



M&A Capital Partners Co., Ltd.

Presentation Materials for the Earnings Briefing for the Six Months Ended March 2016

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



April 28, 2016

<i>I</i>	Company Overview and Strengths of the Company	... 2
<i>II</i>	Results for the Six Months Ended March 2016 and Forecast for the Year Ending September 2016	... 8
<i>III</i>	Growth Strategy	... 15

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	455,217,725 yen (as of March 31, 2016)
Employees	42 (as of March 31, 2016)
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

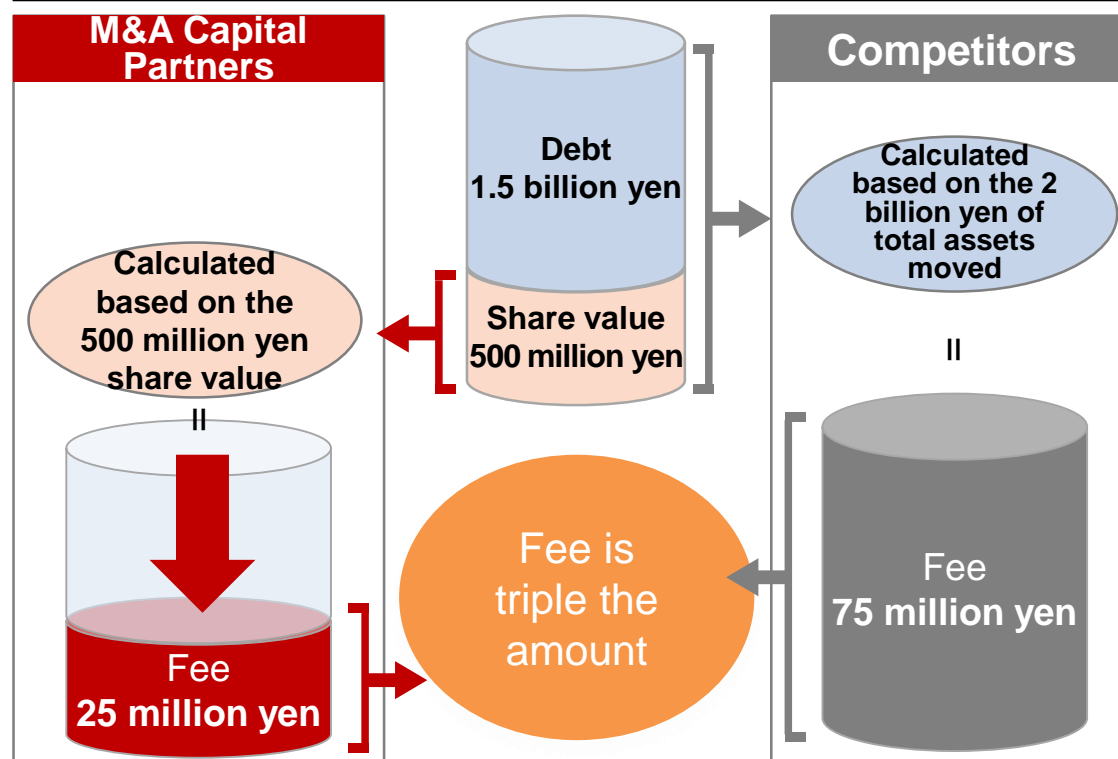
Expenses Required in the Consideration Phase			
	The Company	M&A intermediary business A	Large securities company B
Commencement fee	Free	Paid	Paid
Calculation of company value	Free	Paid	Paid
Monthly fee	Free	Free	Paid

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	Commission 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%

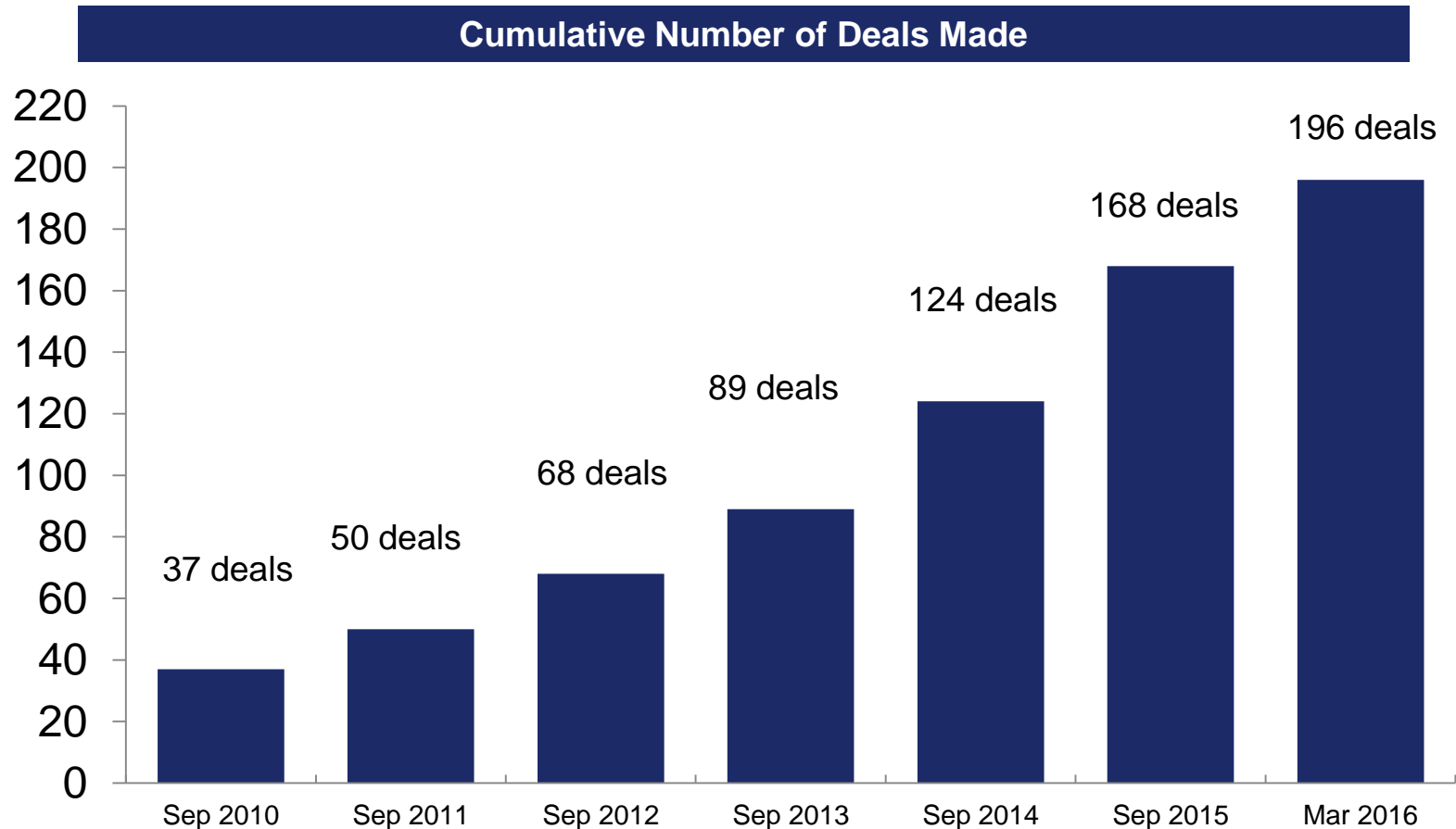
e.g.) Calculation of fee when the transaction amount is 2 billion yen

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



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.





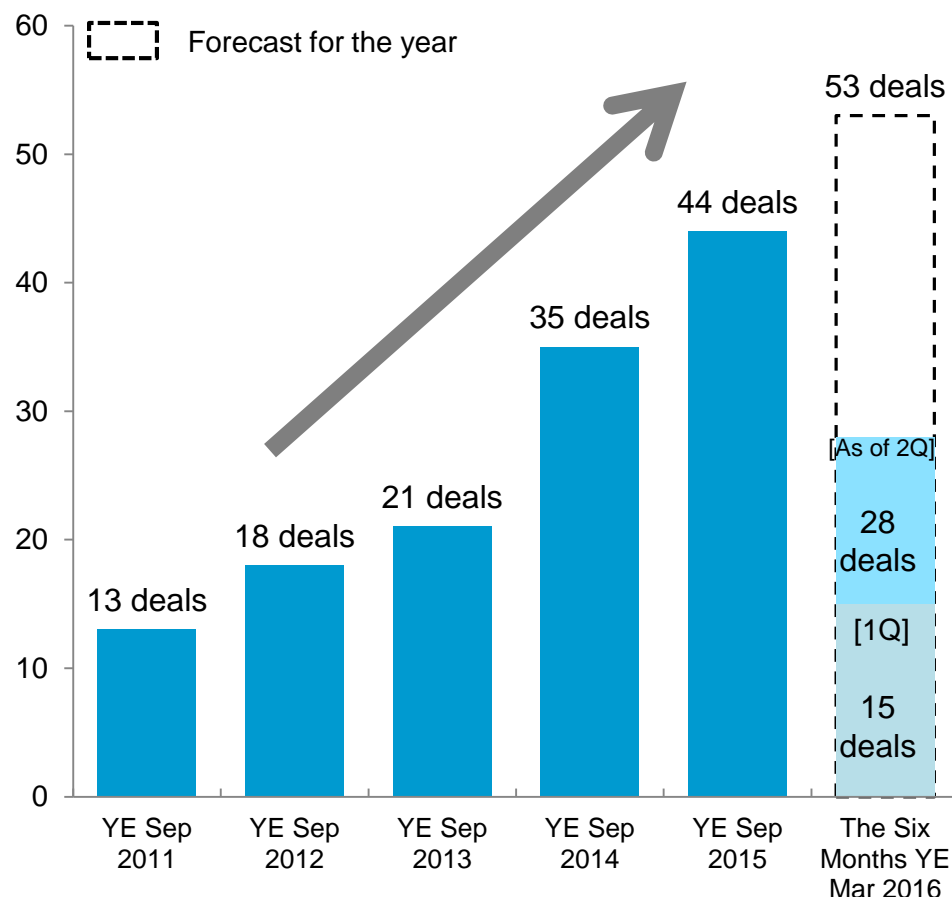
II Results for the Six Months Ended March 2016 and Forecast for the Year Ending September 2016

Number of Deals Made



	First Six Months	Forecast for the year	Progress for Entire Year
Number of deals	28	53	52.8%

Number of Deals Made



- **+21.7% year-on-year**
 - **Achieved the record highest number of second quarter deals (cumulative)**
- (Factors)
- Steady increase in the number of consultants
 - Improved trust due to listing of shares

Earnings for the Six Months Ended March 2016

Net sales	1,566 million yen	(+23.4% year-on-year)
Ordinary income	742 million yen	(+13.3% year-on-year)
Number of deals	28 deals	(+21.7% year-on-year)
Number of consultants	35	(+9 year-on-year)

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

Changes in Earnings

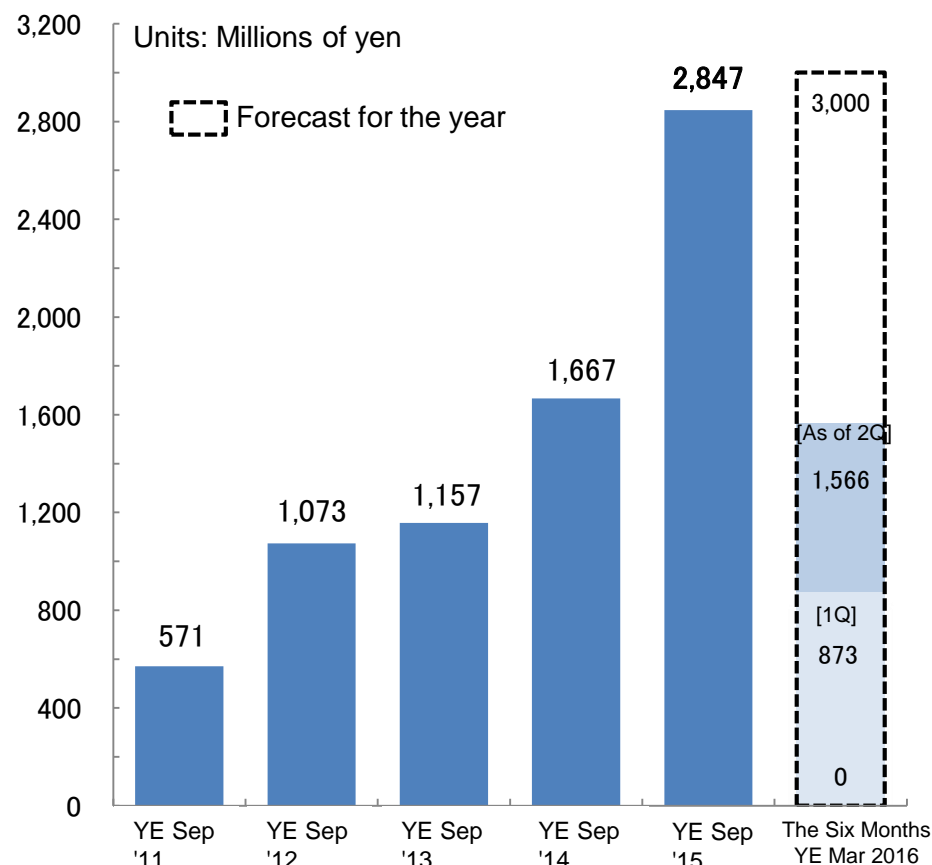


M&A CAPITAL PARTNERS

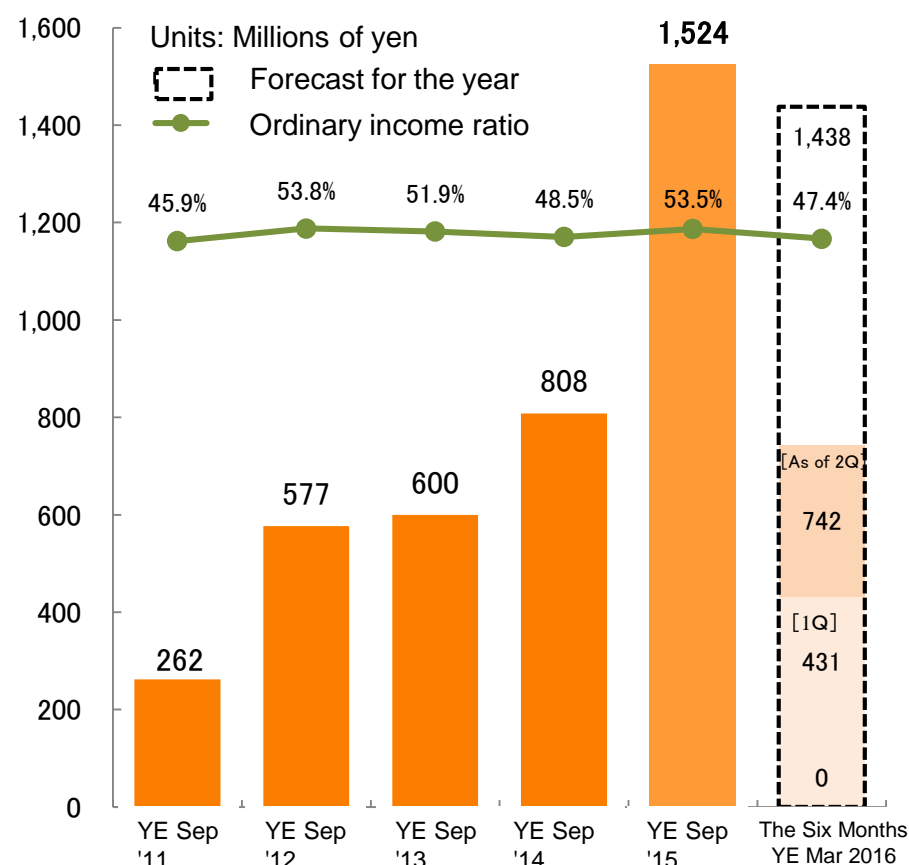
	First Six Months	Forecast for the year	Progress for Entire Year
Net sales	1,566	3,000	52.2%
Ordinary income	742	1,438	51.6%

Units: Millions of yen

Net sales



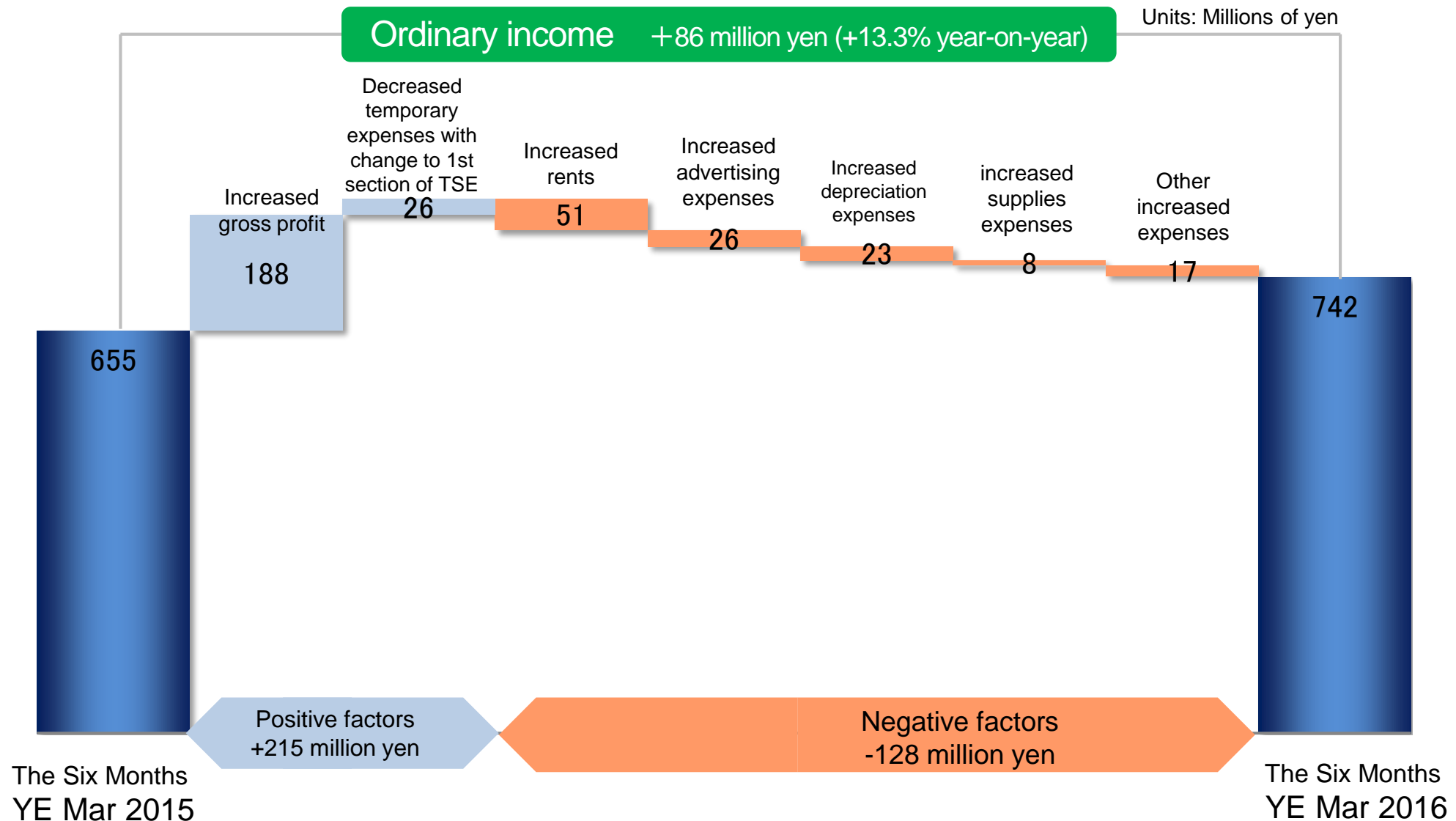
Ordinary income



Factors Causing Changes in Ordinary Income



M&A CAPITAL PARTNERS



Overview of Statements of Income

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

	Six Months Ended Mar 2015	Six Months Ended Mar 2016			Forecast for the Year Ending September 2016
			Year-on-year Change	Overview of Performance	
Net sales	1,269 (100.0%)	1,566 (100.0%)	+ 23.4%	■ Number of deals grew strongly	3,000 (100.0%)
Gross profit	905 (71.3%)	1,094 (69.9%)	+ 20.8%	■ Benefit of increased revenue	
SG&A	223 (17.6%)	351 (22.4%)	+ 57.0%	<ul style="list-style-type: none"> ■ Increased expenses with expansion of head office +84 ■ Increased advertising expenses +26 	
Operating income	681 (53.7%)	742 (47.4%)	+ 9.0%		1,438 (48.0%)
Ordinary income	655 (51.7%)	742 (47.4%)	+ 13.3%		1,438 (48.0%)
Net income	360 (28.4%)	430 (27.5%)	+ 19.4%		811 (27.0%)
Number of deals made	23	28	+21.7%	■ Achieved the record highest number of second quarter deals (cumulative)	53
Employees	31	42	+35.5%	■ Steady increase in the number of consultants	

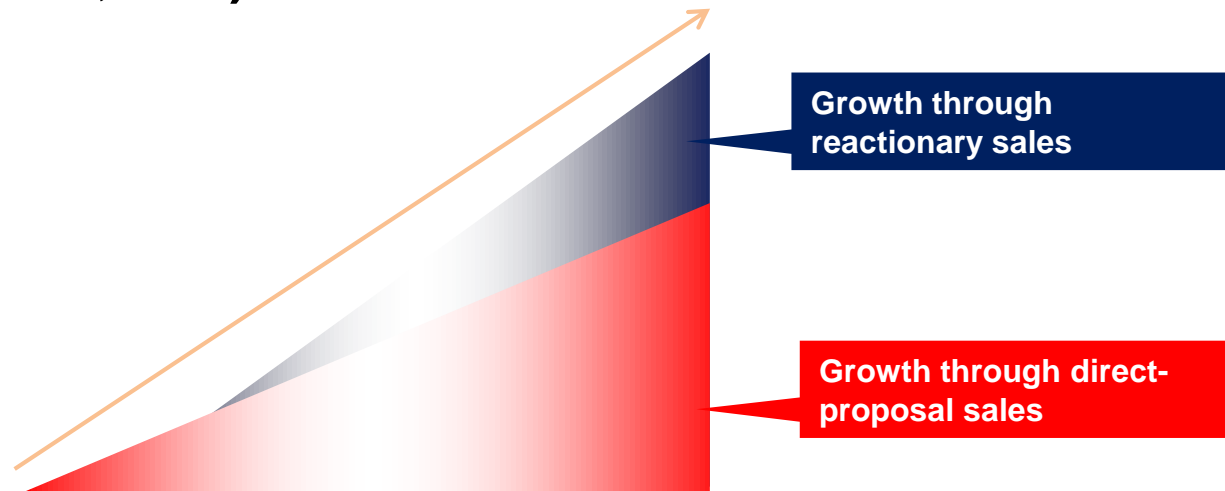
(Units: millions of yen, second line is composition ratio)

		Mar 31, 2016		
	Mar 31, 2015		Change	Main Factors Causing Change
Current assets	4,223 (94.8%)	4,121 (91.7%)	-102	■ Cash and deposits -236 (payment of year-end bonuses, corporate taxes, etc.)
Noncurrent assets	230 (5.2%)	371 (8.3%)	+140	■ Buildings and accompanying facilities +134 (expansion of head office)
Total assets	4,453 (100.0%)	4,492 (100.0%)	+38	
Current liabilities	1,212 (27.2%)	792 (17.6%)	-420	
Noncurrent liabilities	- (-%)	- (-%)	-	
Total liabilities	1,212 (27.2%)	792 (17.6)	-420	
Total net assets	3,241 (72.8%)	3,700 (82.4%)	+459	
Total liabilities and net assets	4,453 (100.0%)	4,492 (100.0%)	+38	

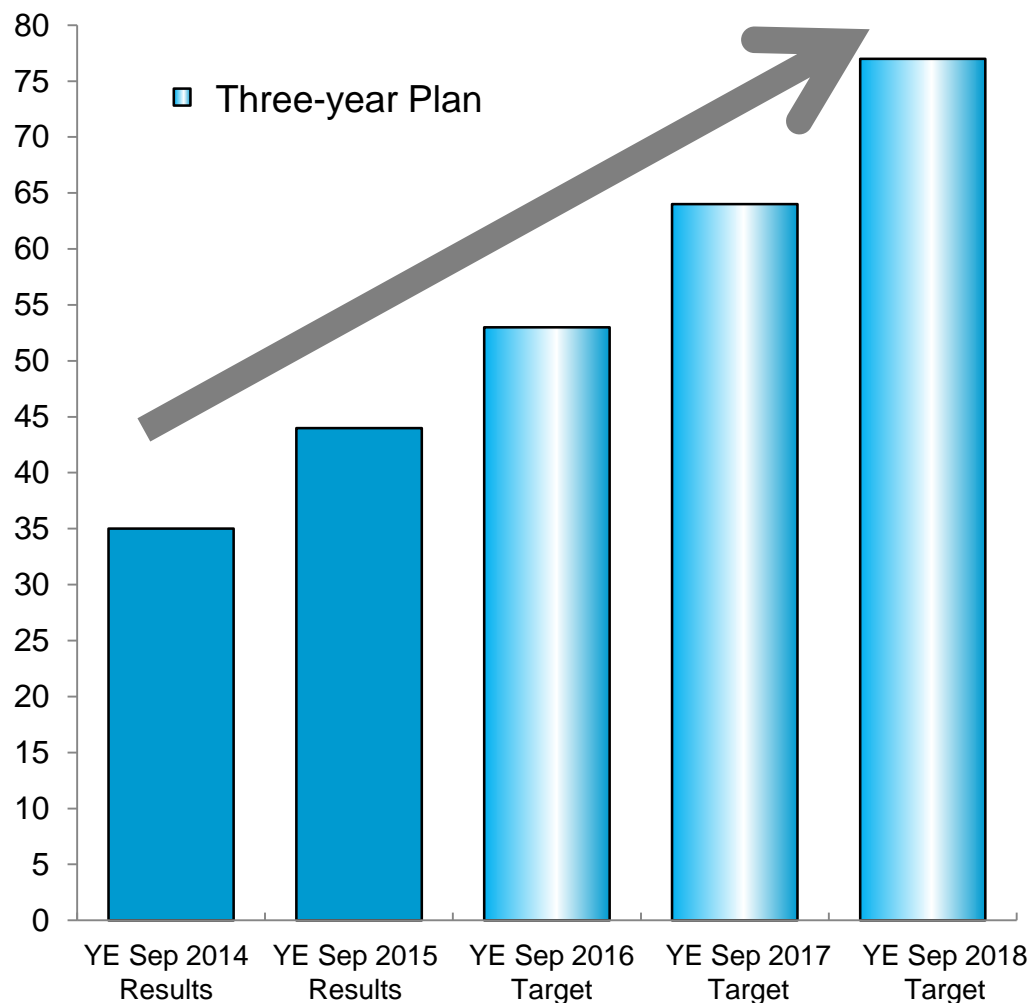
III Growth Strategy

<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.)

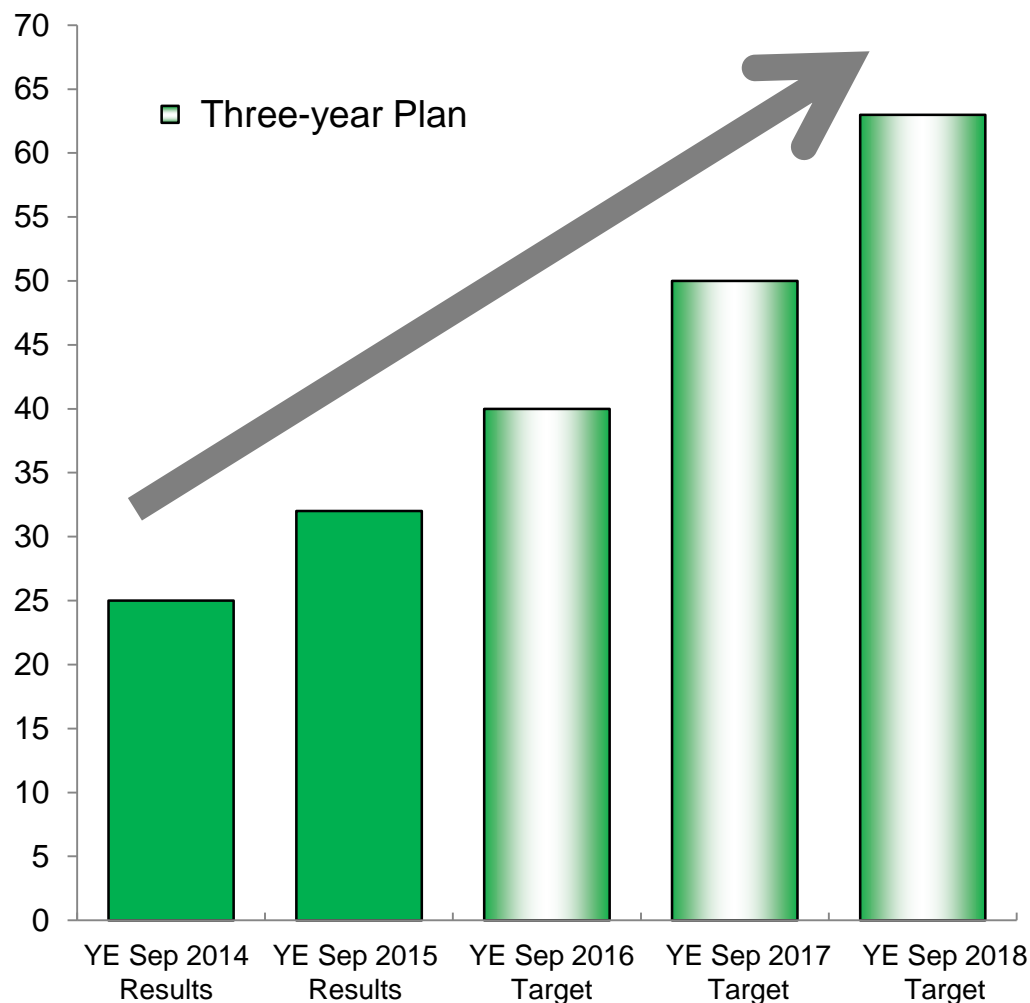


Three-year Plan for Number of Deals (Year Ending September 2016 to Year Ending September 2018)



[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 Six Months Ended March 2016

In the Six months ended March 2016, we held eight large-scale M&A seminars in Tokyo, Osaka, Nagoya, and Fukuoka.

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
March 4, 2016	as above	Nikkei Sangyo Shinbun Forum(Osaka Venue)	310
March 8, 2016	as above	as above(Tokyo Venue)	630
March 10, 2016	as above	as above(Nagoya Venue)	140
March 11, 2016	as above	as above(Fukuoka Venue)	180

<Toyo Keizai Forum>

【Tokyo Venue】



【Osaka Venue】



< Nikkei Sangyo Shinbun Forum >

【Nagoya Venue】



【Fukuoka Venue】



Seminars scheduled for third quarter of fiscal year ending September 30, 2016

No seminars scheduled.

Seminars scheduled for fourth quarter of fiscal year ending September 30, 2016

In the fourth quarter of the year ending September 2016, we plan to hold large-scale M&A seminars in several venues.

[Dates] July 2016

[Venues] Tokyo and various other locations

*Dates, venues and other details TBA.

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.

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