

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

Presentation Materials for the Earnings Briefing for the Three Months Ended December 2020

January 29, 2021

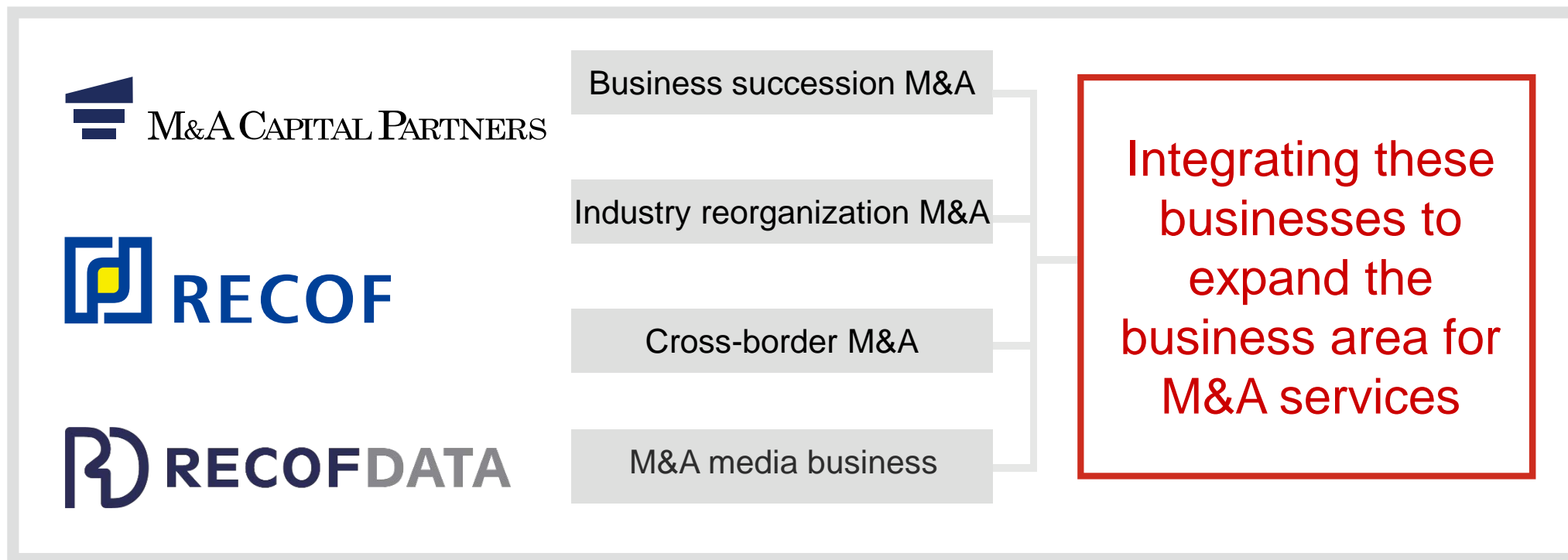


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1 **Company Overview and Strengths of the Company**

Trade Name	M&A Capital Partners Co., Ltd.
Listed Market	Tokyo Stock Exchange First Section (Securities Code: 6080)
Head Office Location	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	2.7 billion yen (as of December 31, 2020)
Employees	Consolidated: 197 Non-consolidated: 125 (as of December 31, 2020)
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

Leveraging Group power to provide extensive M&A services



Aiming to maximize the contribution to clients through the provision of extensive services

Business Content

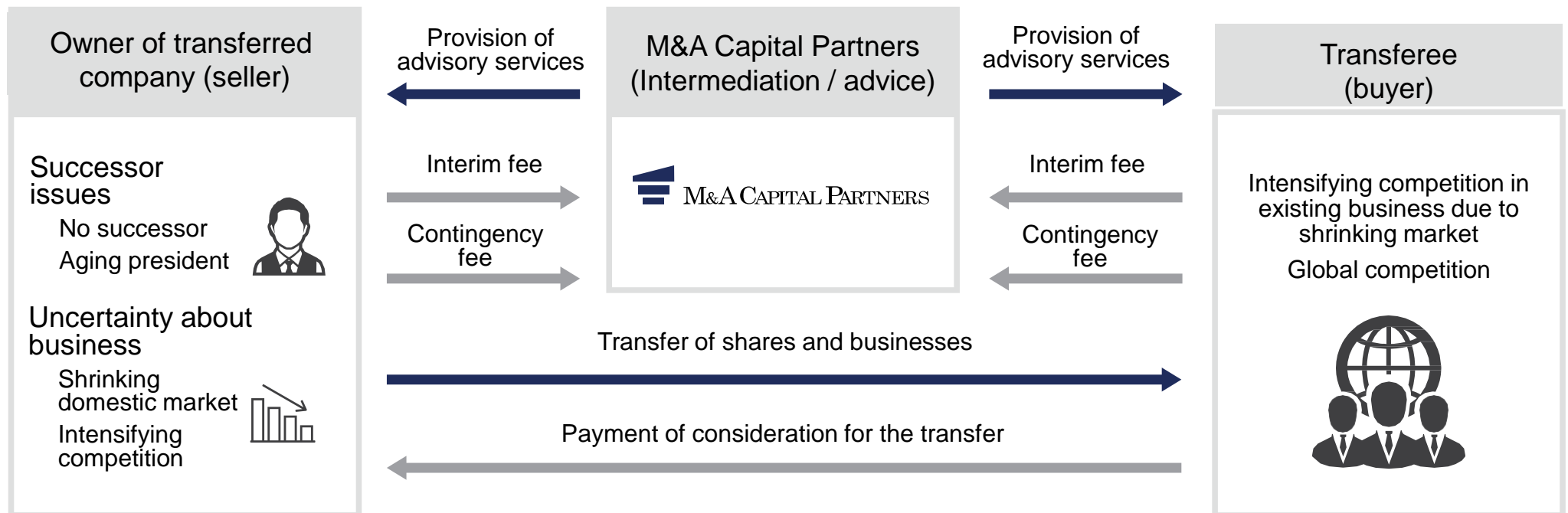
M&A-related services are our main business.

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.

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.



1 | Abundant track record of closing deals across multiple industries and sectors

Stable track record in closing deals across a wide range of industries and sectors

Industry

Track record of closing deals in a variety of sectors

Dispensing pharmacy

Dispensing pharmacy

Wholesaling

Building materials wholesaling
Wooden building materials wholesaling
Processed lumber products wholesaling
Cosmetics wholesaling
Lifestyle products wholesaling
Machinery and appliances wholesaling
Electronic materials wholesaling
Dental materials/pharmaceuticals wholesaling
Solar power wholesaling
Textiles/clothing wholesaling
Miscellaneous goods wholesaling
Food ingredient wholesaling
Fishery product wholesaling
Wholesaling of confectionery
Second-hand machinery wholesaling

Construction/engineering works

Air-conditioning facility construction
Water supply/drainage facility construction
Electrical facilities construction
Telecommunications construction
General contractor construction
Public works
Residential construction
Construction-related surveys
Building structural design
Building structural diagnostics
Painting

Manufacturing industry

Metal products manufacture/processing
Chemical industry
Industrial machinery manufacture
Tool manufacture
Precision parts manufacture
Electrical machinery/appliance manufacture
Steel fabrication
Rolled-copper product processing
Electronic components manufacture/processing
Transportation machinery/appliance manufacture
Automotive parts manufacture
Air-conditioning equipment
Energy-saving machinery design/manufacture
Cleaning/drying equipment manufacture
Machinery repair
Concrete products manufacture
Medical appliance manufacture
Supplement planning/manufacture
Women's clothing manufacture
Daily goods planning/manufacture
Textile product manufacture
Fishery product processing
Confectionery manufacture
Food manufacture/processing
Pharmaceutical manufacture
Beauty products manufacture

IT

Data mining
Information services
Outsourced software development
System development
Consulting

Distribution

General freight transportation
Distribution processing
Truck rental

Eating out

Eating out
Food & drink delivery services

Real estate

Real estate brokerage
Multi-unit apartment maintenance
Investment real estate development
Building maintenance

Nursing care/healthcare

Nursing care business
Clinical study support
Medical corporations

Retail/EC/mail order

Mail order
Supplements
Health goods
Interiors
Daily goods
Outdoor
Vehicle sales/servicing

Advertising/printing/media

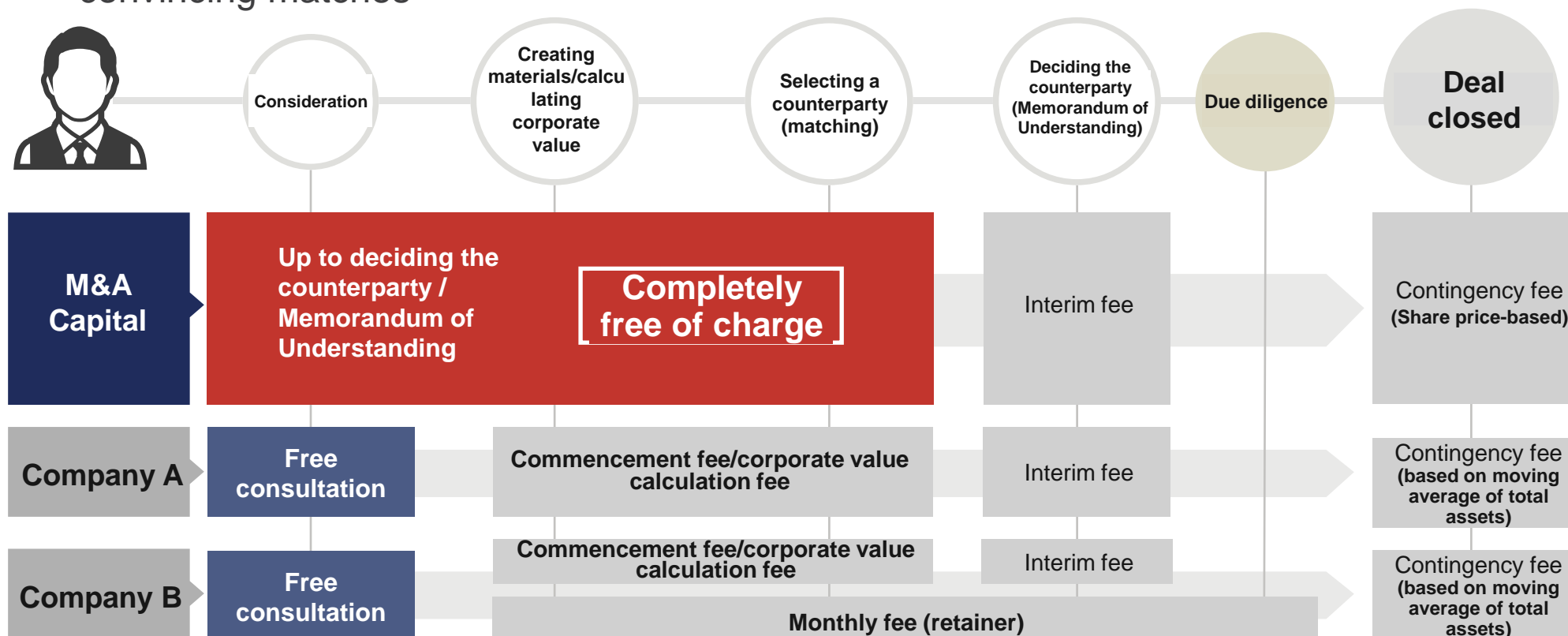
Printing
Advertising agency
Paper bag manufacture
Event planning/preparation
Design
Video creation
Package software development

Other

Lease/rental
Temporary staffing
Temporary engineer staffing
Medical preparatory school
Childcare facilities
Preparatory school
Hot spring resorts
Hotels
Operation of amusement facilities
Facilities security
Insurance agency
Buying/selling of tickets
Trading company
Waste processing
Funerals

2 | Fee schedule that clients find convincing, and that makes it easy to consider M&A

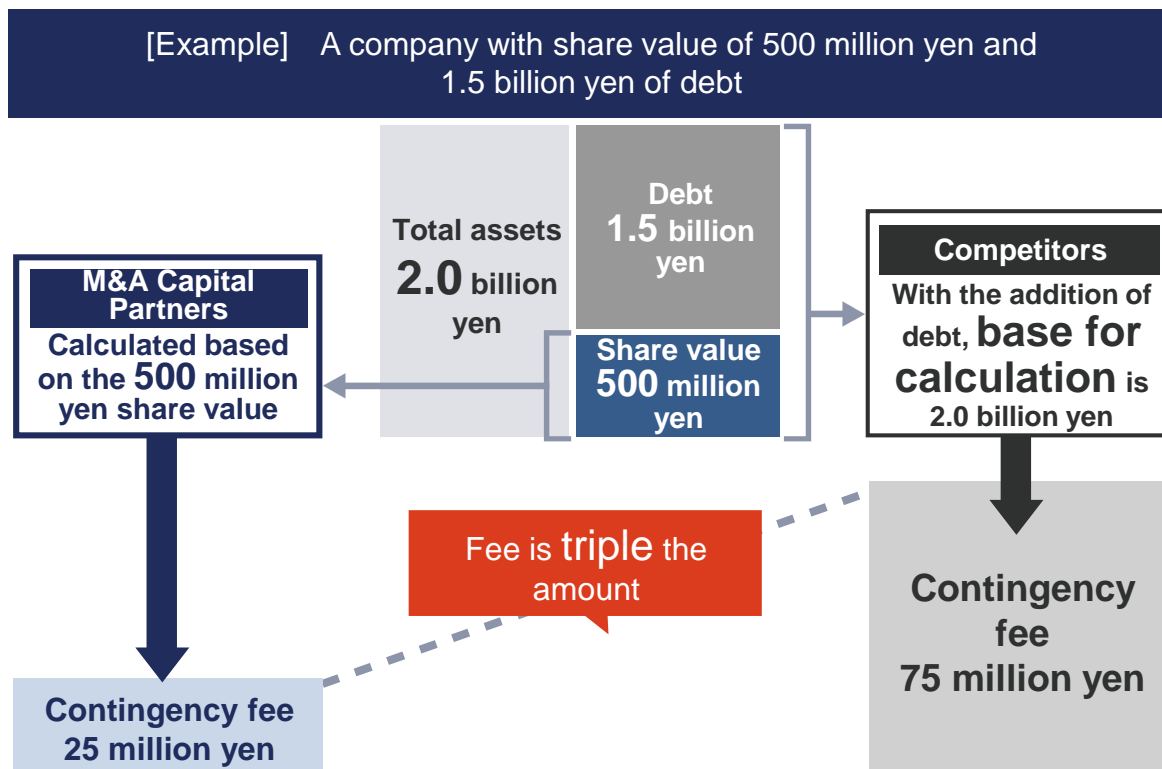
- (1) Adoption of fee structure without commencement fee **expands the options for M&A**
- (2) **Searching for counterparties is free to both buyer and seller** which enables convincing matches



3 | Fee structure that is convincing for clients

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



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

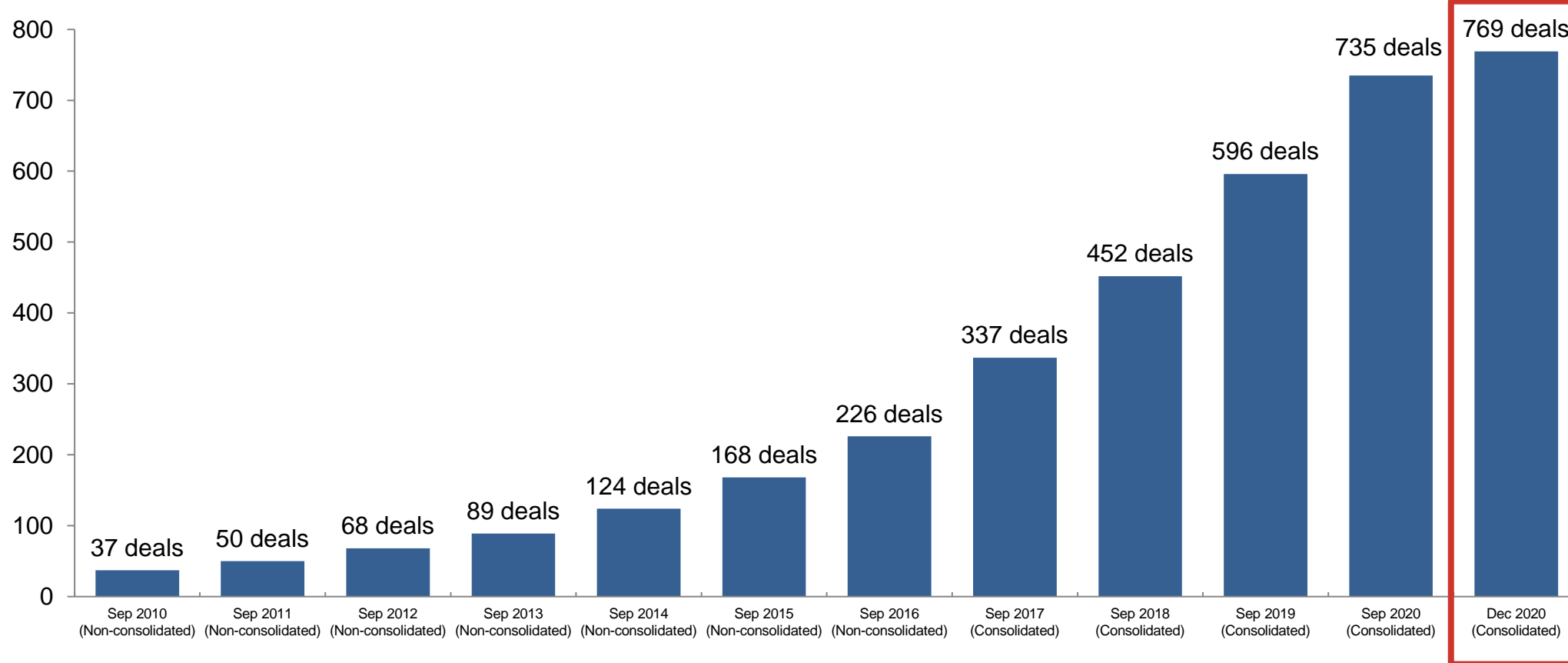
$$\begin{aligned}
 & 500 \text{ million yen} \times 5\% = 25 \text{ million yen} \\
 & + (1 \text{ billion yen} - 500 \text{ million yen}) \times 4\% = 20 \text{ million yen} \\
 & + (2 \text{ billion yen} - 1 \text{ billion yen}) \times 3\% = 30 \text{ million yen} \\
 \hline
 & 75 \text{ million yen}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

4 | 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

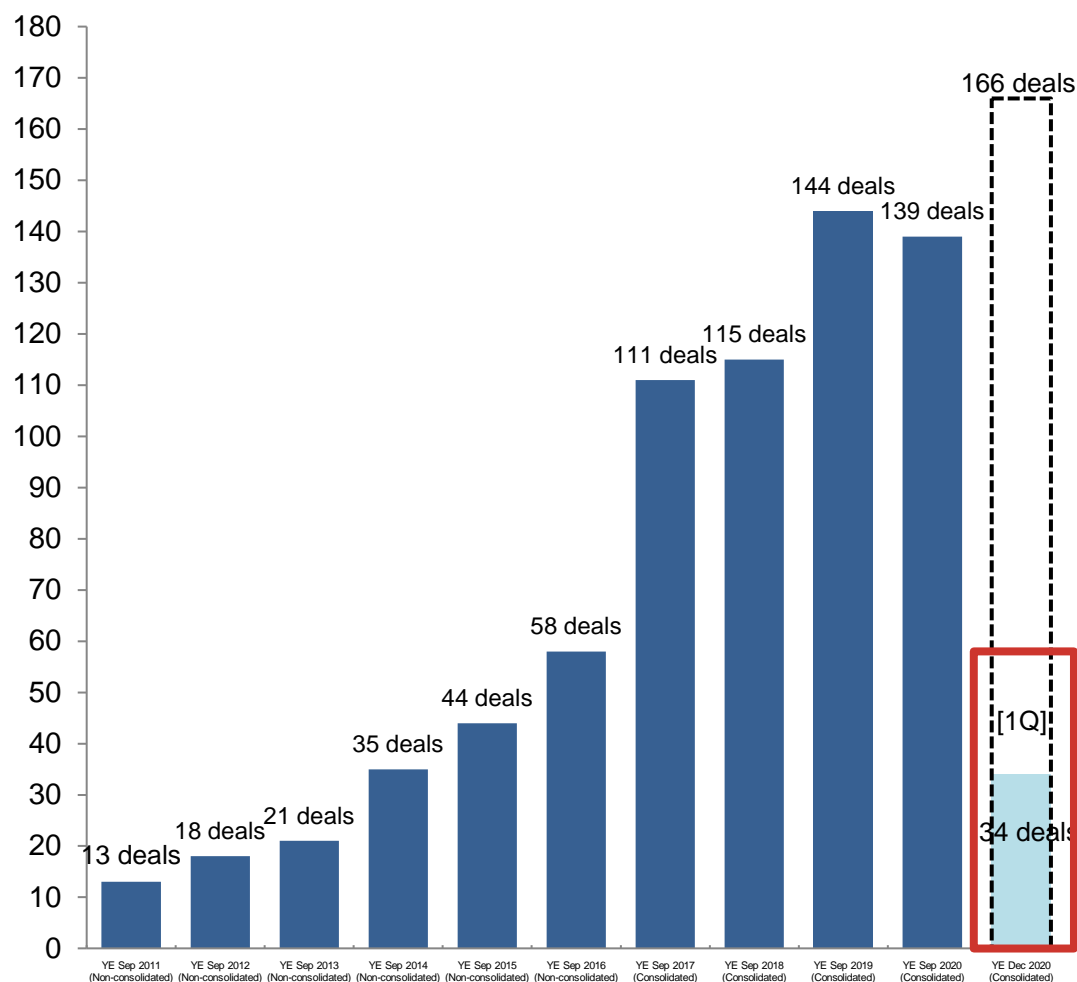


2

Results for the Three Months Ended December 2020 and Forecast for the Year Ending September 2021

	1Q	Forecast for the year	Progress for Entire Year
Number of deals (consolidated)	34	166	20.5%

Number of Deals Made



+47.8% Year-on-year

- Steady progress on a non-consolidated level, closing record number of deals in 1Q.

Non-consolidated

M&A Capital Partners 32 deals (+68.4% year-on-year)

- Record number of deals closed in 1Q

RECOF 2 deals (-50% year-on-year)

- Number of active deals (non-consolidated) also hit a record high of 347 (+26.6% year on year), and large deals are showing good progress.

Earnings for the Three Months Ended December 2020 (Consolidated)

Net sales	3,972 million yen	(+206.7% year-on-year)
Ordinary income	1,810 million yen	(+1473.3% year-on-year)
Number of deals	34 deals	(+47.8% year-on-year)
Number of consultants	150	(+22 year-on-year)

- Record number of deals at non-consolidated level in 1Q, plus increase in large deals from 1 to 8, resulting in record sales also in 1Q. As a result, net sales for the Group as a whole in 1Q also hit a record.

Closed 8 large deals (+700.0% year on year)

- In addition, advances received, which is a useful indicator of order backlog, increased steadily to ¥516 million (+10.7% year on year.)

Earnings for the Three Months Ended December 2020 (Non-consolidated)

	M&A Capital Partners		RECOF	
		Year-on-year Change		Year-on-year Change
Net sales	3,743 million yen	+260.4%	175 million yen	-14.1%
Ordinary income	1,987 million yen	+653.5%	-117 million yen	-
Number of deals	32 deals	+68.4%	2 deals	-50.0%
Number of consultants	103	+19	47	+3

• Record number of deals in 1Q, plus increase in large deals from 1 to 8, resulting in record sales also in 1Q.
Closed 8 large deals

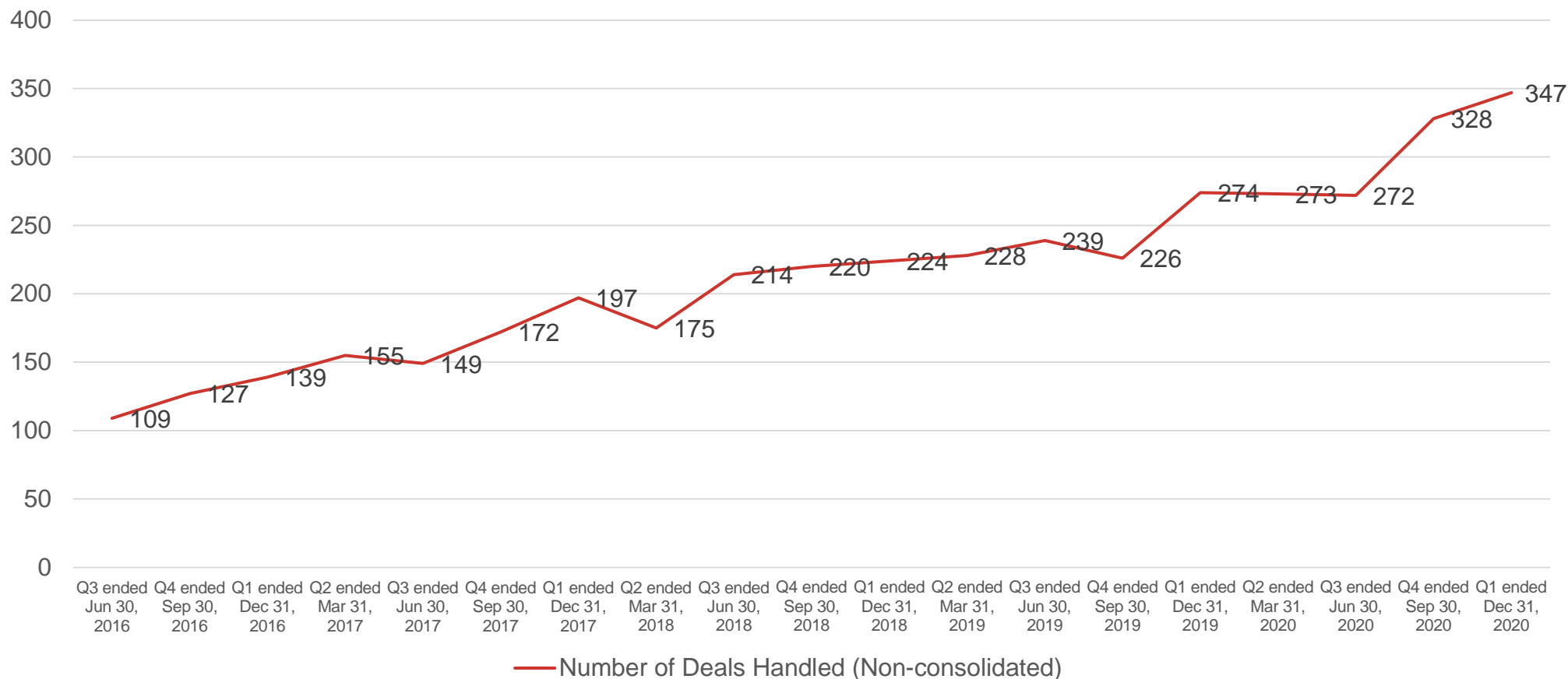
• Deals closed fell from 4 to 2, causing results to fall below previous-year levels.
Zero large deals

* Because non-consolidated information is shown, consolidated amortization of goodwill (56 million yen) due to business integration is not included.

* We have omitted listing Group companies of relatively low importance.

Number of Active Deals (Non-consolidated)

Number of Active Deals (Non-consolidated)



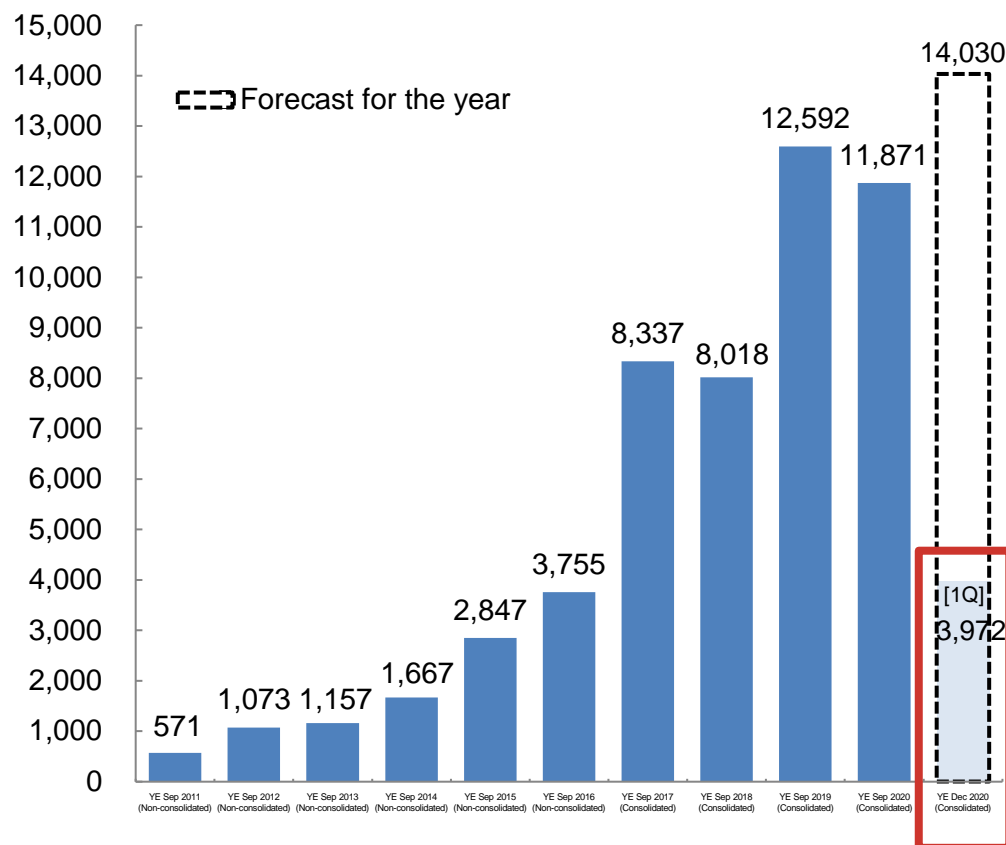
• Number of active deals (non-consolidated) hit record high of 347 (+26.6% year on year), with large deals showing good progress.

Changes in Earnings

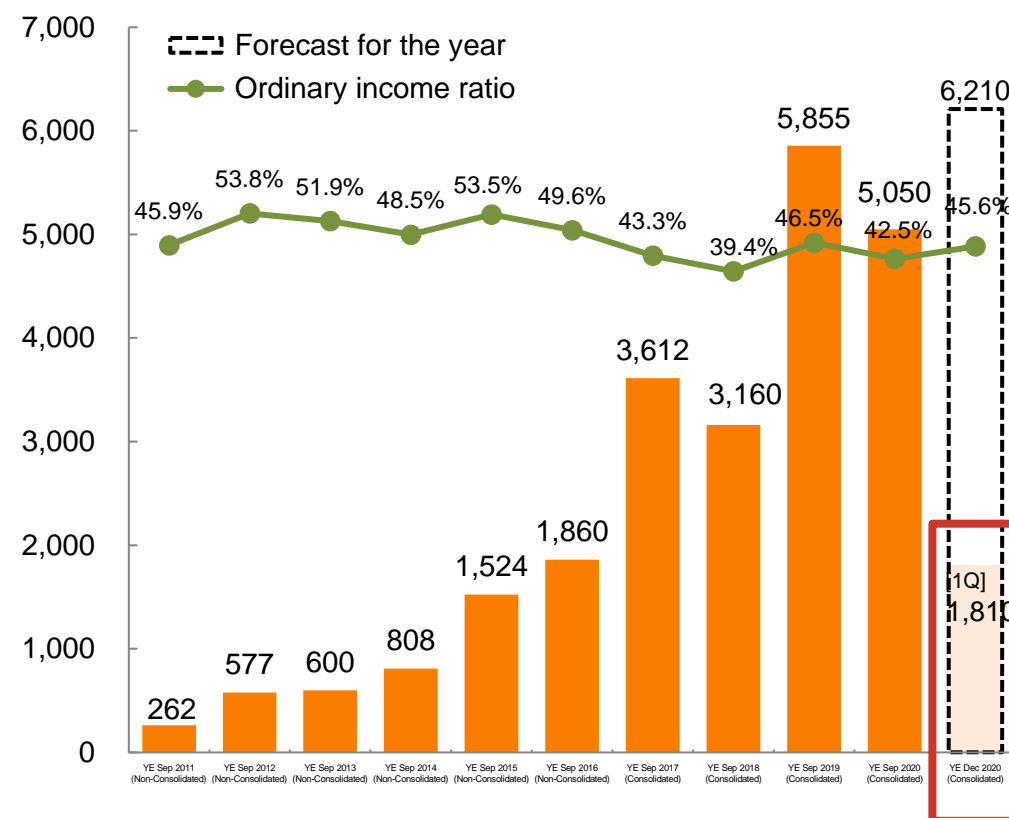
Units: Millions of yen

(consolidated)	1Q	Forecast for the year	Progress for Entire Year
Net sales	3,972	14,030	28.3%
Ordinary income	1,810	6,210	29.2%

Net sales



Ordinary income



In 7 years since year of application for listing (YE Sep 2013), sales have increased by more than 10x.

<Impact on results of the spread of novel coronavirus>

During the state of emergency, we are continuing our sales activities while working to prevent the spread of novel coronavirus by using telework, etc. to restrict visits by employees to the head office, and restricting movement between the regions and Tokyo by utilizing regional satellite offices.

The full-year forecast for the fiscal year ending September 30, 2021 is unchanged, but going forward we will continue to monitor the impact of novel coronavirus .

- Visits to the head office are restricted through the use of telework, etc. by more than 60% of employees for the Group as a whole.
- In the regions, we pursue sales activities by utilizing the multiple satellite offices with which we have agreements, thus restricting movement between the regions and Tokyo.
- The full-year forecast for the fiscal year ending September 30, 2021 is unchanged, but assumes that economic activities will not slow substantially due to the spread of new novel coronavirus related infections. We will continue to monitor the impact of novel coronavirus going forward, and promptly disclose any significant impact on results.

Overview of Statements of Income (Consolidated)

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

	Three Months Ended Dec 2019	Three Months Ended Dec 2020		Forecast for the Year Ending September 2021	
			Year-on-year Change		Overview of Performance
Net sales	1,295 (100.0%)	3,972 (100.0%)	+206.7%	<ul style="list-style-type: none"> At non-consolidated level, closed record number of deals in 1Q Closed 8 large deals 	14,030 (100.0%)
Gross profit	715 (55.2%)	2,687 (67.7%)	+275.8%	<ul style="list-style-type: none"> Impact of higher revenue 	
SG&A	600 (46.4%)	880 (22.2%)	+46.5%	<ul style="list-style-type: none"> Provision for directors' bonuses +192 Taxes and dues +36 Rents +26 	
Operating income	114 (8.8%)	1,807 (45.5%)	+1480.7%	<ul style="list-style-type: none"> Impact of higher revenue 	6,211 (44.3%)
Ordinary income	115 (8.9%)	1,810 (45.6%)	+1473.3%		6,210 (44.3%)
Net income	13 (1.1%)	1,117 (28.1%)	+7923.5%		4,173 (29.7%)
Number of deals made	23	34	+47.8%	<ul style="list-style-type: none"> At non-consolidated level, closed record number of deals in 1Q 	166
Employees	172	197	+14.5%		

Overview of Balance Sheets (Consolidated)

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

	September 30, 2020	December 31, 2020		
			Change	Main Factors Causing Change
Current assets	21,673 (90.1%)	23,224 (91.4%)	+1,551	<ul style="list-style-type: none"> ■ Cash and deposits +1,067 ■ Accounts receivable - trade +479
Noncurrent assets	2,386 (9.9%)	2,184 (8.6%)	-202	<ul style="list-style-type: none"> ■ Deferred tax assets -125 ■ Goodwill -48 (Amortization of goodwill)
Total assets	24,060 (100.0%)	25,409 (100.0%)	+1,349	
Current liabilities	3,199 (13.3%)	2,747 (10.8%)	-451	<ul style="list-style-type: none"> ■ Provision for bonuses +395 ■ Accounts payable - other -759
Noncurrent liabilities	229 (1.0%)	228 (0.9%)	-0	
Total liabilities	3,428 (14.2%)	2,975 (11.7%)	-452	
Total net assets	20,632 (85.8%)	22,433 (88.3%)	+1,801	
Total liabilities and net assets	24,060 (100.0%)	25,409 (100.0%)	+1,349	

Market capitalization

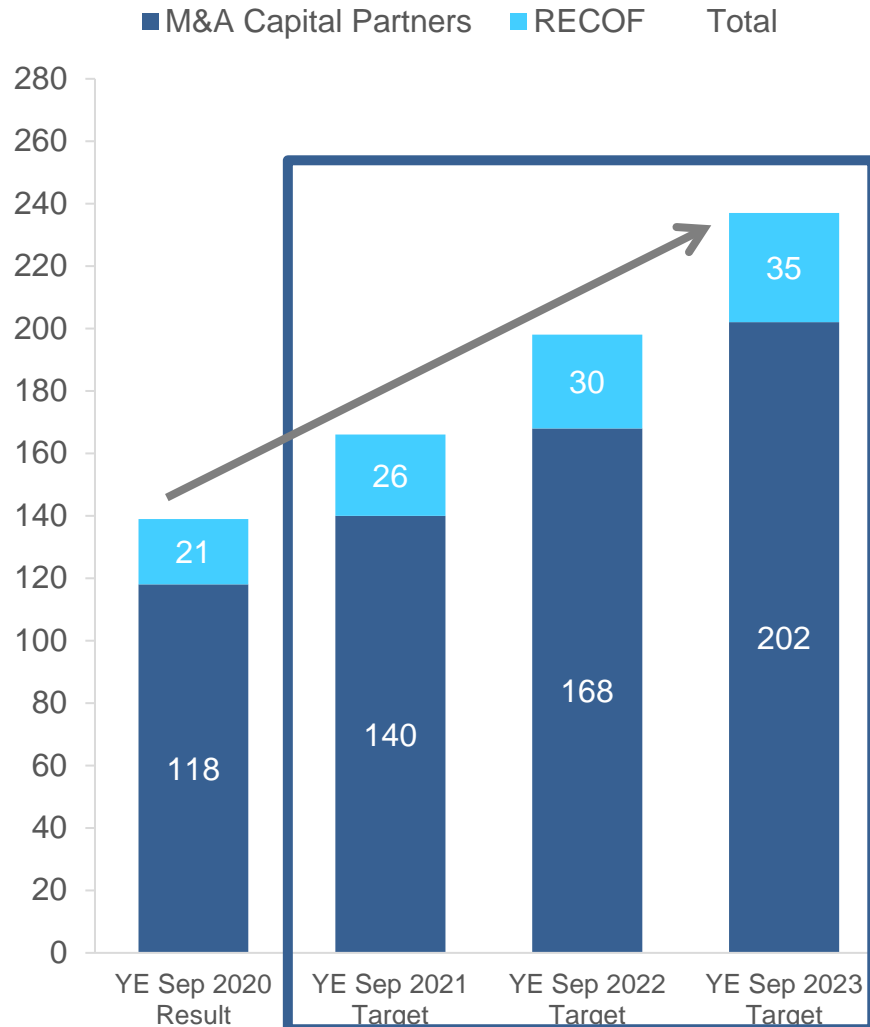
Units: 100 million yen



Market capitalization has increased **more than 13 times over the seven years** since listing (November 2013).

3**Growth Strategy**

Three-year Plan for Number of Deals (Year Ending September 2021 to Year Ending September 2023)



Number of Deals

M&A Capital Partners

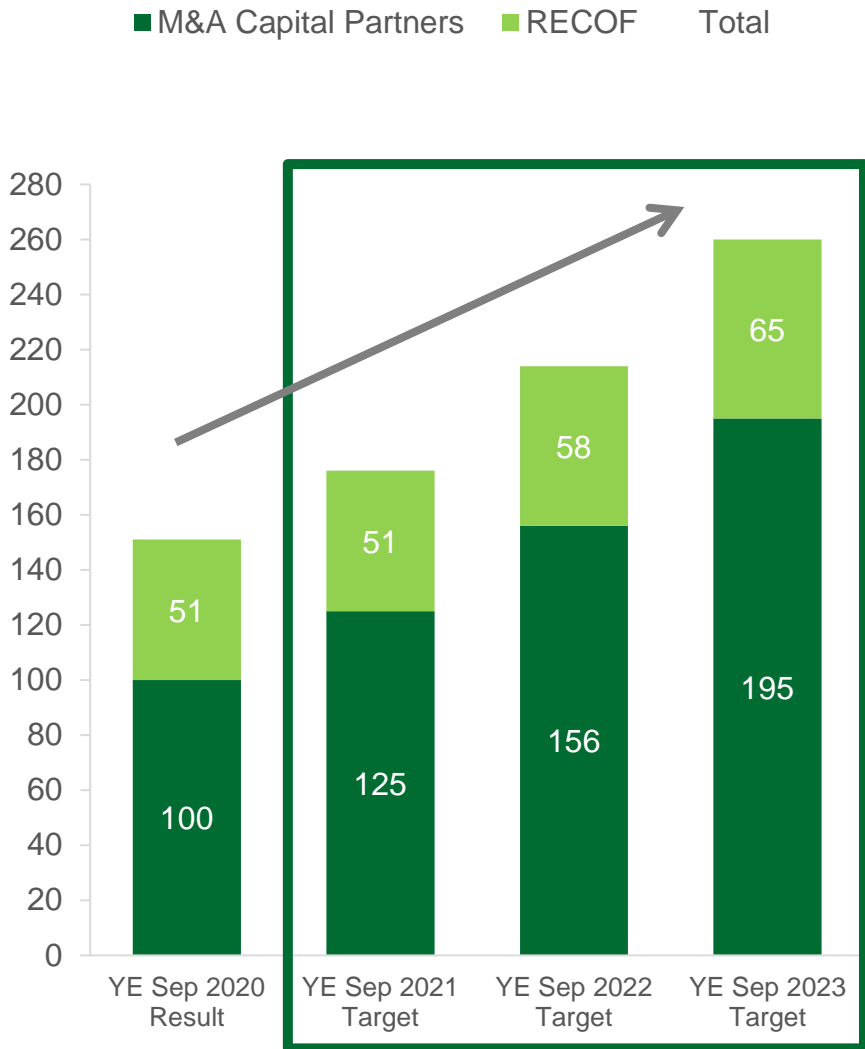
Average increase of 20% per year

RECOF

Average increase of 10% per year

will be maintained in each company.

Three-year Plan for Number of Consultants (Year Ending September 2021 to Year Ending September 2023)



Number of Consultants

- M&A Capital Partners
Average increase of 25% per year
- RECOF
Average increase of 10% per year

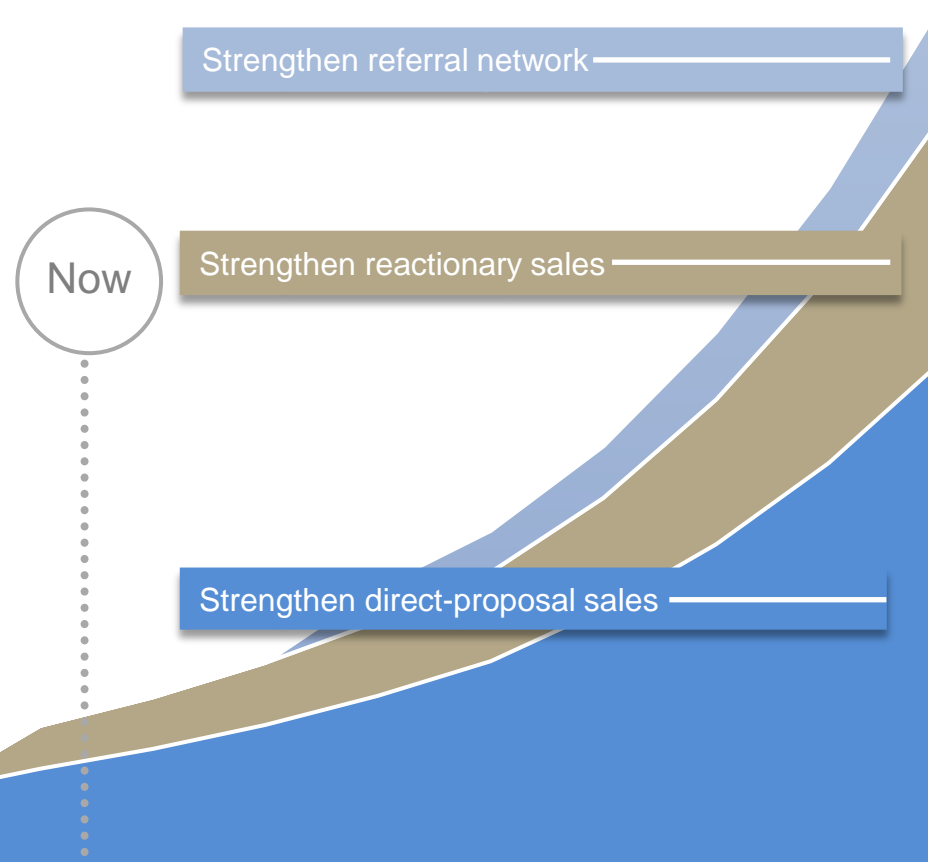
will be maintained in each company.

Domestic M&A market (IN-IN) is forecast to remain strong

Number of M&A deals between Japanese companies from January to December 2020 was more or less flat year on year at 2,944 (down 1.9%), with domestic M&A demand holding up well despite the novel coronavirus pandemic

Initiatives for growth

- ✓ **Create deals through direct-proposal sales**
Strengthen our ability to respond to regional needs by creating more finely subdivided sales network
Promote impact of high-quality proposals
- ✓ **Create deals through reactionary sales**
Strengthen IT measures such as Internet marketing and advertisements
Promote increased awareness of our services through commercials, etc.
- ✓ **Create deals from referral network**
Strengthen ability to respond to emerging M&A demand through promotion of alliances with financial institutions, etc.



<Broadcasting of Television Commercials>

TBS network
“Houdo Tokushu”

TV Tokyo network
“World Business Satellite”

Continue to air commercials.

Implement promotion activities using a total of six patterns of airing commercials.



Strengthening and expanding referral network

- **Conclusion of business alliance agreement between Mizuho Bank and the Company** to strengthen support for business succession needs of small and medium-sized companies.
- Mizuho Bank refers small and medium-sized companies with needs for business succession through M&A to the Company, which will provide detailed services to meet the succession needs of small and medium-sized companies expected to expand and diversify in future.

Continuing to strengthen Internet-based measures

- Internet advertisements
- SEO measures (maintain high search ranking)
- Renewal of website

The Company allows employees to purchase stock options with age and performance conditions to ensure that they are **committed to super-long-term growth** rather than short-term performance targets alone.



Eligible persons	Officers: 2 Employees: 37
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Eligible persons	Employees: 2
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Eligible period	Target profit
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Exercise conditions (1)	Operating profit of ¥6 billion or more (FY2021/9)
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Exercise conditions (2)	Operating profit of ¥7.2 billion or more (FY2022/9)
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Exercise conditions (3)	(1)+(2)= ¥13.2 billion or more
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Age-related conditions	<ul style="list-style-type: none"> • 55 or over • Conditions related to membership of Group
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Eligible period	Target profit
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Exercise conditions (1)	Operating profit of ¥360 million or more (FY2021/9)
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Exercise conditions (2)	Operating profit of ¥432 million or more (FY2022/9)
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Exercise conditions (3)	(1)+(2)= ¥792 million or more
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Age-related conditions	<ul style="list-style-type: none"> • 55 or over • Conditions related to membership of Group
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Aiming to be the world's leading investment bank
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M&A CAPITAL PARTNERS

<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.