

M&A Capital Partners Co., Ltd.

Presentation Materials for the Earnings Briefing for the Nine Months Ended June 2015

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



July 30, 2015

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I **Company Overview and Strengths of the Company**

Trade Name	M&A Capital Partners Co., Ltd.
Listed Market	Tokyo Stock Exchange First Section (Securities Code: 6080) 
Address	38F, Gran Tokyo North Tower, 1-9-1 Marunouchi, Chiyoda-ku, Tokyo
Business Content	M&A intermediary business
Representative	Satoru Nakamura, President and Representative Director
Established	October 2005
Capital	440,937,725 yen (as of July 30, 2015)
Employees	36 (as of July 30, 2015)
Management Philosophy	Aiming to be the world's leading investment bank seeking maximum contributions to clients and the happiness of all employees

Business Content

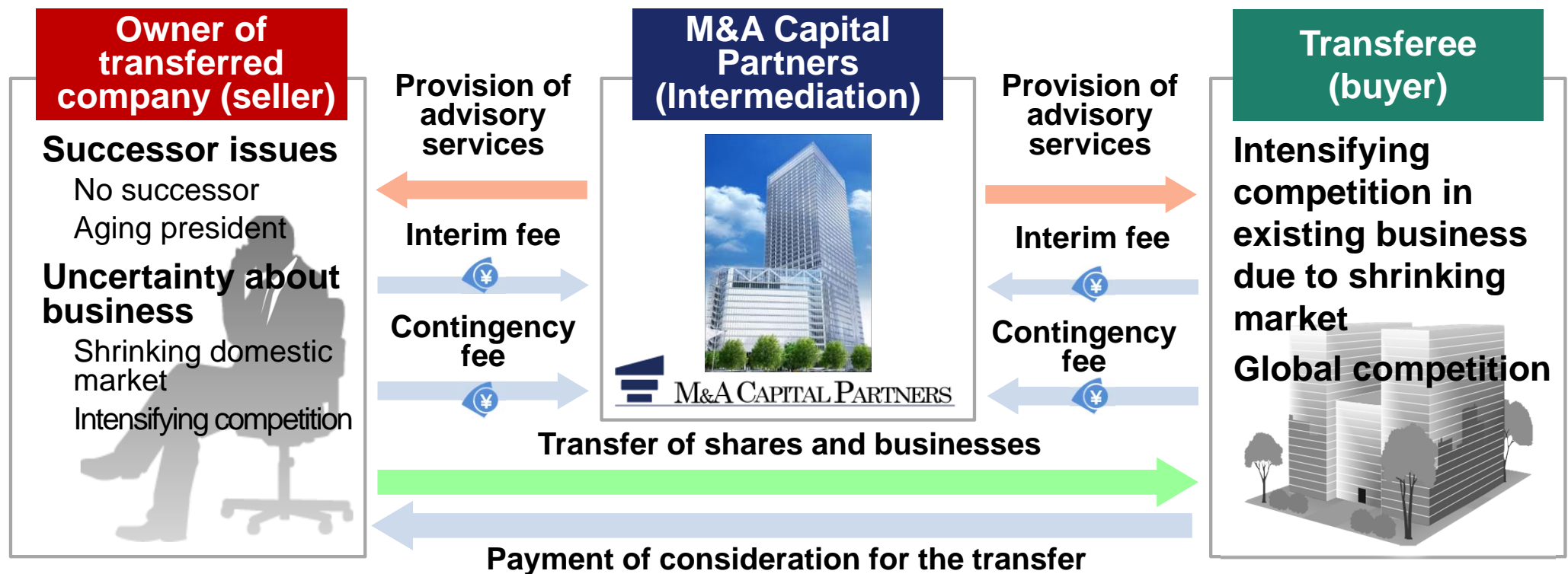
M&A (corporate mergers, acquisitions, capital tie-ups, etc.) **mediation** is our main business.

Characteristics

Mainly **business succession M&A**. We propose solutions through M&A and support their realization for owner managers who have concerns about business succession or are considering liquidation.

Business Model

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.





Fee structure that is convincing for clients

(1) Contingency fee-based fee structure (No commencement fee or monthly fee)

Fee schedule in which clients **do not bear expenses** until the conclusion of a master agreement

Expenses Required in the Consideration Phase			
	The Company	M&A intermediary business A	Large securities company B
Commencement fee	Free	Paid	Paid
Calculation of company value	Free	Paid	Paid
Monthly fee	Free	Free	Paid

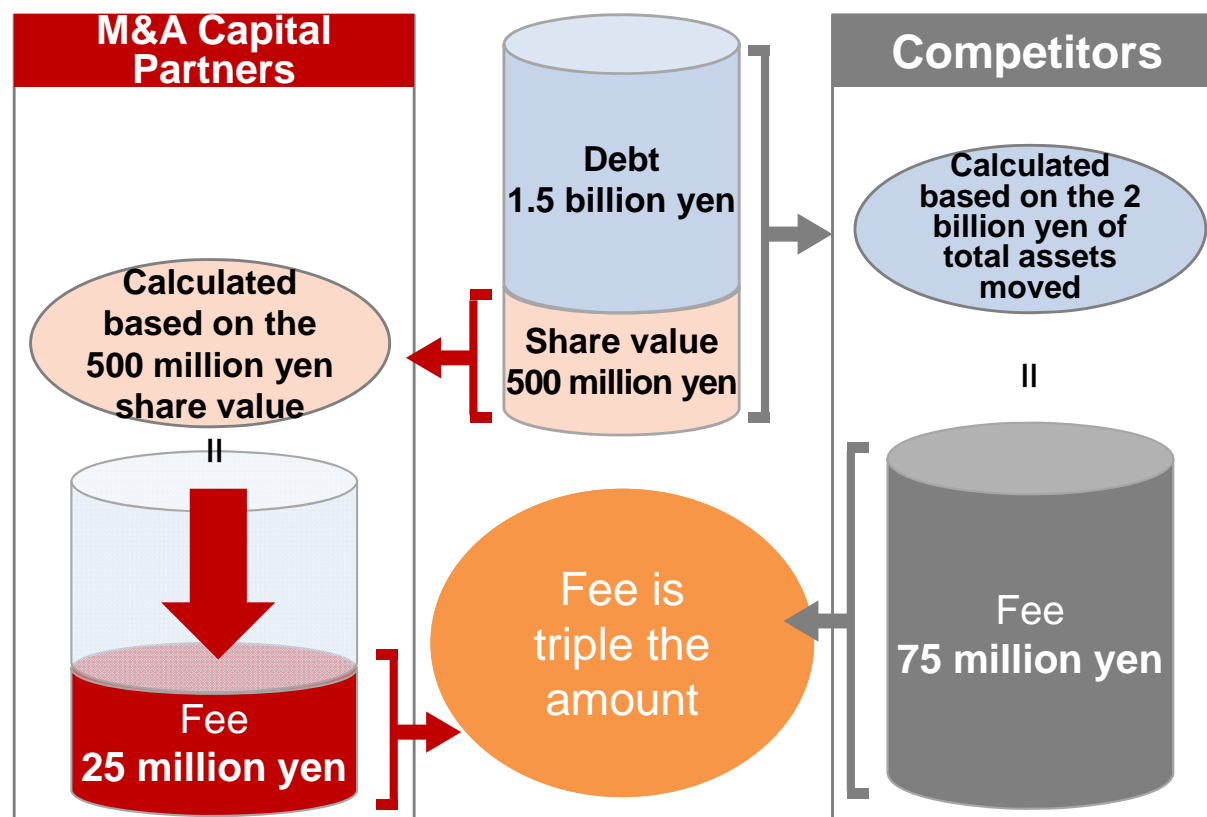


Fee structure that is convincing for clients

(2) Use of fee based on share price

- Fees of an M&A intermediary company generally use the Lehman Formula (calculated by multiplying the transaction amount by a certain rate)
- The company's calculations of fees are **based on the share price**. This is more convincing that being based on the moving average of total assets

[Example] A company with share value of 500 million yen and 1.5 billion yen of debt



Fee Structure (Lehman Formula)

The general Lehman Formula rates used by major financial institutions.

Transaction amount	Commis sion rate
Up to 500 million yen	5%
500 million yen up to 1 billion yen	4%
1 billion yen up to 5 billion yen	3%
5 billion yen up to 10 billion yen	2%
Over 10 billion yen	1%

e.g.) Calculation of fee when the transaction amount is 2 billion yen

$$\begin{aligned}
 &500 \text{ million yen} \times 5\% = 25 \text{ million yen} \\
 &+ (1 \text{ billion yen} - 500 \text{ million yen}) \times 4\% = 20 \text{ million yen} \\
 &+ (2 \text{ billion yen} - 1 \text{ billion yen}) \times 3\% = 30 \text{ million yen} \\
 &\quad \quad \quad \underline{\quad \quad \quad 75 \text{ million yen} \quad \quad \quad}
 \end{aligned}$$



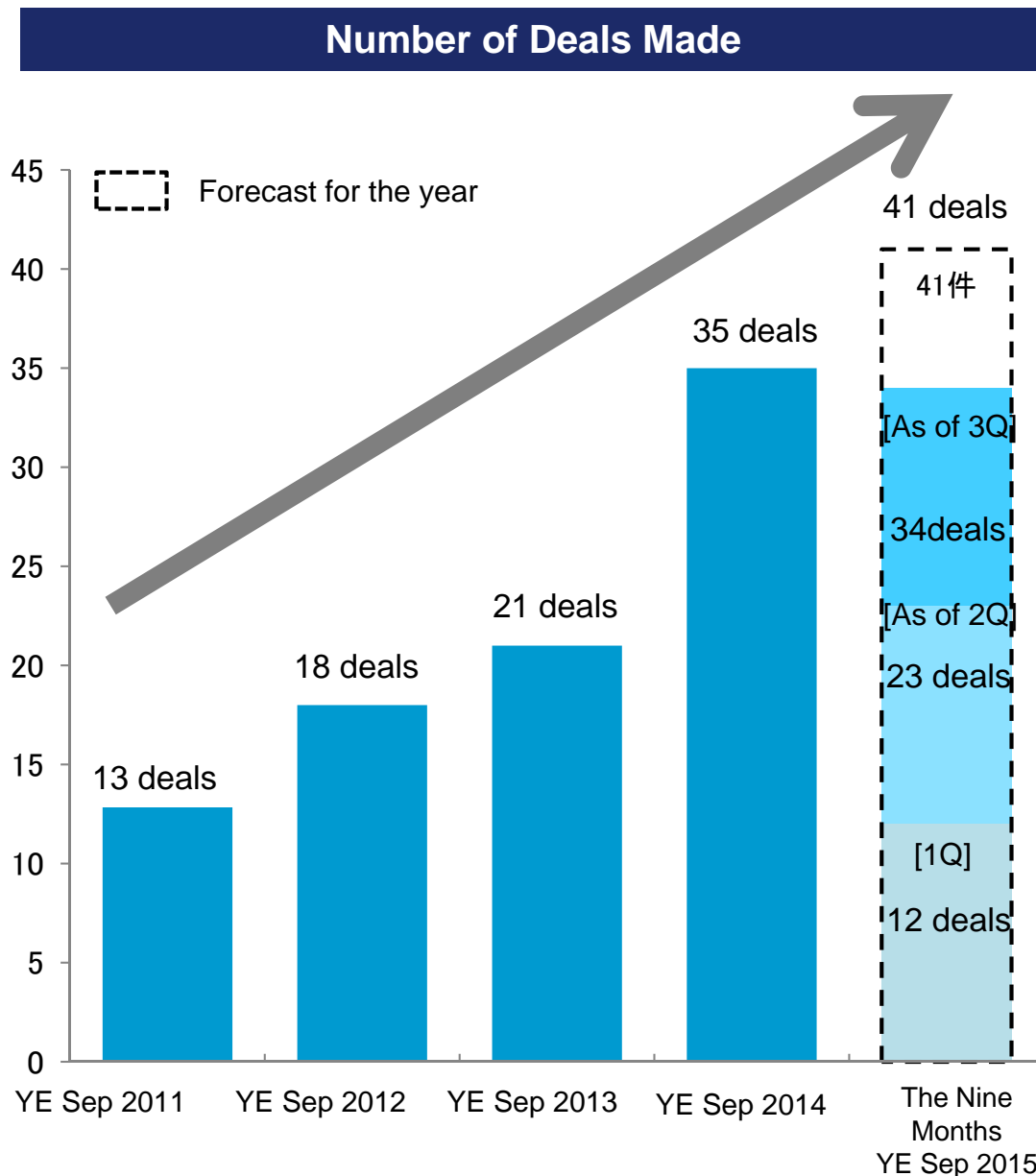
Stable Results Making Deals

M&A Capital Partners has produced stable results making deals by **focusing on "business succession M&A proposals and advice"** for small and medium enterprises using share transfers or business transfers.





II Results for the Nine Months Ended June 2015 and Forecast for the Year Ending September 2015



- **+25.9% year-on-year**
 - **Achieved record highest (cumulative) number of deals for third quarter**
 - **Forecast number of deals revised upwards from initial 38 to 41 deals**
- (Factors)
- Steady increase in the number of consultants
 - Improved trust due to listing of shares

Earnings for the Nine Months Ended June 2015

Net sales	2,067 million yen	(+57.0% year-on-year)
Ordinary income	1,105 million yen	(+68.2% year-on-year)
Number of deals	34 deals	(+25.9% year-on-year)
Number of consultants	30	(+7 year-on-year)

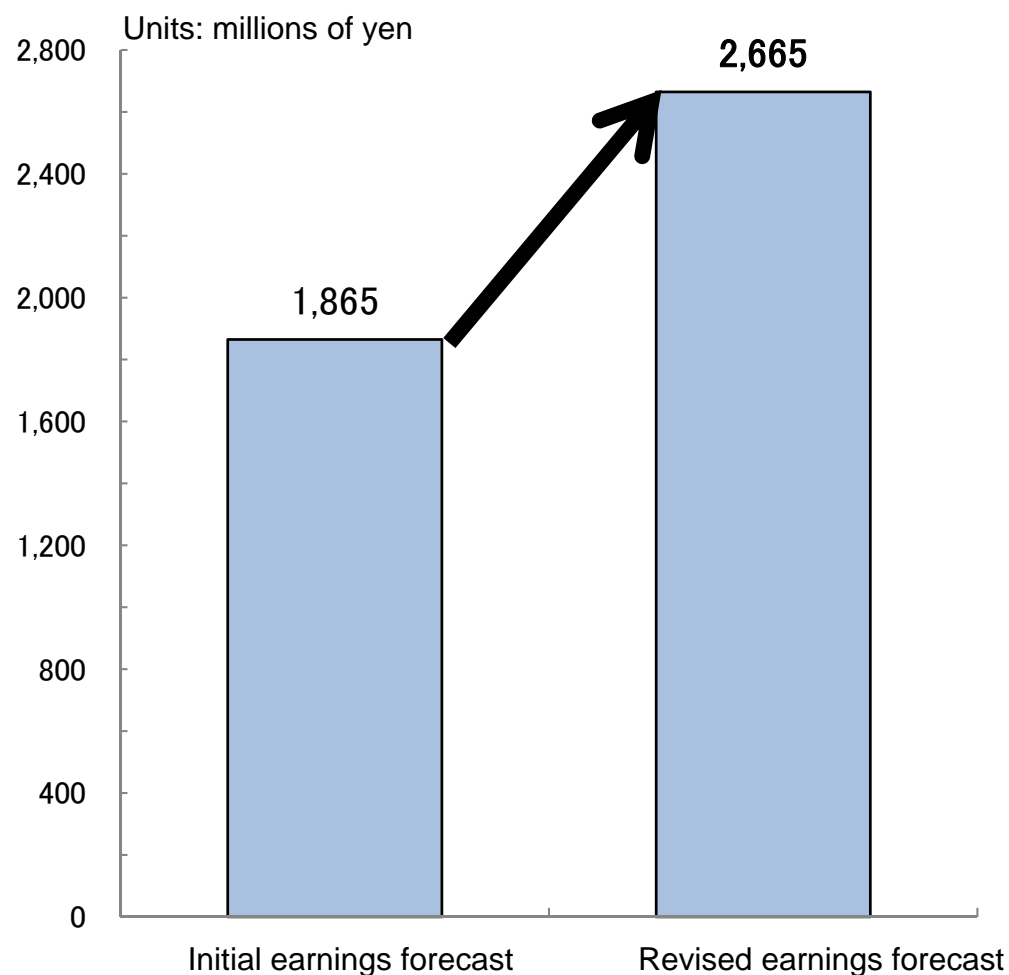
- **Strong performance with both net sales and ordinary income achieving record highs for the 3rd quarter (cumulative)**

Upward Revision of Earnings Forecast

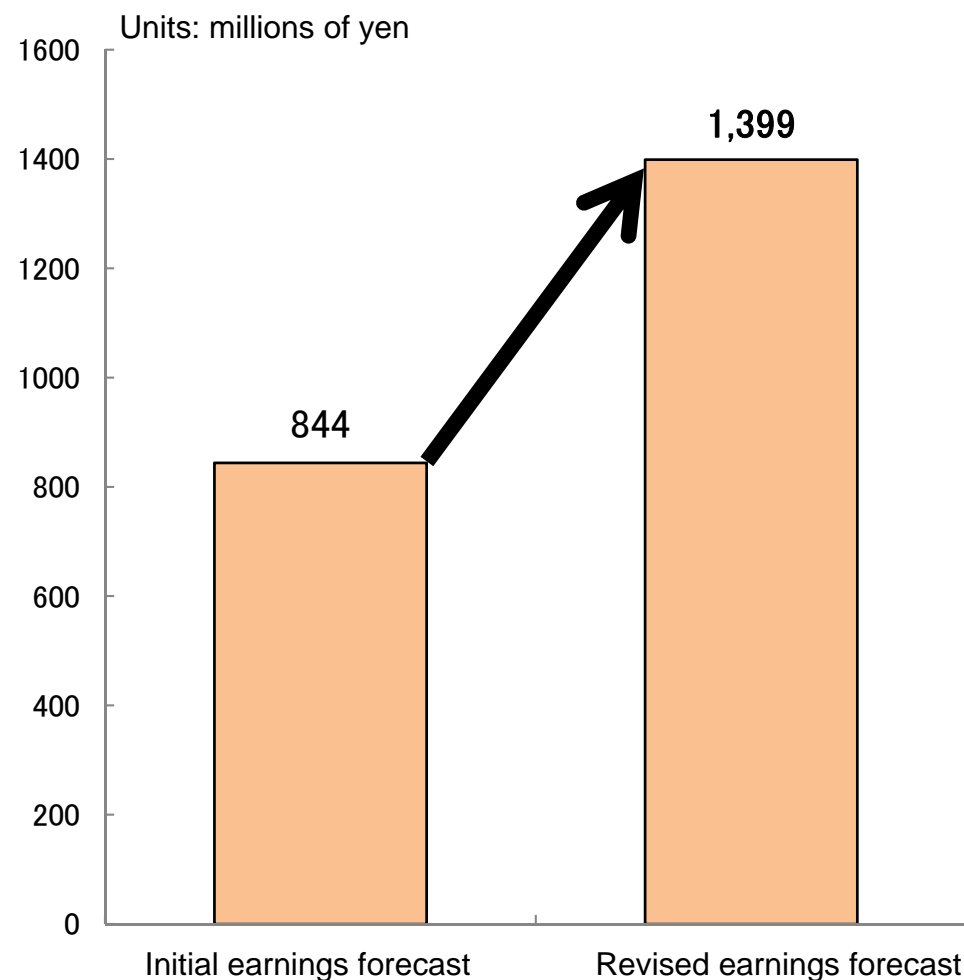
Earnings have been sound and the earnings forecast for the year has been revised upwards (disclosed on July 15, 2015)

*** In the third quarter, the number of deals continued the strong growth of the first and second quarters, with big project deals contributing.**

Net sales



Ordinary income

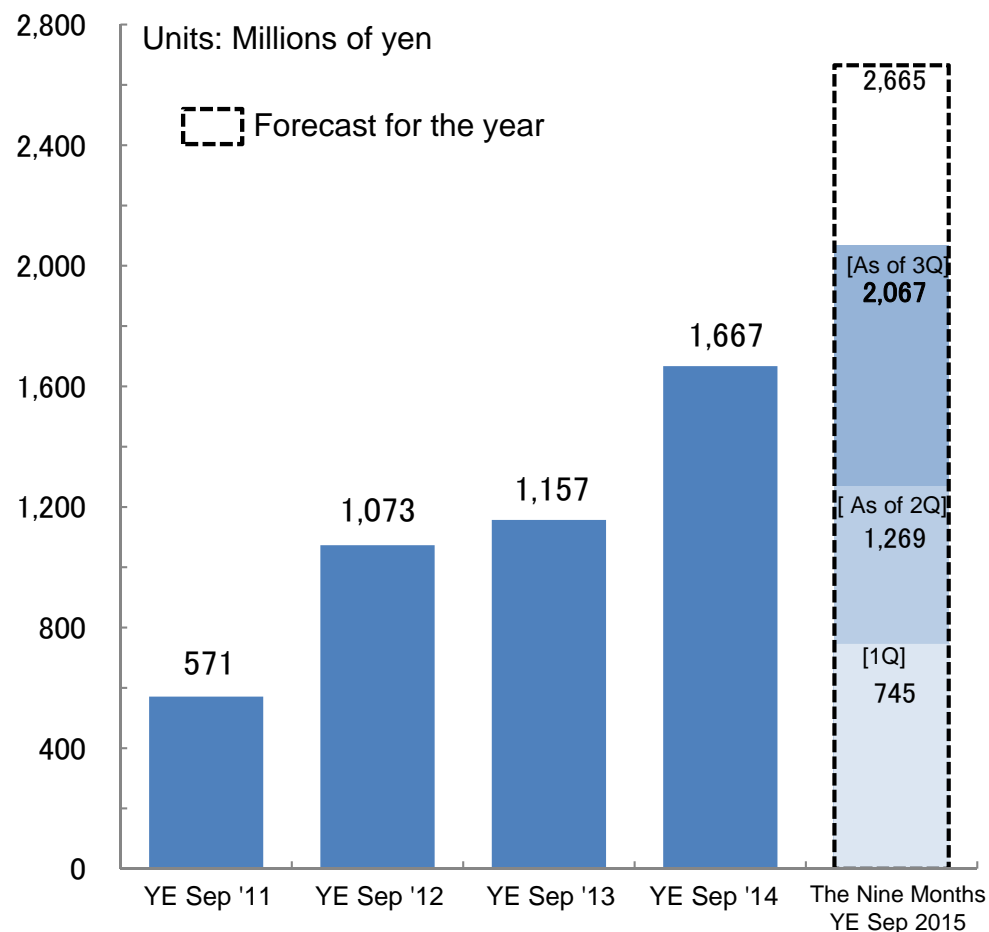


Changes in Earnings

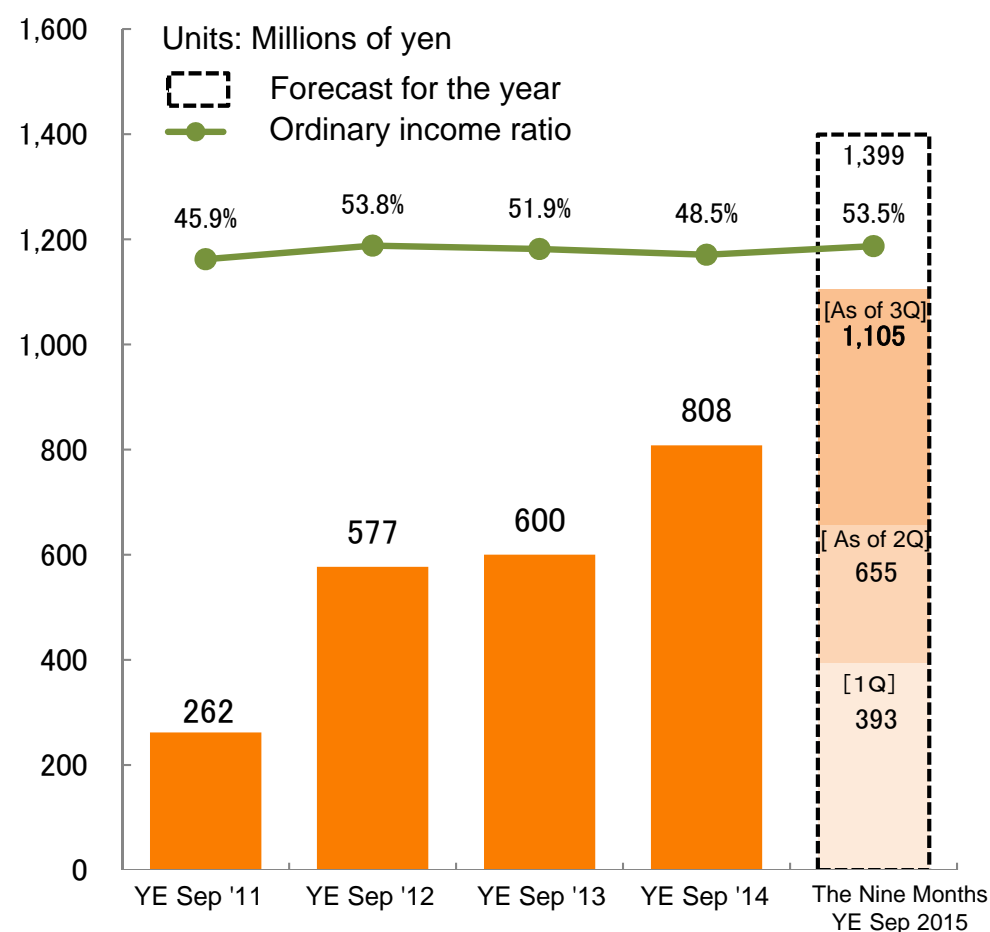
	3Q (cumulative)	Forecast for the year (revised)	Progress for Entire Year (revised)
Net sales	2,067	2,665	77.6%
Ordinary income	1,105	1,399	79.0%

Units: Millions of yen

Net sales



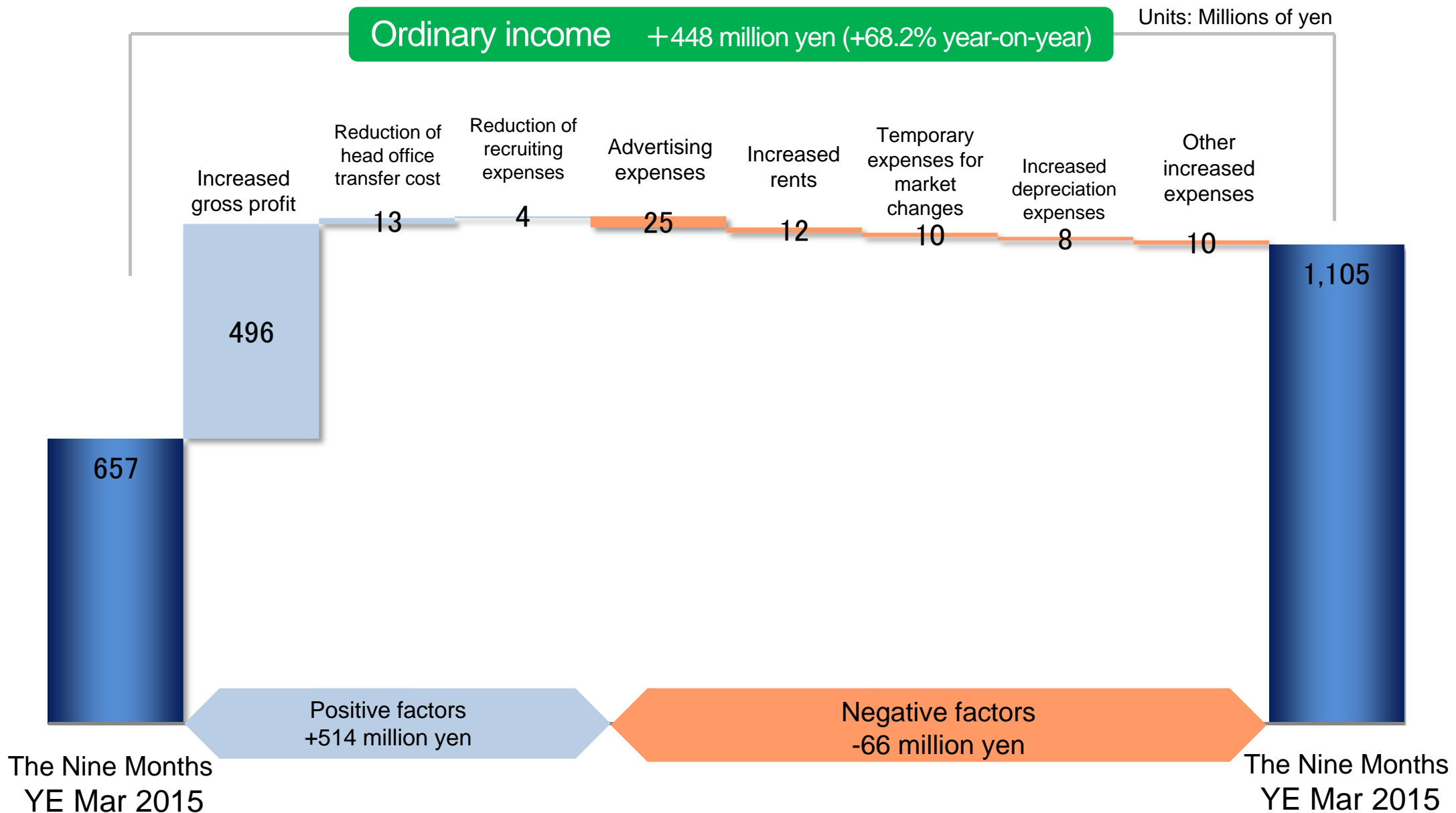
Ordinary income



Factors Causing Changes in Ordinary Income



M&A CAPITAL PARTNERS



Overview of Statements of Income

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

	Nine Months Ended June 2014	Nine Months Ended June 2015			Forecast for the Year Ending September 2015
			Year-on-year Change	Overview of Performance	
Net sales	1,316 (100.0%)	2,067 (100.0%)	+ 57.0%	<ul style="list-style-type: none"> Number of deals grew strongly Large deals in first and third quarters contributed 	2,665 (100.0%)
Gross profit	952 (72.4%)	1,449 (70.1%)	+ 52.1%	<ul style="list-style-type: none"> Benefit of increased revenue 	
SG&A	279 (21.2%)	318 (15.4%)	+ 13.7%		
Operating income	673 (51.1%)	1,131 (54.7%)	+ 68.0%	<ul style="list-style-type: none"> Benefit of increased revenue 	1,424 (53.5%)
Ordinary income	657 (50.0%)	1,105 (53.5%)	+ 68.2%		1,399 (52.5%)
Net income	353 (26.9%)	610 (29.5%)	+ 72.6%		784 (29.5%)
Number of deals made	27	34	+25.9%	<ul style="list-style-type: none"> Achieved record highest (cumulative) number of deals for third quarter 	41
Employees	28	36	+28.6%	<ul style="list-style-type: none"> Steady increase in the number of consultants 	

Overview of Balance Sheets

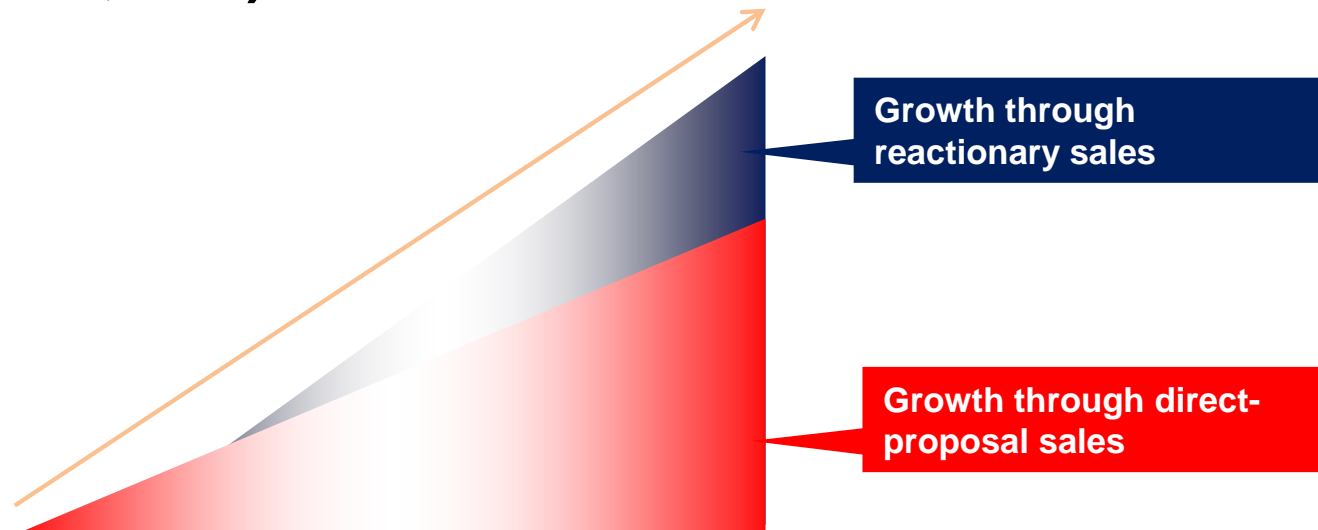
(Units: millions of yen, second line is composition ratio)

		September 30, 2014	June 30, 2015		
				Change	Main Factors Causing Change
	Current assets	2,497 (95.9%)	3,888 (97.6%)	+1,391	■ Cash and deposits + 1,240
	Noncurrent assets	107 (4.1%)	96 (2.9%)	▲ 10	
Total assets		2,604 (100.0%)	3,985 (100.0%)	+1,380	
	Current liabilities	574 (22.1%)	1026 (25.7%)	+451	
	Noncurrent liabilities	- (-%)	- (-%)	-	
Total liabilities		574 (22.1%)	1,026 (25.7%)	+451	
Total net assets		2,029 (77.9%)	2,959 (74.3%)	+929	■ Increase of capital due to issuance of shares +307
Total liabilities and net assets		2,604 (100.0%)	3,985 (100.0%)	+1,380	

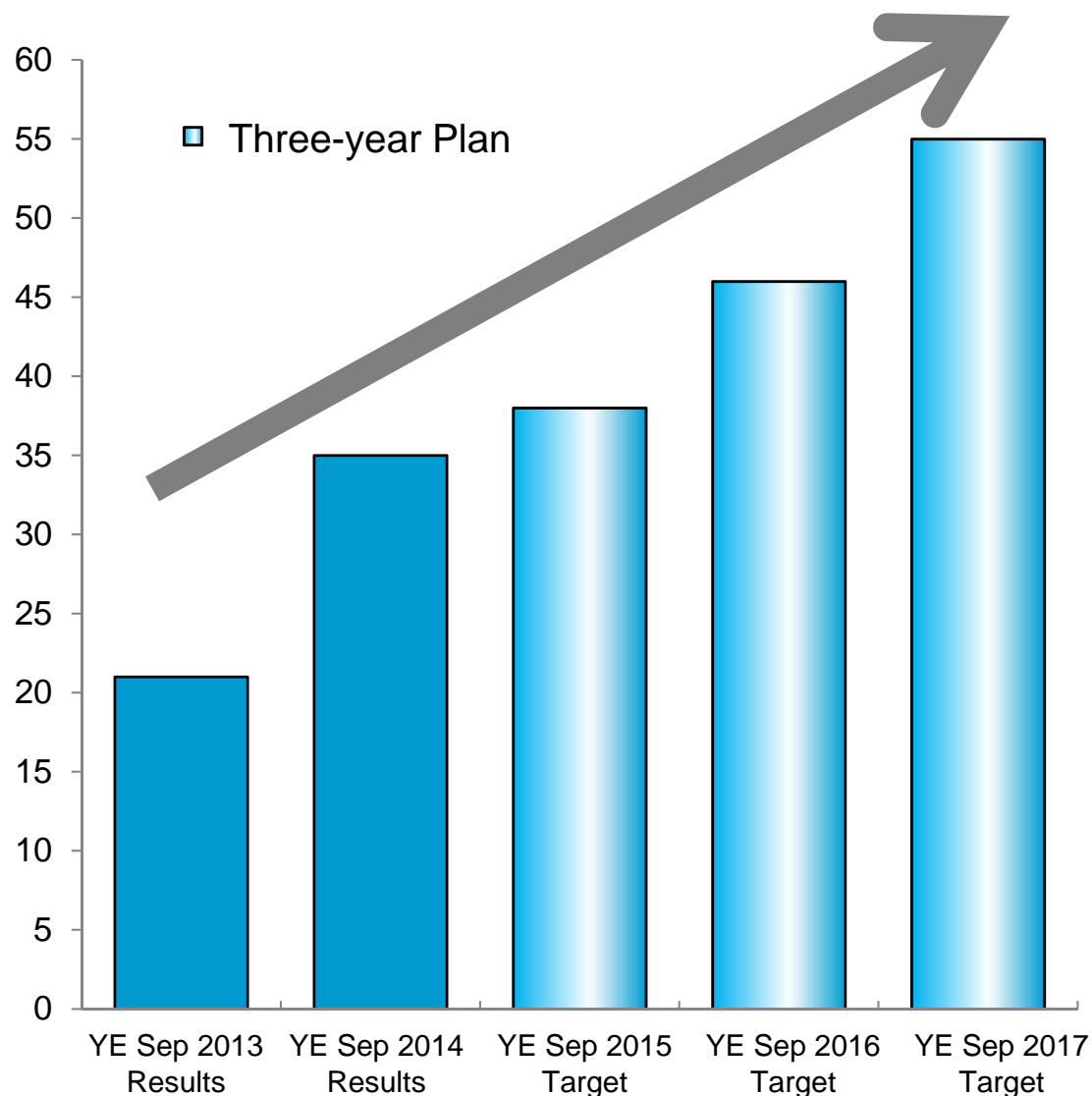
***III* Growth Strategy**

<Policies & Initiatives>

- Increase number of deals made, maintaining an average increase of 20% per year
- Continue hiring consultants, maintaining an average increase of 25% per year
- Increase and cultivate target industries for M&A intermediary business
- Strengthening of reactionary sales (seminars, web, referrals, etc.)

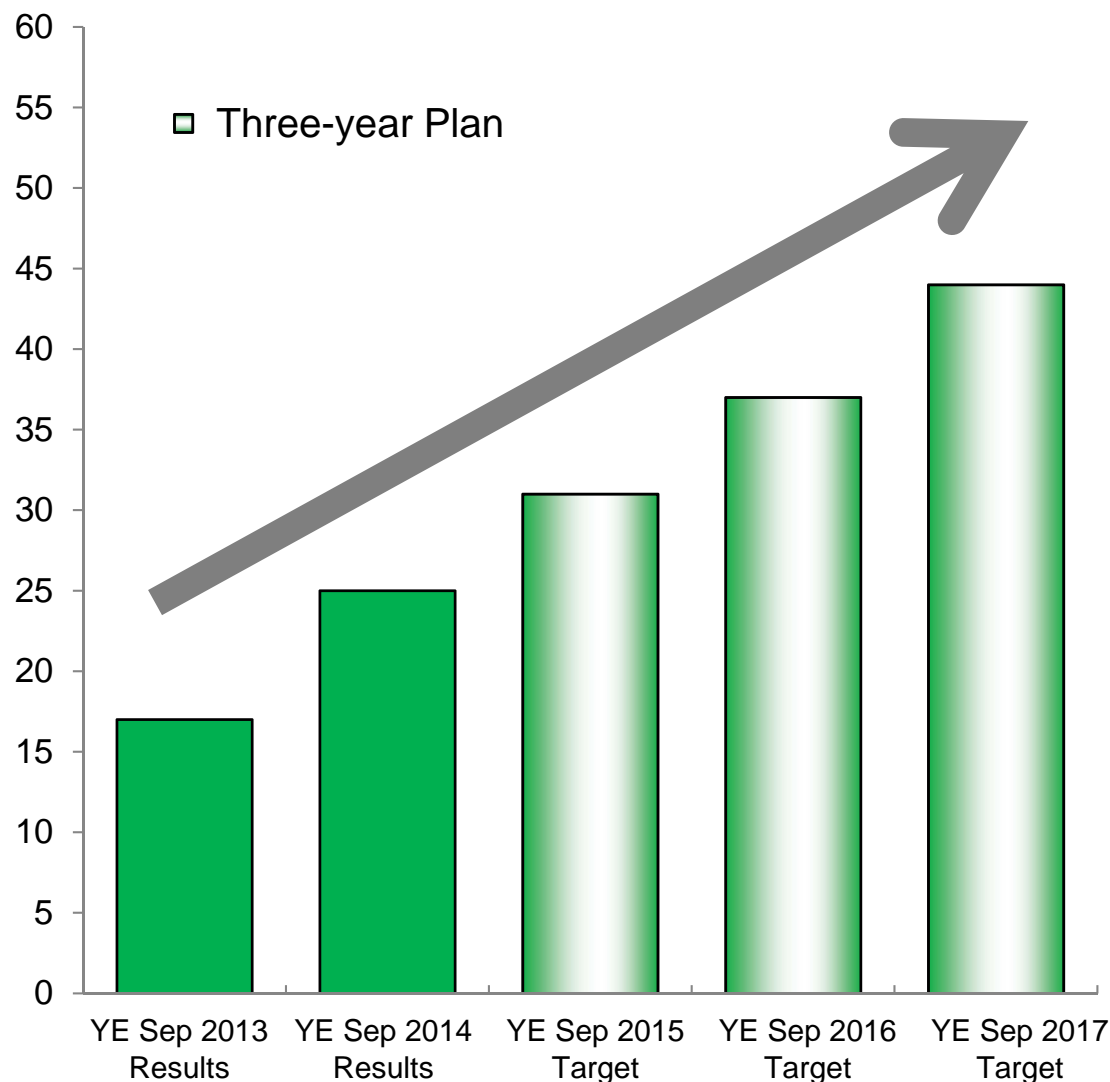


Three-year Plan for Number of Deals (Year Ending September 2015 to Year Ending September 2017)



[Number of Deals]
Average increase of 20%
per year
will be maintained.


Three-year Plan for Number of Consultants (Year Ending September 2015 to Year Ending September 2017)



[Number of Consultants]
Average increase of 25%
per year
will be maintained.

<Policies & Initiatives>

- Increase the number of large M&A seminars held and expand area covered

	Year ended September 2014		Future
Number held	3 per year		Increased number
Areas held	Tokyo		Expand to Tokyo, Osaka and other areas

- Renewal of website to increase inquiries
- Creation and expansion of referral network
 - ⇒ **Strengthening ties with tax accountants, accountants, local banks and securities companies**

On the occasion of the stock split (2 for 1) scheduled for September 1 2015, no changes will be made to the current target (shareholders holding 1 unit or more) or content (Quo card valued at 3,000 yen) of the shareholder preferential system, which will be maintained. Accordingly, because those shareholders holding the minimum investment units after the stock split will also now be subject to the preferential treatment, the system will in fact be expanded.

Target shareholders	Those shareholders listed in the shareholder list as at September 30 each year, or those shareholders recorded as holding more than one unit (100 shares)
Complimentary item	Present of a Quo card valued at 3,000 yen to all shareholders
Timing of gift	Scheduled for sending once per year, in late December

Sample



Seminars Held in the Nine Months Ended June 2015

In the nine months ended June 2015, we held five large-scale M&A seminars. During the third quarter, one was held at a Tokyo venue.

<Large-Scale M&A Seminars>

Date Held	Type	Seminar Title	Applicants
November 11, 2014	M&A Seminar	Toyo Keizai Forum(Osaka Venue)	300
November 18, 2014	M&A Seminar	Toyo Keizai Forum(Tokyo Venue)	600
March 3, 2015	M&A Seminar	Nikkei Sangyo Shimbun Forum (Osaka Venue)	700
March 3, 2015	M&A Seminar	Nikkei Sangyo Shimbun Forum (Tokyo Venue)	1,100
June 24, 2015	M&A Seminar	Seminar on the utilization of M&A for company managers (Tokyo Venue)	700

<Toyo Keizai Forum>

【Osaka Venue】



【Tokyo Venue】



<Nikkei Sangyo Shimbun Forum>

【Osaka Venue】



【Tokyo Venue】



<Seminar on the utilization of M&A for company managers>



Seminars Scheduled to be Held in the Fourth Quarter of the Year Ending September 2015

During the fourth quarter of the year ending September 2015, a total of four large-scale seminars are scheduled to be held in Tokyo (twice), Osaka and Fukuoka.

<Large-Scale Seminar>

Date Held	Type	Seminar Title
July 29, 2015	Business succession seminar (Supported by the Small and Medium Enterprises Agency, the Financial Services Agency and the Organization for Small and Medium Enterprises and Regional Innovation)	Nikkei Small and Medium-size Enterprises Invigoration Project Small and Medium-size Enterprises Problem-solving Seminar focused on business succession (Tokyo venue)
Aug 7, 2015	as above	as above(Osaka venue)
Sept 11, 2015	as above	as above(Fukuoka venue)
Sept 29, 2015	as above	as above(Tokyo venue)

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<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.