



M&A Capital Partners Co., Ltd.

Presentation Materials for the Earnings Briefing for the Nine Months Ended June 2016

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



July 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	455,421,725 yen (as of June 30, 2016)
Employees	46 (as of June 30, 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

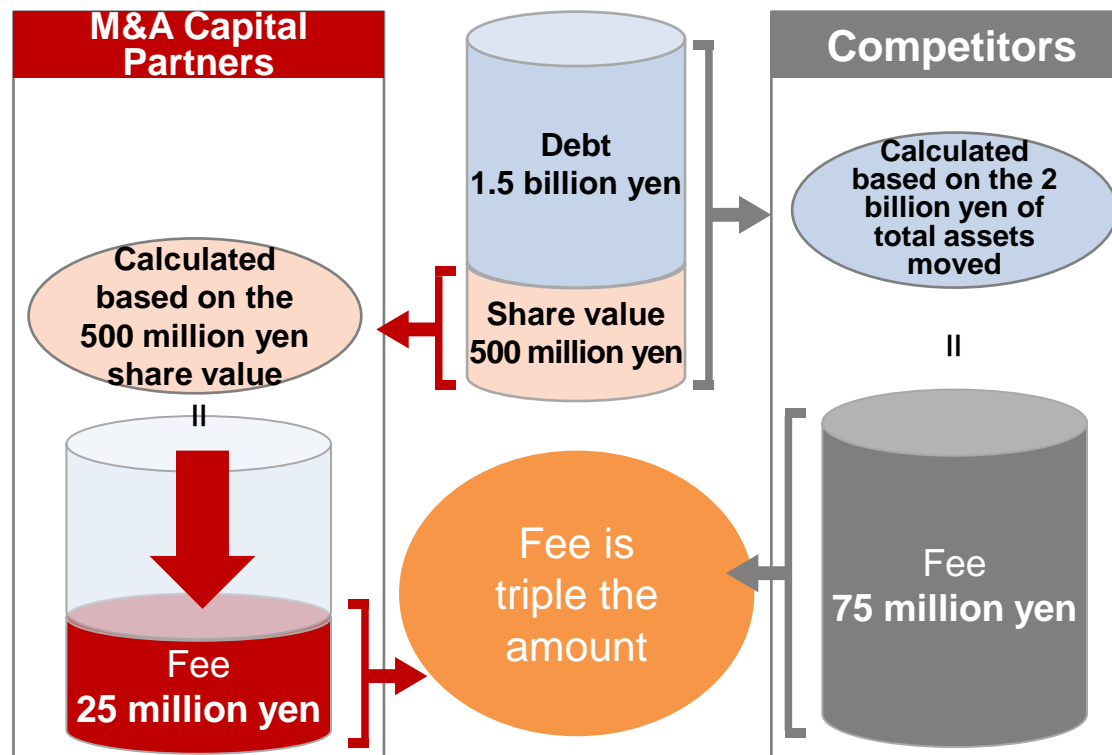
Expenses Required in the Consideration Phase			
	The Company	M&A intermediary business A	Large securities company B
Commencement fee	Free	Paid	Paid
Calculation of company value	Free	Paid	Paid
Monthly fee	Free	Free	Paid

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	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

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



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 2016 and Forecast for the Year Ending September 2016

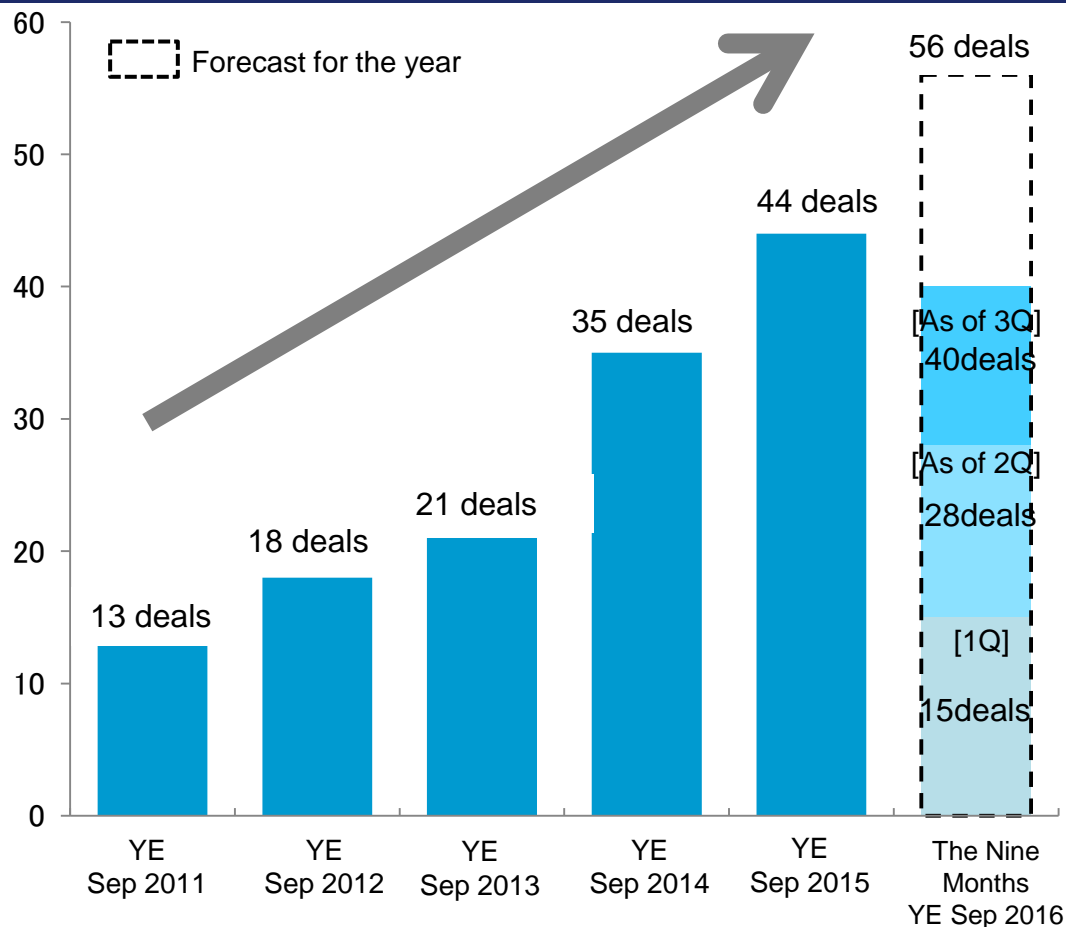
Number of Deals Made



M&A CAPITAL PARTNERS

	3Q (cumulative)	Forecast for the year (revised)	Progress for Entire Year (revised)
Deals made	40	56	71.4%

Number of Deals Made



- **+17.6% year-on-year**
 - **Achieved record highest (cumulative) number of deals for third quarter**
 - **Forecast number of deals revised upwards from initial 53 to 56 deals**
- (Factors)
- Steady increase in the number of consultants
 - Improved trust due to listing of shares

Earnings for the Nine Months Ended June 2016

Net sales	2,206 million yen	(+6.7% year-on-year)
Ordinary income	1,014 million yen	(-8.3% year-on-year)
Number of deals	40 deals	(+17.6% year-on-year)
Number of consultants	39	(+9 year-on-year)

- Achieved record highest (cumulative) net sales and number of deals for the third quarter
- Ordinary income decreased due to an increase in SG&A as a result of the expansion of head office and increased advertising and promotion expenses.

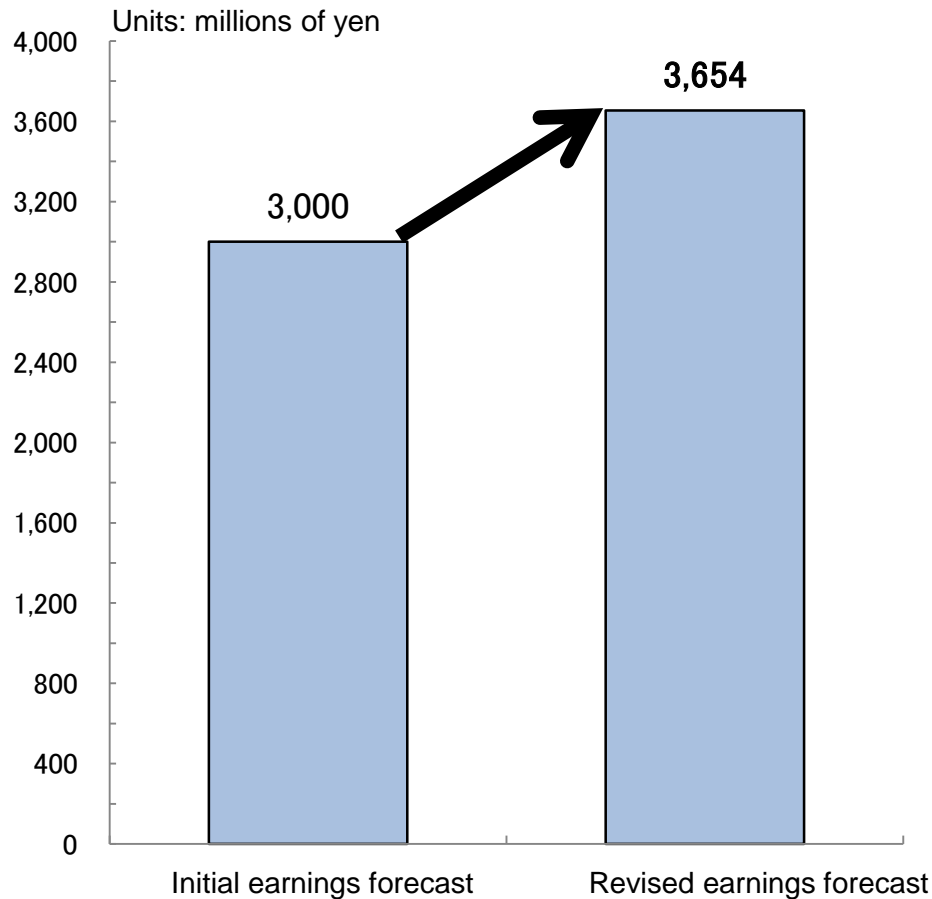
Upward Revision of Earnings Forecast



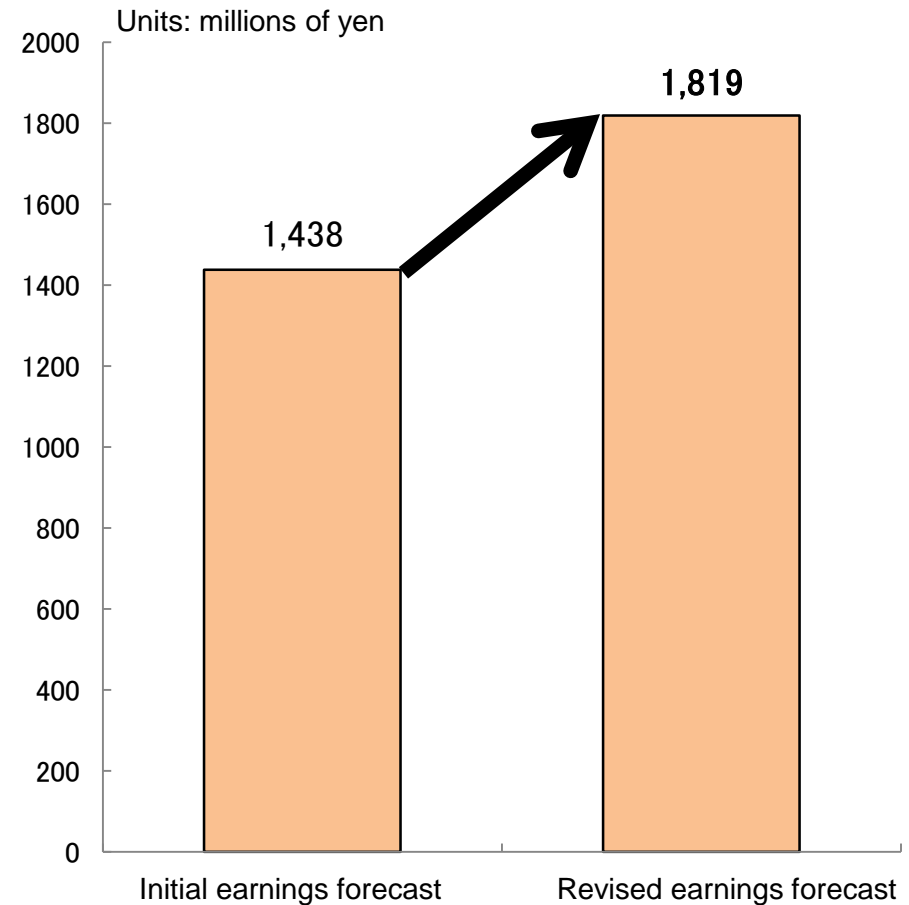
Performance has been strong and the forecast for the year ending September 2016 will be revised upward (disclosed on July 29, 2016)

In addition to the number of deals continuing to perform well through the first through third quarters, the increase in deals in the fourth quarter is expected to exceed projections, and several big project deals are expected to be made.

Net sales



Ordinary income



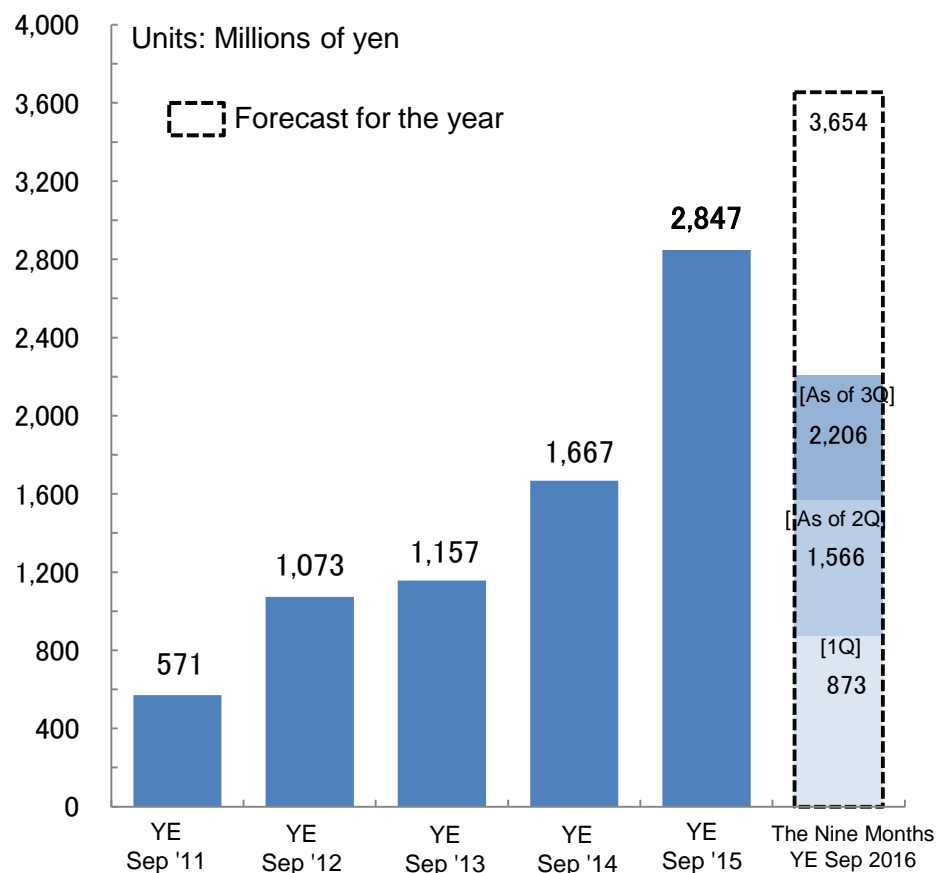
Changes in Earnings



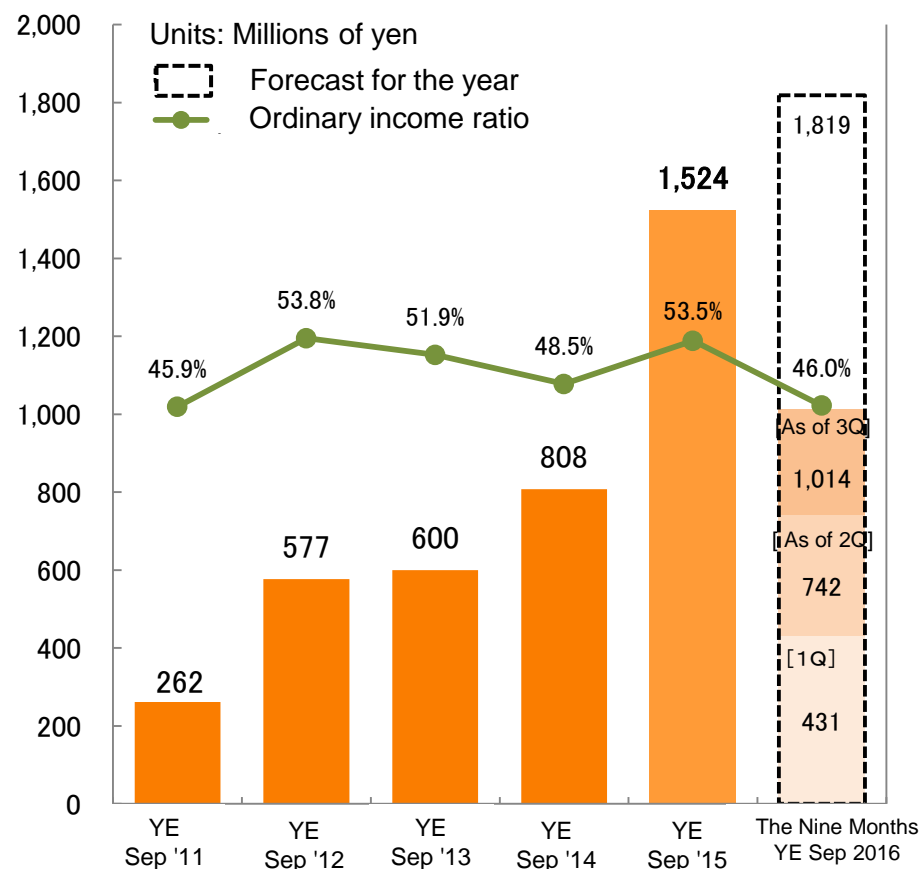
	3Q (cumulative)	Forecast for the year (revised)	Progress for Entire Year (revised)
Net sales	2,206	3,654	60.4%
Ordinary income	1,014	1,819	55.8%

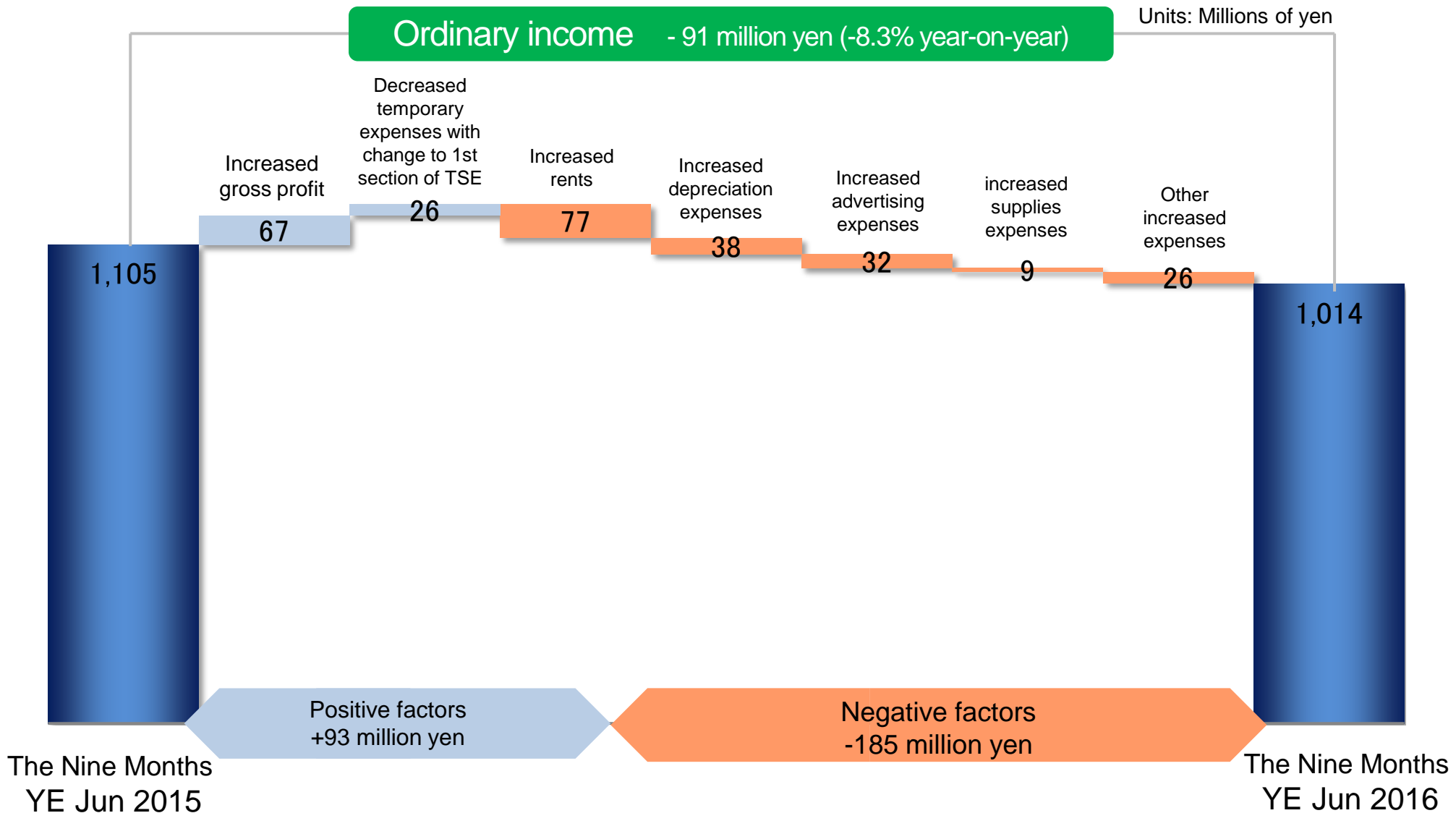
Units: Millions of yen

Net sales



Ordinary income





Overview of Statements of Income

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

	Nine Months Ended Jun 2015		Nine Months Ended Jun 2016		Forecast for the Year Ending September 2016
			Year-on-year Change	Overview of Performance	
Net sales	2,067 (100.0%)	2,206 (100.0%)	+ 6.7%	■ Number of deals grew strongly	3,654 (100.0%)
Gross profit	1,449 (70.1%)	1,516 (68.7%)	+ 4.6%	■ Benefit of increased revenue	
SG&A	318 (15.4%)	502 (22.8%)	+ 58.0%	<ul style="list-style-type: none"> ■ Increased expenses with expansion of head office +125 ■ Increased advertising expenses +32 	
Operating income	1,131 (54.7%)	1,014 (46.0%)	- 10.4%		1,818 (49.8%)
Ordinary income	1,105 (53.5%)	1,014 (46.0%)	- 8.3%		1,819 (49.8%)
Net income	610 (29.5%)	590 (26.8%)	-3.3%		1,067 (29.2%)
Number of deals made	34	40	+17.6%	■ Achieved record highest (cumulative) number of deals for third quarter	56
Employees	36	46	+27.8%	■ Steady increase in the number of consultants	

Overview of Balance Sheets

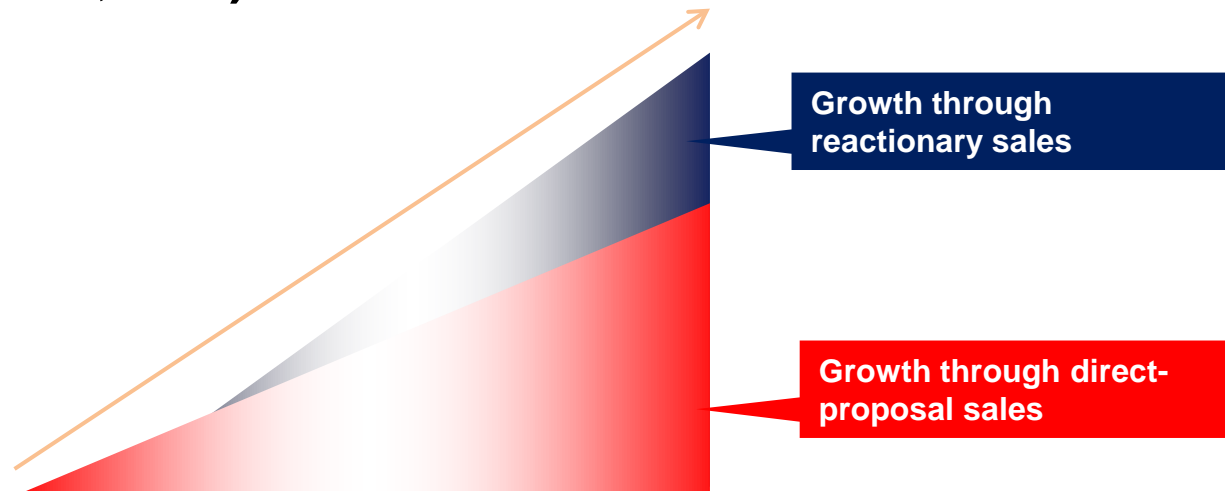
(Units: millions of yen, second line is composition ratio)

		September 30, 2015	Jun 30, 2016		
				Change	Main Factors Causing Change
	Current assets	4,223 (94.8%)	2,166 (47.9%)	- 2,057	<ul style="list-style-type: none"> Cash and deposits -2,110 (transfer of fixed-term deposits to long-term deposits, payment of year-end bonuses, and payment of corporate taxes)
	Noncurrent assets	230 (5.2%)	2,354 (52.1%)	+ 2,123	<ul style="list-style-type: none"> Long-term deposits + 2,000 (Transfer from fixed-term deposits) Buildings and accompanying facilities +126 (expansion of head office)
Total assets		4,453 (100.0%)	4,520 (100.0%)	+66	
	Current liabilities	1,212 (27.2%)	660 (14.6%)	- 552	
	Noncurrent liabilities	- (-%)	- (-%)	-	
Total liabilities		1,212 (27.2%)	660 (14.6%)	- 552	
Total net assets		3,241 (72.8%)	3,860 (85.4%)	+619	
Total liabilities and net assets		4,453 (100.0%)	4,520 (100.0%)	+66	

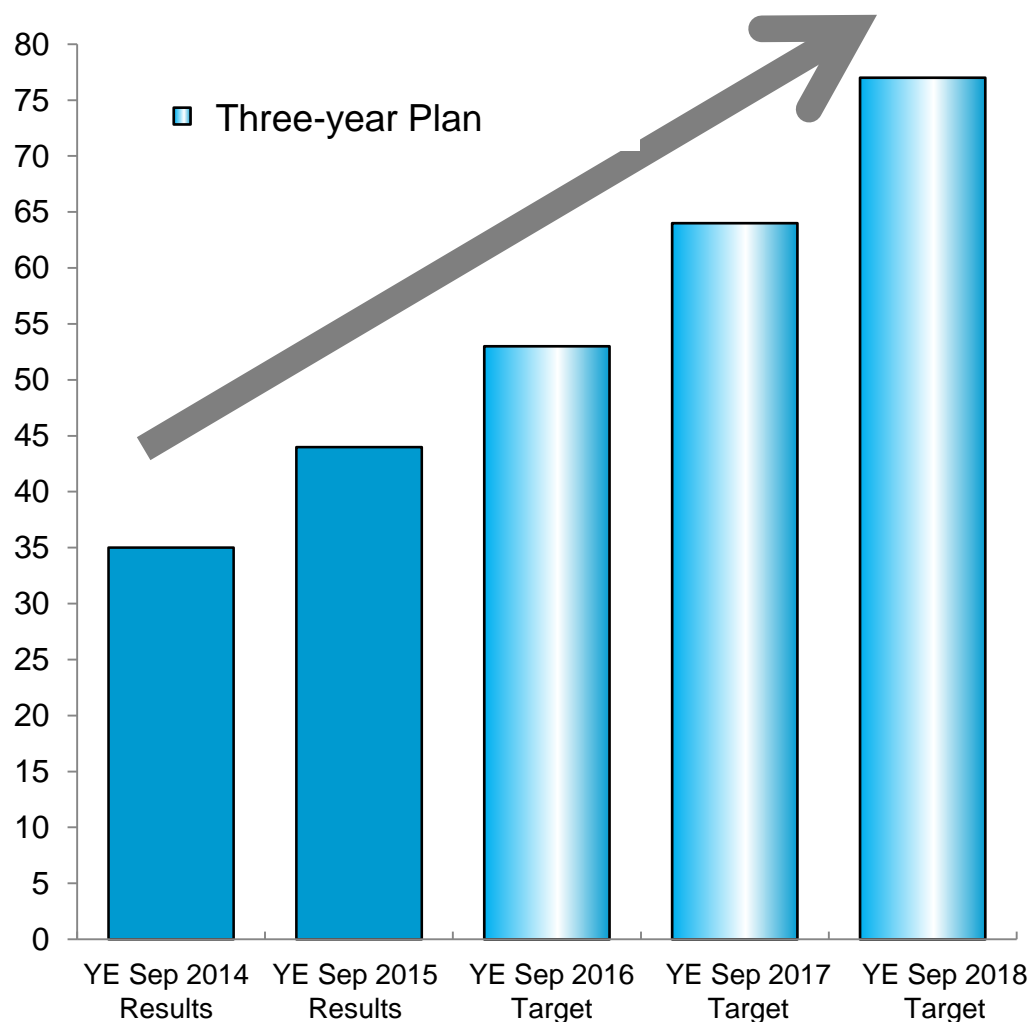
III Growth Strategy

<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.)

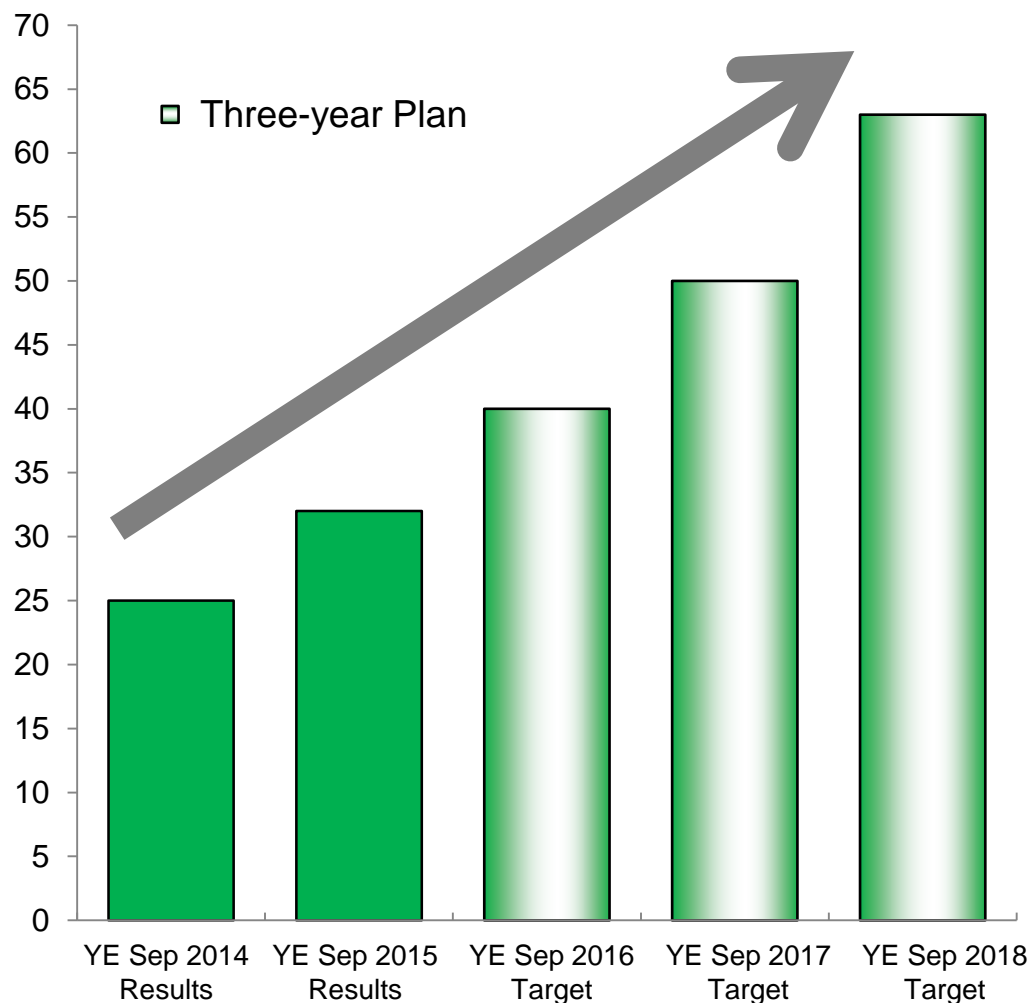


Three-year Plan for Number of Deals (Year Ending September 2016 to Year Ending September 2018)



[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

To show gratitude for the ongoing support of our shareholders, and to make the Company’s shares more appealing to ensure more people hold the Company’s shares in the medium-long term, the preferential treatment for shareholders will be continued with the same content as the previous year.

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 2016

In the nine months ended June 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 11, 2015	As Above	As Above(Fukuoka Venue)	100
March 4, 2016	M&A Seminar	Nikkei Sangyo Shimbun 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 Shimbun Forum>

【Nagoya Venue】



【Fukuoka Venue】



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

During the fourth quarter of the year ending September 2016, a total of four large-scale M&A seminars are scheduled to be held in Tokyo , Osaka, Nagoya and Sendai.

<Large-Scale M&A Seminar>

Date Held	Type	Seminar Title
July 14, 2016	M&A Seminar	Nikkei BP Visionary Management Institute Management Forum (Nagoya Venue)
July 15, 2016	as above	as above(Tokyo venue)
Aug 10, 2016	as above	as above(Osaka venue)
Aug 29, 2016	as above	as above(Sendai venue)

[Keynote address (Tokyo and Nagoya)]

“Management Vision and Business Continuity of Japanet Takata”

Akira Takata, former President of Japanet Takata

[Keynote address (Osaka and Sendai)]

“Management Vision and Business Continuity of Kakiyasu Honten”

Yasumasa Akatsuka, President of Kakiyasu Honten

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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.

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.