



M&A Capital Partners Co., Ltd.

Presentation Materials for the Earnings Briefing for the Three Months Ended December 2015

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



January 29, 2016

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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	454,809,725 yen (as of December 31, 2015)
Employees	40 (as of December 31, 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

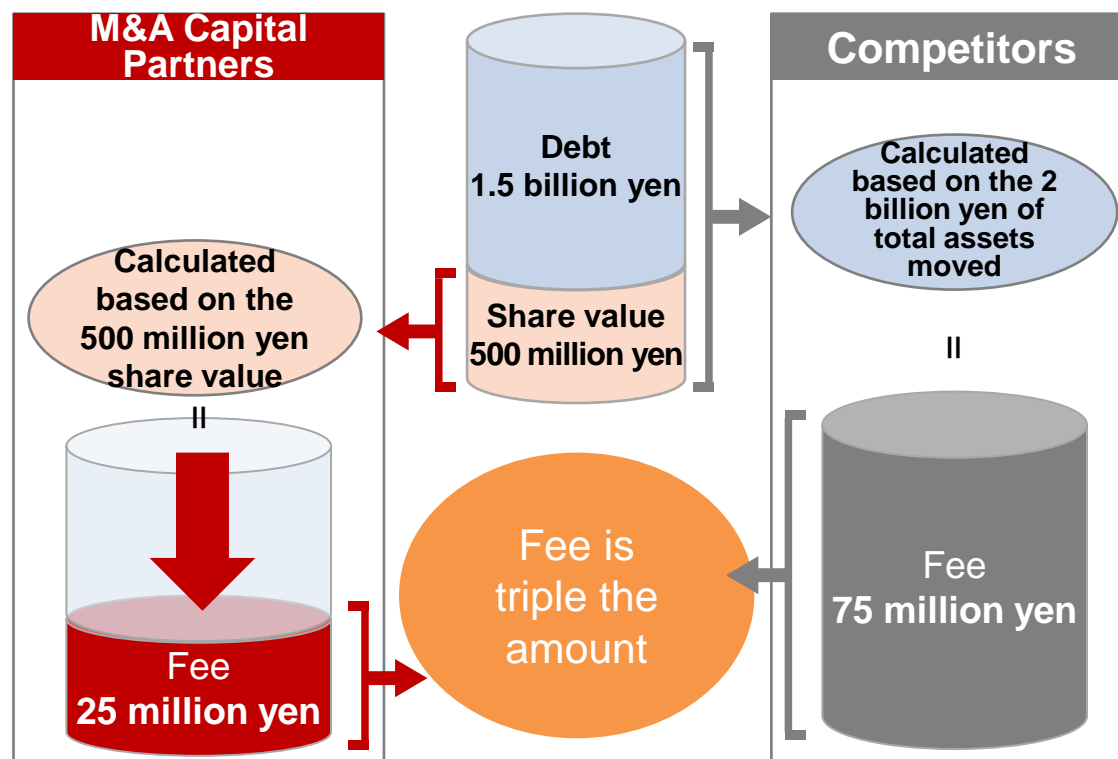
Expenses Required in the Consideration Phase			
	The Company	M&A intermediary business A	Large securities company B
Commencement fee	Free	Paid	Paid
Calculation of company value	Free	Paid	Paid
Monthly fee	Free	Free	Paid

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

$$\begin{aligned}
 & 500 \text{ million yen} \times 5\% = 25 \text{ million yen} \\
 & + (1 \text{ billion yen} - 500 \text{ million yen}) \times 4\% = 20 \text{ million yen} \\
 & + (2 \text{ billion yen} - 1 \text{ billion yen}) \times 3\% = 30 \text{ million yen} \\
 & \underline{\hspace{10em}} \\
 & 75 \text{ million yen}
 \end{aligned}$$



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 Three Months Ended December 2015 and Forecast for the Year Ending September 2016**

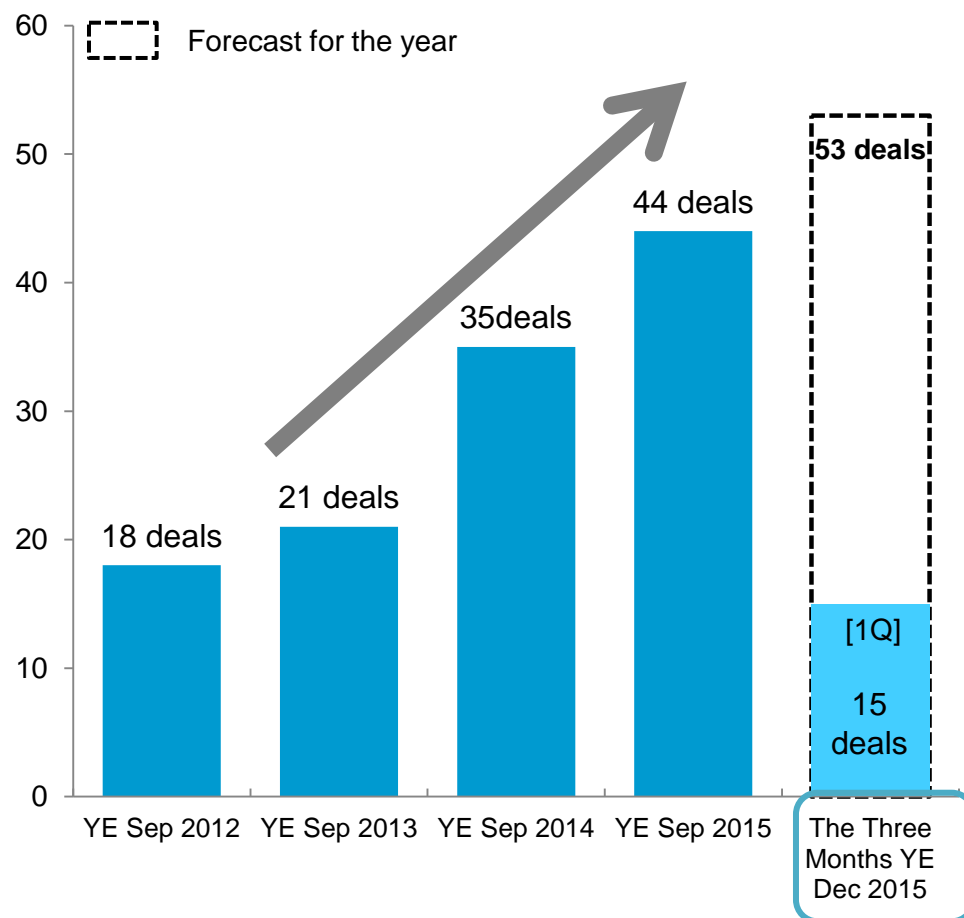
Number of Deals Made



M&A CAPITAL PARTNERS

	1Q	Forecast for the year	Progress for Entire Year
Number of deals	15	53	28.3%

Number of Deals Made



- **+25.0% year-on-year**
 - **Achieved the record highest number of first quarter deals**
- (Factors)
- Steady increase in the number of consultants
 - Improved trust due to listing of shares

Earnings for the Three Months Ended December 2015

Net sales	873 million yen	(+17.1% year-on-year)
Ordinary income	431 million yen	(+9.5% year-on-year)
Number of deals	15 deals	(+25.0% year-on-year)
Number of consultants	34	(+9 year-on-year)

- First quarter net sales, ordinary income and number of deals were all the highest on record, and results have been strong

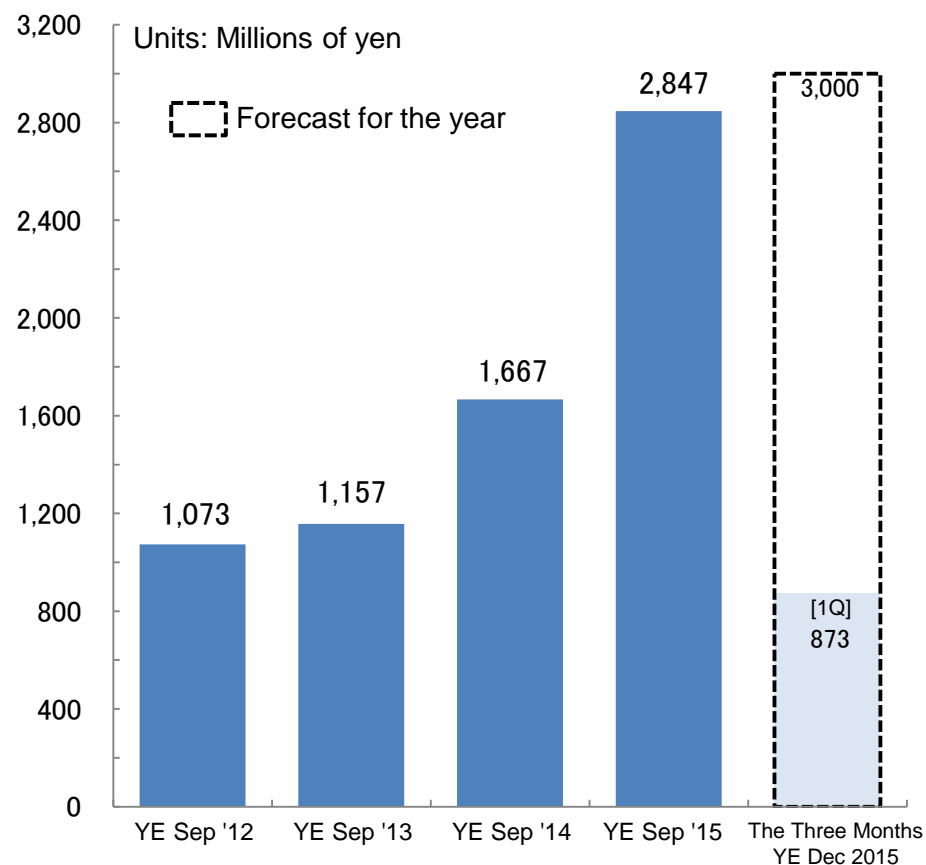
Changes in Earnings



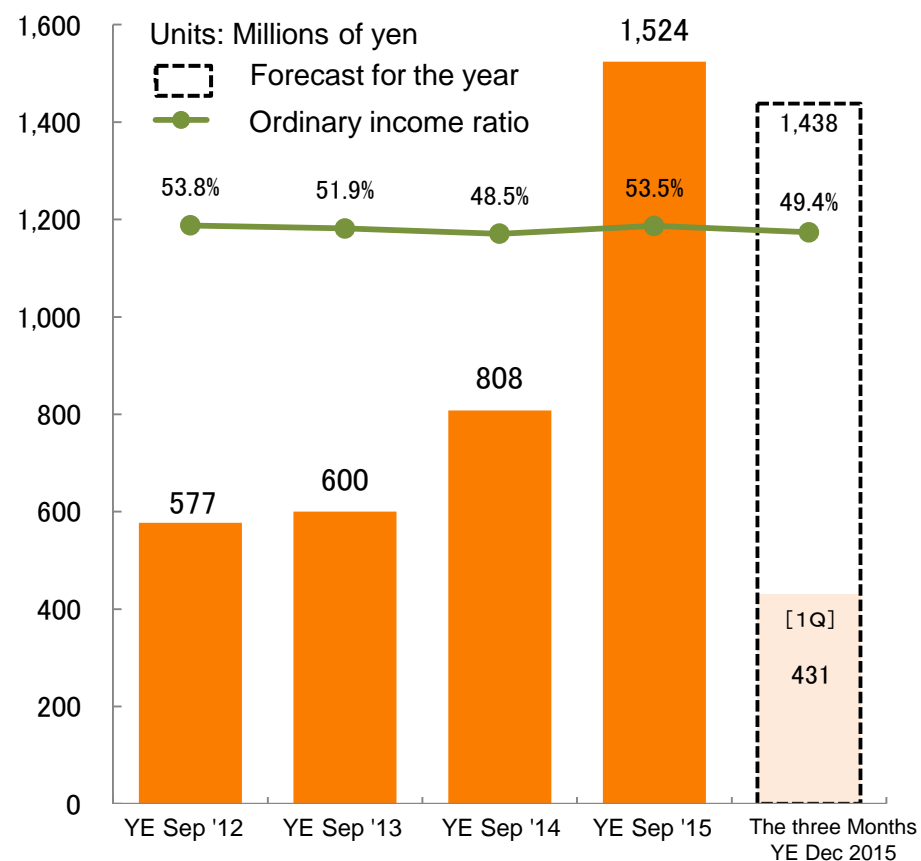
	1Q	Forecast for the year	Progress for Entire Year
Net sales	873	3,000	29.1%
Ordinary income	431	1,438	30.0%

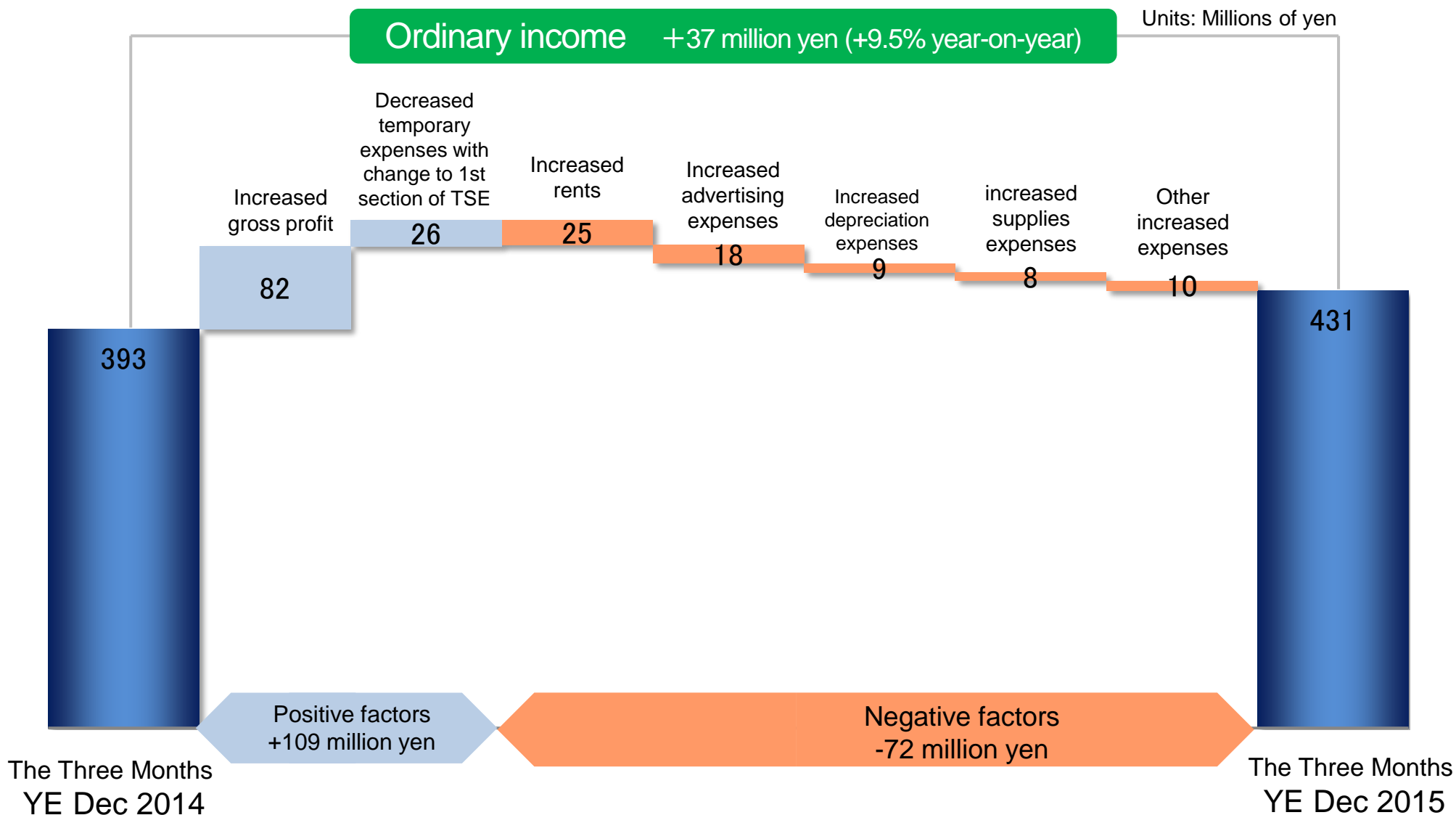
Units: Millions of yen

Net sales



Ordinary income





Overview of Statements of Income

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

	Three Months Ended Dec 2014	Three Months Ended Dec 2015			Forecast for the Year Ending September 2016
			Year-on-year Change	Overview of Performance	
Net sales	745 (100.0%)	873 (100.0%)	+ 17.1%	■ Number of deals grew strongly	3,000 (100.0%)
Gross profit	558 (74.8%)	640 (73.4%)	+ 14.8%	■ Benefit of increased revenue	
SG&A	138 (18.5%)	209 (24.0%)	+ 51.3%	<ul style="list-style-type: none"> ■ Increased expenses with expansion of head office +43 ■ Increased advertising expenses +18 	
Operating income	419 (56.3%)	431 (49.4%)	+ 2.8%		1,438 (48.0%)
Ordinary income	393 (52.8%)	431 (49.4%)	+ 9.5%		1,438 (48.0%)
Net income	215 (28.9%)	251 (28.8%)	+ 16.6%		811 (27.0%)
Number of deals made	12	15	+25.0%	■ Achieved the record highest number of first quarter deals	53
Employees	29	40	+37.9%	■ Steady increase in the number of consultants	

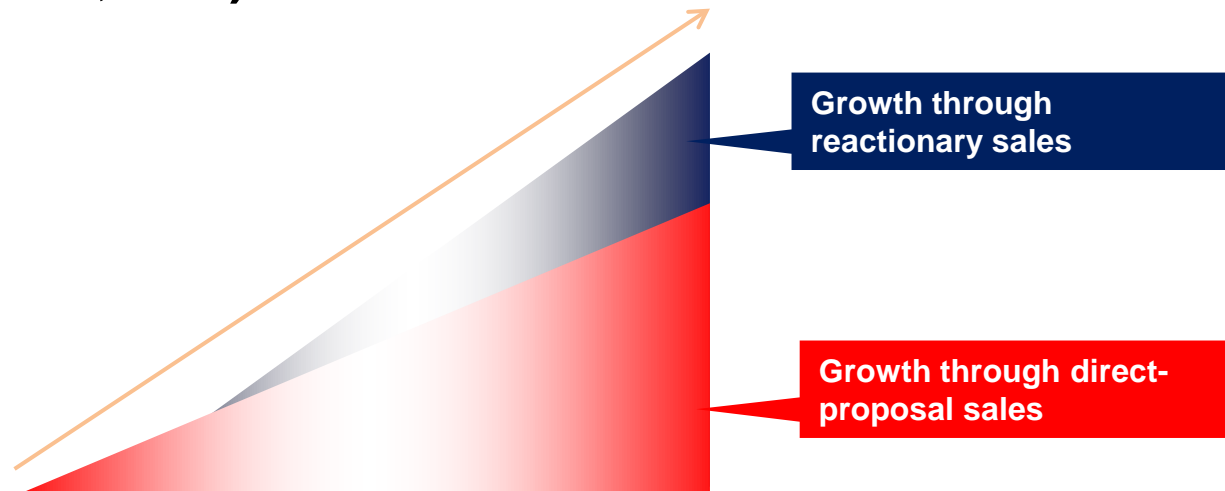
(Units: millions of yen, second line is composition ratio)

		September 30, 2015		December 31, 2015	
				Change	Main Factors Causing Change
	Current assets	4,223 (94.8%)	3,859 (90.9%)	-364	■ Cash and deposits -497 (payment of year-end bonuses, corporate taxes, etc.)
	Noncurrent assets	230 (5.2%)	386 (9.1%)	+155	■ Buildings and accompanying facilities +141 (expansion of head office)
	Total assets	4,453 (100.0%)	4,245 (100.0%)	-208	
	Current liabilities	1,212 (27.2%)	724 (17.1%)	-488	
	Noncurrent liabilities	- (-%)	- (-%)	-	
	Total liabilities	1,212 (27.2%)	724 (17.1)	-488	
Total net assets		3,241 (72.8%)	3,520 (82.9%)	+279	
Total liabilities and net assets		4,453 (100.0%)	4,245 (100.0%)	-208	

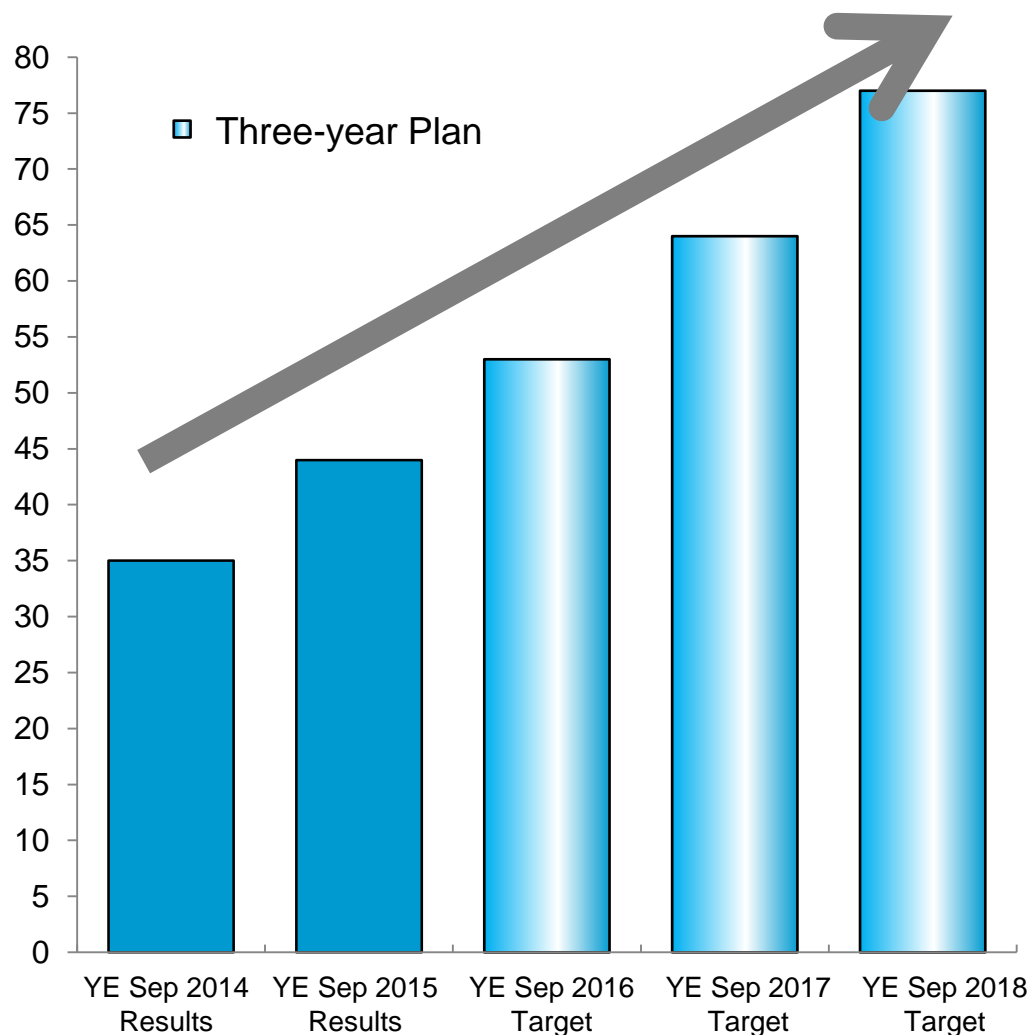
III Growth Strategy

<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.)

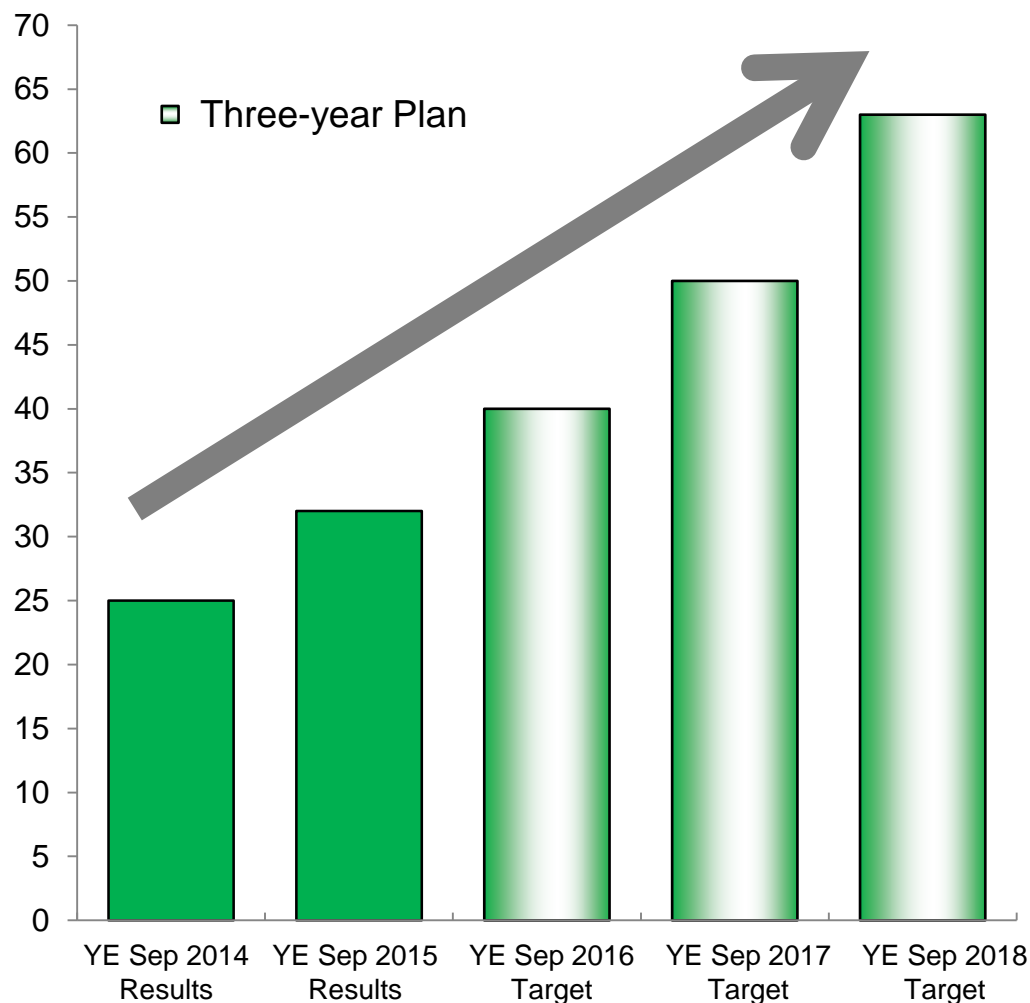


Three-year Plan for Number of Deals (Year Ending September 2016 to Year Ending September 2018)



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


Three-year Plan for Number of Consultants (Year Ending September 2016 to Year Ending September 2018)



[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 2015		Future
Number held	9 per year		Continue to increase number like last year
Areas held	Tokyo, Osaka Fukuoka		Expand to Tokyo, Osaka, Nagoya and Fukuoka

- Continuous renewal of website to increase inquiries

Seminars Held in the Three Months Ended December 2015

In the three months ended December 2015, we held four large-scale M&A seminars in Tokyo, Osaka, Nagoya, and Fukuoka.

<Large-Scale M&A Seminars>

Date Held	Type	Seminar Title	Applicants
October 20, 2015	M&A Seminar	Toyo Keizai Forum(Tokyo Venue)	550
October 28, 2015	as above	as above(Osaka Venue)	250
November 5, 2015	as above	as above(Nagoya Venue)	150
November 19, 2015	as above	as above(Fukuoka Venue)	100

【Tokyo Venue】



<Toyo Keizai Forum>

【Osaka Venue】



Seminars Scheduled to be Held in the Second Quarter of the Year Ending September 2016

During the second quarter of the year ending September 2016, a total of four large-scale seminars are scheduled to be held in Tokyo, Osaka, Nagoya and Fukuoka.

<Large-Scale M&A Seminar>

Date Held	Type	Seminar Title
Mar 4, 2016	M&A Seminar	Nikkei Sangyo Shimbun Forum (Tokyo venue)
Mar 8, 2016	as above	as above(Osaka venue)
Mar 10, 2016	as above	as above(Fukuoka venue)
Mar 11, 2016	as above	as above(Tokyo venue)

【Keynote address (Tokyo)】

“Kikkoman Tradition and Innovation”

Yuzaburo Mogi, Honorary CEO, Kikkoman

【Keynote address (Tokyo,Nagoya,Osaka)】

“Tradition and Innovation of Long-Established Companies”

Reiji Nagase, Vice Chairman, Nagase & Co., Ltd.

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



<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.

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