

# M&A CAPITAL PARTNERS

2022 2nd Quarter Financial Results

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



### Wholeheartedly responding to decisions.

- We will continually pursue higher knowledge, service levels, teamwork and new fields as one of the world's leading groups of professionals and, above all, will work to achieve the solutions and gains our customers expect with earnestness and passion that far exceeds our competitors.
- Our employees will achieve personal growth, economic prosperity and happy family lives through work at a broader and higher level. We understand that our business results and future depend on the success of our employees.
- We are not a small-scale boutique but will continually move forward and expand into an investment bank with the world's top brand, human resources and capabilities. We will maintain thorough confidentiality and legal compliance to protect our credibility and high profitability to strengthen our capital and attract the top human resources.



Trade Name	M&A Capital Partners Co., Ltd.		
Listed Market	Tokyo Stock Exchange Prime Market (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	2.8 billion yen (as of March 31, 2022)		
Employees	Consolidated: 214 Non-consolidated: 146 (as of March 31, 2022)		
Affiliates	RECOF Corporation, RECOF DATA Corporation, Mirai Financial Planning Co., Ltd. MARR MATCHING Co., Ltd.		



### **Business Content**

### M&A-related services

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.

**Characteristics** 

We propose M&A-focused solutions and support them to implementation for company owners who have concerns about finding a successor for the business.

### Owner of transferred company (seller)

#### Successor issues

No successor Aging president



### Uncertainty about business

Shrinking domestic market Intensifying competition



### Transferee (buyer)

Intensifying competition in existing business due to shrinking market Global competition





Retail and distribution

Supermarkets

Discount stores

Mail order

Supplements

OA equipment

Daily goods

Health food products

Vehicle sales/servicing

Advertising/printing/

Gas and fuel sales

Advertising agency

Video creation

Game development

Paper bag manufacture

Event planning/preparation

Package software development

Apparel

Interiors

Outdoor

media

Printing

Design

### M&A coverage spanning a wide range of industries and businesses

#### **Pharmacy**

Pharmacy

#### Construction/ engineering works

Air-conditioning facility construction

Water supply/drainage facility construction

Electrical facilities construction

Telecommunications construction

General contractor construction

Public works

Reinforcing steel construction

Building metal construction

Residential construction

Interior work

Construction-related surveys

Building structural design

Building structural diagnostics

Painting

Temporary material rental

#### **Wholesaling**

Building materials wholesaling

Wooden building materials wholesaling

Processed lumber products wholesaling

Chemicals wholesaling

Fuel 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

Food import wholesaling Fishery product wholesaling

Agricultural and livestock 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

pianning/manuracture

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/ information services

Data mining

Information services

Outsourced software development

System development

Consulting

Research/analysis

#### Distribution

General freight transportation Newspaper delivery

Distribution processing Truck rental

Warehousing

#### **Eating out**

Eating out Home-delivered meals

#### Real estate

Real estate brokerage

Multi-unit apartment maintenance

Investment real estate development

Building maintenance

Lease management

### Nursing care/healthcare/welfare

Nursing care business

Clinical study support Medical corporations

Daycare

#### Other

Lease/rental

Temporary staffing

Temporary engineer staffing BPO

Medical preparatory school

Childcare facilities

Preparatoryschool

Hotspringresorts

Hotels

Operationofamusementfacilities

Facilitiessecurity

Insurance/Insuranceagency

Buying/sellingoftickets

Sales promotion

Tradingcompany

Wasteprocessing

Funerals

Translation



## Established the No.1 brand in Japan among M&A intermediary companies against a backdrop of unparalleled awareness



<sup>\*</sup>Research conducted by TOKYO SHOKO RESEARCH, LTD.

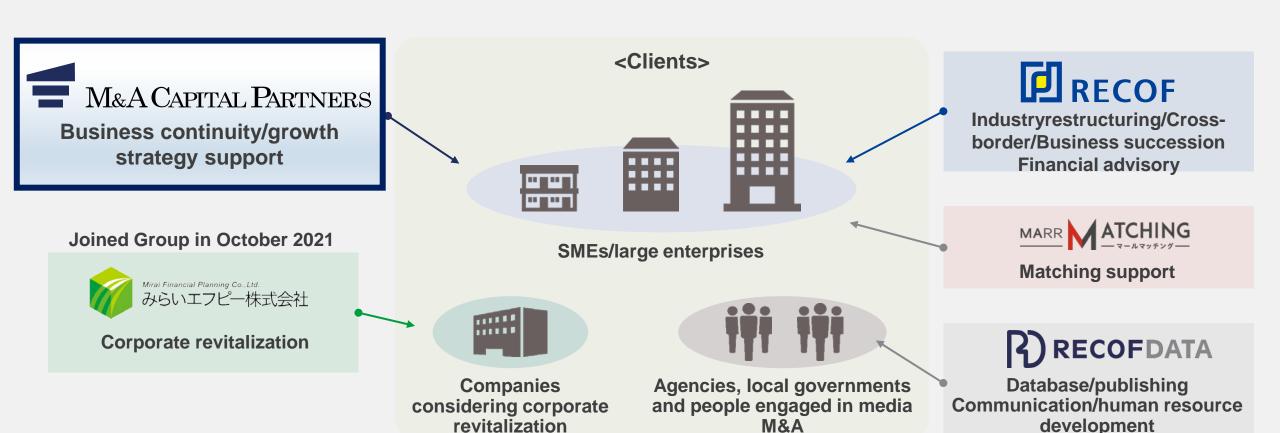
Survey overview: As of March 31, 2022

Competitive survey for specified area of listed and major unlisted M&A intermediary companies, and others

<sup>\*</sup>The above is referenced from M&A capital website



### Japan's leading professional group able to provide optimal M&A for all clients

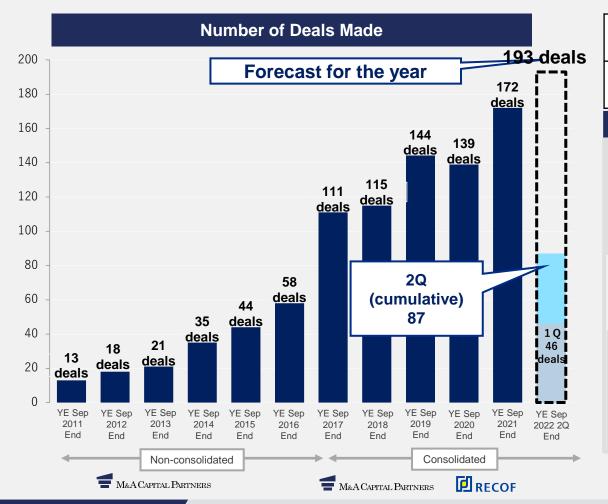


Coverage of all service areas related to a variety of forms of M&A by 4 group companies





## Record high of 87 deals made in 2Q (cumulative) (up 3.6% year on year) Large deals\* were also at the highest level on record at 22 (up 29.4% year on year)



	2Q (cumulative)	Forecast for the year	Progress for Entire Year
Number of deals (consolidated)	87	193	45.1%

#### Non-consolidated

**M&A Capital Partners Co., Ltd.** 

21 of the 79 deals closed (+5.3% year on year) were large deals



Record number of deals 79 closed in first six months

#### **RECOF**

1 of the 8 deals closed (-11.1% year on year) were large deals



\* Deals with a commission of 100 million yen or more



### Achieved record number of deals and record results in 2Q (cumulative)

**Net sales** 8,972 million yen (+17.8% year-on-year)

**Ordinary income** 4,299 million yen (+25.8% year-on-year)

**Number of Deals** Large deals Record number of 87 deals 22 deals (+3.6% year-on-year) (+29.4% year-on-year)

**Number of consultants** 154 (-3 year-on-year)

Contract liabilities (previously advances received)\*, which is a useful indicator of order backlog, also increased steadily to ¥992 million (+40.4% YoY)

\*The change in presentation from "advances received" to "contract liabilities" is due to revision of accounting policies.

### Non-consolidated Financial Highlights for 2Q (cumulative)FY09/22 M&A CAPITAL PARTNERS

	M&A Capital Partners Co., Ltd.		RECOF	
	Result	Year-on-year Change	Result	Year-on-year Change
Net sales	8,272 million yen	+22.0%	503 million yen	-30.3%
Ordinary income	4,515 million yen	+31.3%	-83 million yen	-
Number of Deals	79 deals	+5.3%	8 deals	-11.1%
Large deals	21 deals	+40.0%	1 deal	-50.0%
Number of consultants	118	+5	36	-8

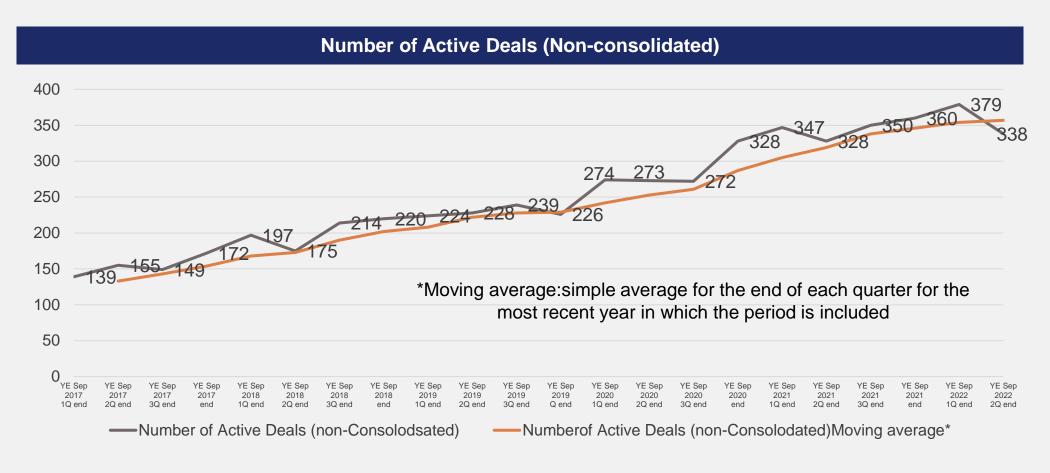
<sup>\*</sup>Because non-consolidated information is shown, amortization (122 million yen) due to business integration is not included.

<sup>\*</sup>We have omitted listing Group companies of relatively low importance.

<sup>\*</sup>The figures for RECOF are simple aggregate figures including RECOF Vietnam Co., Ltd.



# 338 active deals (+3.0 % year on year) Continues to maintain high level





### In 8 years since listing (year ended September 2013), sales have increased rapidly by more than 13x. Units: Millions of year.

	2Q (cumulative)	Forecast for the year	Progress for Entire Year
Net sales	8,972	16,220	55.3%
Ordinary income	4,299	6,823	63.0%





### Achieved record net sales, operating income and ordinary income in 2Q

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

		2Q FY09/22 (Consolidated)			
	2Q FY09/21 (Consolidated)		Year-on-year Change	Main Factors Causing Change	
Net sales	<b>7,616</b> (100.0%)	<b>8,972</b> (100%)	+17.8%	<ul> <li>At non-consolidated level, closed record number of deals in 2Q (cumulative)</li> <li>Closed 22 large deals</li> </ul>	
Gross profit	<b>5,076</b> (66.7%)	<b>5,817</b> (64.8%)	+14.6%	<ul><li>Impact of higher revenue</li></ul>	
SG&A	<b>1,664</b> (21.9%)	<b>1,550</b> (17.3%)	-6.9%		
Operating income	<b>3,411</b> (44.8%)	<b>4,266</b> (47.5%)	+25.1%	Impact of higher revenue	
Ordinary income	<b>3,416</b> (44.9%)	<b>4,299</b> (47.9%)	+25.8%		
Net income	<b>2,267</b> (29.8%)	<b>2,887</b> (32.2%)	+27.3%		



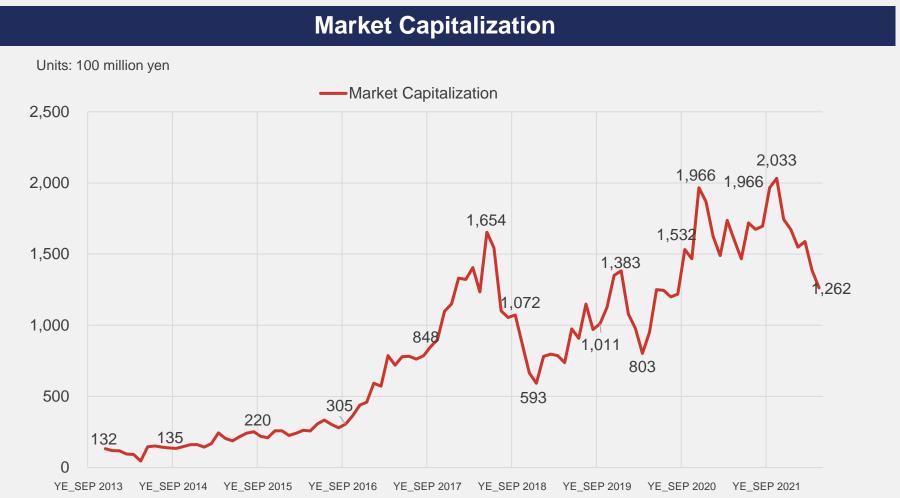
### Solid financial condition backed by stable shareholders equity

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

	September 30,	FY09/22 2Q-end (Consolidated)		
	2021		Change	Main Factors Causing Change
Current assets	<b>27,720</b> (90.0%)	<b>30,647</b> (91.1%)	+2,927	■ Cash and deposits +2,564
Noncurrent assets	<b>3,076</b> (10.0%)	<b>2,978</b> (8.9%)	-98	■ Goodwill -96 (Amortization of goodwill)
Total assets	<b>30,796</b> (100.0%)	<b>33,625</b> (100.0%)	+2,829	
Current liabilities	<b>4,690</b> (15.2%)	<b>4,710</b> (14.0%)	+20	<ul> <li>Contract liabilities (previously "advances received") +155</li> <li>Accrued consumption taxes -130</li> </ul>
Noncurrent liabilities	<b>264</b> (0.9%)	<b>242</b> (0.7%)	-21	
Total liabilities	<b>4,954</b> (16.1%)	<b>4,953</b> (14.7%)	-0	
Total net assets	<b>25,841</b> (83.9%)	<b>28,671</b> (85.3%)	+2,830	
Total liabilities and net assets	<b>30,796</b> (100.0%)	<b>33,625</b> (100.0%)	+2,829	



Highest rate of growth among M&A intermediary companies listed on TSE Prime Market capitalization has increased about 10 times over the 8 years since listing.



### Consolidated Earnings Forecasts for the Fiscal Year Ending September 30, 2022



**Earnings Forecasts** 

The number of active deals will remain strong, and the best performance on record is forecast

**Net sales** 

16,220 million yen

(+7.0% year on year)

Ordinary income

6,823 million yen

(+3.6% year on year)

**Number of Deals** 

Large deals

193 deals

33 deals

(+12.2% year on year)

(-8.3% year on year)

Number of consultants

203

(+35 year on year)

### Non-consolidated Earnings Forecasts for the Fiscal Year Ending September 30, 2022



Earnings Forecasts

	M&A Capital Partners Co., Ltd.		RECOF	
	Forecast	Year-on-year Change	Forecast	Year-on-year Change
Net sales	14,368 million yen	+3.9%	1,448 million yen	+34.3
Ordinary income	7,083 million yen	+2.8%	104 million yen	-
Number of Deals	168 deals	+8.4%	25 deals	+47.1%
Large deals	30 deals	-11.8%	3 deals	+50.0%
Number of consultants	154	+31	49	+4

<sup>\*</sup>Because non-consolidated information is shown, amortization (226 million yen) due to business integration is not included.

<sup>\*</sup>We have omitted listing Group companies of relatively low importance.

<sup>\*</sup>The figures for RECOF are simple aggregate figures including RECOF Vietnam Co., Ltd.



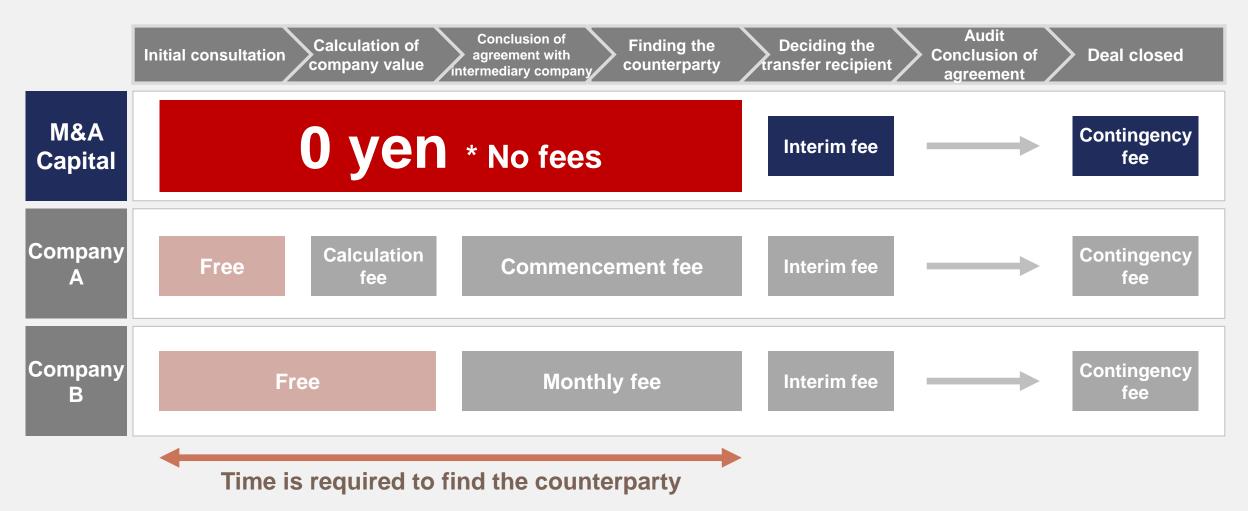
### M&A CAPITAL PARTNERS CORPORATE IDENTITY

# Aiming to be the world's leading investment bank seeking maximum contributions to clients

and the happiness of all employees



The clear "no commencement fee" system enabling customers to consult with peace of mind has continued since the company was founded



### The Fee Amount Is Determined Using the "Lehman Formula Based on Share Value"

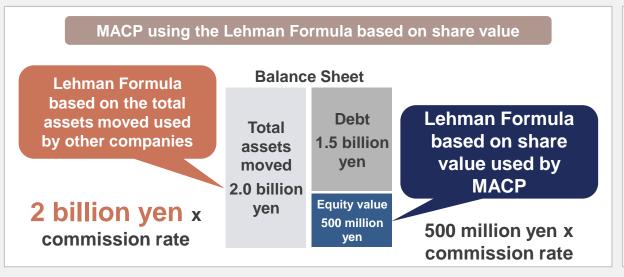


## We use the "Lehman Formula based on share value" that leads to overwhelmingly lower costs as the formula for calculating fees in a way that convinces customers

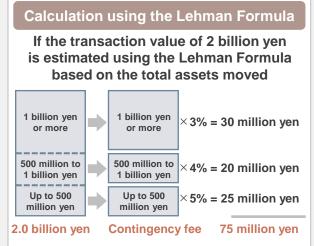
#### What is the Lehman Formula?

- A general calculation formula used for M&A intermediary contingency fees. Calculating fees according to a fixed commission rate against the value of the transaction
- Typical examples are the "Lehman formula based on the total assets moved" multiplying the total assets moved by a commission rate and the "Lehman Formula based on share value" multiplying the share value by a commission rate

\* It is a calculation formula created by referring to the fee structure used by the U.S. investment bank Lehman Brothers. The M&A team of the former Yamaichi Securities led by RECOF Corporation founder Masaaki Yoshida first adopted it in the Japanese market in 1974, and it has been widely used by RECOF Corporation to calculate contingency fees in the M&A industry since then. It is also referred to as the "Lehman Scale."



Examples of Lehman Formula rates				
Transaction value, etc.	Commission rate			
Over 10 billion yen	1%			
5 billion yen up to 10 billion yen	2%			
1 billion yen up to 5 billion yen	3%			
500 million yen up to 1 billion yen	4%			
Up to 500 million yen	5%			



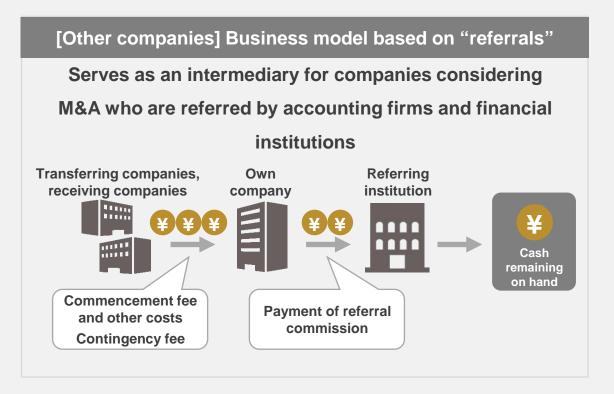


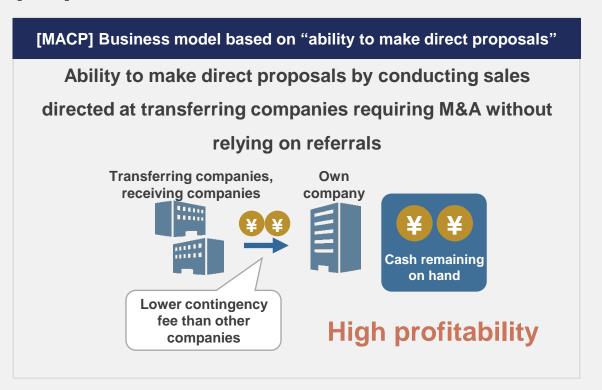
### Overwhelmingly low commission rate within the M&A intermediary industry

#### Lehman Formula based on share value devised with the customer in mind **Balance Sheet** Lehman Formula based on Lehman Formula based on Use of the "Lehman Formula based on the total assets moved share value Debt share value" resulting in **M&A Capital** Peer companies Total 1.5 billion overwhelmingly low cost assets yen moved Calculated Calculated 2.0 billion based on based on yen **Equity value** 500 million yen 2 billion yen 500 million **Intermediary commission rate** 2.9% \* Fee is Contingency fee \* Fiscal year ended September 30, 2021 Contingency fee 75 million yen \* Intermediary commission rate amount 25 million yen Effective intermediary commission rate per client calculated by multiplying the total commission value ratio for the share transfer value by 0.5.



# A "true M&A intermediary" that does not rely on just referrals A unique business model in the industry made possible by overwhelming ability to make direct proposals

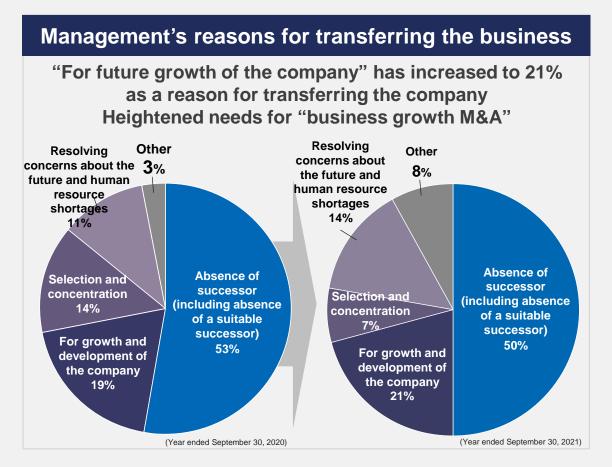


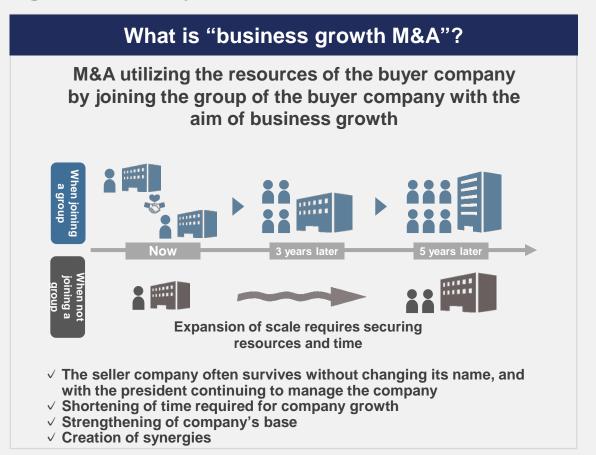


Realization of not only conventional "business succession M&A" deals where the transferring company emerges, but also latent "business succession M&A" and "business growth M&A"



"Business succession M&A" resolving the absence of successor, which continues to be in demand and "business growth M&A" leading to growth with an eye to the future that has been increasing in recent years







Realizing an extraordinary average value of share transfer in the M&A intermediary industry by working on many difficult large deals



<sup>\*</sup> Non-consolidated for the year ended September 30, 2021

### M&A CAPITAL PARTNERS CORPORATE IDENTITY

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



## The highest level of compensation in Japan attracts the best talent in the country, enabling the company to provide the highest level of M&A services

■ 2021 ranking of companies by annual income (top 5)

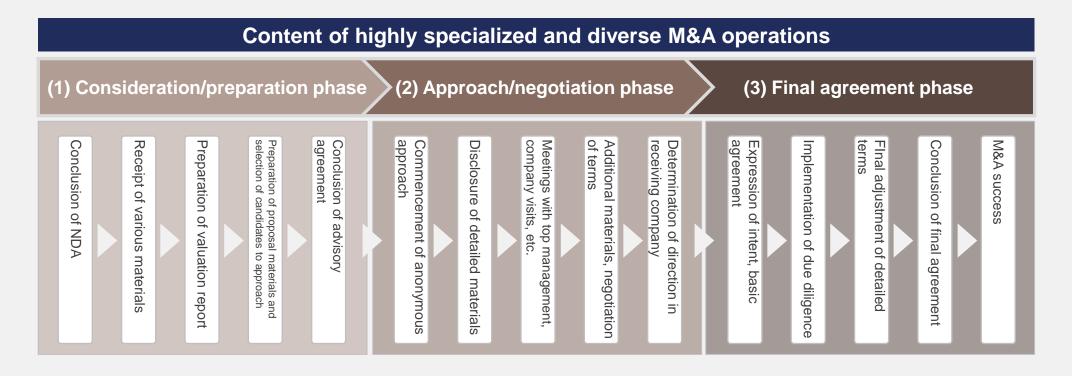
Rank	Company name	Average annual income (10,000 yen)	Average age (years)
1	M&A Capital Partners Co., Ltd.	2,269.90	31.4
2	Company A	1,751.80	35.8
3	Company B	1,708.20	39.4
4	Company C	1,678.40	42.7
5	Company D	1,627.80	42

Source: Diamond Online (July 19, 2021)

The most important element in an M&A intermediary company is "human resources" and the abilities of M&A consultants are very important in particular



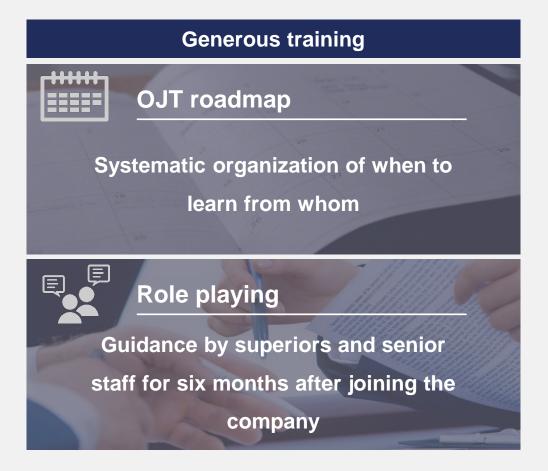
### Highly specialized and diverse M&A operations Importance of a sense of responsibility and mission to growth the Japanese economy



The skills required of an M&A consultant include not only a wide range of specialized knowledge on M&A, but it is also important to be able to make proposals that match the customer's feelings



We have created a training program for further developing the best talent in Japan into the best talent in the world





Individual growth leads to growth of the organization as a whole



# Individual growth is a source of growth of the organization as a whole Corporate culture emphasizing deep-rooted teamwork since the company was founded





Toward "happiness for all employees" envisaged by M&A Capital Partners



# Overwhelming productivity per person in the M&A industry proving that we have the best consultants in Japan

Net sales per consultant

135.61 million yen

(+10.4% year-on-year)

**Ordinary income per consultant** 

67.54 million yen

(+13.1% year-on-year)

\* Non-consolidated fiscal year ended September 30, 2021 (number of consultants is based on the start of the fiscal year)

# Wholeheartedly responding to customers' resolutions.

M&A Capital Partners' passion for customers since the company was founded Satoru Nakamura

### **M&A** with heart

Passion for customers that has continued since the company was founded in 1987 RECOF founder Masaaki Yoshida

### DNA passed on from the founders of M&A in Japan





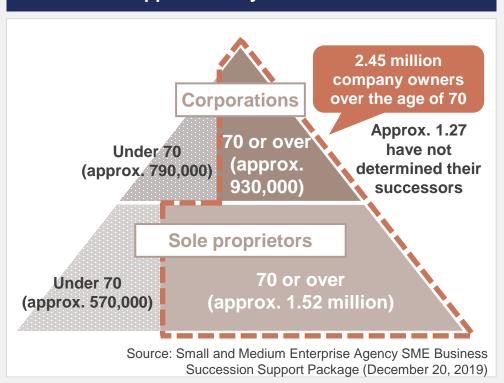
#### The Social Mission to Be Fulfilled by the Company



## Save as many SMEs as possible from closure, and contribute to growth of the Japanese economy through M&A

**Absence of approximately 1.27 million successors** 





Approx. 60,000 companies require support each year

Approx. 1.27 have not determined their successors

600,000 670,000 companies

Companies

Companies at risk of black-ink bankruptcy in the decade until 2025

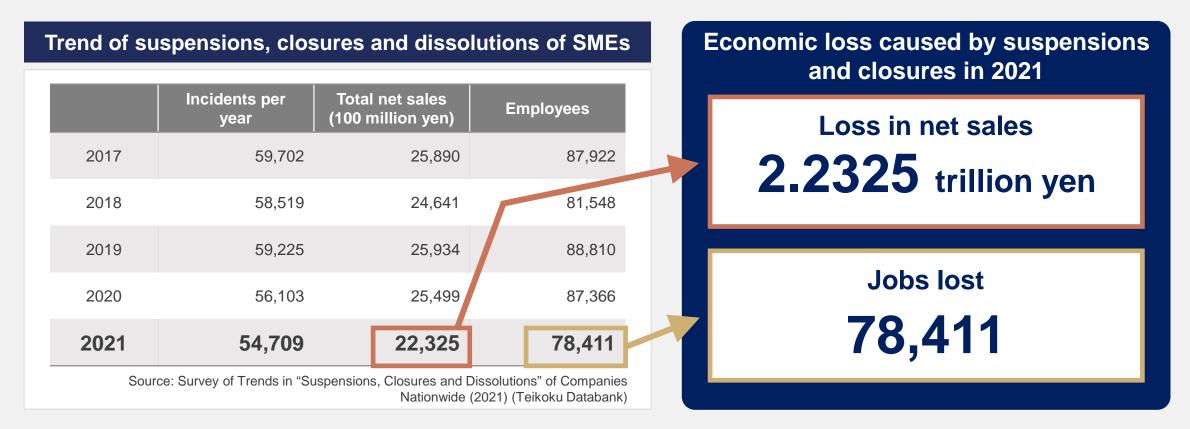
Approx. 60,000 business operators require M&A support each year

Source: Small and Medium Enterprise Agency (December 20, 2019)

The Company's social mission of "business succession" and "creating new growth opportunities" for the next generation of SMEs



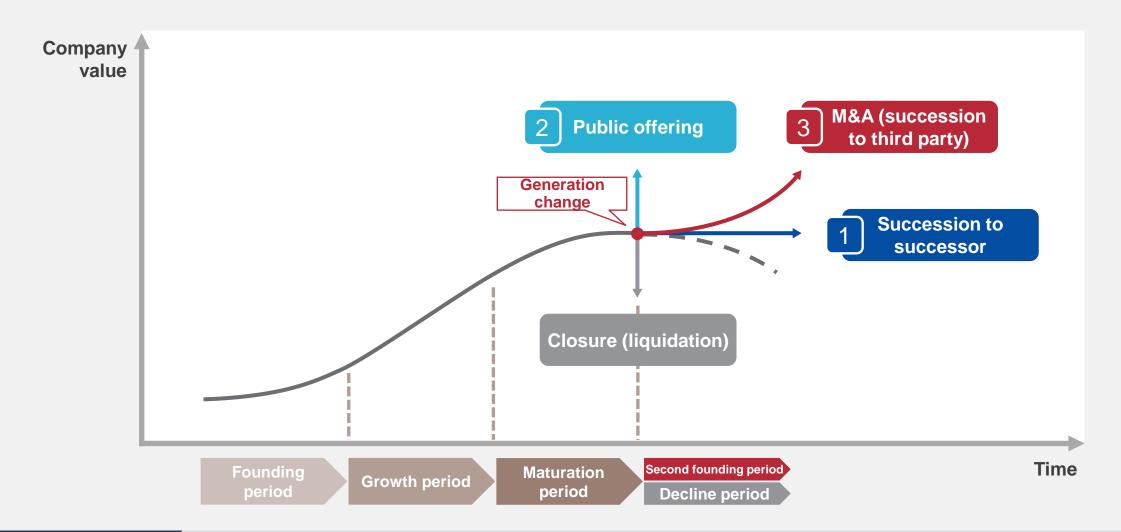
# Increase in SMEs choosing to close business Further accelerated by uncertainty caused by COVID-19



Closures have an extremely large impact on reginal economies and the Japanese economy, such as the loss of employees' jobs and the impact on business partners



#### Company owners are faced with four options when determining business succession





### M&A maintains employees' jobs and relationships with business partners The personal suretyship is also lifted, making it the optimal means of maximizing founder's profit

Option		● Advantages	▲ Disadvantages	
Closure (liquidation)		Securing profit for founder (less than other options)	<ul> <li>▲ Termination of business (inconveniencing business partner</li> <li>▲ Dismissal of all employees</li> <li>▲ Risk of being unable to repay debt during closure</li> </ul>	
1 Successio	Relatives n to	Continue status as owner's family	<ul> <li>▲ Absence of successor</li> <li>▲ Time required for share transfer</li> <li>▲ Takes on risks including personal suretyship</li> <li>▲ Need to consider suitability of successor</li> </ul>	
successor	Officers and employees	<ul> <li>Passed on to officers and employee who understand the business</li> </ul>	<ul> <li>▲ Lack of funds to purchase shares</li> <li>▲ Risk of being unable to remove president's personal suretyship</li> </ul>	
Public offering		<ul><li>Separation of management and capital</li><li>Improvement of recruiting and funding capabilities</li></ul>	<ul> <li>▲ Stricter listing criteria</li> <li>▲ Requires years of time</li> <li>▲ Does not lead to succession of capital (shares cannot be converted into cash)</li> </ul>	
M&A (succession to third party)		<ul> <li>Company: Growth with stronger operating base</li> <li>Owner: Securing profit for the founder, removal of personal suretyship</li> <li>Employees: Stability of employment</li> </ul>	▲ Time may be required for consideration	

### Our Contribution to Sustainability of Japanese Economy through M&A



Our contribution to sustainability of the Japanese economy ever since the Company was founded is over 1.2144 trillion yen

In the 16th fiscal year, the level of contribution was 260.2 billion yen and 7,716 jobs in terms of sustainability of the economy and jobs, respectively



Contribution to sustainability of Japanese economy in the 16th fiscal year

260.2 billion yen

(Cumulative sales of transferred companies)

Contribution to sustainability of jobs in the 16th fiscal year

7,716 jobs

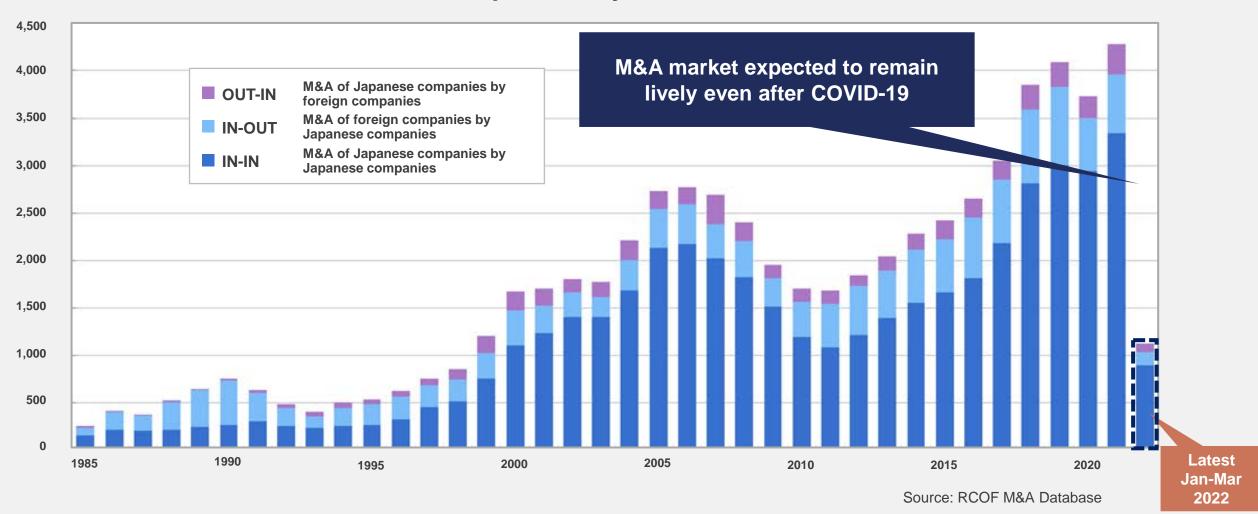
(Cumulative number of employees of transferred companies)

\* Estimates based on internal research (as of September 30, 2021)

#### **Continually Growing M&A Market**



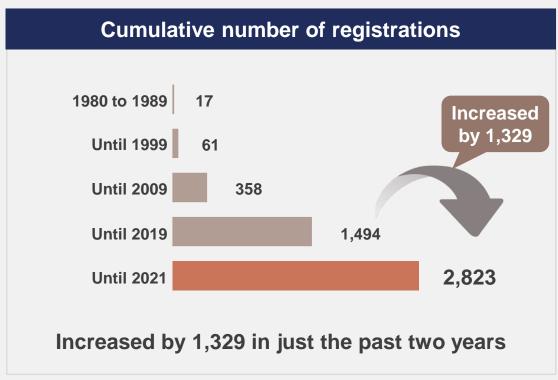
### January-March 2022: M&A deals involving Japanese companies reached record high Exceeded previous-year level in all markets





#### M&A advisory firms have rapidly increased since 2020





Source: Small and Medium Enterprise Agency "Final Announcement of Registered Financial Advisors and Brokers for the M&A Support Institution Registration System" (as of March 10, 2022)

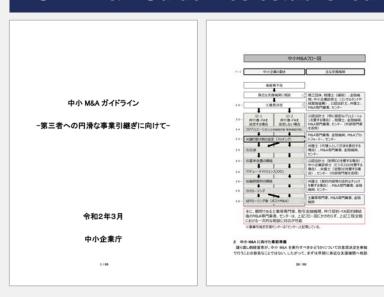
There is an urgent need to establish a foundation for increasing M&A advisory firms to enable SMEs to engage in M&A with confidence

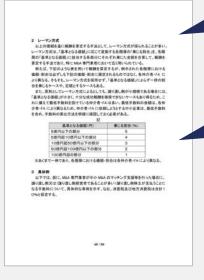
### Coordinated Initiatives by Government and the Private Sector to Address Social Issues



We have begun working with the Small and Medium Enterprise Agency to provide managers of SMEs with understanding of M&A and enable M&A advisory firms to conduct appropriate M&A in order to resolve the business succession problem

#### SME M&A Guidelines established on March 31, 2020





Publication of basic matters to encourage understanding of M&A among SMEs without successors and ensure the appropriate execution of M&A by M&A advisory firms

<u>"Business Succession Guidelines" Review Committee</u>

Two people from the MACP Group participated in drafting

Toward resolution of (1) lack of knowledge and experience, (2) concerns about cost, and (3) distrust of M&A support that cause SMEs hesitate to engage in M&A

Other coordinated support activities by government and the private sector

- "SME and Small Business Operator Policy Study Group" (December 3, 2019)
- "Establishment of M&A Support Institution Registration System" (August 2, 2021)

Strong coordination between government and the private sector continues to be vital going forward for addressing the progressing problem of absence of successors

### The M&A Intermediary Industry Is Moving from Competition to a New Era of Cooperation



The "M&A Intermediaries Association" was established on October 1, 2021 as an industry group aimed at the sound advancement of the M&A industry and developing and maintaining the Japanese economy, starting in earnest in April 2022



Directors of the M&A Intermediaries Association at the launch press conference, MACP President Nakamura is at the center of the photo

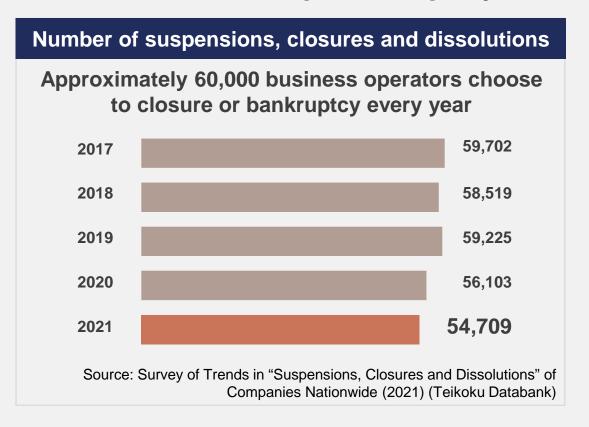


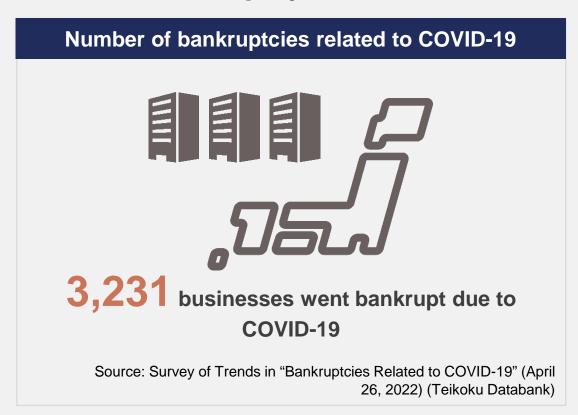
MACP President Nakamura commenting on his appointment as a director at the launch press conference

Our greatest mission as a leading company in the M&A industry is the creation of a sound M&A industry



## Toward the creation of a sound M&A industry to save approximately 60,000 business operators per year from black-ink bankruptcy





Owners of SMEs need an environment in which they can utilize M&A with confidence



### Philosophy and visual symbol of RECOF since it was founded in 1987







### What is the "Fair M&A" concept advocated by M&A Capital Partners?



#### **Social significance (purpose)**

健全な日本経済の未来を実現するため、<br/>
"下しい M&A"をけん引していく。

Ever since the founding of the Company, our concept of "Fair M&A" has been that of a "client-first M&A" that prioritizes the interests of the customer.

Our role is to guide clients to the best option through high-quality M&A that addresses the issues and dreams that customers wish to resolve or achieve, such as business succession or corporate expansion, and that takes a serious approach to the new lives of business owners and employees both in the transferred company and the receiving company.

In addition, by engaging as a leading company in M&A that provides a model for the M&A intermediary industry, we hope to contribute to a sound future for the Japanese economy.

Through this "Fair M&A," we will contribute to sustainability and fulfill our social responsibilities.

### 5. The Company's Sustainability Initiatives



We will contribute to a sustainable future by encouraging the development of the Japanese economy and working to solve social problems.



At a meeting held in November 2021, the Company's Board of Directors set material ESG issues that incorporate an SDGs perspective.

#### Important sustainability issues (materiality)







### End poverty everywhere, ensure healthy lives for all

Implementing business succession M&A to maintain employment based on a stable platform by ensuring the continuation of the business



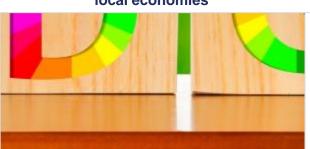


Build a base for infrastructure and technological innovation, and develop sustainable human settlements

Develop industry through synergistic M&A, and create M&A nationwide to contribute to local economies



Maintaining a robust system of governance as one of the industry's leading companies





### Decent work and economic growth

Workplace environment that supports sustainable growth and self-realization for outstanding consultants



### Work together in partnership to achieve goals

Fulfilling our social responsibilities through cooperation with government agencies, and contributing to sustainability by facilitating business succession



## By implementing ESG initiatives through our M&A business, we help achieve a sustainable society.

#### **Environment**



Governance

Social







#### Our approach to ESG

The sharp rise in suspensions and closures of SMEs in Japan is widely recognized to be an important issue.

According to calculations made by the Small and Medium Enterprise Agency, if it is left to continue it could lead to a loss of as much as ¥22 trillion in GDP by 2025. There is an urgent need for companies to contribute to resolving this serious social problem through the use of M&A for business succession.

Since the founding of the company, we at M&A Capital Partners have made contributions to the sustainability of the Japanese economy of more than ¥1.2144 trillion.

Going forward, by implementing ESG initiatives through our M&A-related service business, we will continue to help achieve a sustainable society.

Selected for February 2022 Forbes JAPAN ranking of potential: "Expecting performance improvements: growth stocks promoting SDGs/ESG"

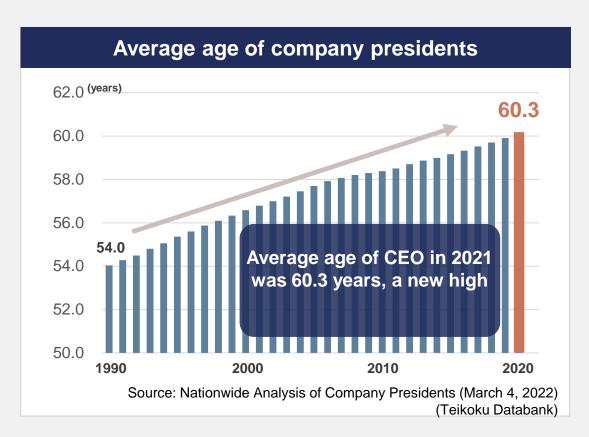


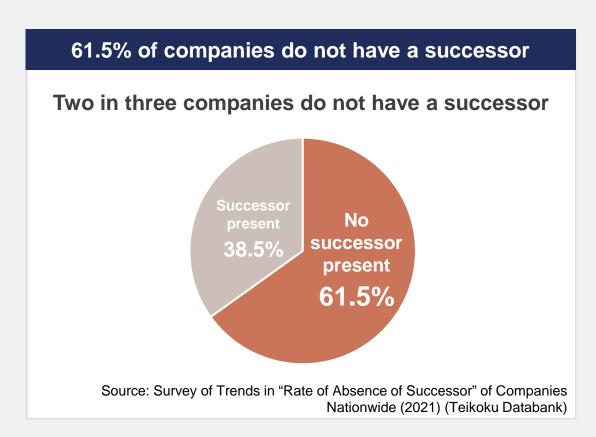
#### M&A CAPITAL PARTNERS CORPORATE IDENTITY

# Aiming to be the <u>world's leading investment bank</u> seeking maximum contributions to clients and the happiness of all employees



# Ages of company presidents are higher than ever The number of companies without successors also remains high

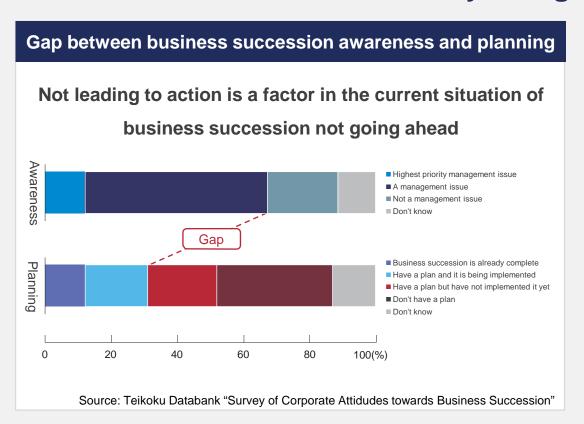




Business succession by companies without a successor is a major key for the future growth of the Japanese economy



# 70% of company owners are conscious of business succession but have not reached the point of planning It is necessary to dig up latent needs for M&A

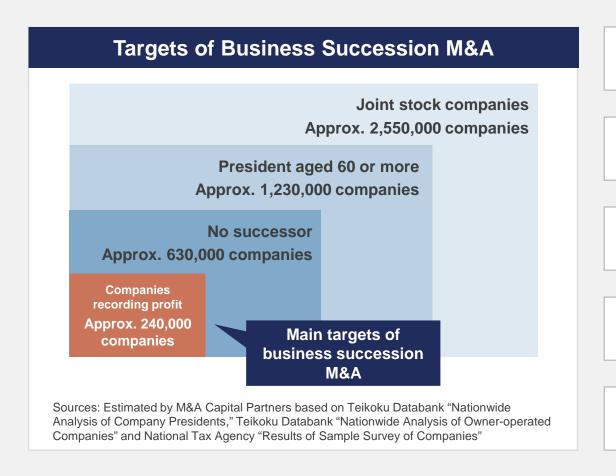


Issues in implementation of business succession							
	Past difficulties	%		Potential difficulties	%		
1	Development of successor	48.3	1	Development of successor	55.4		
2	Tax measures such as inheritance tax and gift tax	31.7	2	Determination of successor	44.6		
3	Handling of assets such as the company's shares	30.5	3	Understanding of employees	25.5		
4	Determination of successor	28.2	4	Enhancement of future potential and appeal of business	22.3		
5	Transfer of authority to successor	26.4	5	Handling of assets such as the company's shares	19.6		
Source: Teikoku Databank "Survey of Corporate Attidudes towards Business Succession"							

Latent needs can be approached through the ability to make direct proposals, which is MACP's strength



## There is still a large business succession M&A market, and approaches will continue to be made to companies with business succession needs



It is estimated that the targets for business succession M&A number around 240,000

The Company has handled 172 business succession M&A deals (full year in 2016)

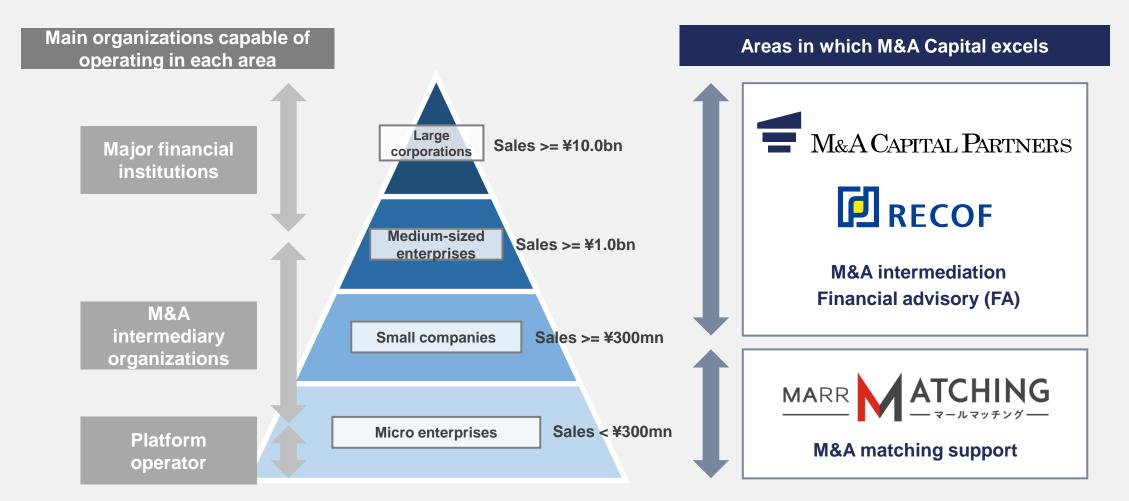
The business succession M&A market is extremely large

Able to grow steadily by continually hiring consultants

Focus on M&A intermediary business centered on business succession M&A



Leverage distinctive features of Group companies to address everything from small companies to large corporations to support every target area





# To be the world's leading investment bank

Resolve the business succession problem and support the growth of SMEs for the development of the Japanese economy

Flagship company supporting the Japanese economy

To be the world's leading investment bank

One of the world's leading M&A companies

**Established** 

2013

Listed on

**Tokyo Stock** 

Exchange

**Mothers** 

First Section

2014

Listed on

**Tokyo Stock** 

Exchange

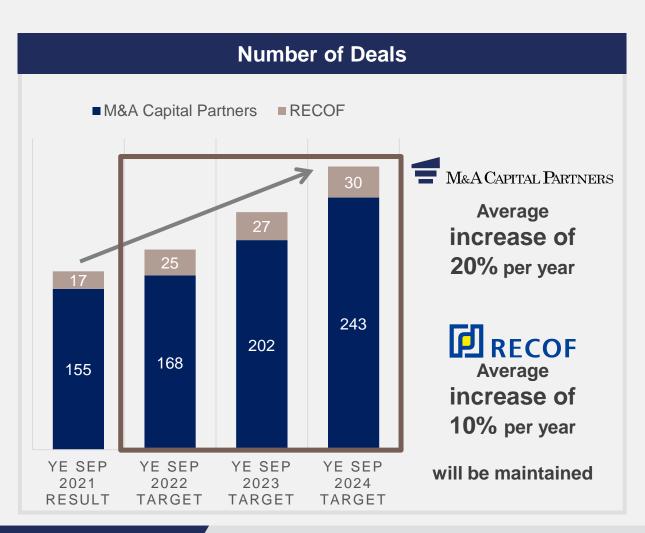
2021

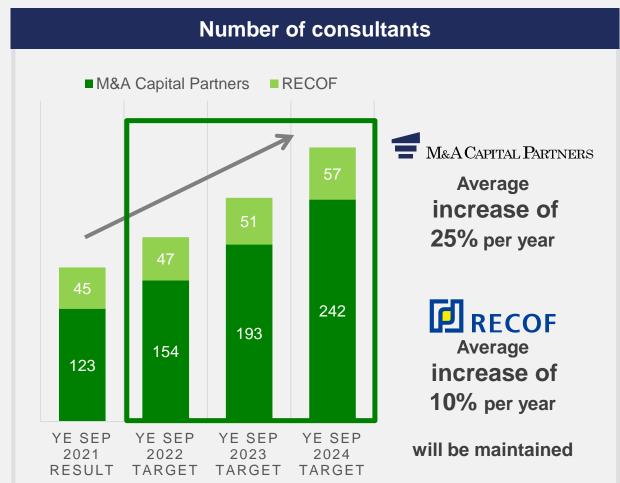
Now

#### The MACP Group's Medium-term Vision



Three-year plan for the number of deals and the number of consultants required to fulfill our social mission (Year Ending September 2022 to Year Ending September 2024)







### The head office will be relocated to Tokyo Midtown Yaesu on January 1, 2023 to expand business in pace with growth and lead to further development



**Depiction of completed Tokyo Midtown Yaesu** 



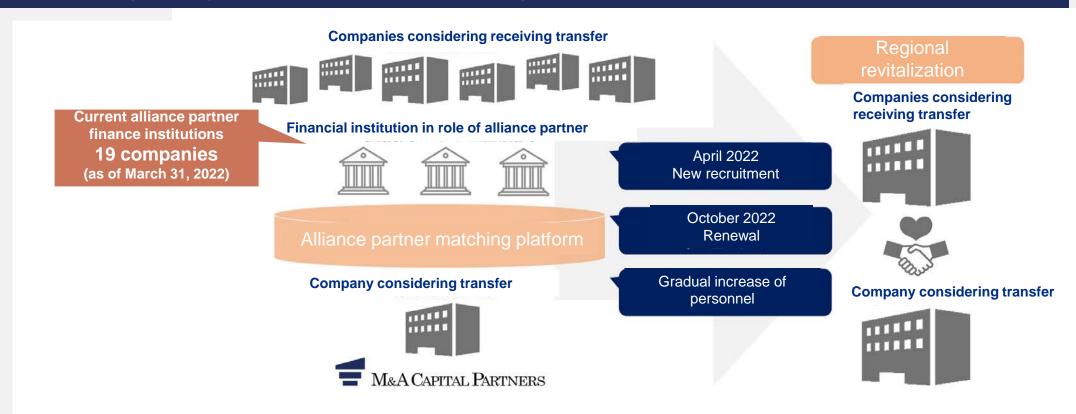
Good access directly connected to Tokyo Station

Source: Mitsui Fudosan Co., Ltd.



### "Alliance partner matching business" aimed at building nationwide M&A network Reinforcing system and beginning full-fledged operation

Strengthening the "alliance partner matching platform" that forms the core of the business



Achieving regional revitalization through matching via financial institution alliance partners nationwide, and exposure in major media



# Role of communicating "M&A" to the public as a leading company in the industry Increased awareness of "M&A" through the popular "lion president" commercials

#### **Television commercial lineup**

<Recent history of commercial spots from April 2022>

TV Asahi Network Hodo Station, Fuji Television Network Nichiyo Hodo THE PRIME

TV TOKYO World Business Satellite (WBS), TV TOKYO Morning Satellite

TV TOKYO Cambria Kyuden, TV TOKYO Gaia no Yoake



10 patterns of "lion president" commercials



"TSE Prime" version, from April 2022 onward (excerpt)



Interviews with business owners who have actually experienced M&A: "Various choices" Web content that depicts the feelings of business owners as they come to a decision about M&A



#### **Examples of most recent deals**

### Security business + share transfer

Making the M&A decision to protect a group company built by parents and children

### Metal manufacturing + share transfer

An M&A partner who convinces you, and walks beside you, one step at a time.

Teaching people about real M&A through interviews, packed with different emotions, conducted with those who have completed deals



# Strengthen seminars to advocate for "Fair M&A" and drive a sound M&A industry with owners



**Business growth M&A seminar** 

**Business succession M&A seminar** 

Using seminars to advocate for "Fair M&A" for all those involved in the process

# 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.