

M&A Capital Partners Co., Ltd.

Presentation Materials for the Earnings Briefing for the Six Months Ended March 2015

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



April 30, 2015

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I **Company Overview and Strengths of the Company**

Trade Name	M&A Capital Partners Co., Ltd.
Listed Market	Tokyo Stock Exchange First Section (Securities Code: 6080) 
Address	38F, Gran Tokyo North Tower, 1-9-1 Marunouchi, Chiyoda-ku, Tokyo
Business Content	M&A intermediary business
Representative	Satoru Nakamura, President and Representative Director
Established	October 2005
Capital	440,937,725 yen (as of April 30, 2015)
Employees	31 (as of April 30, 2015)
Management Philosophy	Aiming to be the world's leading investment bank seeking maximum contributions to clients and the happiness of all employees

Business Content

M&A (corporate mergers, acquisitions, capital tie-ups, etc.) mediation is our main business.

Characteristics

Mainly **business succession M&A**. We propose solutions through M&A and support their realization for owner managers who have concerns about business succession or are considering liquidation.

Business Model

We provide advisory services for the realization of M&A standing between the transferor (seller) and the transferee (buyer) from an independent and impartial position.





Fee structure that is convincing for clients

(1) Contingency fee-based fee structure (No commencement fee or monthly fee)

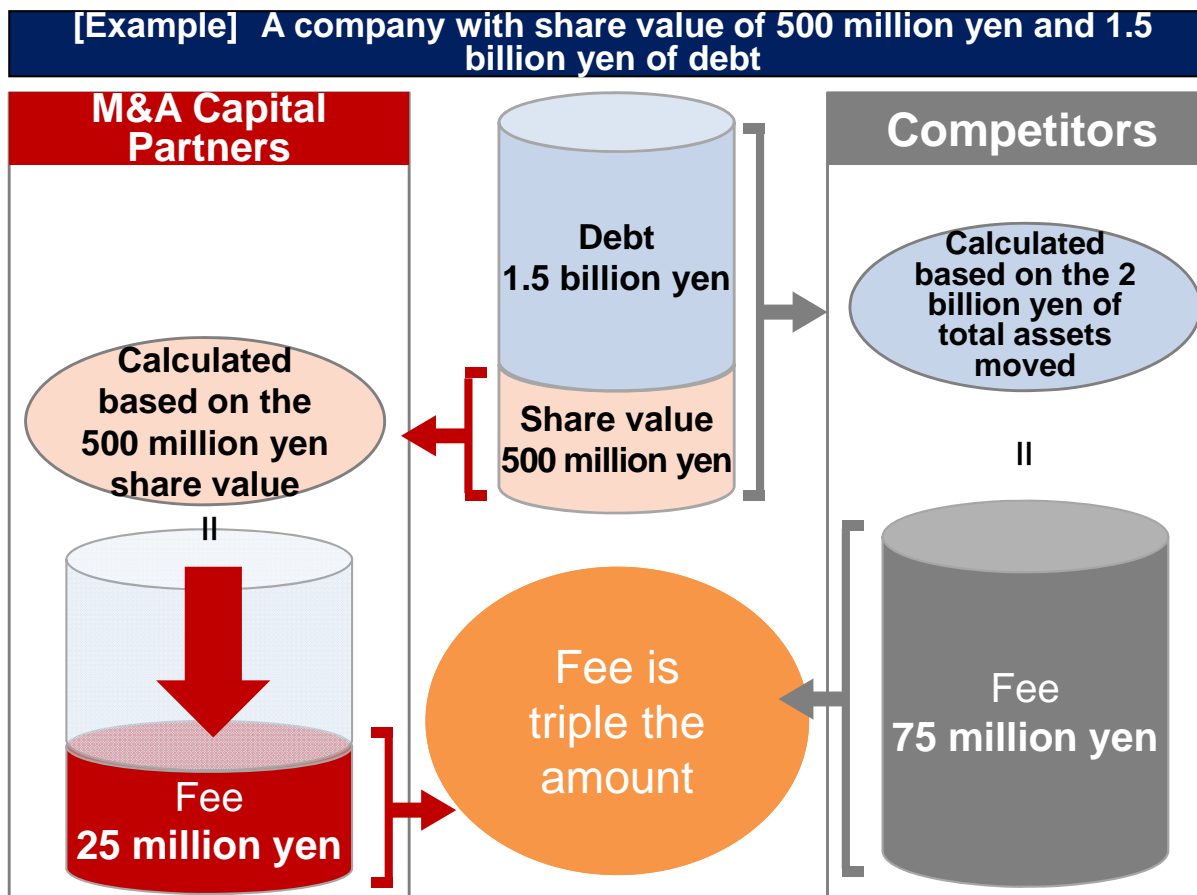
Fee schedule in which clients **do not bear expenses** until the conclusion of a master agreement

Expenses Required in the Consideration Phase		
	The Company	Other Companies
Commencement fee	Free	Paid
Calculation of company value	Free	Paid
Monthly fee	Free	Paid/Free

Fee structure that is convincing for clients

(2) Use of fee based on share price

- Fees of an M&A intermediary company generally use the Lehman Formula (calculated by multiplying the transaction amount by a certain rate)
- The company's calculations of fees are **based on the share price**. This is more convincing that being based on the moving average of total assets



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

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



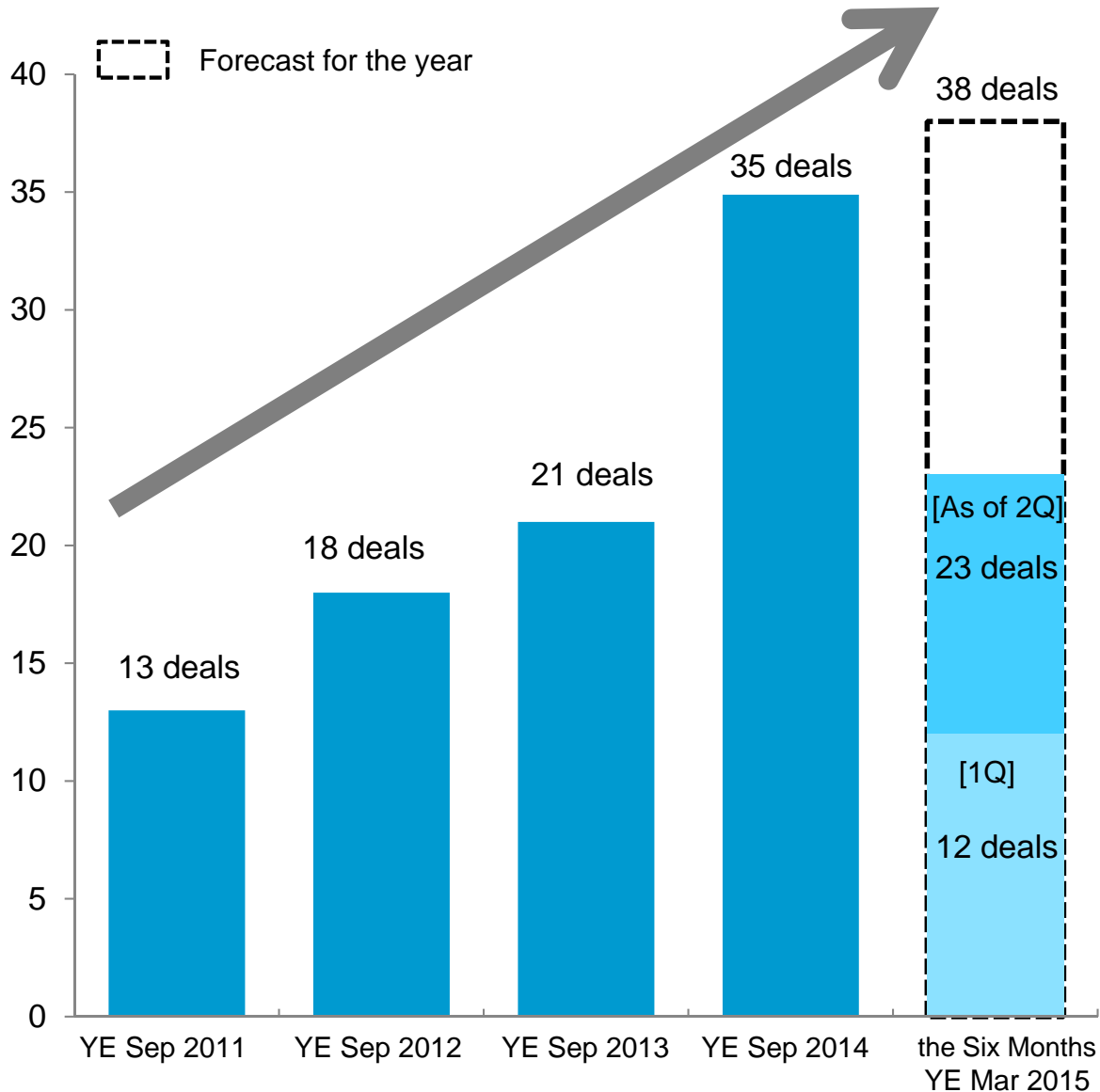
Stable Results Making Deals

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.



II Results for the Six Months Ended March 2015 and Forecast for the Year Ending September 2015

Number of Deals Made



- **Keeping solid performance with the same number as the record level set for the same period last fiscal year**
- **Equaled the record number of deals (cumulative) for the first six months**

(Factors)

- Steady increase in the number of consultants
- Improved trust due to listing of shares

Earnings for the Six Months Ended March 2015

Net sales	1,269 million yen	(+17.8% year-on-year)
Ordinary income	655 million yen	(+13.9% year-on-year)
Number of deals	23 deals	(+0.0% year-on-year)
Number of consultants	26	(+4 year-on-year)

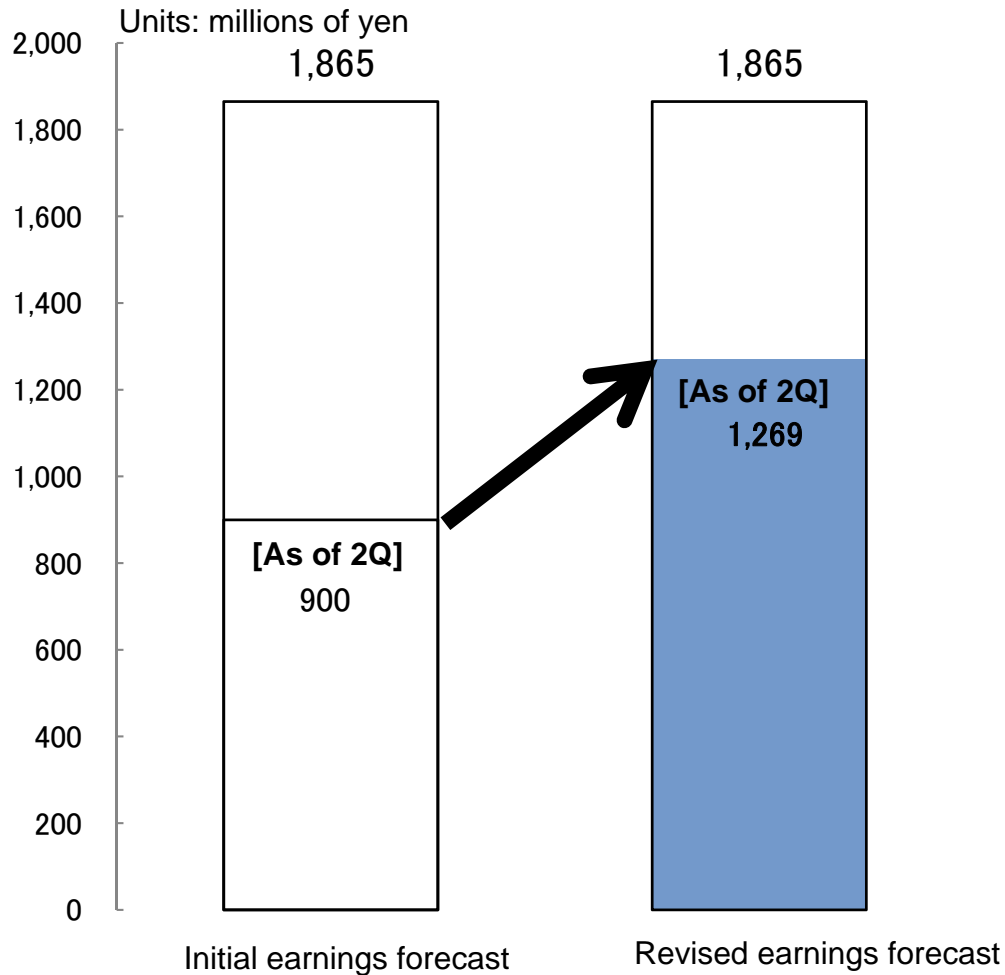
- **Net sales and ordinary income were both at record levels in the first six months, and the company performed well**

Upward Revision of Earnings Forecast

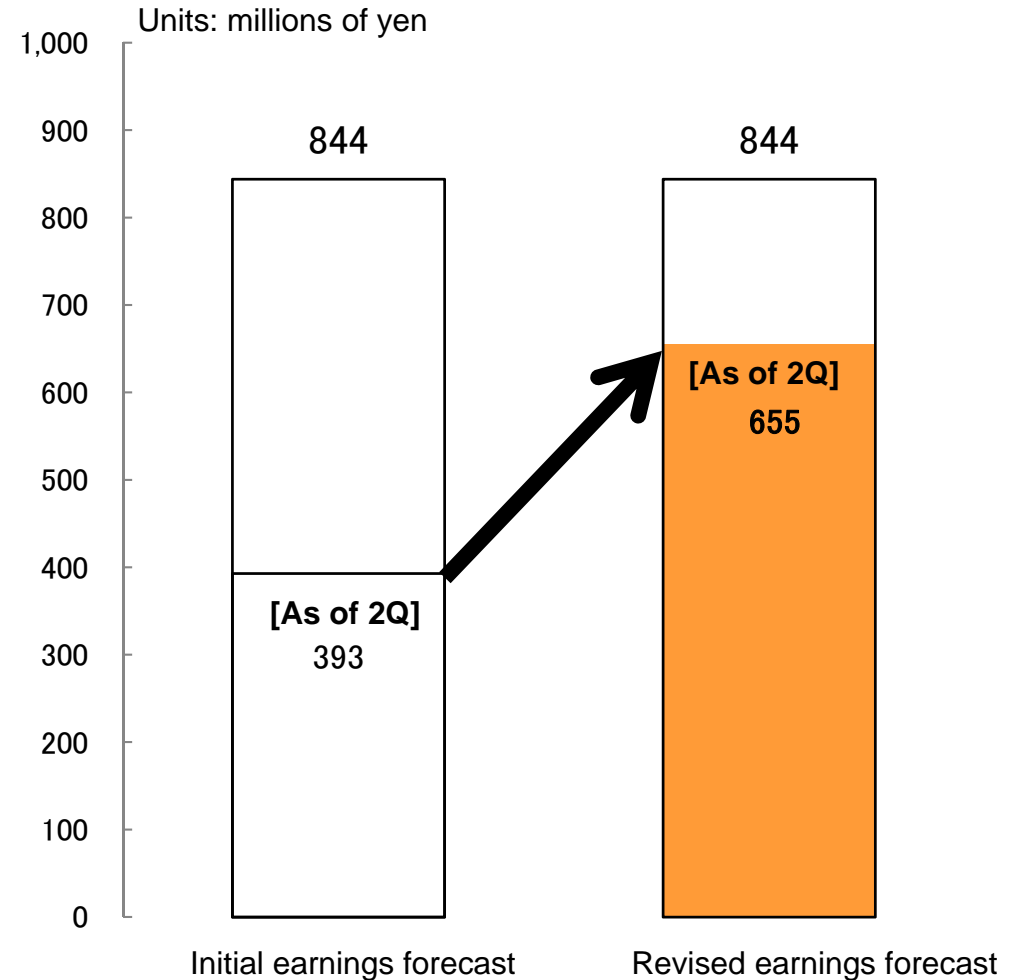
Earnings have been sound and the earnings forecast for the first six months has been revised upwards (disclosed on April 15, 2015)

* The forecast for the entire year is currently kept at the previously announced level due to the need to sufficiently monitor the number of deals closed and sales, etc. from the third quarter onwards because there are many uncertain aspects due to the nature of the M&A intermediary business.

Net sales



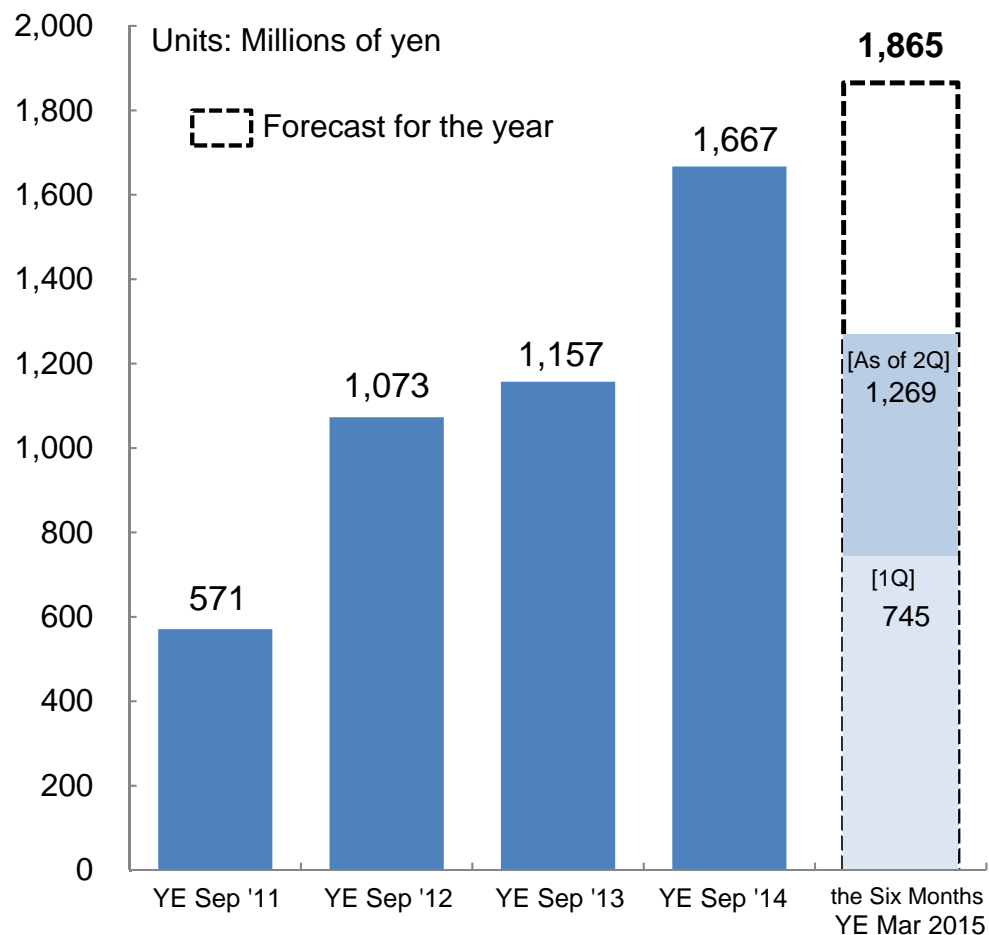
Ordinary income



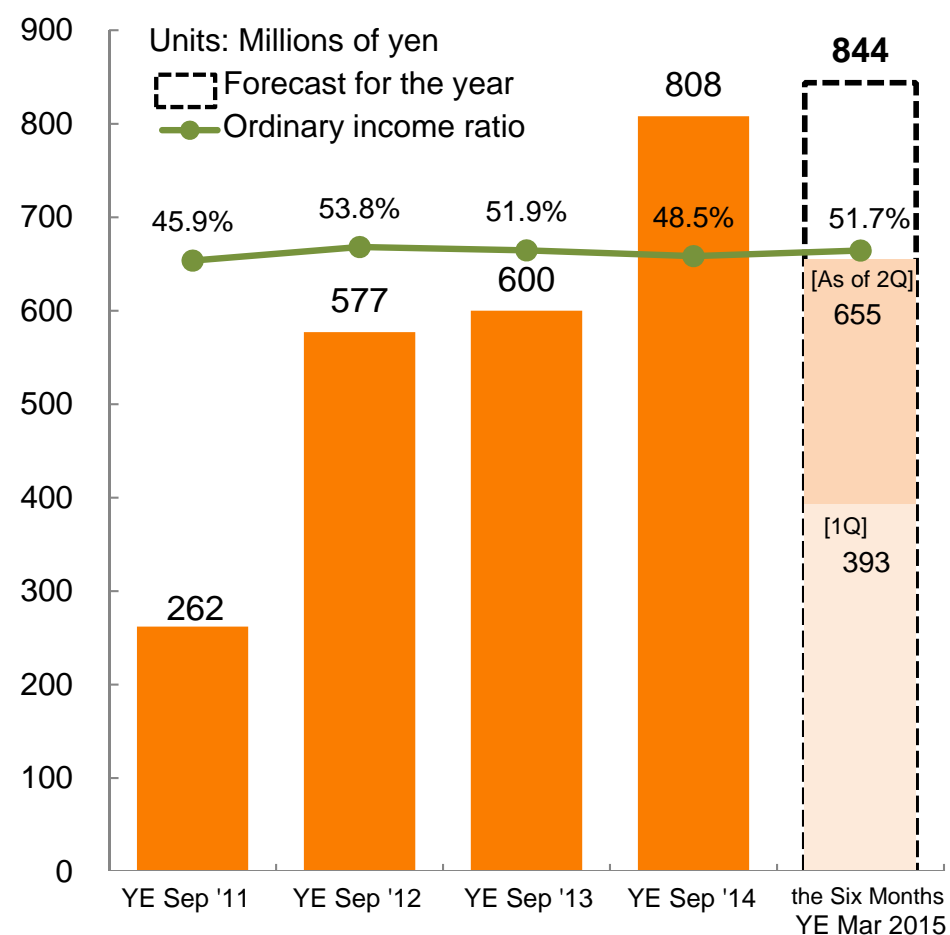
Changes in Earnings

	First Six Months	Forecast for the year	Progress for Entire Year	Units: Millions of yen
Net sales	1,269	1,865	68.1%	
Ordinary income	655	844	77.7%	

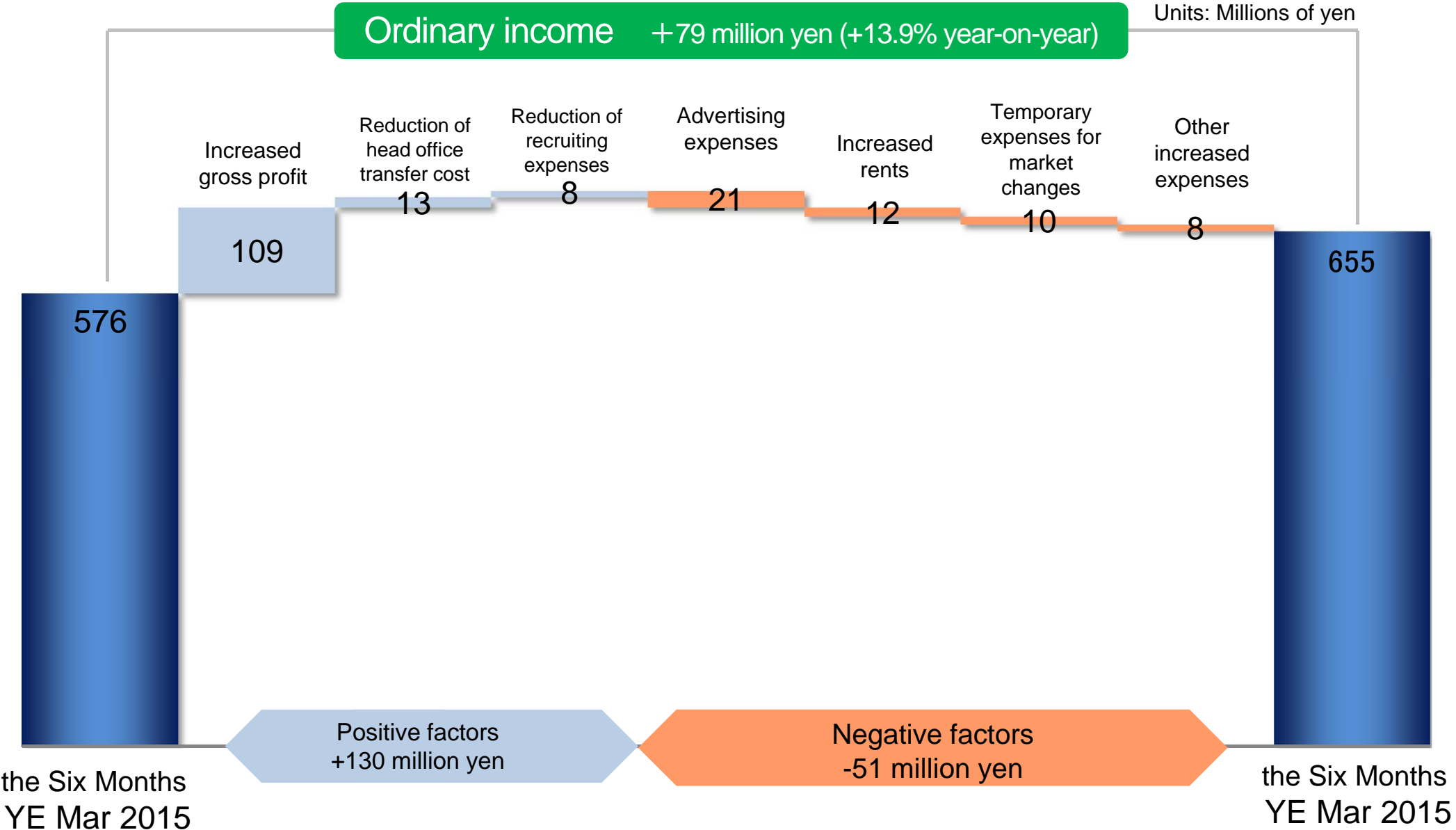
Net sales



Ordinary income



Factors Causing Changes in Ordinary Income



Overview of Statements of Income

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

	Six Months Ended March 2014	Six Months Ended March 2015			Forecast for the Year Ending September 2015
			Year-on-year Change	Overview of Performance	
Net sales	1,077 (100.0%)	1,269 (100.0%)	+ 17.8%	<ul style="list-style-type: none"> Major deal in first quarter made a contribution 	1,865 (100.0%)
Gross profit	796 (73.9%)	905 (71.3%)	+ 13.7%	<ul style="list-style-type: none"> Benefit of increased revenue 	
SG&A	204 (18.9%)	223 (17.6%)	+ 9.7%		
Operating income	592 (54.9%)	681 (53.7%)	+ 15.1%	<ul style="list-style-type: none"> Benefit of increased revenue 	867 (46.5%)
Ordinary income	576 (53.4%)	655 (51.7%)	+ 13.9%		844 (45.3%)
Net income	307 (28.5%)	360 (28.4%)	+ 17.1%		474 (25.4%)
Number of deals made	23	23	+0.0%	<ul style="list-style-type: none"> Equaled the record number of deals (cumulative) for the first six months 	38
Employees	26	31	+19.2%	<ul style="list-style-type: none"> Steady increase in the number of consultants 	

Overview of Balance Sheets

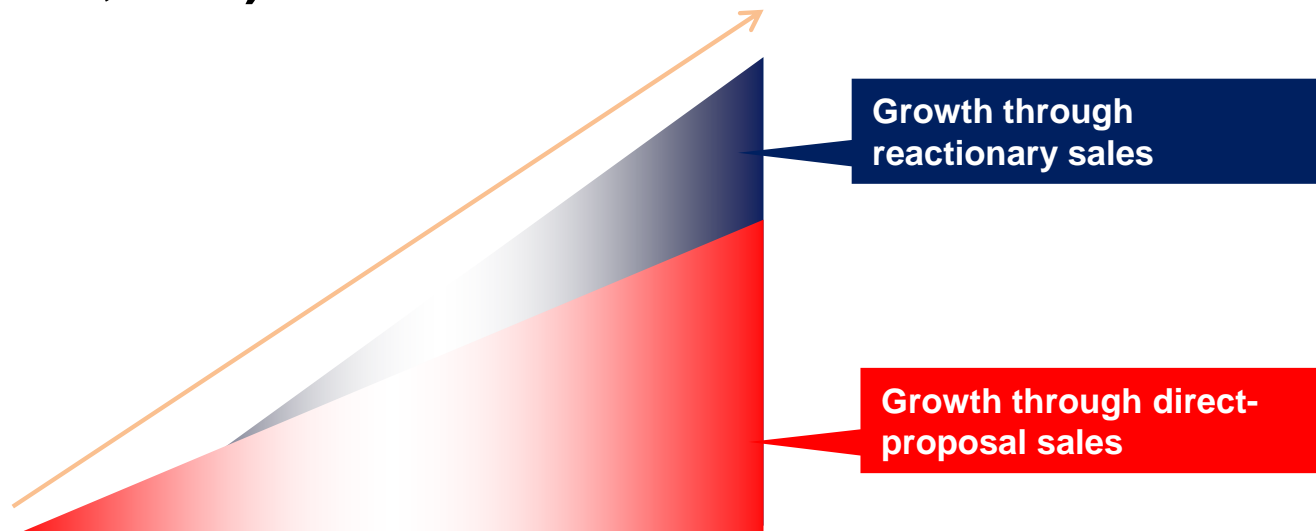
(Units: millions of yen, second line is composition ratio)

	September 30, 2014		March 31, 2015	
			Change	Main Factors Causing Change
Current assets	2,497 (95.9%)	3,336 (97.1%)	+838	■ Cash and deposits + 869
Noncurrent assets	107 (4.1%)	99 (2.9%)	▲7	
Total assets	2,604 (100.0%)	3,435 (100.0%)	+831	
Current liabilities	574 (22.1%)	726 (21.1%)	▲151	
Noncurrent liabilities	- (-%)	- (-%)	-	
Total liabilities	574 (22.1%)	726 (21.1%)	▲151	
Total net assets	2,029 (77.9%)	2,709 (78.9%)	+679	■ Increase of capital due to issuance of shares +307
Total liabilities and net assets	2,604 (100.0%)	3,435 (100.0%)	+831	

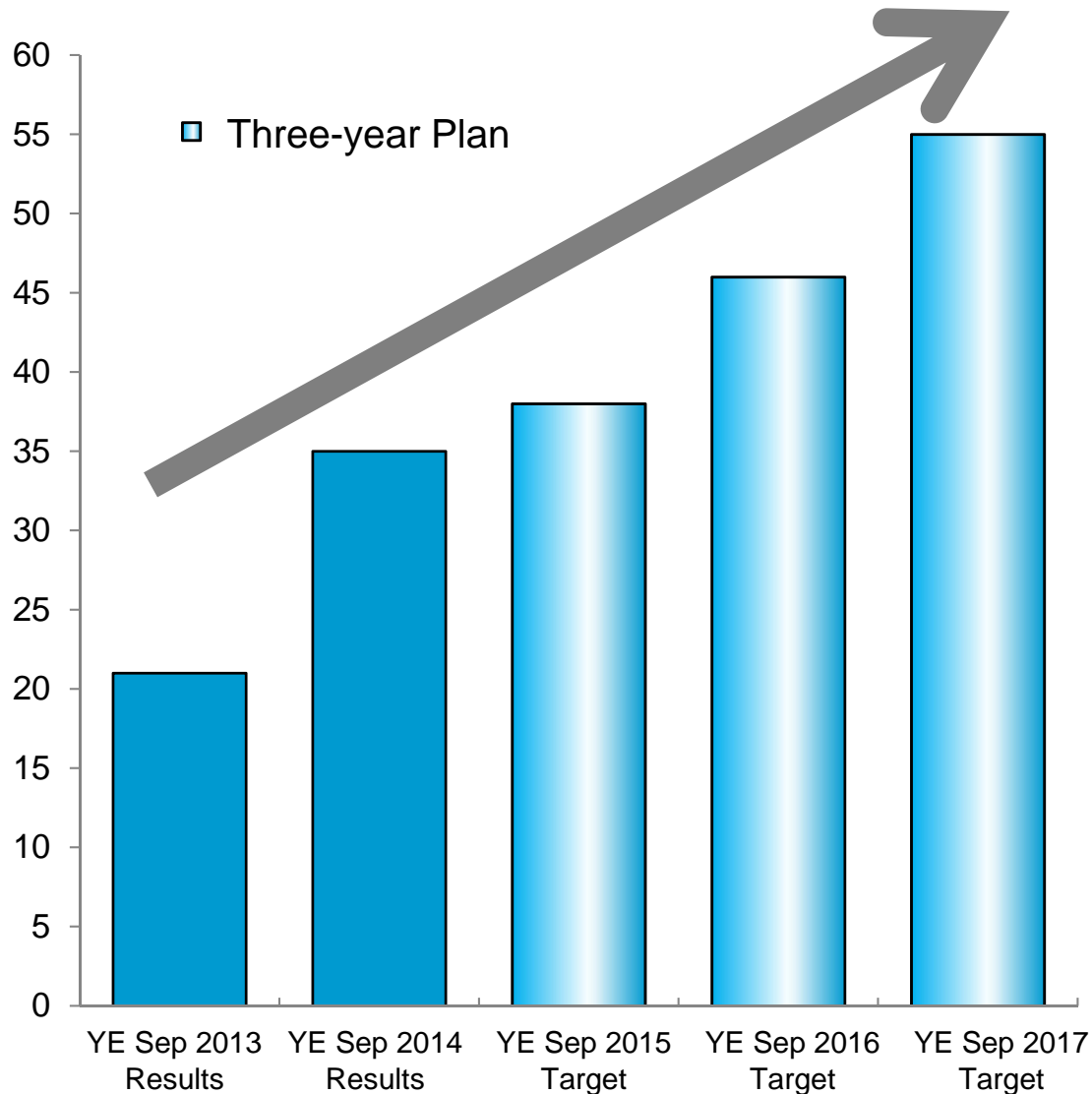
***III* Growth Strategy**

<Policies & Initiatives>

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

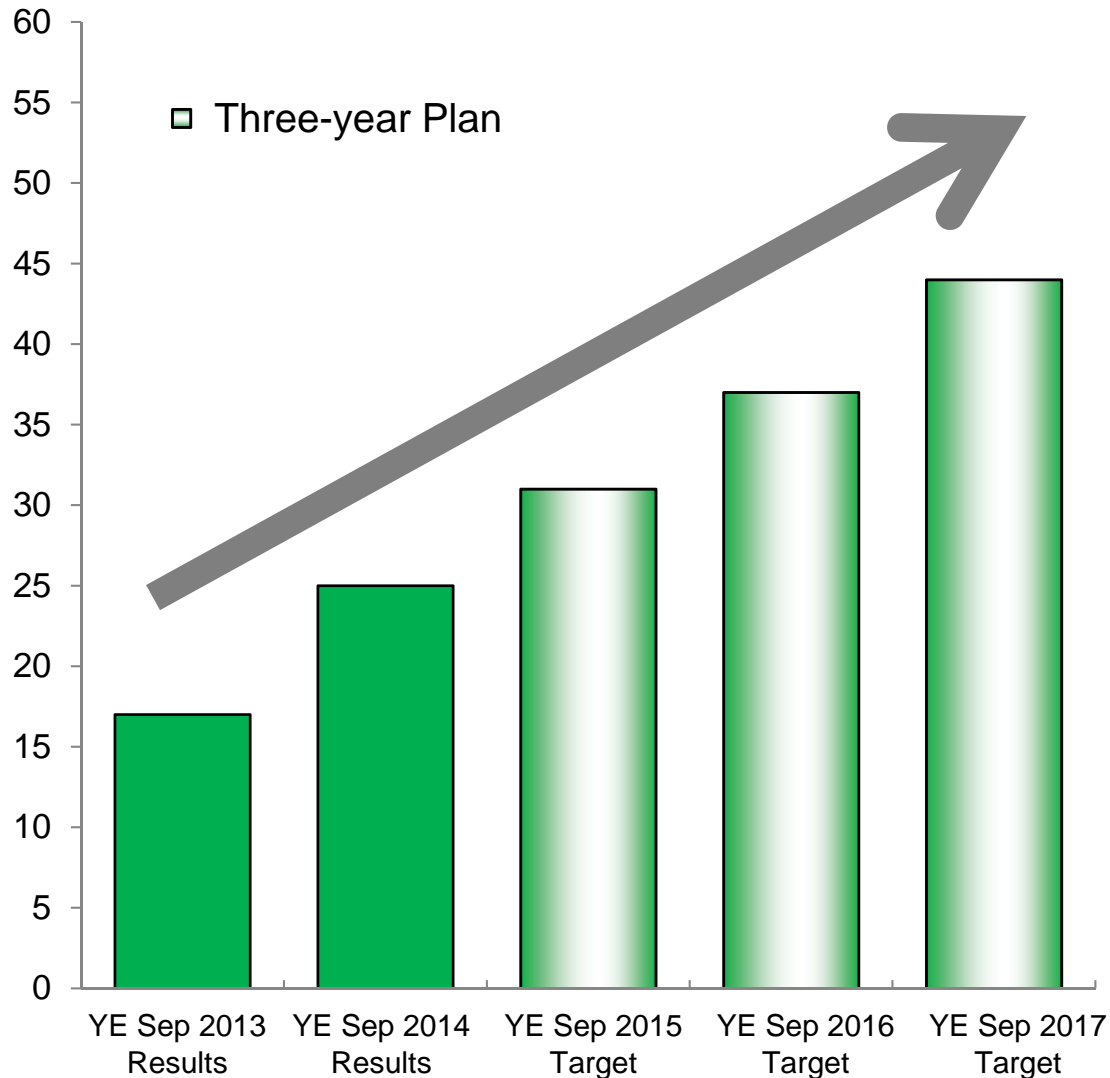


Three-year Plan for Number of Deals (Year Ending September 2015 to Year Ending September 2017)



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


Three-year Plan for Number of Consultants (Year Ending September 2015 to Year Ending September 2017)



[Number of Consultants]
Average increase of 25%
per year
will be maintained.

<Policies & Initiatives>

- Increase the number of large M&A seminars held and expand area covered

	Year ended September 2014		Future
Number held	3 per year		Increased number
Areas held	Tokyo		Expand to Tokyo, Osaka and other areas

- 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 September 2015

In the six months ended March 2015, we held four large M&A seminars. Following on from the first quarter, these events were held in the Tokyo and Osaka venues in the second quarter.

<Large M&A Seminars>

Date Held	Type	Seminar Title	Applicants
November 11, 2014	M&A Seminar	Toyo Keizai Forum(Osaka Venue)	300
November 18, 2014	M&A Seminar	Toyo Keizai Forum(Tokyo Venue)	600
March 3, 2015	M&A Seminar	Nikkei Sangyo Shimbun Forum (Osaka Venue)	700
March 3, 2015	M&A Seminar	Nikkei Sangyo Shimbun Forum (Tokyo Venue)	1,100

<Toyo Keizai Forum>

<Nikkei Sangyo Shimbun Forum>

【Osaka Venue】

【Tokyo Venue】

【Osaka Venue】

【Tokyo Venue】



Seminars Scheduled to be Held in the Third Quarter of the Year Ending September 2015

In the third quarter of the year ending September 2015, we plan to hold a large-scale seminar in Tokyo.

<Large M&A Seminar>

Date Held	Type	Seminar Title
June 24, 2015	M&A Seminar	Seminar on the utilization of M&A for company managers (Tokyo Venue)

[Keynote address]

“Daringly face the challenge of constant change without the fear of failure”

Hideo Sawada, HIS Chairman

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.