%	27.7%	48.1%	41.5%	40.4%	33.9%	45.1%	40.4%	38.3%	30.6%	44.4%
Number of M&A advisors	18	27	27	31	40	51	57	74	90	115	154	181	200
Deals in progress ¹	48	65	115	139	165	229	313	382	426	508	596	694	834
Closed M&A deals ² (large-scale deals ³)	5 (0)	8 (0)	15 (0)	25 (1)	17 (2)	26 (4)	43 (6)	61 (7)	33 (4)	62 (8)	105 (11)	137 (14)	66 (9)

Notes:

1. Only active projects are counted, excluding suspended projects.
2. Non-brokerage FA deals are excluded from the number of contracts and unit price calculations.
3. Large deals are defined as those with total fees of ¥100 million or more.

7. Reference: KPI Highlights

Trends in Key Indicators: Quarterly accounting period

(¥mn)

	FY21/ 9 1Q	FY21/9 2Q	FY21/9 3Q ¹	FY21/9 4Q	FY22/9 1Q	FY22/9 2Q	FY22/9 3Q	FY22/9 4Q	FY23/9 1Q	FY23/9 2Q	FY23/9 3Q	FY23/9 4Q	FY24/9 1Q
Net sales	249	213	326	539	1,010	742	1,065	1,094	2,125	1,749	2,462	2,305	4,900
Gross profit	206	121	262	449	867	596	882	778	1,788	1,328	1,938	1,562	4,045
Gross profit margin	82.6%	56.8%	80.4%	83.3%	85.8%	80.3%	82.8%	71.1%	84.2%	75.9%	78.7%	67.8%	82.6%
Operating profit	110	35	128	290	711	355	614	423	1,398	889	1,323	968	3,353
Operating margin	44.2%	16.4%	39.3%	53.8%	70.4%	47.8%	57.7%	38.7%	65.8%	50.8%	53.7%	42.0%	68.4%
Profit	75	53	59	181	486	242	412	186	958	609	860	219	2,175
Net income margin	30.1%	24.9%	18.1%	33.6%	48.1%	32.6%	38.9%	17.0%	45.1%	34.8%	34.9%	9.5%	44.4%
Number of contracts	23	36	61	67	82	109	140	178	208	235	314	387	430
Closed M&A deals ¹ (large-scale deals ²)	5 (0)	3 (0)	7 (0)	10 (1)	17 (2)	9 (2)	17 (2)	18 (1)	33 (4)	29 (4)	43 (3)	32 (3)	66 (9)
Fees per deal ³	43	64	40	52	58	78	59	58	61	60	54	68	74

Notes:

1. Non-brokerage FA deals are excluded from the number of contracts..

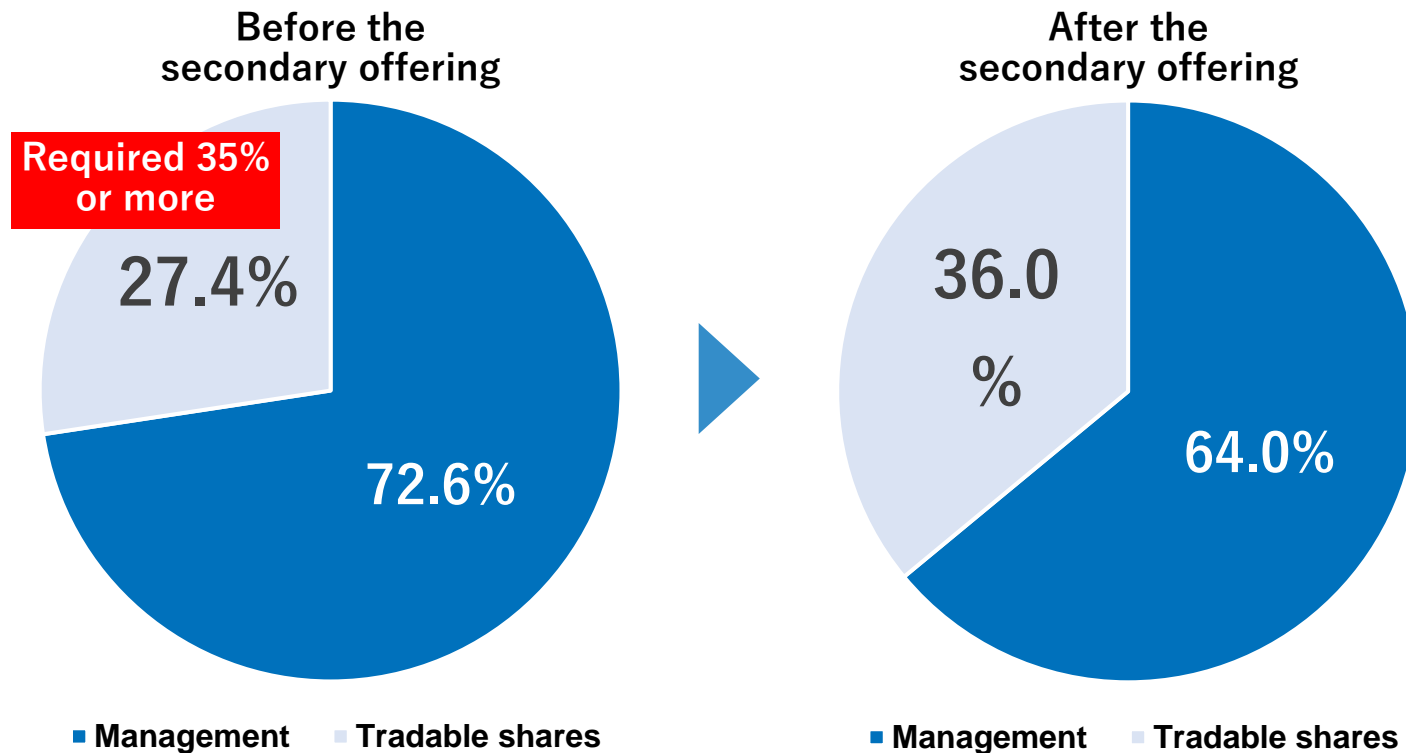
2. Large deals are defined as those with total fees of ¥100 million or more

3. To enable comparison with industry peers, the calculation method for transaction unit prices has been changed from FY24/9 1Q, now determined by “Revenue in M&A brokerage business ÷ Number of transactions concluded((excluding FA cases)”.

Overseas Offering for Change of Category to the Prime Market

As described in the “Notice Concerning Overseas Offering of Shares” and “Notice Concerning Application to the Tokyo Stock Exchange Prime Market for Change of Listing Market” announced on June 27, 2023, the Company has applied for a change of listing to the Prime Market and has conducted an overseas offering to satisfy the requirements relating to the tradable share ratio.

Issuance of a secondary offering by management to satisfy the tradable share ratio, 35% of outstanding shares



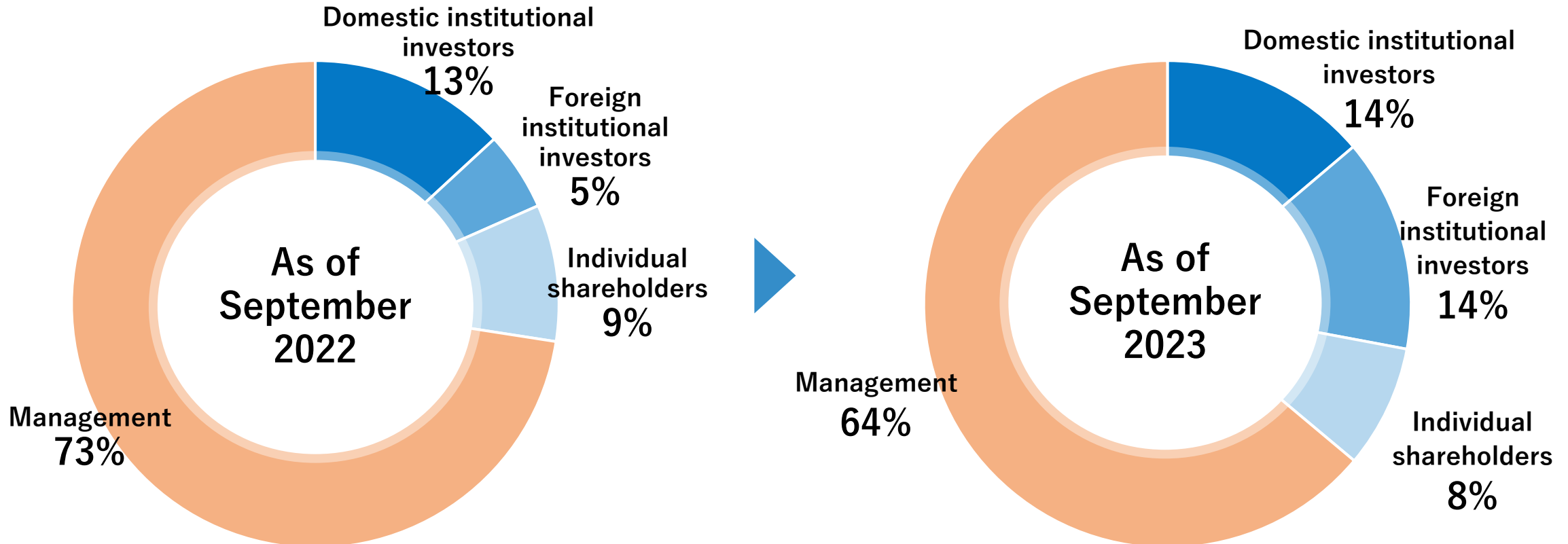
- A secondary offering to satisfy the market change requirement.
- Management remains committed to management and has set the minimum number of secondary offering shares.
- Sell to institutional investors in Asia and Europe.
- The sale will increase liquidity and lead to the development of overseas institutional investors.

Note: Some shares other than those held by management, such as treasury shares, are not included in the number of tradable shares. However, they are included in the number of tradable shares as a convenience in the graph.

Increase the ratio of overseas institutional investors

Since listing, we have been working to build our shareholder base. Thanks in part to the effects of the overseas offering, the proportion of overseas institutional investors has improved.

Change in shareholder composition



The company manages all business processes via data and monitors sales and recruitment KPIs in real time, monitors all processes using data via an in-house developed BI tool for daily improvement.

Uniqueness of M&A Market in Japan

1

Growing Need for Business Succession due to Aging of Business Owners

In Japan, the average age of management executives in SMEs is becoming high
On the other hand, they lack successors and business succession issues are becoming more serious

2

Japan's unique business practice: "M&A brokerage" service instead of FA

Outside of Japan, it's common to execute M&A using a financial advisor (FA)
In Japan, other than large-scale M&A, brokerage companies are used to intervene and support both parties

3

There are few M&A brokerage companies against M&A needs

While it is said that 620,000 profitable companies are at risk of closure due to the lack of successors, there are only 37 companies that provide M&A services with 20+ M&A advisors. M&A demand is highly exceeding its supply.

Market Size of Domestic M&A Brokerage

Many profitable companies are at risk of closure and the market size is extremely large even in the domestic market. We expect **M&A demand is highly exceeding its supply**, and the M&A brokerage market size to be **¥553 to ¥653 bn annually**, so it is a “Blue Ocean”.



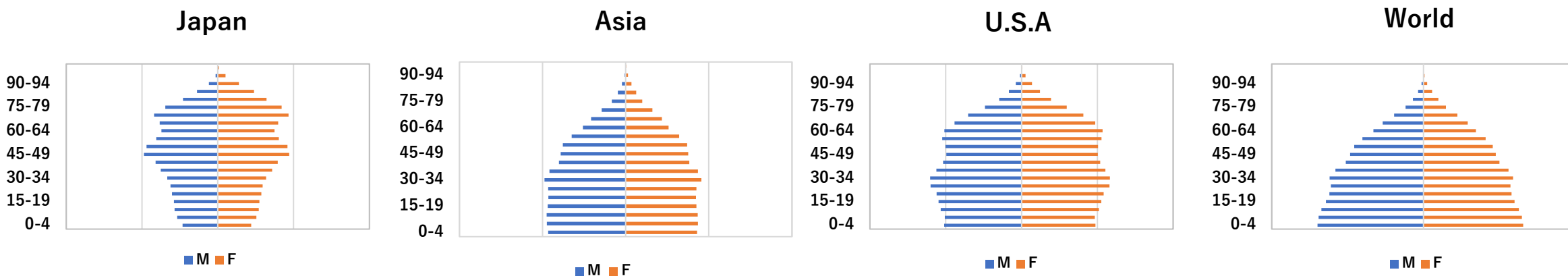
Notes:
 1. Source: The Small and Medium Enterprise Agency “Current Situation and Challenges of M&A in SMEs and Micro Business Owners”
 2. Source: Credit Risk Database Association “Outsourced project related to fact-finding survey of SMEs based on FY2018 financial information”
 3. Actual figure in FY2023/9
 4. The market size is what we estimated based on external statistical materials and published materials, and may differ from the actual market size

* Currently, there is a shortage of M&A intermediary firms, resulting in a situation where demand exceeds supply. Companies that cannot achieve business succession are carried over from year to year and accumulate in TAMs.

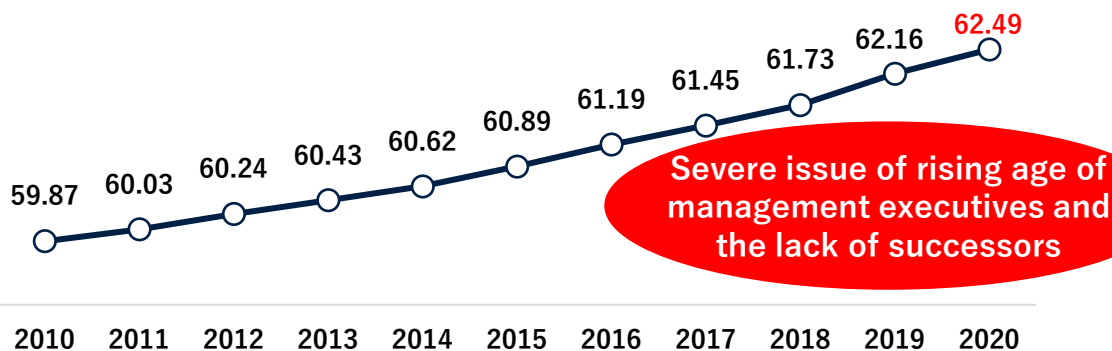
In Japan today, the number of young people continues to decline, and the birthrate is declining and the population is aging.

As a result, **the ratio of companies without successors is 57.2%¹**, and business succession through M&A is an issue.

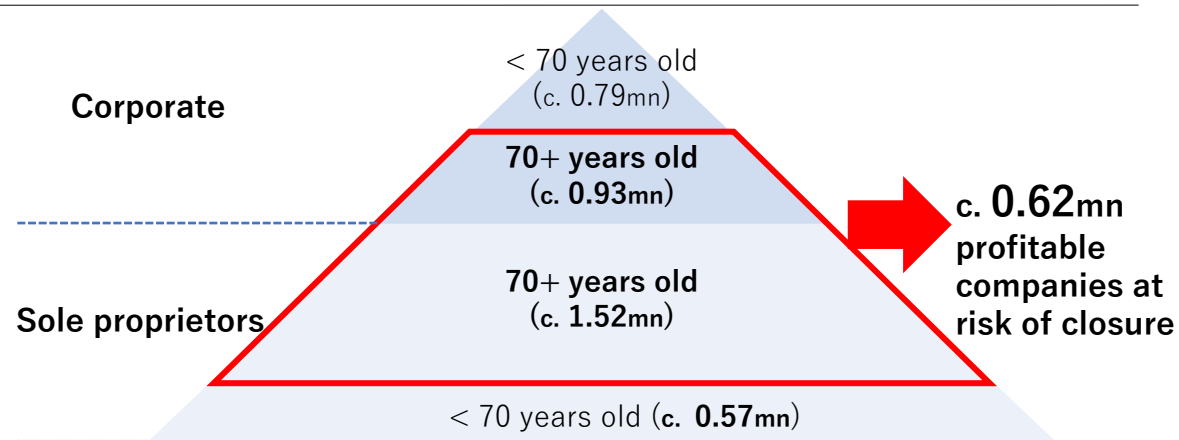
Population Pyramid: Japan's Declining Birthrate and Aging Population



Average Age of Managers²



Increase in Risk of Black-ink Bankruptcy



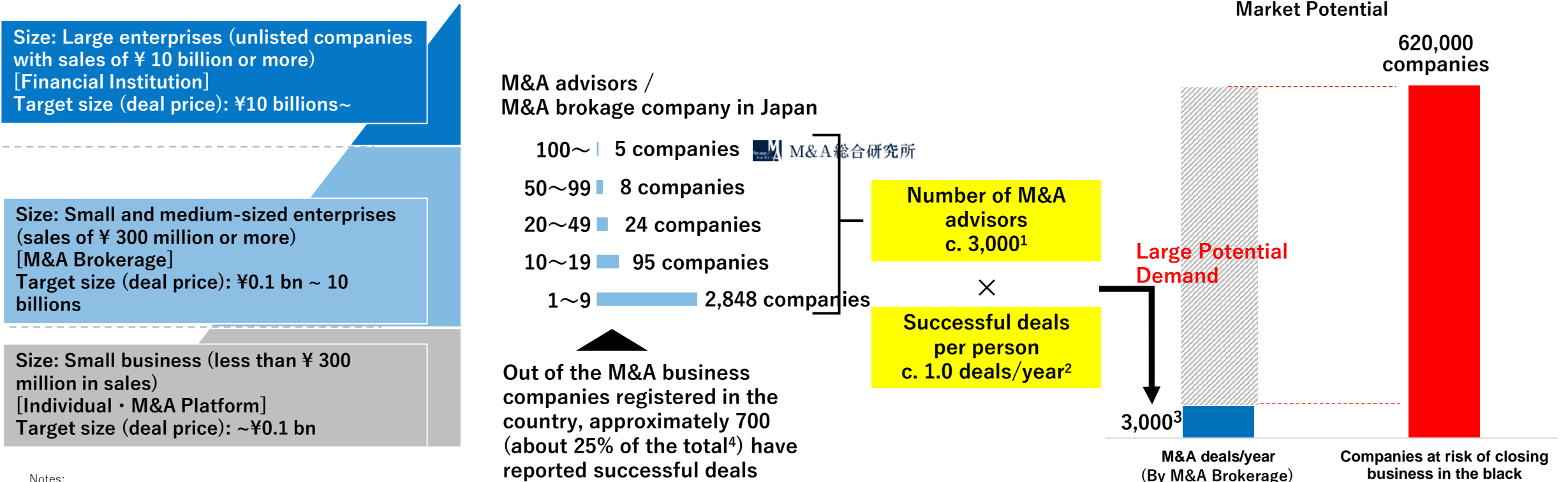
Notes:

1. Teikoku Databank (2022), "Research on the Ratio of Companies without Successors in Japan"
2. Tokyo Shoko Research (2021), "Research on the Average Age of Company Owners"

Imbalance between M&A Demand and M&A Brokerage Supply

There are three types of companies engaged in M&A intermediation, but in Japan, **M&A intermediary firms hold a significant presence**, with nearly 3,000 such companies operating nationwide. However, there is an overwhelming number of companies at risk of closure with a surplus of profitable M&A transactions that M&A advisors can handle in a year (3,000 cases³). **This has led to a disruption in the supply-demand balance.**

M&A Brokerage Supply and Market Potential



Notes:

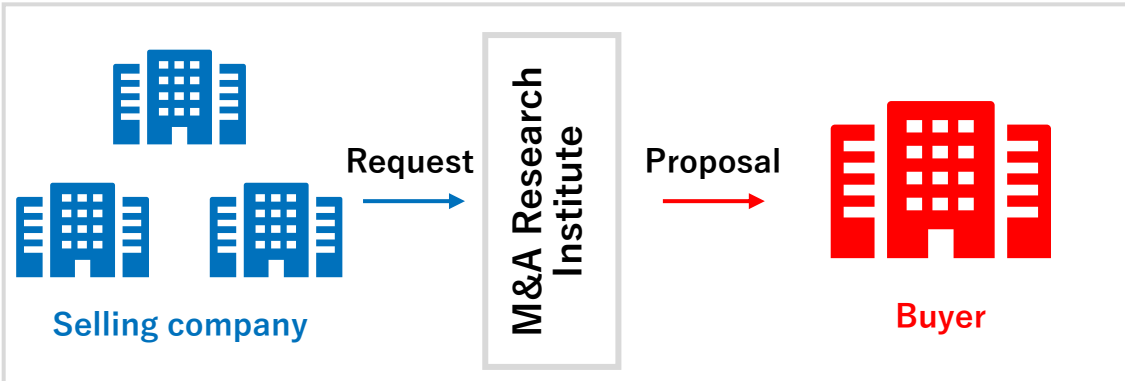
1. Publication of Registered Financial Advisors and Intermediaries under the Small and Medium Enterprise Agency M&A Support Institution Registration System - January 1-month Public Offering (Registration Status as of February 16, Reiwa 5). Calculated taking into account factors such as transaction performance reporting.
2. Calculated based on the number of the most recent closed deals published by the major listed M&A brokerage companies (excluding our company)
3. Note 1: Calculated assuming that each advisor signs 1.0 contract per person per year for the calculated number of advisors.
4. Estimated by M&A Research Institute based on the Small and Medium Enterprise Agency's "8th Study Group on Consolidation of Management Resources of Small and Medium Enterprises, etc.

Development of Soken DX Search

The "Soken DX Search" service for buy-side firms was launched in the third quarter of FY22/9.

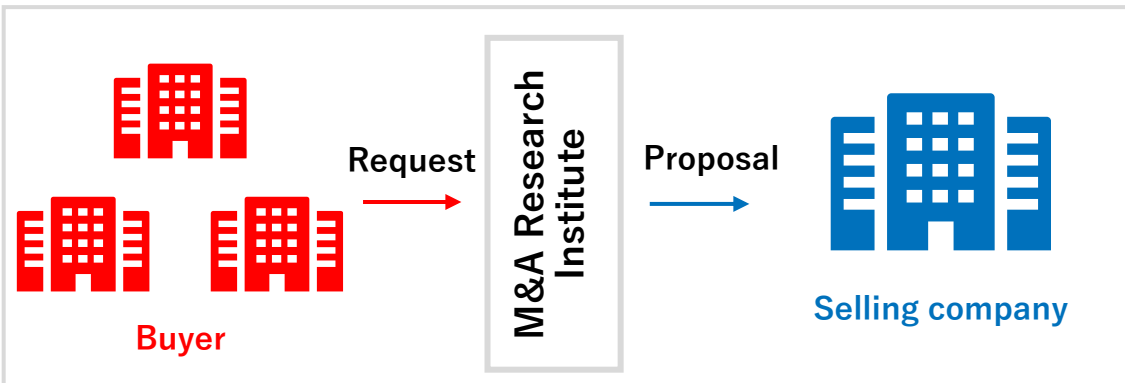
Unlike ordinary services, it searches **large scale sell-side companies** based on the needs of buy-side companies.

Traditional M&As



- ✓ Requests from companies considering a sale
- ✓ The decision to sell the company is smooth because the need to sell is apparent

Soken DX Search



- ✓ Requests from companies considering an acquisition
- ✓ Ability to exclusively approach potential sell-side companies with limited needs to sell and/or have yet to hire an advisor

Background to the establishment of the subsidiary

In the course of many M&A deals, as the asset management needs of owners after the transfer are increasing, we decided to start consulting on asset management as a business in order to meet the same needs in the future.

Provision of M&A advisory services

M&A総合研究所

Consultation on business succession, transfer, etc.

Owner of transferor

We provides M&A advisory services to owners who consider business succession or transfer due to lack of successors or desire to further grow their business.

Receipt of consideration for transfer

Buyer

Business succession, transfer, etc.

Owner of transferor

Owners who succeed or transfer their business will receive cash as consideration for the transfer.
On the other hand, there are many cases where the cash to be paid is **a large amount of money that has never been obtained before.**

Owner of transferor

Many of the owners who have made a lot of money have never been involved in asset formation or investment, so **they often ask us about how to use their assets.**
On the other hand, we have been unable to offer advice on how to manage assets, failing to meet the owners' expectations.

Owner of transferor

Asset Management Consulting Inc.

With a desire to support the life of owners after transfer **as a partner who has gone through an important decision-making phase of life together,** we have established a subsidiary and started services **to support asset formation and utilization, which is a common concern after transfer.**

This presentation was prepared by M&A Research Institute (the “Company”) solely for informational purposes. This presentation does not constitute an offer to sell or a solicitation of an offer to buy any security in the United States, Japan or any other jurisdiction.

This presentation is based on the economic, regulatory, market and other conditions as in effect on the date hereof, and neither the Company nor its advisors or representatives guarantee that this information is accurate or complete. Subsequent developments may affect the information contained in this presentation, and neither the Company nor its advisors or representatives are under any obligation to update, revise or affirm the information herein based on events or circumstances after the date hereof. The information in this presentation is subject to change without prior notice.

Neither this presentation nor any of its contents may be disclosed to or used by any other party for any purpose without the prior written consent of the Company.

This presentation contains forward-looking statements, including estimations, forecasts, targets and plans. Such forward-looking statements do not represent any guarantee by the Company of future performance. Any forward-looking statements in this document are based on the current assumptions and beliefs of the Company in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Company’s actual results to be materially different from any future results expressed or implied by such forward-looking statements.

The information in connection with or prepared by companies or third parties other than the Company is based on publicly available and other information as cited, and the Company has not independently verified the accuracy or appropriateness of, and makes no representations with respect to, such third-party information.

■ **M&A Research Institute Holdings, Inc.**

<https://masouken.com/holdings>

■ **Inquiries about IR**

<https://masouken.com/holdings/ir/contact>