

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 Six Months Ended March 2021

April 30, 2021

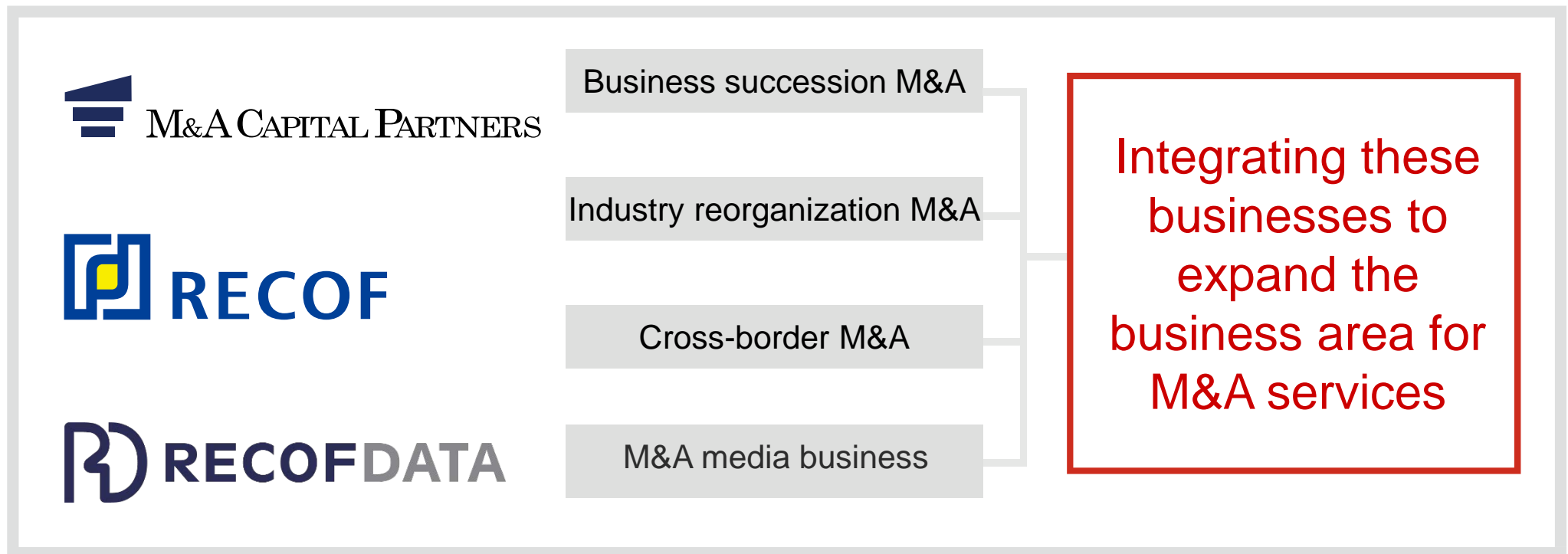


<b>1</b>	<b>Company Overview and Strengths of the Company</b>	<b>· · · 2</b>
<b>2</b>	<b>Results for the Six Months Ended March 2021 and Forecast for the Year Ending September 2021</b>	<b>· · · 10</b>
<b>3</b>	<b>Growth Strategy</b>	<b>· · · 20</b>

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

<b>Trade Name</b>	M&A Capital Partners Co., Ltd.
<b>Listed Market</b>	Tokyo Stock Exchange First Section (Securities Code: 6080)
<b>Head Office Location</b>	38F, Gran Tokyo North Tower, 1-9-1 Marunouchi, Chiyoda-ku, Tokyo
<b>Business Content</b>	M&A-related services
<b>Representative</b>	Satoru Nakamura, President and Representative Director
<b>Established</b>	October 2005
<b>Capital</b>	2.7 billion yen (as of March 31, 2021)
<b>Employees</b>	Consolidated: 207 Non-consolidated: 135 (as of March 31, 2021)
<b>Affiliates</b>	RECOF Corporation, RECOF DATA Corporation
<b>Management Philosophy</b>	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

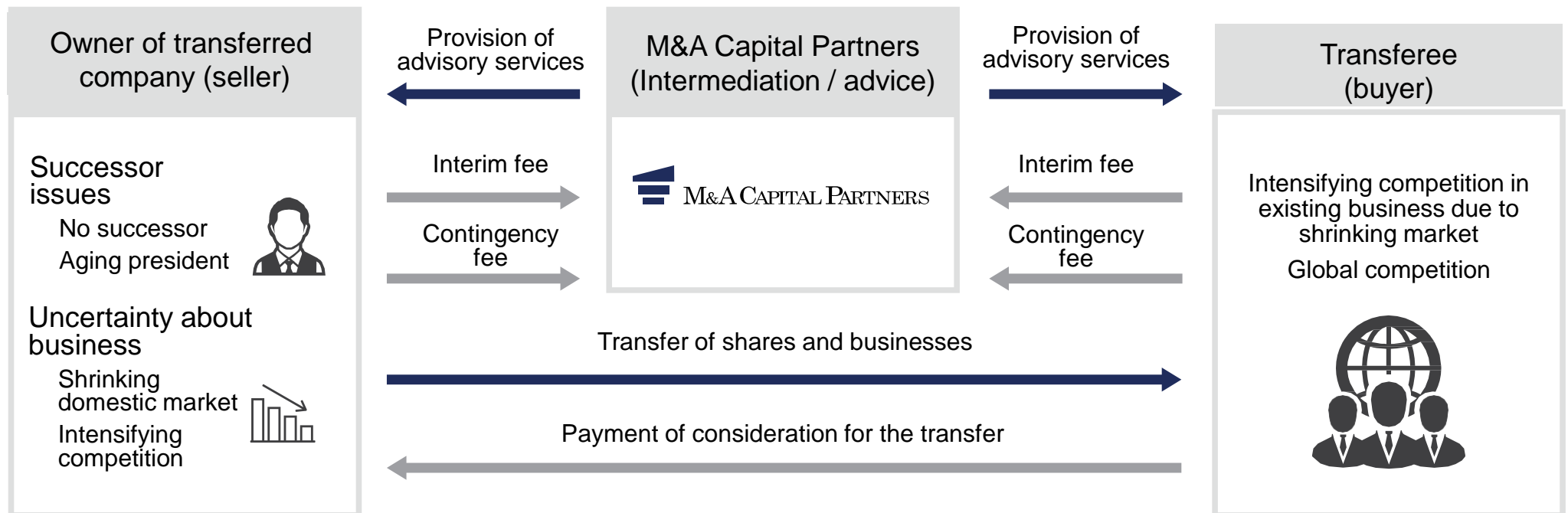
M&A-related services are our main business.

## Characteristics

We propose M&A-focused solutions and support their implementation for owner managers who have concerns about finding a successor for the business.

## 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

#### Pharmacy

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

#### 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  
 Package software development

#### 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

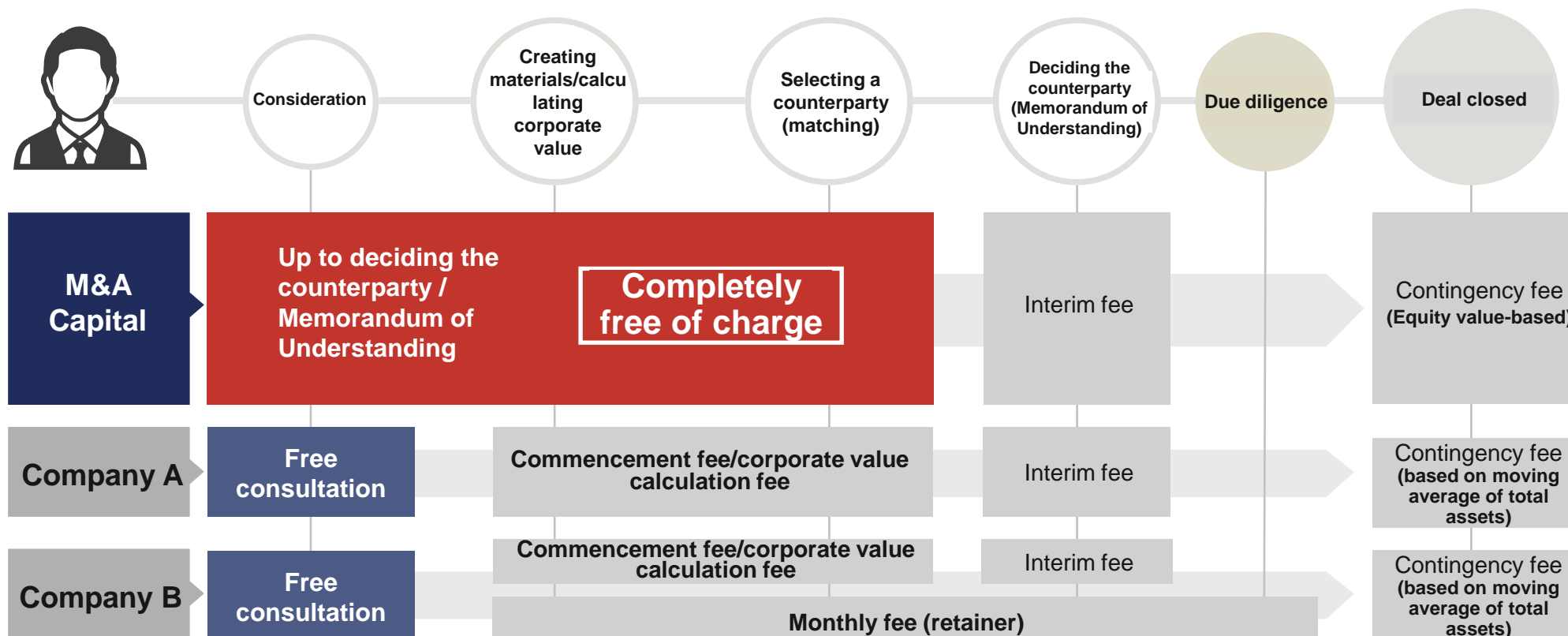
Printing  
 Advertising agency  
 Paper bag manufacture  
 Event planning/preparation  
 Design  
 Video creation

#### 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 | No commencement fee and a fee schedule 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

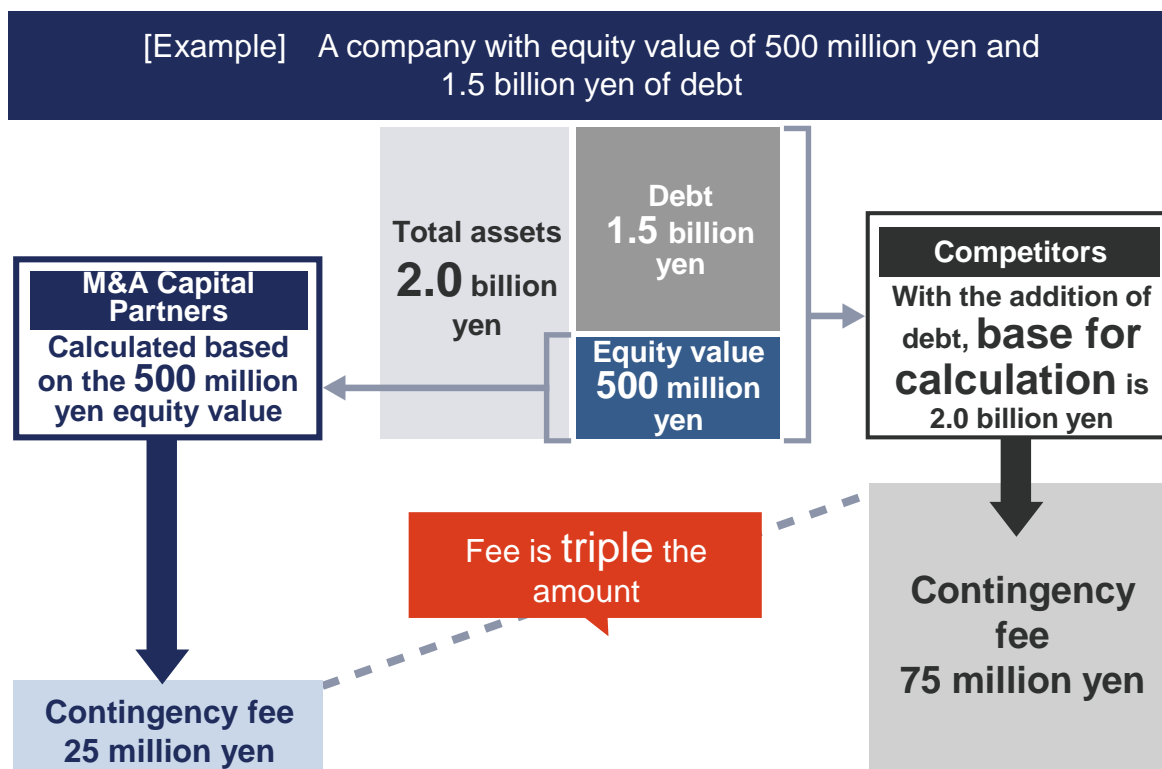




## 3 | Equity value-based fee schedule that clients find convincing

### Use of fee based on equity value

- 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 equity 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%

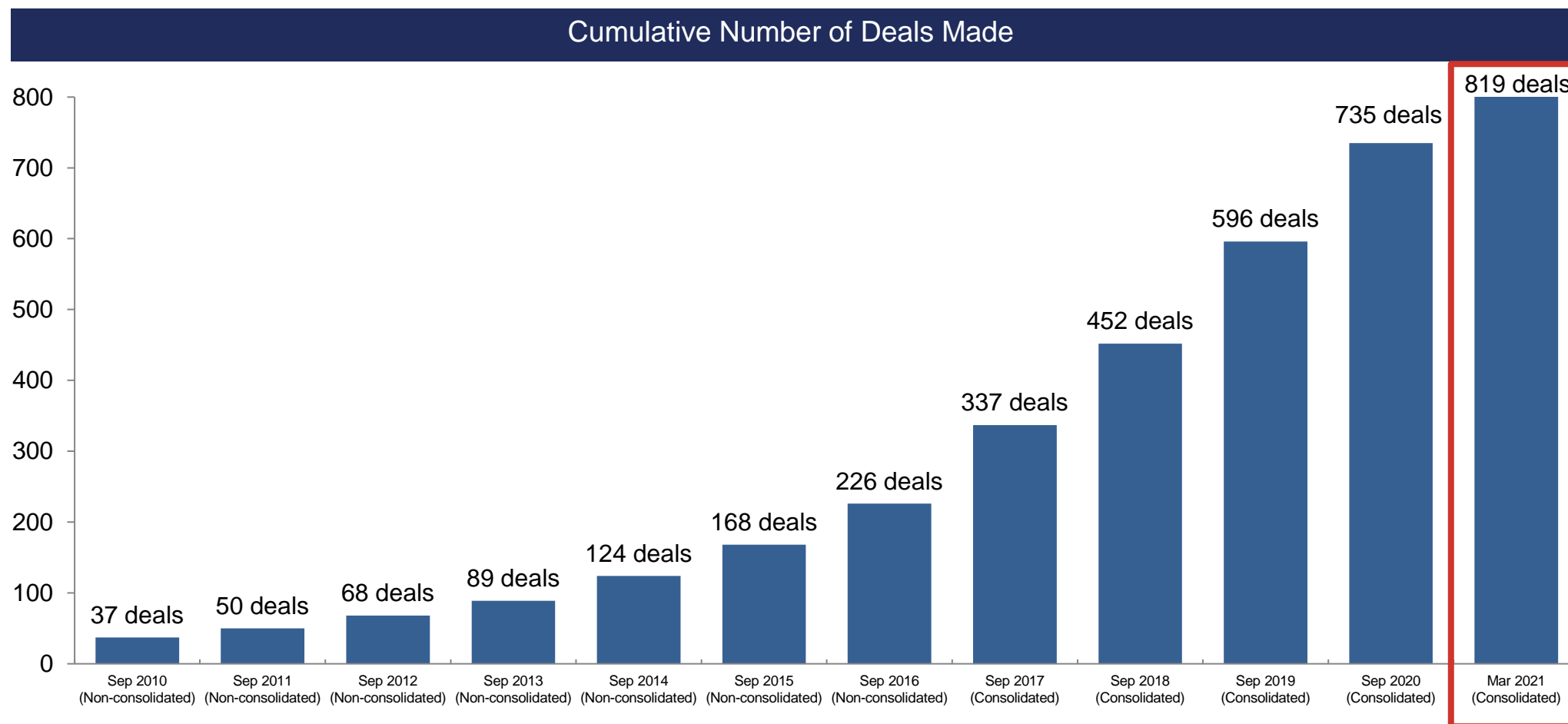
e.g.) Calculation of fee when the transaction amount is 2 billion yen

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

## 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.

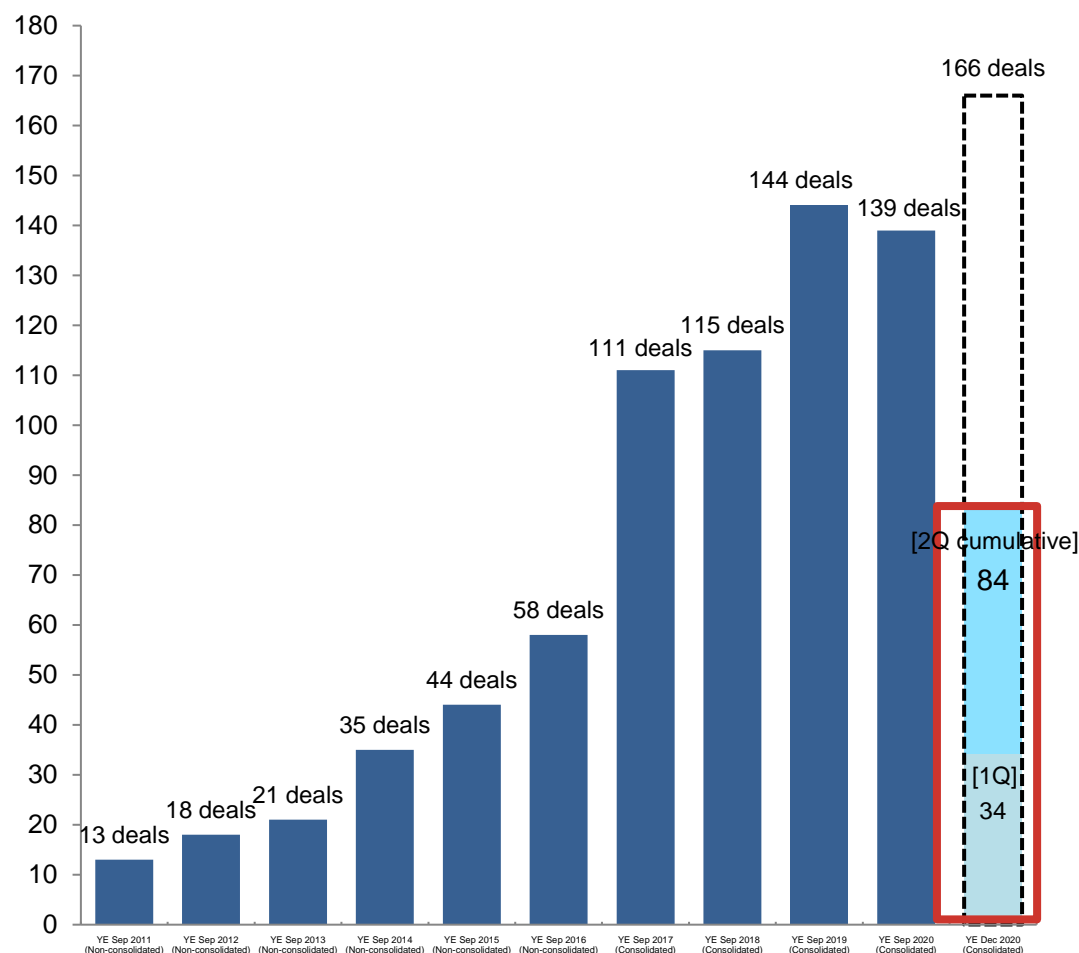


**2**

## **Results for the Six Months Ended March 2021 and Forecast for the Year Ending September 2021**

	2Q (cumulative)	Forecast for the year	<b>Progress for Entire Year</b>
Number of deals (consolidated)	84	166	50.6%

## Number of Deals Made



## +37.7% Year-on-year

- Steady progress on a non-consolidated level, closing record number of deals in 2Q.

### Non-consolidated

**M&A Capital Partners**      **75 deals**  
 (+56.3% year-on-year)

- Record number of deals closed in 1Q

**RECOF 9 deals (-30.8% year-on-year)**

- Number of active deals (non-consolidated) hit 328 (+20.1% year on year), with large deals showing good progress.

## Earnings for the Six Months Ended March 2021 (Consolidated)

Net sales	<b>7,616 million yen</b>	(+34.7% year-on-year)
Ordinary income	<b>3,416 million yen</b>	(+43.1% year-on-year)
Number of deals	<b>84 deals</b>	(+37.7% year-on-year)
Number of consultants	<b>157</b>	(+27 year-on-year)

- **Number of deals at non-consolidated level increased steadily, and number of large deals rose from 9 to 17, resulting in satisfactory results for the Group as a whole compared to the same period of the previous year. As a result, the number of deals, the number of large deals, and net sales all hit new records in the first six months, both at the non-consolidated and the Group level.**

**Closed 17 large deals (+88.9% year on year)**

- **Advances received, which is a useful indicator of order backlog, increased steadily to ¥707 million (+29.0% year on year), which was also a record.**

## Earnings for the Six Months Ended March 2021 (Non-consolidated)

	M&A Capital Partners		RECOF	
		Year-on-year Change		Year-on-year Change
Net sales	<b>6,783 million yen</b>	+42.1%	<b>722 million yen</b>	-19.0%
Ordinary income	<b>3,438 million yen</b>	+49.9%	<b>91 million yen</b>	-51.9%
Number of deals	<b>75 deals</b>	+56.3%	<b>9 deals</b>	-30.8%
Number of consultants	<b>113</b>	+28	<b>44</b>	-1

- Due to the number of deals increasing and the number of large deals rising from 7 to 15, the number of deals, number of large deals, and net sales all hit records in the first six months.

**Closed 15 large deals  
(+114.3% year on year)**

- Deals closed fell from 13 to 9, causing results to fall below previous-year levels.

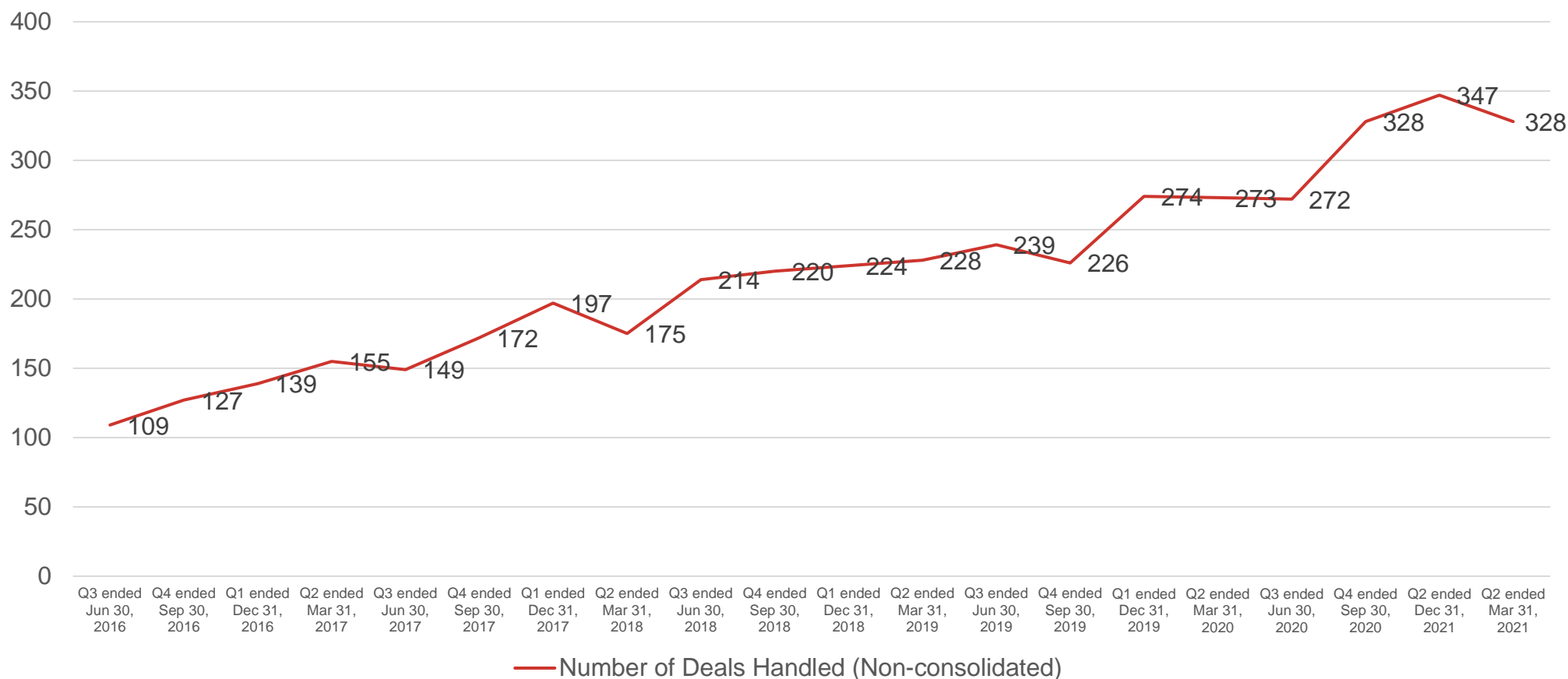
**Closed 2 large deals  
(± 0% year-on-year)**

\* Because non-consolidated information is shown, consolidated amortization of goodwill (113 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)



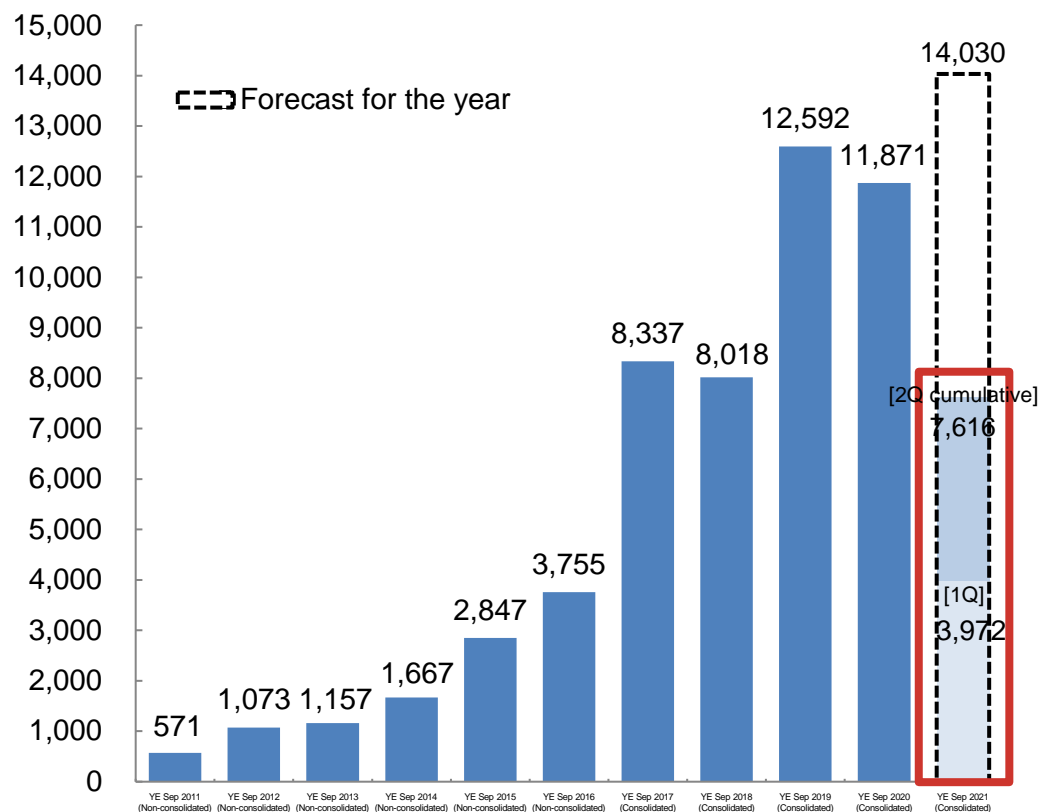
**- Number of active deals (non-consolidated) hit record high of 328 (+20.1% year on year), with large deals showing good progress.**

# Changes in Earnings

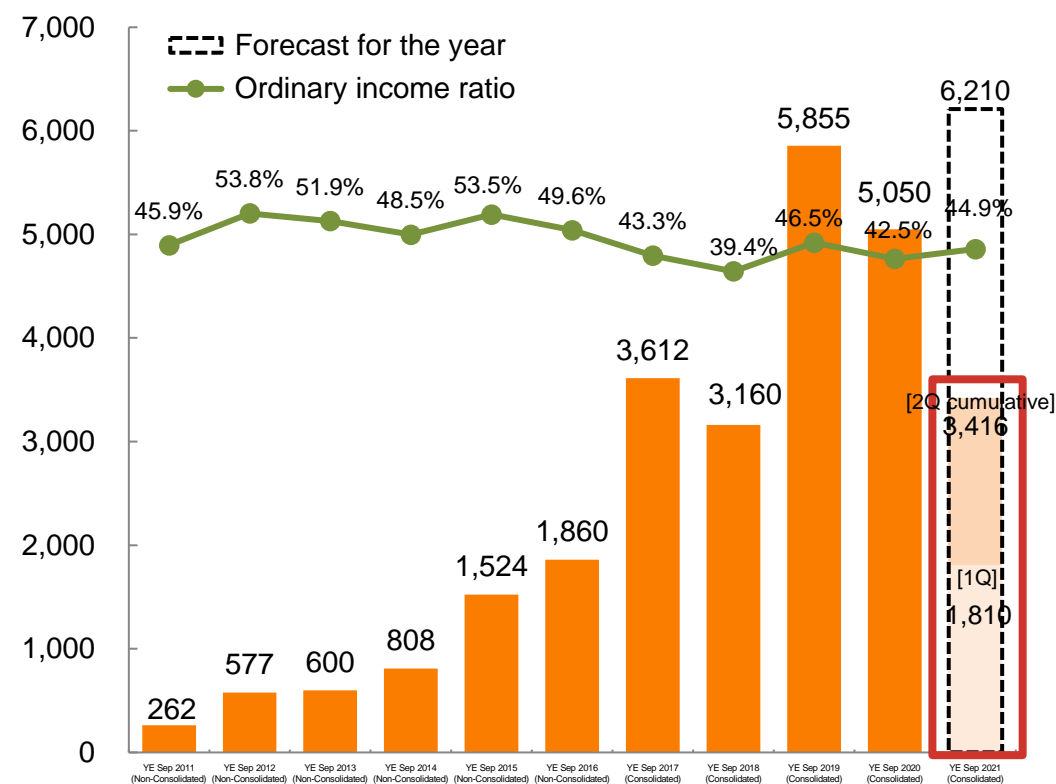
Units: Millions of yen

(consolidated)	2Q	Forecast for the year	Progress for Entire Year
Net sales	7,616	14,030	54.3%
Ordinary income	3,416	6,210	55.0%

## 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>

We are continuing our sales activities while working to prevent the spread of COVID-19 by using telework, etc.

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 .

- Due in part to the reinstatement of the state of emergency taking place over Golden Week, at this point we judge that the impact on the sales activities of the Group will be negligible.
- 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)

	Six Months Ended Mar 2020	Six Months Ended Mar 2021			Forecast for the Year Ending September 2021
			Year-on-year Change	Overview of Performance	
Net sales	5,654 (100.0%)	7,616 (100.0%)	+34.7%	<ul style="list-style-type: none"> <li>Record number of deals closed in first six months</li> <li>Closed 17 large deals</li> </ul>	14,030 (100.0%)
Gross profit	3,971 (70.2%)	5,076 (66.7%)	+27.8%	<ul style="list-style-type: none"> <li>Impact of higher revenue</li> </ul>	
SG&A	1,585 (28.0%)	1,664 (21.9%)	+5.0%	<ul style="list-style-type: none"> <li>Rents +84 (mostly related to satellite offices)</li> </ul>	
Operating income	2,386 (42.2%)	3,411 (44.8%)	42.9%	<ul style="list-style-type: none"> <li>Impact of higher revenue</li> </ul>	6,211 (44.3%)
Ordinary income	2,386 (42.2%)	3,416 (44.9%)	+43.1%		6,210 (44.3%)
Net income	1,538 (27.2%)	2,267 (29.8%)	+47.4%		4,173 (29.7%)
Number of deals made	61	84	+37.7%	<ul style="list-style-type: none"> <li>At non-consolidated level, hit record for first six months</li> </ul>	166
Employees	176	207	+17.6%		

# Overview of Balance Sheets (Consolidated)

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

	September 30, 2020	March 31, 2021		
			Change	Main Factors Causing Change
Current assets	21,673 (90.1%)	25,534 (91.6%)	+3,860	<ul style="list-style-type: none"> <li>■ Cash and deposits +3,411</li> <li>■ Accounts receivable - trade +431</li> </ul>
Noncurrent assets	2,386 (9.9%)	2,336 (8.4%)	-50	<ul style="list-style-type: none"> <li>■ Goodwill -96 (Amortization of goodwill)</li> <li>■ Lease and guarantee deposits +44</li> </ul>
<b>Total assets</b>	<b>24,060</b> (100.0%)	<b>27,871</b> (100.0%)	<b>+3,810</b>	
Current liabilities	3,199 (13.3%)	4,040 (14.5%)	+841	<ul style="list-style-type: none"> <li>■ Income taxes payable +430</li> <li>■ Accounts payable - other +235</li> <li>■ Advances received +79</li> </ul>
Noncurrent liabilities	229 (1.0%)	235 (0.8%)	+6	
<b>Total liabilities</b>	<b>3,428</b> (14.2%)	<b>4,275</b> (15.3%)	<b>+847</b>	
<b>Total net assets</b>	<b>20,632</b> (85.8%)	<b>23,595</b> (84.7%)	<b>+2,963</b>	
<b>Total liabilities and net assets</b>	<b>24,060</b> (100.0%)	<b>27,871</b> (100.0%)	<b>+3,810</b>	

## Market capitalization

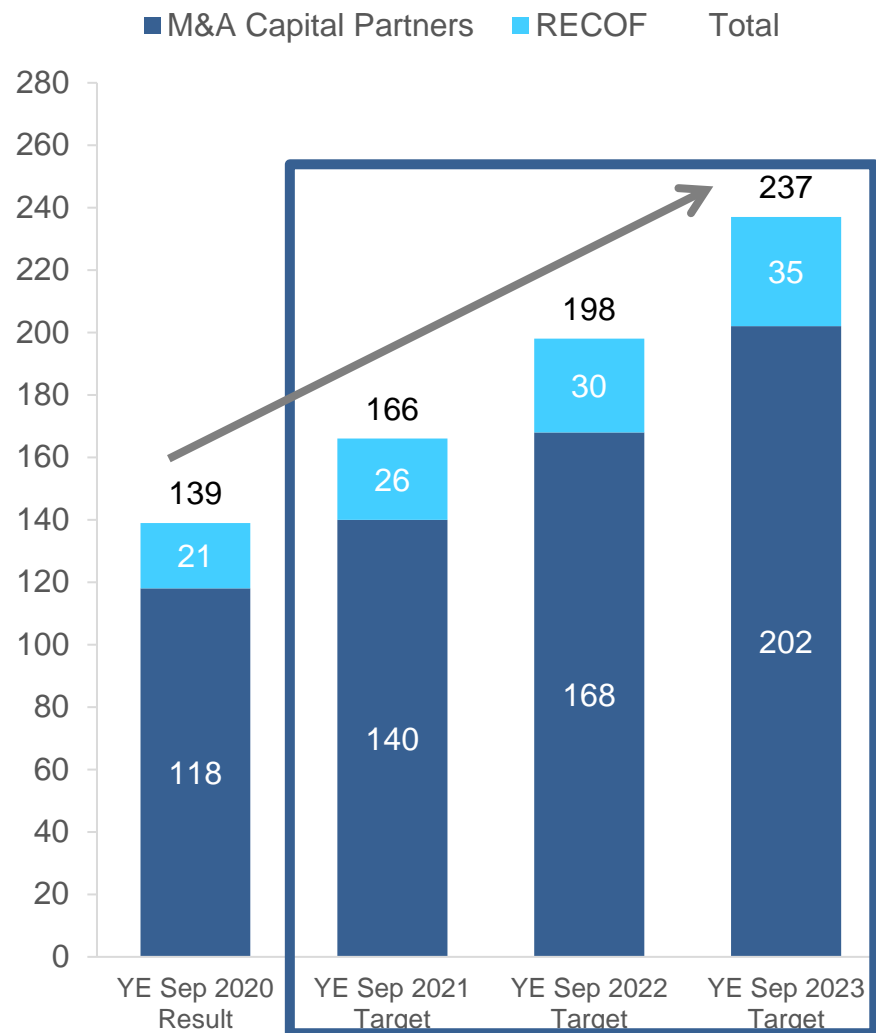
Units: 100 million yen



Market capitalization has increased more than 12 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)



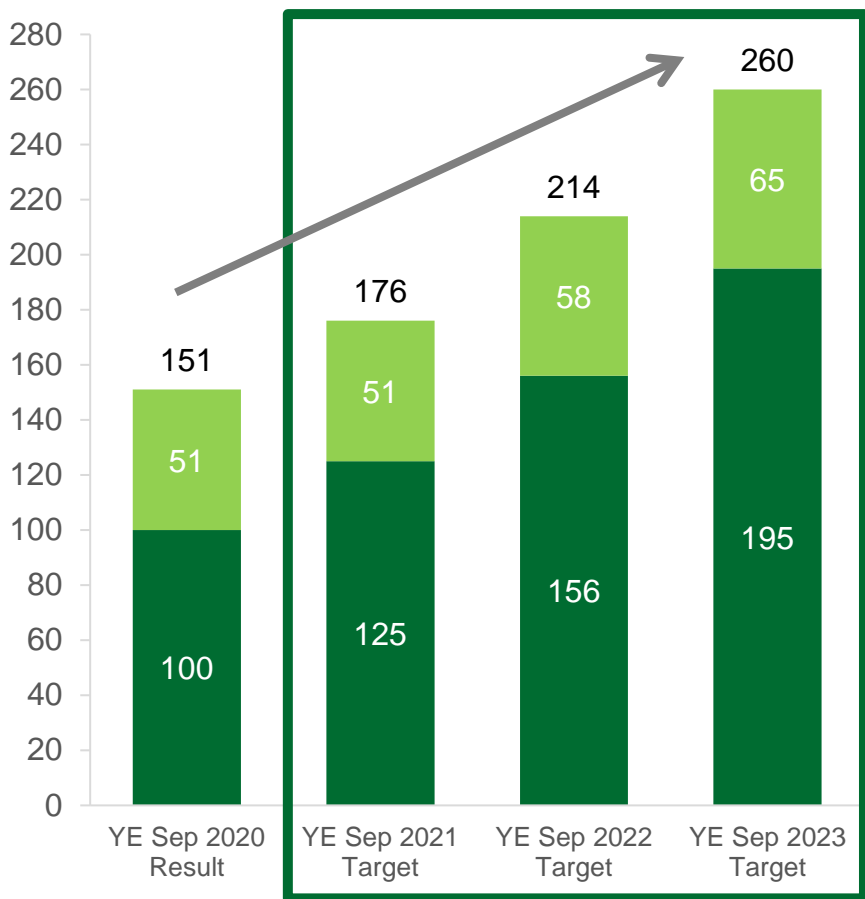
### Number of Deals

- 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)

■ M&A Capital Partners ■ RECOF Total



### 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-related market is forecast to remain strong

[For the year] Number of M&A deals related to Japanese companies from January to December 2020 declined slightly year on year to 3,730 (down 8.8%)

[Most recent quarter] Number of M&A deals related to Japanese companies from January to March 2021 recovered to 1,058 (up 7.0% year on year)

Despite the COVID-19 pandemic, domestic M&A demand held up well

### 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.

Now



Strengthen direct-proposal sales

Strengthen reactionary sales

Strengthen referral network



## <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

## Bungeishunju Leaders Forum 2021

Online seminar held on April 28

We are humbled to have received applications from more than 1,500 people.

At the event,

Yoshiharu Hoshino, the CEO of Hoshino Resorts and Satoru Nakamura, President and Representative Director of M&A Capital Partners held discussions on the theme of “The starting point for business and the origins of growth,” including:

- Growing through the transformation of the business model
- Utilizing M&A to expand and restructure the business
- Developing successors



文藝春秋 リーダーズフォーラム 2021

# 継承される 創業者精神

— 「経営」の原点と「成長」の源流を辿って —

4/28(水) 13:30~15:20

オンラインでのLIVE配信  
参加費無料(事前登録制)

M&Aキャピタルパートナーズ  
代表取締役社長  
中村 悟 氏

星野リゾート  
代表  
星野 佳路 氏

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



M&A CAPITAL PARTNERS

<Handling of These Materials>

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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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