



M&A Capital Partners Co., Ltd.

Presentation Materials for the Earnings Briefing for the Six Months Ended March 2019

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



April 26, 2019

<i>I</i>	Company Overview and Strengths of the Company	... 2
<i>II</i>	Results for the Six Months Ended March 2019 and Forecast for the Year Ending September 2019	... 9
<i>III</i>	Growth Strategy	... 17

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-related services
Representative	Satoru Nakamura, President and Representative Director
Established	October 2005
Capital	2,503 million yen (as of March 31, 2019)
Employees	Consolidated:151 Non-consolidated:81 (as of March 31, 2019)
Affiliates	RECOF Corporation, RECOF DATA Corporation
Management Philosophy	Aiming to be the world's leading investment bank seeking maximum contributions to clients and the happiness of all employees

Business Content

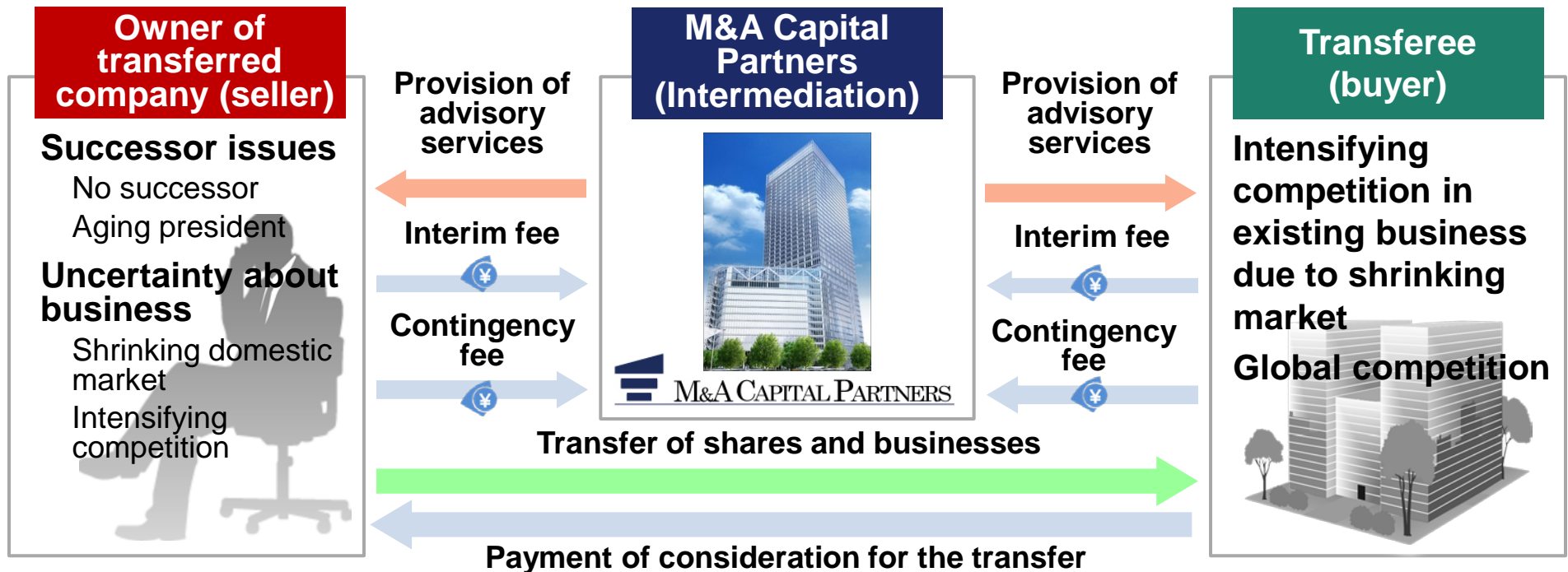
M&A-related services are our main business.

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.



We aim to make the greatest contribution to clients by creating M&A deals with abundant information and an expansive network, and solving problems with the know-how we have accumulated.



Creation of a new organization and expansion of business areas for the sustainable growth of the Group



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 Memorandum of Understanding

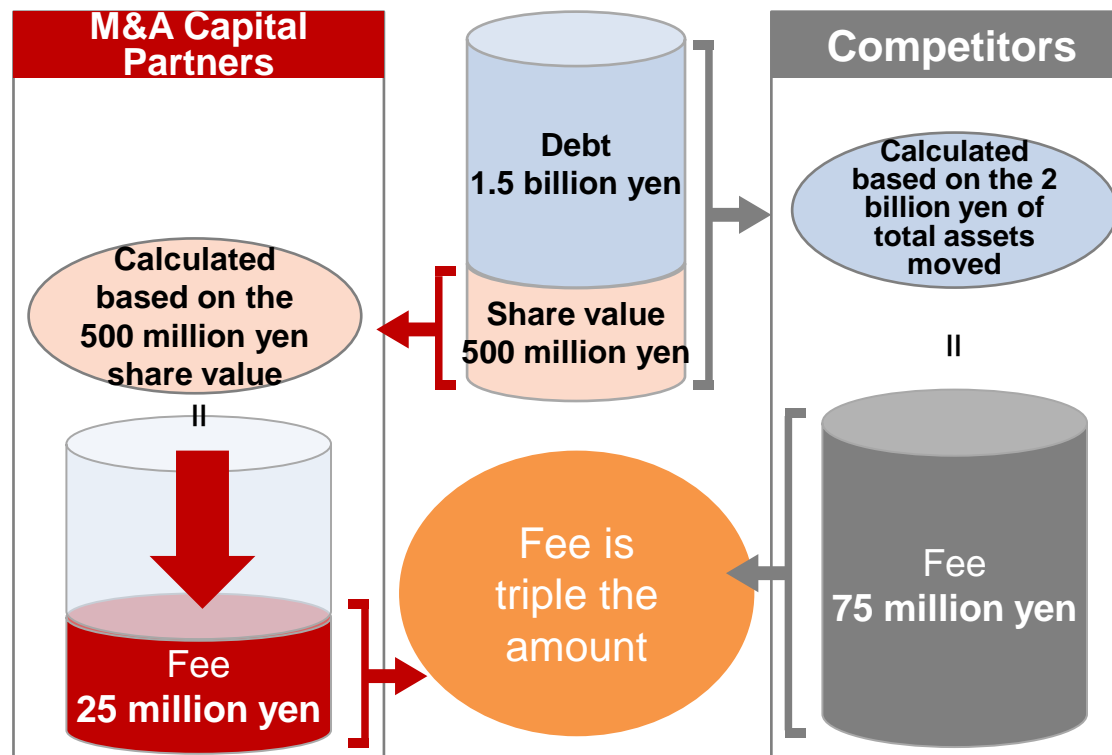
Expenses Required in the Consideration Phase			
	The Company	M&A intermediary business A	Large securities company B
Commencement fee	Free	Paid	Paid
Calculation of company value	Free	Paid	Paid
Monthly fee	Free	Free	Paid

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 value**. This is more convincing than 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

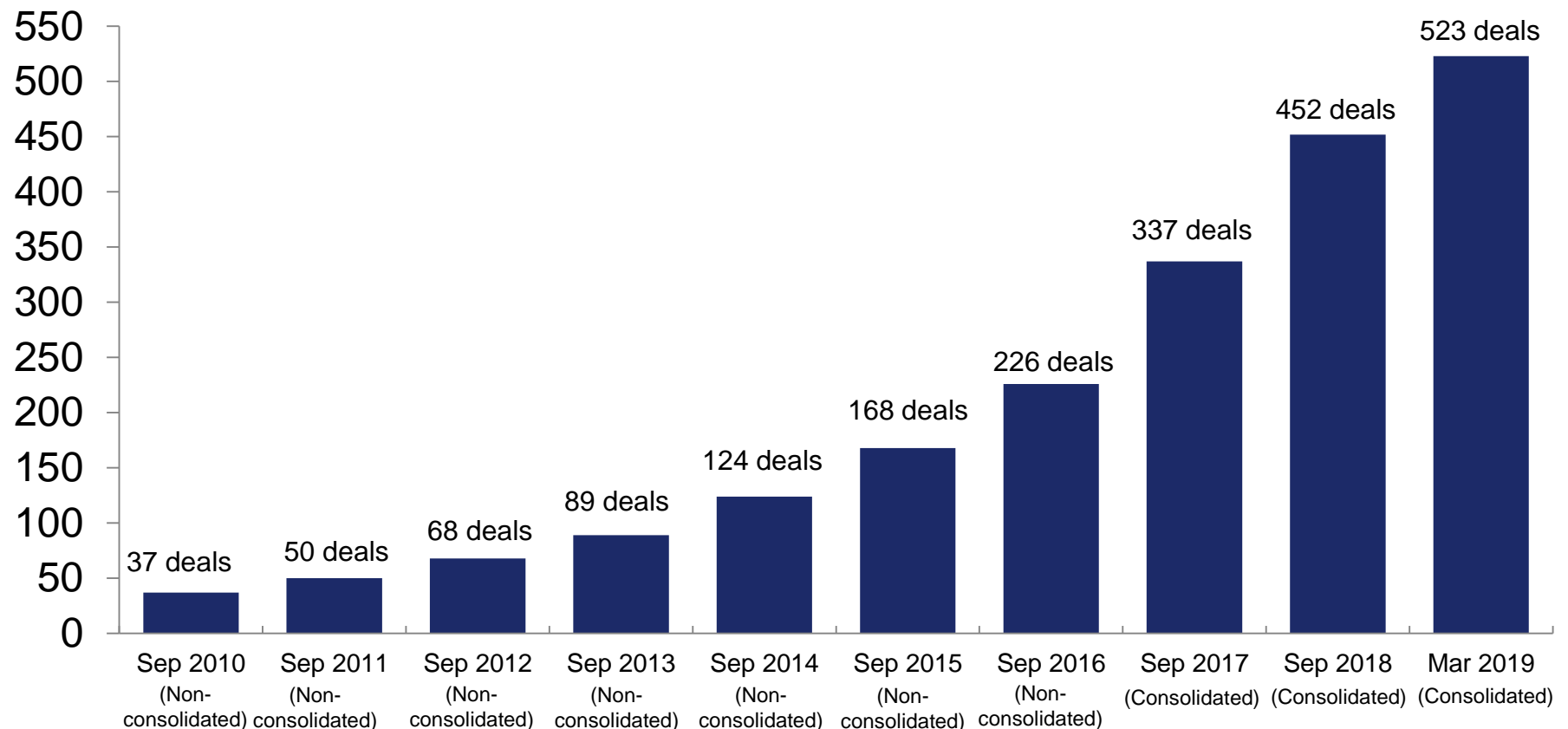
$$\begin{aligned}
 & 500 \text{ million yen} \times 5\% = 25 \text{ million yen} \\
 & + (1 \text{ billion yen} - 500 \text{ million yen}) \times 4\% = 20 \text{ million yen} \\
 & + (2 \text{ billion yen} - 1 \text{ billion yen}) \times 3\% = 30 \text{ million yen} \\
 & \underline{\hspace{10em}} \\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



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. Through the business integration with RECOF Corporation and RECOF DATA Corporation, we will promote M&As to solve challenges like business succession, growth strategies, and industry reorganization, and will strive to become a diversified M&A group that caters to various needs.

Cumulative Number of Deals Made





II Results for the Six Months Ended March 2019 and Forecast for the Year Ending September 2019

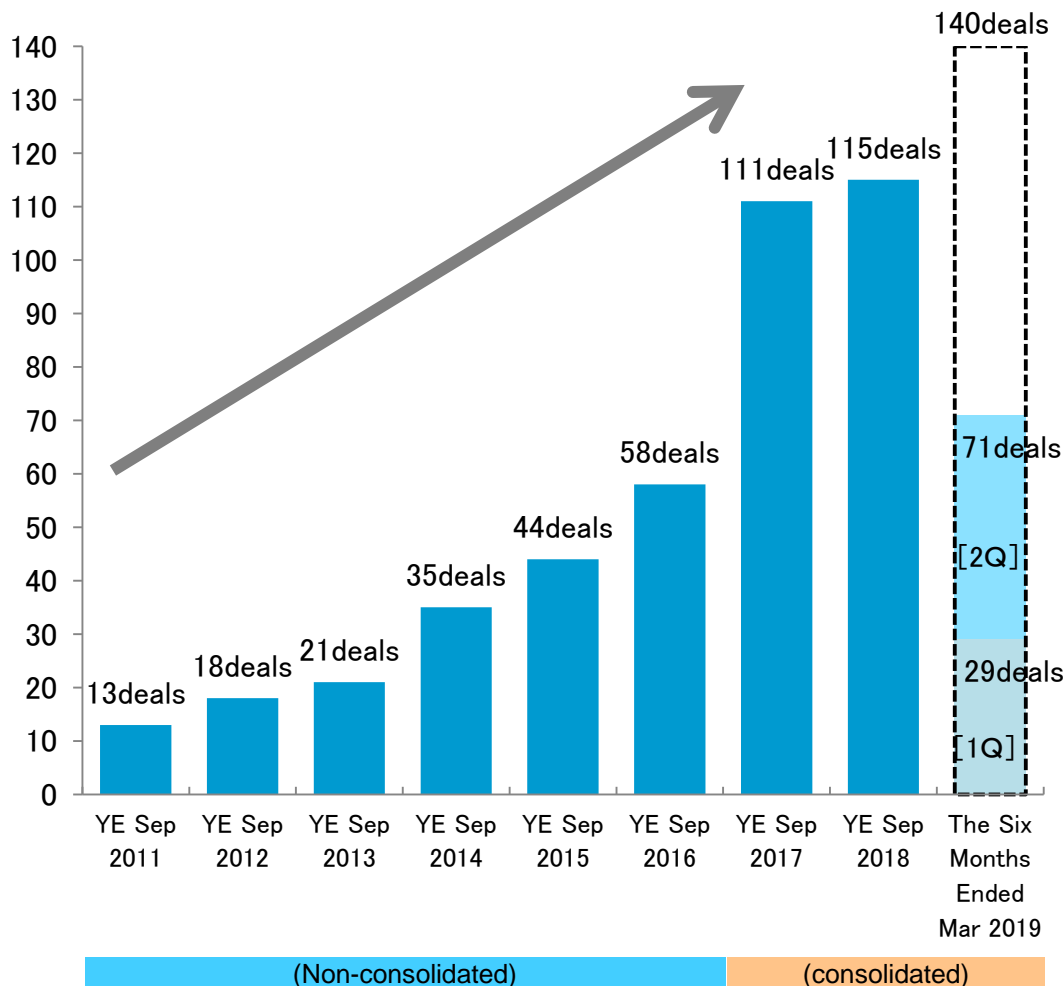
Number of Deals Made



M&A CAPITAL PARTNERS

	2Q(cumulative)	Forecast for the year	Progress for Entire Year
Number of deals(consolidated)	71	140	50.7%

Number of Deals Made



±0% year-on-year

- On a non-consolidated basis, results were strong, but RECOF results were down year on year
- Performance forecast was revised, but forecast for number of deals was left at 140

(Factors)

- [Non-consolidated] Abundant deal inventory contributed
- [RECOF] Remained in trough for second consecutive quarter

【Non-consolidated】

M&A Capital Partners 65
(+ 14.0% year-on-year)

- Achieved the record highest (cumulative) number of deals for second quarter

RECOF 6

(- 57.1% year-on-year)

Earnings for the Six Months Ended March 2019 (Consolidated)

Net sales	7,187 million yen	(+46.6% year-on-year)
Ordinary income	3,526 million yen	(+53.2% year-on-year)
Number of deals	71 deals	(±0% year-on-year)
Number of consultants	114	(+23 year-on-year)

▪ On a non-consolidated basis, results surpassed those of the same period of the previous year and have been strong, but RECOF results fell short year on year.

The number of deals remained at the same level as the same period of the previous year, but owing to large deals, group-wide results surpassed those of the same period of the previous year.

▪ 15 large deals closed (+25.0% year - on - year)

Earnings for the Six Months Ended March 2019 (Non-consolidated)

	M&A Capital Partners		RECOF	
		year-on-year Change		year-on-year Change
Net sales	6,429 million yen	+62.9%	680 million yen	−24.0%
Ordinary income	3,562 million yen	+65.9%	79 million yen	−69.0%
Number of deals	65	+14.0%	6	−57.1%
Number of consultants	69	+12	45	+11

- 13 large deals closed
- Net sales and ordinary income have been strong.

- 2 large deals closed
- Results fell short year on year due to a decrease in the number of deals made

* Because non-consolidated information is shown, consolidated amortization of goodwill (113 million yen) due to business integration is not included.

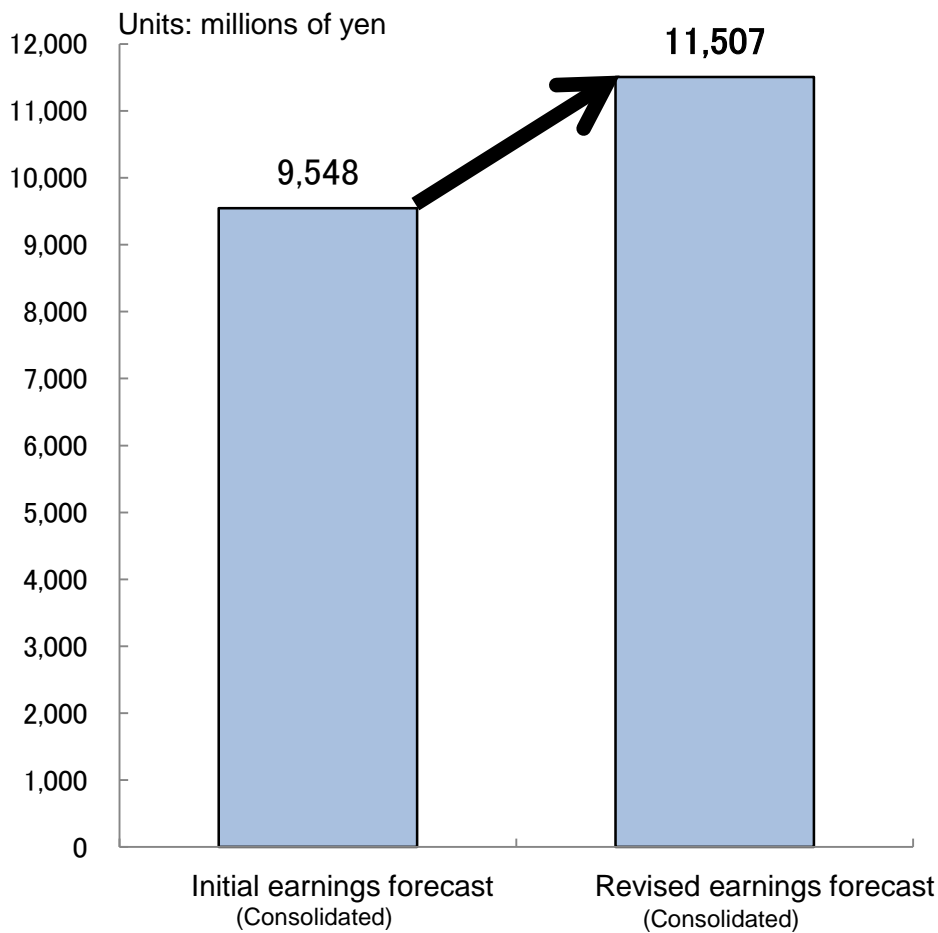
* The figures for RECOF DATA Corporation have been omitted because the amount is small.

Upward Revision of Earnings Forecast(cumulative) M&A CAPITAL PARTNERS

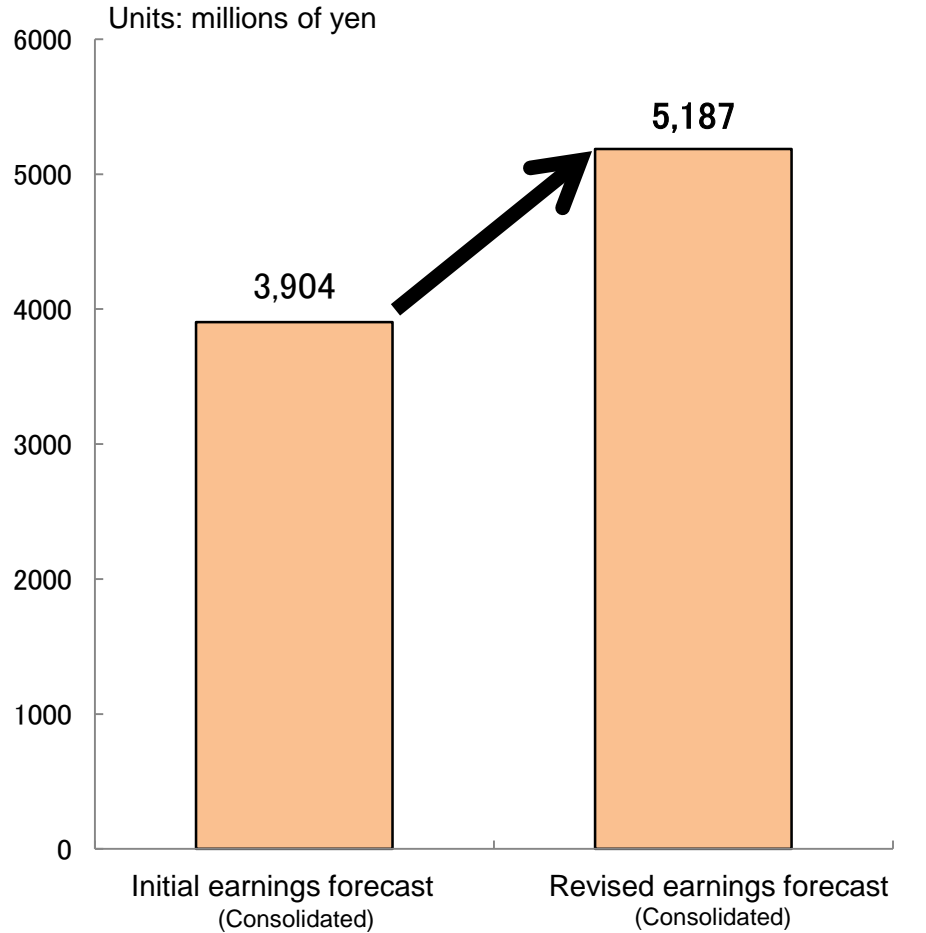
Performance has been strong and the forecast for the year ending September 2019 was revised upward (disclosed on April 26, 2019) On a consolidated basis, in the second quarter (cumulative), the number of large deals and unit prices were strong, outpacing the forecast.

Furthermore, performance is expected to remain strong from the third quarter onwards, since the number of projects is growing as development of deals progresses smoothly as a result of the increase in the number of consultants.

Net sales



Ordinary income



Changes in Earnings

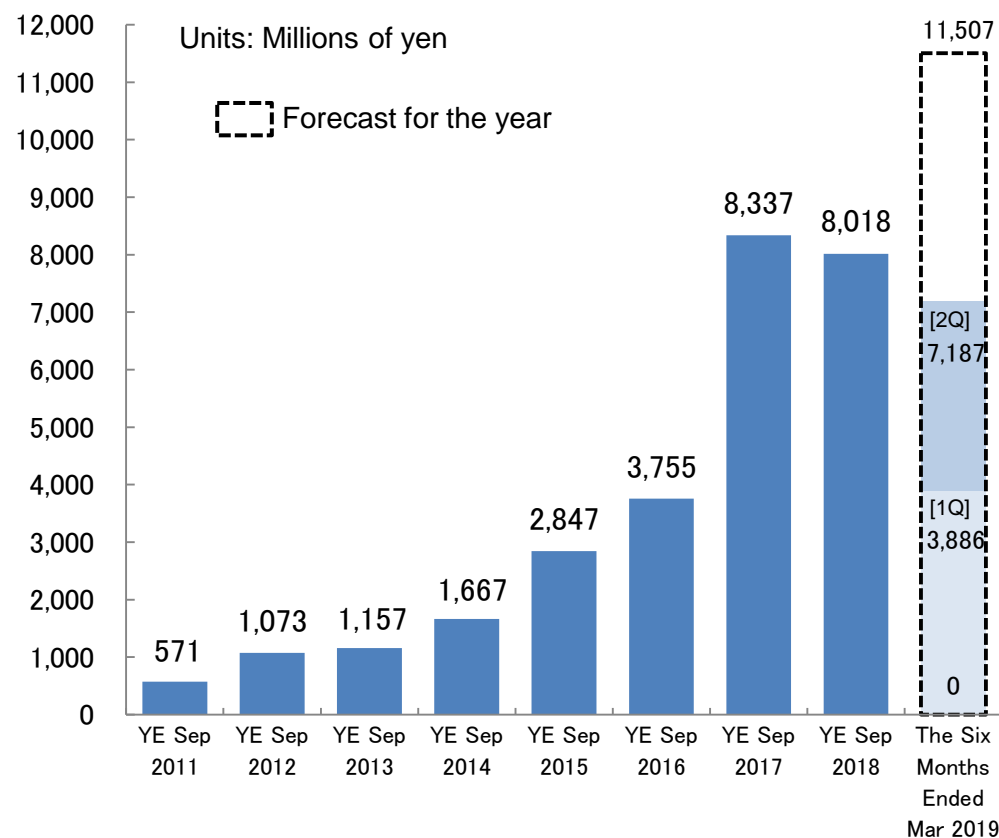


M&A CAPITAL PARTNERS

Units: Millions of yen

(consolidated)	2Q(cumulative)	Forecast for the year	Progress for Entire Year
Net sales	7,187	11,507	62.5%
Ordinary income	3,526	5,187	68.0%

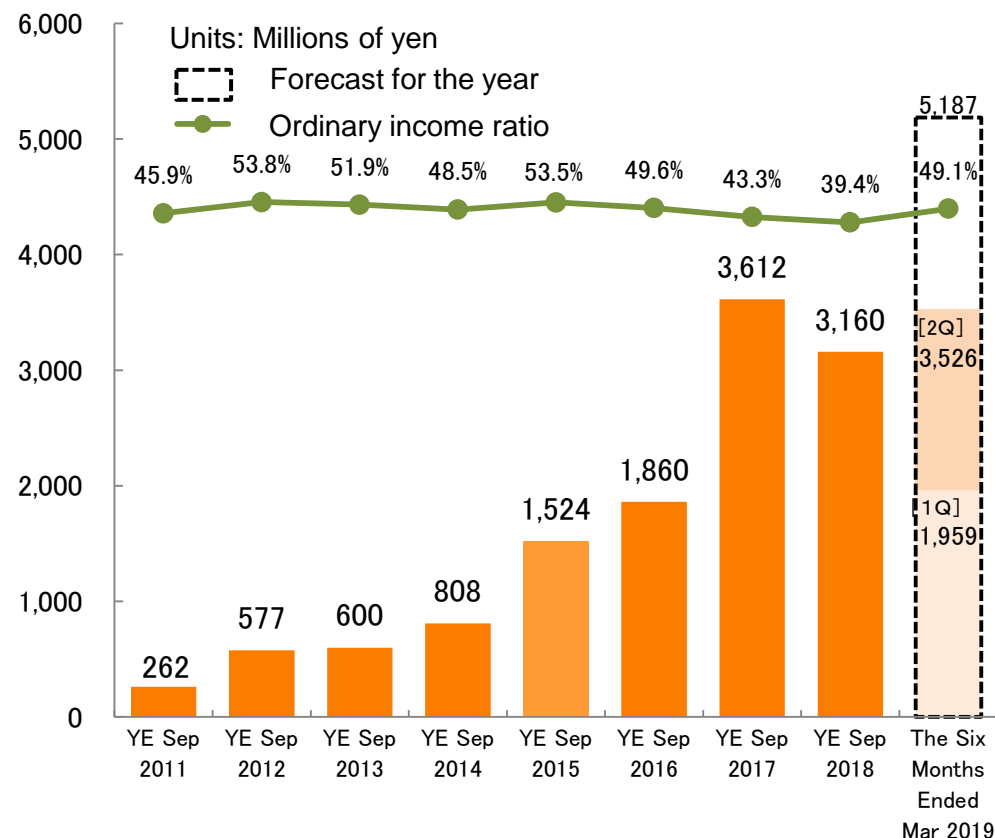
Net sales



(Non-consolidated)

(consolidated)

Ordinary income



(Non-consolidated)

(consolidated)

Overview of Statements of Income (Consolidated)



M&A CAPITAL PARTNERS

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

	Six Months Ended Mar 2018	Six Months Ended Mar 2019			Forecast for the Year Ending September 2019
			Year-on-year Change	Overview of Performance	
Net sales	4,900 (100.0%)	7,187 (100.0%)	+46.6%	■ 15 large deals closed	11,507 (100.0%)
Gross profit	3,211 (65.5%)	4,879 (67.9%)	+51.9%	■ Benefit of increased revenue	
SG&A	909 (18.6%)	1,353 (18.8%)	+48.8%	■ Advertising expenses +101	
Operating income	2,302 (47.0%)	3,525 (49.1%)	+53.2%	■ Benefit of increased revenue	5,181 (45.0%)
Ordinary income	2,301 (47.0%)	3,526 (49.1%)	+53.2%		5,187 (45.1%)
Net income	1,600 (32.6%)	2,352 (32.7%)	+47.0%		3,503 (30.4%)
Number of deals made	71	71	±0%	■ On a non-consolidated basis, results were strong, but RECOF results were down year on year	140
Employees	123	151	+22.8%		

Overview of Balance Sheets (Consolidated)

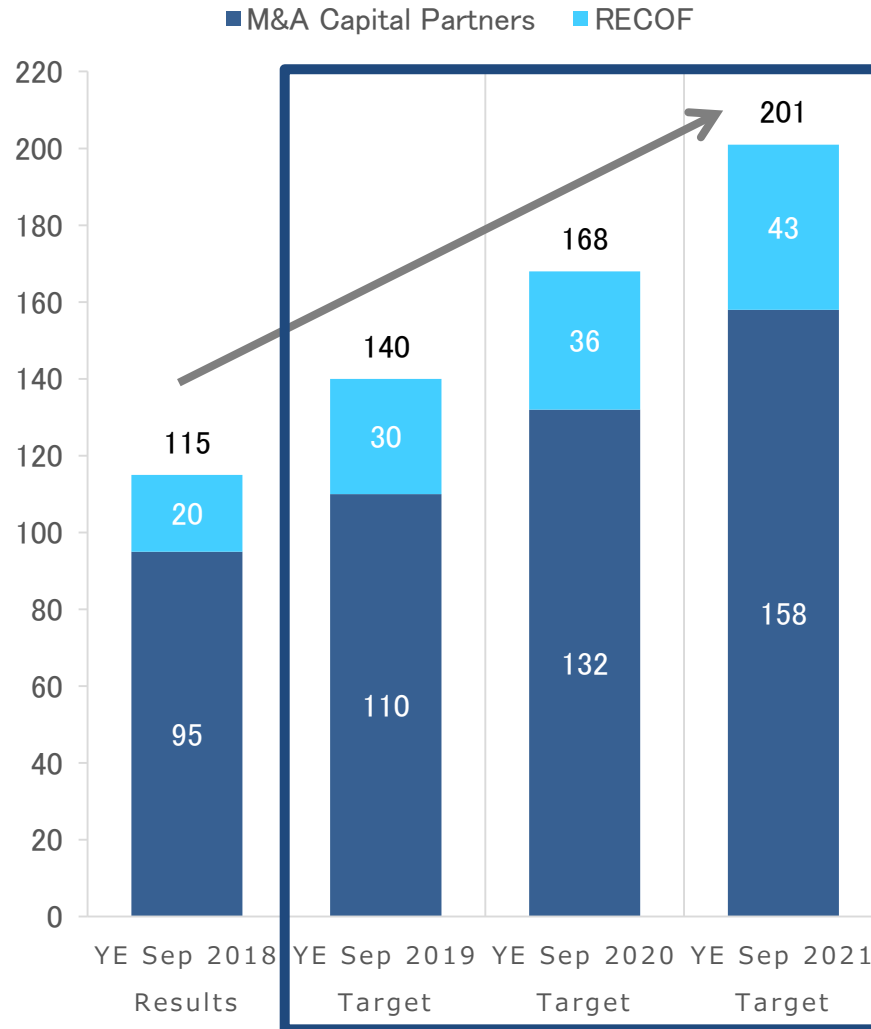


(Units: millions of yen, second line is composition ratio)

		September 30, 2018		March 31, 2019	
				Change	Main Factors Causing Change
	Current assets	12,757 (84.1%)	16,972 (88.0%)	+4,215	■ Cash and deposits: +3,959 (recording of income before tax, payment of income and consumption taxes)
	Noncurrent assets	2,403 (15.9%)	2,320 (12.0%)	-82	■ Goodwill: -96(Amortization of goodwill)
	Total assets	15,161 (100.0%)	19,293 (100.0%)	+4,132	
	Current liabilities	1,768 (11.7%)	3,464 (18.0%)	+1,696	■ Accounts payable +741 ■ Income taxes payable +797
	Noncurrent liabilities	218 (1.4%)	206 (1.1%)	-11	
	Total liabilities	1,986 (13.1%)	3,671 (19.0%)	+1,685	
Total net assets		13,174 (86.9%)	15,621 (81.0%)	+2,447	■ Retained earnings +2,352
Total liabilities and net assets		15,161 (100.0%)	19,293 (100.0%)	+4,132	

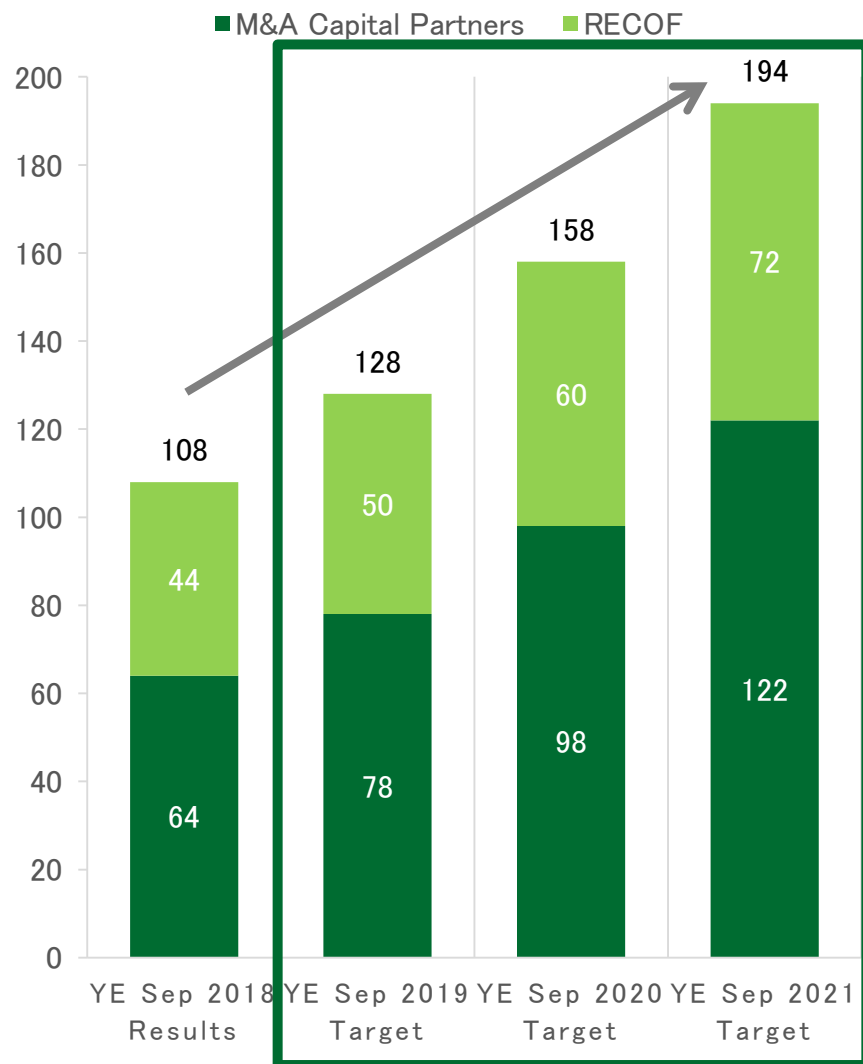
***III* Growth Strategy**

Three-year Plan for Number of Deals (Year Ending September 2019 to Year Ending September 2021)



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

Three-year Plan for Number of Consultants (Year Ending September 2019 to Year Ending September 2021)



【Number of Consultants】

<M&A Capital Partners>

Average increase of 25% per year

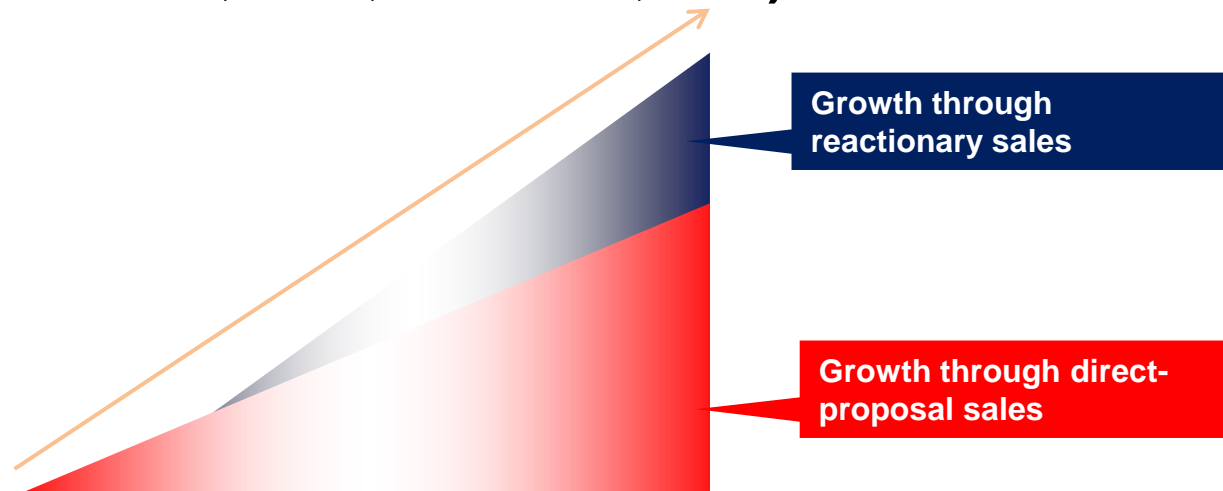
<RECOF>

Average increase of 20% per year

will be maintained.


<Policies & Initiatives>

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



<Policies & Initiatives>

- Continue to enhance large-scale M&A seminars held

	Year ended September 2018		Future
Number held	12 per year		Continue to enhance seminars held as with previous year
Areas held	Tokyo, Osaka, Nagoya, Fukuoka, Kyoto		Continue to enhance seminars in Tokyo and regional cities as with previous year

- Television commercial (August 2018 - present)
- Continuous renewal of website to increase inquiries
- Creation and expansion of referral network

⇒ Strengthening ties with tax accountants, accountants, local banks and securities companies

Seminars Held in the Six Months Ended March 2019

In the Six months ended March 2019, we held eight large-scale M&A seminars in Tokyo, Nagoya, Osaka, and Fukuoka.

<Large-Scale M&A Seminars>

Date Held	Type	Seminar Title	Applicants
October 2, 2018	M&A Seminar	Toyo Keizai Forum(Nagoya Venue)	200
October 22, 2018	as above	as above(Tokyo Venue)	700
November 6, 2018	as above	as above(Osaka Venue)	300
November 14, 2018	as above	as above(Fukuoka Venue)	120
February 4, 2019	M&A Seminar	Nikkei Sangyo Shimbun Forum(Nagoya Venue)	170
February 6, 2019	as above	as above(Osaka Venue)	380
February 13, 2019	as above	as above(Fukuoka Venue)	200
March 19, 2019	as above	as above(Tokyo Venue)	550

<Toyo Keizai Forum>



<Nikkei Sangyo Shimbun Forum>



Seminars Scheduled to be Held in the Fourth Quarter of the Year Ending September 2019

During the Fourth quarter of the year ending September 2019, a total of four large-scale seminars are scheduled to be held in Tokyo, Osaka, Fukuoka and Nagoya.

<Large-Scale M&A Seminar>

Date Held	Type	Seminar Title
July 24, 2019	M&A Seminar	NIKKEI BP Intelligence Group Management Forum (Tokyo venue)
August 1, 2019	as above	as above(Osaka venue)
August 20, 2019	as above	as above(Fukuoka venue)
August 28, 2019	as above	as above(Nagoya venue)

【Keynote address(Tokyo)】

“Creating Timeless New Value”

Kiwamu Yokokawa, Chairman and Representative Director, Takakura Machi Coffee
(former president of Skylark)

【Keynote address(Osaka, Fukuoka, Nagoya)】

“How Tanita restaurant Came About”

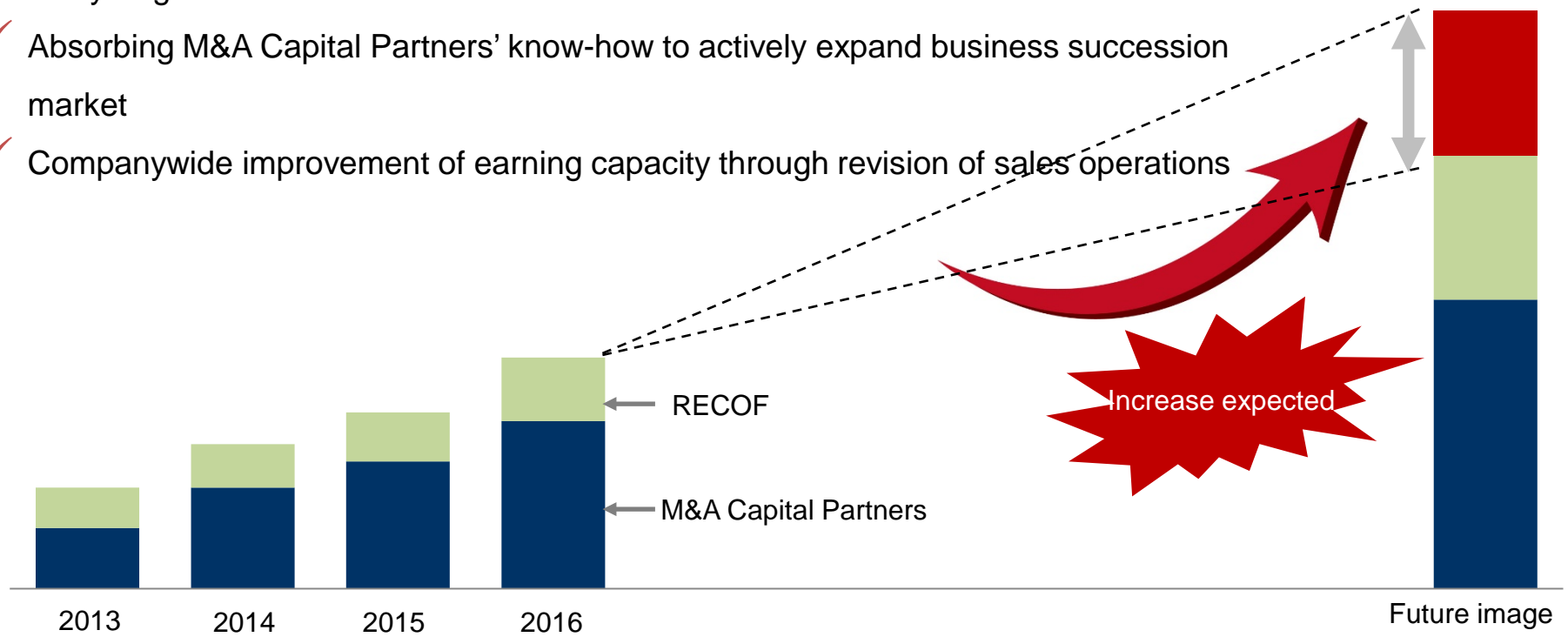
Senri Tanida, President and Representative Director, Tanita Corporation

<Main synergies in M&A Capital Partners>

- ✓ Enhancement of matching utilizing the strong relations with clients built through reorganization of the industry
- ✓ Decrease in missed deals by improving ability to respond to complex schemes

<Main synergies in RECOF>

- ✓ Absorbing M&A Capital Partners' know-how to actively expand business succession market
- ✓ Companywide improvement of earning capacity through revision of sales operations



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.