



Corporate Mission  
**Assisting companies  
 to continue and  
 prosper through  
 M&A**

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#### Editorial Policy

This Integrated Report is designed to convey information to our shareholders, investors, and other stakeholders about the Nihon M&A Center Group's medium- to long-term visions, strategies and initiatives as well as progress made and issues encountered. We hope that this report will serve as an information disclosure tool that conveys Group initiatives in a readily understandable way.

We will continue to improve the standard of our activities and make the report easier to understand, heeding stakeholder opinions on this report.

#### Referenced Guidelines

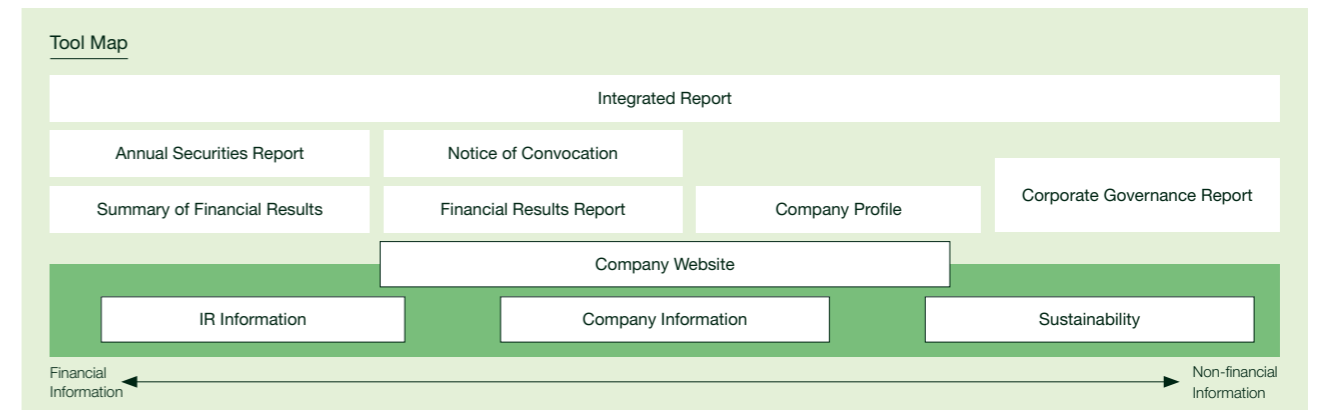
- "International Integrated Reporting Framework," International Integrated Reporting Council (IIRC)
- "Guidance for Collaborative Value Creation 2.0", Ministry of Economy, Trade and Industry

#### Scope of Report

Nihon M&A Center Holdings Inc. and its Group companies  
 \*The reporting period and organization may differ depending on the topic.

#### Report Publication Date

November 2023



#### Disclaimer

Any statements made in this report regarding industry trends and analysis, future plans and expectations, etc. are based on currently available information. We acknowledge the existence of risks and uncertainties that could significantly alter our future business environment. Therefore, those statements do not constitute a guarantee that any future plans and expectations will be achieved.



To access a broader range of relevant information:  
<https://www.nihon-ma.co.jp/en/>



## Challenges Facing Japanese Companies

Small- and medium-sized enterprises (SMEs) comprise 99.7% of all companies in Japan.

SMEs play a key role in supporting the stability of the local economy and the livelihood of the local community.

Meanwhile, the environment surrounding SMEs is severe due to the dearth of successors and the diminishing domestic market. As a means of resolving these challenges M&A is growing in importance and is on the rise in many industries.

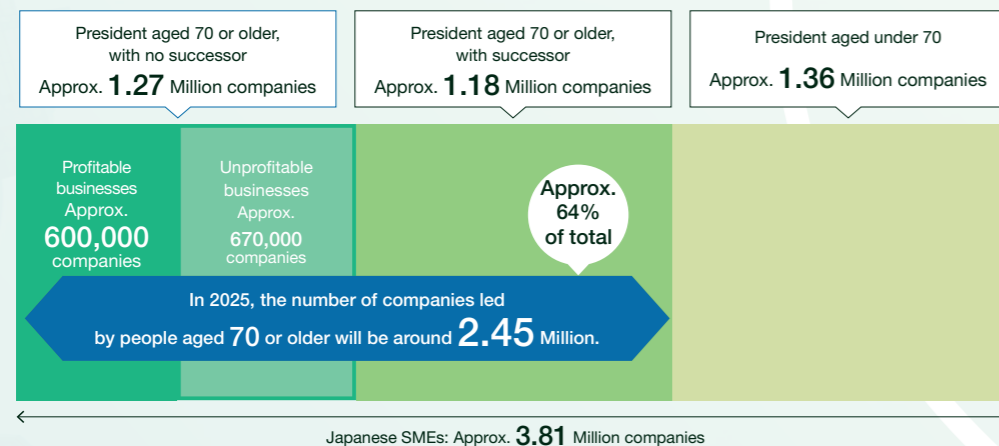
Here we consider M&A in terms of on three major challenges.

### 1 Aging of SMEs' management and lack of successors

It is said that by 2025, the average retirement age of the owners of about 2.45 Million SMEs, or 64% of all small- and medium-sized businesses, will be over 70. In addition, about half of them, or 1.27 Million firms, do not have a successor in place, of which about 0.6 Million risk going out of business despite being profitable.

If action is not taken to remedy the current situation, the number of SMEs closing due to lack of successors will continue to increase. Some data show that there is a risk of a cumulative loss of around 6.5 Million jobs and about 22 Trillion yen in GDP during the decade from 2016 to 2025\*.

#### Age composition of SME owners

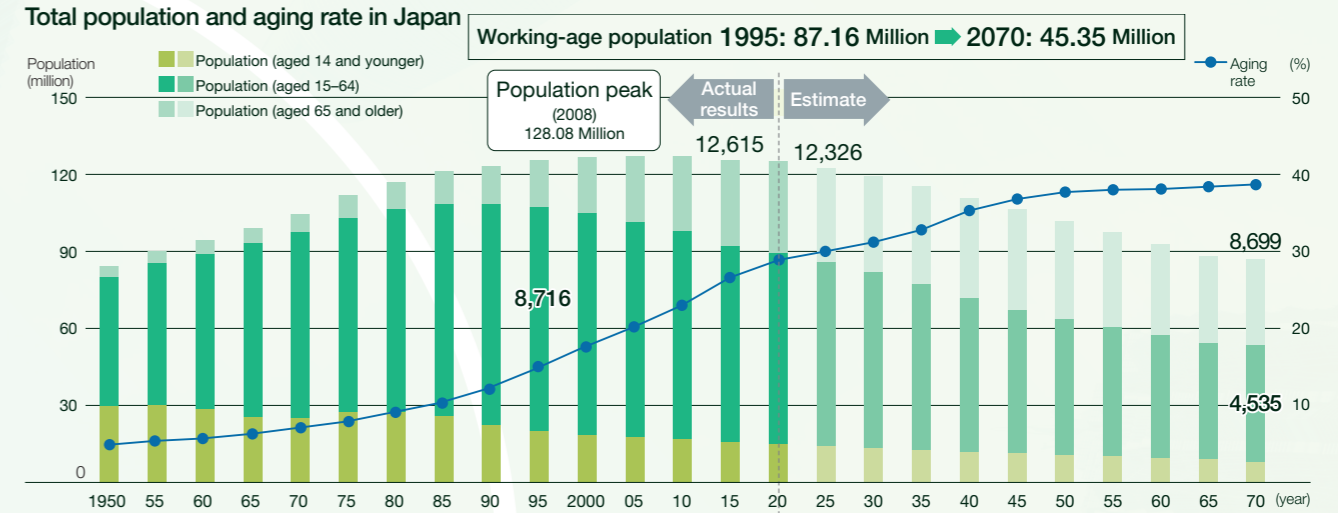


\*Assumes that 31% of corporations and 65% of individual proprietorships whose owners are aged 70 or older will have gone out of business by 2025. The number of jobs indicated above is based on the average number of employees (5.13) employed by SMEs that went out of business between 2009 and 2014, while the GDP loss is based on the value added per corporation or individual proprietorship in FY2011, respectively (corporations: 60.65 Million yen; individual proprietorships: 5.26 Million yen)

Source: Reorganized and processed data from the Small and Medium Enterprise Agency

### 2 Declining population and diminishing domestic market

The total population in Japan is in the process of long-term decline as the birthrate falls and the population ages. According to estimates by Japan's Cabinet Office, the total population in 2070 will fall below 90 Million, and the working-age population will be in the neighborhood of 45 Million. This situation continues to heighten concerns over the labor market and the resulting contraction in the size of the economy and potential contraction decline in GDP.



Source: Reorganized and processed data from the Annual Report on the Ageing Society FY2023, "Trends in Ageing Population and Projection for the Future"

### 3 Low labor productivity and profitability

Labor productivity of SMEs remains flat at a low level. Profitability of large corporations is low as well, compared with that in other countries.

A reason for this is inefficient business portfolios of companies that have expanded their business scale through diversification. While large-scale, diversified U.S. companies have higher operating profit margins, Japanese companies' operating profit margins tend to decline as they expand and diversify.

#### Operating profit margin of Japanese and U.S. companies by business scale and degree of diversification

(2000-2012 average)

(Unit: %)

Degree of diversification	Business scale				
	Small	Medium	Large	Mega	
Specialized	Japan	8.8	5.9	6.5	7.0
	U.S.	-0.5	11.4	7.7	10.4
Semi-specialized	Japan	7.4	5.3	6.2	6.2
	U.S.	4.7	11.5	10.7	7.8
Semi-diversified	Japan	6.2	5.7	5.2	4.7
	U.S.	9.9	9.2	8.3	8.6
Diversified	Japan	5.1	5.4	5.4	3.0
	U.S.	-15.2	9.0	11.0	13.7

**Degree of diversification**  
 Specialized: ~10%  
 Semi-specialized: 10%~30%  
 Semi-diversified: 30%~50%  
 Diversified: 50%~

**Business scale (sales)**  
 Small: ~¥50 Billion  
 Medium: ¥50 Billion~¥500 Billion  
 Large: ¥500 Billion~¥2 Trillion  
 Mega: ¥2 Trillion~

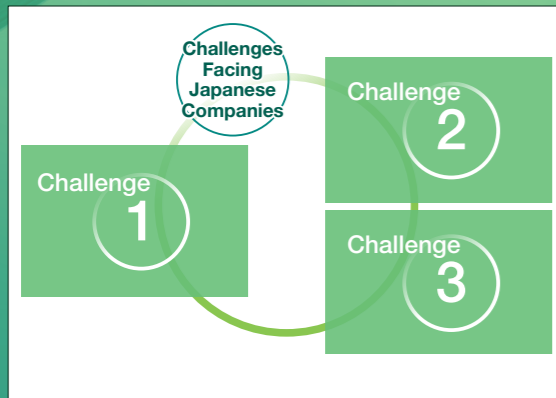
\*The survey covers companies on TOPIX index for Japan and NYSE Composite Index components for the U.S. "Degree of diversification" indicates the proportion in total sales of sales in businesses other than the business with the highest sales composition ratio. For the classification, "business scale (sales)" of U.S. companies was converted to Japanese yen, based on the exchange rate of 1 USD = 100 JPY.

Source: Survey commissioned by the Ministry of Economy, Trade and Industry (Prepared by Deloitte Tohmatsu Consulting LLC based on Bloomberg data).

# Propose to address and resolve issues through M&A

# How We Can Address the Challenges

Having outlined three major challenges facing Japanese SMEs, Nihon M&A Center Group proposes 1) M&A for business succession, 2) M&A as growth strategy, and 3) M&A resulting in the centralization of management resources. Such ways to address and resolve issues through M&A are described in a specific manner on the right side.



**Propose to address and resolve issues through M&A**

## 1 To resolve the aging of successors

Solutions to a lack of successors are appointment of family members, appointment of employees or M&A. While the appointment of family members is the most commonly chosen option in Japan, it has been decreasing sharply since 2021, after the COVID-19 pandemic. On the other hand, more and more companies are appointing employees or choosing M&A, moving away from business succession by family members.

Under such circumstances, the Group aims to close as many M&A deals as possible, so that about 0.6 Million profitable companies that could go out of business by 2025 will continue and prosper. Our mission is to save such companies from going out of business. We will ensure the future of employees and their families, and pass on the cultivated technologies to the next generation.

### of management and lack

To achieve this, the growth of the Group and the SME M&A support industry is essential.

Through recruitment and development of human resources, as well as utilization of digital transformation to expand the business scale and improve productivity, we will collaborate with our business partners to deliver M&A deals to a greater number of companies.



M&A for business succession retains employment and technologies

## 2 To address declining domestic market

Many large corporations have been accelerating overseas expansion in search of workers scarce in Japan or in preparation for the contraction of the domestic market. Meanwhile, many SMEs dependent on the domestic market are unable to see where they are going and concerned about the future.

SMEs are more likely to face labor shortages and other limitations in terms of management resources. For them to develop new businesses and expand business scale, an effective way is to take advantage of M&A as a growth strategy.

For example, coming under the umbrella of a major company through M&A and taking advantage of the parent company's management resources accelerates SMEs' growth on the back of business integration, or enables them to embark on new businesses with an eye

### population and diminishing

on expansion to other regions, including overseas, or in search of new, growing markets.

In addition, M&A can broaden business fields by complementing value chains or improve productivity by facilitating insourcing and streamlining.

With a leveraging strategy that takes advantage of M&A, SME companies could grow further to medium-sized companies or aim to enhance global competitiveness. The Group supports SMEs' achievement of growth strategies and overseas expansion.



M&A as growth strategy enhances competitiveness

## 3 To resolve low labor

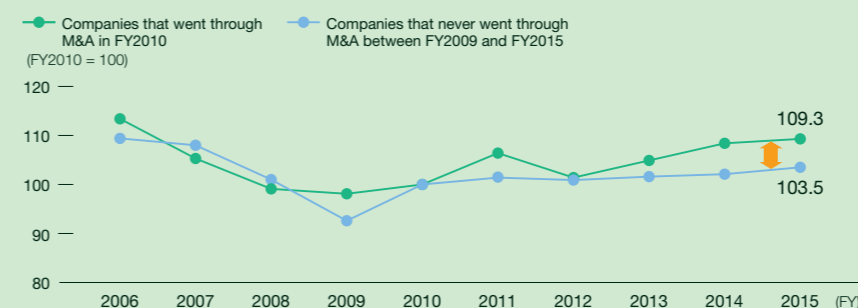
More companies are choosing M&A as a means of business succession. In addition, an increasing number of SMEs are taking advantage of M&A as a growth strategy. Companies that went through M&A expanded their business areas and the range of products and services, which in turn boosted their sales and profits. They thus improved added value they provide, as well as productivity.

We believe that matching sellers in need of a successor with buyers considering M&A as a growth strategy may improve the productivity of SMEs and ultimately the local and Japanese economies. We find the best match using the database based on knowledge and experience accumulated in our 32-year history, as well as on over 8,000 deals closed.

We also help large corporations review their inefficient business portfolios.

### productivity and profitability

Labor productivity of companies that went through M&A and those that did not



Source: "Supplementary Material (1) Significance of SME M&A", Handout for the Fifth Meeting of the Commission on Centralization of SMEs' Management Resources, The Small and Medium Enterprise Agency

M&A for centralization of management resources improves productivity

# Our Purpose

## To connect hopes and dreams for the best M&A experience in Japan and then the world

Many companies face tough challenges in management succession. Others struggle to realize organic growth. Our mission is to connect both parties and support them thrive and prosper through M&A. We work hard to sustain traditional brands and protect unique technologies, help them grow, and revive regional communities.

With this aspiration, we have been a pioneer in M&A matching business. Understanding and trust towards M&A as a business alternative, however, are not yet very strong. Hence hereby we commit to build communities in which M&A is a friendly business means. We connect ideas and thoughts of management, employees and their family members by bringing the best M&A to our clients for them to succeed.

We take pride in leading the industry, strive to perfect our services, and make a better world via top-class M&A in Japan and around the world.



# Philosophy

(How We Act)

The philosophy statement forms the basis for the corporate culture reflecting the purpose statement for adoption by each and every employee in their code of conduct and decision-making criteria. We will work together as a team to achieve our purpose.

### 1. Utmost respect for our clients

With the utmost respect for our clients' lives, history and management, we act as their professional partner with sense of mission.

### 2. High viewpoint, broad field of view

We strive to take a bird's-eye view always looking into the future and considering overall optimization.

### 3. Challenge without fear of mistakes

We are challengers. We will generate many innovations and make them market standards.

### 4. Swing the pendulum in full

We will not settle for easy compromises. We will take a full swing, expand our horizon, and simultaneously realize what seems contradictory.

### 5. Best decisions upon free and open discussion

We value diverse opinions and hold thorough discussions, we unite and move forward.

### 6. Never give up until the result is achieved

Every one of us takes ownership in what we do. We do what it takes to accomplish our goals.

### 7. Be humble, learn and grow

We make efforts to better ourselves with vigorous curiosity. We encourage each other to grow as individuals as well as a company.

### 8. The right things in the right way

We are part of society. As individuals and as a company we shall take pride in doing the right things in the right way for our clients.



Please visit our website for more details:  
<https://www.nihon-ma.co.jp/en/sustainability/philosophy.html>



# About Nihon M&A Center Holdings

As the leader of Japan's SME M&A support industry, Nihon M&A Center Holdings has established industry standards.

From M&A information services to strategy development, optimal company valuation and post-merger integration (PMI), we offer a successful M&A process with a seamless structure.

**Largest nationwide network in the industry and unparalleled matching capability**

**Fine-tuned support by experts with a wealth of experience**

## Awareness-raising activities and information services

We provide M&A information to company owners across Japan by various means, so that they can consider M&A as part of their management strategy.

We hold in-person and online seminars across Japan on various themes, and our subsidiary ZUUM-A CO., Ltd. runs THE OWNER, a media platform for SME owners. In addition, we offer the Proactive Search® service, where we proactively look for and reach out to prospective sellers based on the needs of buyers.

\*Proactive Search is a registered trademark (no. 65557253) of Nihon M&A Center Holdings.

**ZUUM-A THE OWNER**

## M&A operation systems that incorporate expertise

Taking advantage of an enormous amount of data accumulated in the Company, including data on the largest number of closed deals in the industry, and knowledge of in-house experts who are well-versed in M&A and have a wealth of experience, we have been working to digitalize each stage of the M&A process.

Corporate Value Laboratory Inc., our subsidiary specialized in company valuation (stock valuation/business analysis) in M&A for SMEs, develops and offers M&A operation systems. V-Compass, a private company valuation system, has been adopted by regional banks and accounting firms with which we are closely allied. In addition, D-Compass, which evaluates project risks, has automated risk identification and highlighting of red flags, contributing to the reduction of M&A lead time.

**CORPORATE VALUE LABORATORY V COMPASS D COMPASS**

## Largest manpower in the industry and well-organized matching based on data

**Over 600 consultants**  
Consultants in charge of the seller and the buyer support negotiations from a neutral and objective standpoint, based on the understanding of both sides' intentions. We create information sharing opportunities within the Company. For example, consultants present mandates they are in charge of at Matching Event. We find approximately 20,000 matches a month.

**Development and operation of our own systems with data from hundreds of thousands of matches in the past**  
We take advantage of systems and manage an enormous amount of information. Prospective buyers are proposed to sellers, based on deals concluded in the past and accumulated data on desired conditions for buyers. Systems allow us to explore every possibility and reduce the time needed for matching.

**M COMPASS**

A system that lists prospective buyers based on deals concluded in the past and data on desired conditions for buyers.

## Support for success after deal conclusion

Defining a successful M&A as "achievement of both the seller and buyer's growth", Japan PMI Consulting Inc., a specialized subsidiary, supports post-merger integration (PMI), which is the key to successful M&A.

In addition, we jointly established Next-Navi Inc. with Aoyama Zaisan Networks Co., Ltd. The comprehensive consulting firm focuses on business succession, asset management, and life planning and supports prior owners after M&A.

**Japan PMI Consulting Next Navi**

Information services/Business succession, growth strategy consulting/Proactive search

Mandate of project

Industry research

Valuation/Project evaluation/Preparation of teaser

Matching, management meeting

Negotiation, definitive agreement

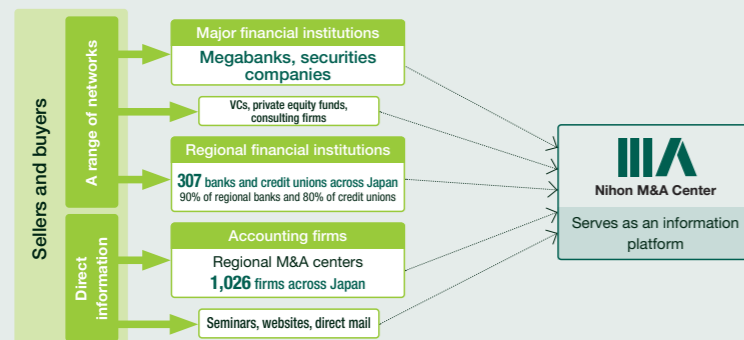
Closure

PMI/Prior owner support

## Our own nationwide information network

Cooperating with financial institutions, accounting firms and other business partners across Japan allows us to possess abundant information on projects.

We can offer options to sellers and buyers without being bounded by region, industry and company size. Approximately 60% of deals closed by us materialize based on information from business partners.



## Industry research and analysis based on the latest information

Industry research reviews characteristics, as well as opportunities and threats, of the seller's industry. Fully understanding the seller's operational process, as well as strengths and weaknesses, leads to a more attractive corporate profile and higher matching precision.

By leveraging resources provided by our affiliate Yano Research Institute Ltd., a pioneer of market research, enables us to understand market trends accurately.

**Yano Research Institute Ltd.**

## Support by a specialized team with over 40 lawyers, certified public accountants, and other experts, covering a series of procedures from mandate of project to definitive agreement

Our specialized department, which has experts well-versed in legal affairs, accounting, tax affairs, and finance, such as lawyers, certified public accountants, notaries, and tax accountants, forms a support team for each deal and joins forces with consultants to proceed with the deal. Part of the execution process uses systems to both improve the quality of work and reduce M&A lead times.



## Deal Closing Ceremony organized by the M&A ceremony team

Our employees include hospitality service professionals who have experience working in the bridal or aviation industry. They organize ceremonies that include reading surprise letters from family members and presenting gifts, backing up a successful completion by celebrating a new start for business owners.



# History of Value Creation

## Aiming to Become the Top Global Integrated M&A Company

To achieve its corporate mission “assisting companies to continue and prosper through M&A”, Nihon M&A Center Group strives daily to support SMEs.

We have over 600 consultants (as of September 30, 2023), the largest number in the industry, while vitalization of the industry has enabled business owners today to choose partners from many M&A support companies based on a variety of information. In addition, we support M&A in Japan and overseas by stepping up the expansion of overseas locations, as well as the development of group companies that offer services in all processes from company valuation to post-merger integration (PMI). We have closed over 8,000 transactions in cumulative total.

We will actively develop businesses to meet customer needs, continue to be the leader of the SME M&A support industry, and aim to become the top global integrated M&A company.

■ Consolidated sales (Billion yen) ■ Consolidated ordinary profit (Billion yen)



### 1991-2000 Founding period      2001-2010 IPO period      2011-2020 Rapid growth period      2021- Second founding period

Nihon M&A Center Inc. was established by prominent CPAs and tax accountants nationwide. Accounting offices throughout the country were organized into a network “Regional M&A Centers”. We then established a nationwide financial M&A workshop to expand our network with regional banks. We also started to establish business alliances with credit unions throughout Japan.

TSE Mothers listing in 2006. It was the first listing of a company in Japan specializing in intermediary M&A services for SMEs. In 2007, the Company transferred to the TSE 1st Section (a year and two months from the listing on the TSE Mothers, which is the fourth fastest transfer). The Company became the first M&A intermediary firm to list on the TSE 1st Section.

In the 2010s, Nihon M&A Center expanded M&A-related services by establishing subsidiaries and affiliates that offer specialized services, such as Corporate Value Laboratory Inc., Business Succession Navigator Inc. (currently Next Navi Inc.), Japan Investment Fund Inc., CG-J Partners Co., Ltd. (currently Japan PMI Consulting Inc.), &Biz Co., Ltd. (currently Batonz Co., Ltd.), ZUUM-A Co., Ltd., Search Fund Japan, Inc. In 2019, the Company obtained the J-Adviser qualification and launched IPO support services for the TOKYO PRO Market, thereby expanding business fields that contribute to regional and national regeneration.

Nihon M&A Center opened five locations in the ASEAN region, establishing a structure to press ahead with overseas M&A support. We transitioned to a holding company structure in 2021, the year of our 30th anniversary. Considering this transition as the second founding, we established our purpose and philosophy. In 2023, we set up a joint venture with the Juroku Financial Group, cementing our alliance with financial institutions. We aim to be the top global integrated M&A company in eight aspects: number of transactions closed, client satisfaction, service quality, coverage, overall capabilities, innovation capabilities, market capitalization, and employee satisfaction.

**July 2019**  
Acquisition of the J-Adviser qualification and commencement of IPO support service for the TOKYO PRO Market

**April 2022**  
Transfer to the TSE Prime Market

**October 2021**  
Transition to a holding company structure  
Change of trade name to Nihon M&A Center Holdings Inc.

**FY2022**  
Sales **¥41.3 Billion**  
Ordinary profit **¥15.4 Billion**

**Cumulative total of transactions closed**  
**Over 8,000**  
(as of June 30, 2023)

- History of the M&A industry**
- Against the backdrop of the bubble economy in the 1980s, many large corporations went through outbound cross-border M&A.
  - Due to the burst of the bubble economy in the 1990s, cross-border M&As involving large corporations decreased sharply. Meanwhile, SMEs faced challenges in the succession of management rights.

- Stock prices rose due to the IT bubble, and the number of M&A deals increased as well.
- While M&A became better known, it did not penetrate due to a negative impression associated with the Livedoor and Murakami Fund incidents.
- To facilitate smooth business succession to the next generation and invigorate SMEs' businesses, the Small and Medium Enterprise Agency drew up and published the Business Succession Guidelines in December 2006.
- The guidelines stated that M&A can be a means of business succession, which triggered a change in perception toward M&A.

- M&A started to take root as a method used in management strategy, and M&A by SMEs entered a rapid growth phase. The number of deals increased substantially from the previous decade.
- To promote SME owners' understanding of M&A, the Small and Medium Enterprise Agency published the Guidelines for Business Succession in 2015.
- The Small and Medium Enterprise Agency fully revised the Guidelines for Business Succession, and formulated the M&A Guidelines for SMEs in March 2020.
- Aging of business owners and lack of successors have become increasingly serious.

- The Small and Medium Enterprise Agency compiled the Plan to Promote M&A for SMEs in April 2021, redefining the importance of M&A.
- In August 2021, the Small and Medium Enterprise Agency created a registration system for M&A support institutions.
- In October 2021, a self-regulatory industry body, the M&A Intermediaries Association, was established by M&A intermediaries.
- As SMEs M&A popularizes, challenges faced by support organizations have become apparent.
- The M&A guidelines for SMEs has been revised for the first time in three years.

# Nihon M&A Center Holdings in Data

Established in 1991

**32** years in business



Actual transactions closed

Over **8,000** in cumulative total  
(as of September 30, 2023)



Number of locations

**7** domestic locations

(Tokyo, Osaka, Nagoya, Fukuoka, Hiroshima, Sapporo, Okinawa)

**5** overseas locations

(Singapore, Indonesia, Vietnam, Malaysia, Thailand)



Number of group companies



Consolidated subsidiaries

**10**

Equity-method affiliates

**7**

ROE (return on equity)

**18.7** %



Payout ratio

**77.3** %

(FY2022)



Number of employees (Group)

**1,111**

Consultants

**648**

Staff and other positions

**463**

Employees with qualifications  
(Lawyers, certified public accountants, tax accountants, notaries, etc.)

Over **40**  
(as of September 30, 2023)

Business partners

Accounting firms

**1,026** firms

Regional banks

**95** out of **99** banks

Credit unions

**212** out of **254** banks

Nomura Securities Co., Ltd., Daiwa Securities Co. Ltd., MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation (as of June 30, 2023)

Approx. **60** % of mandates are via business partners

Sales **¥41,315** Million



Ordinary profit

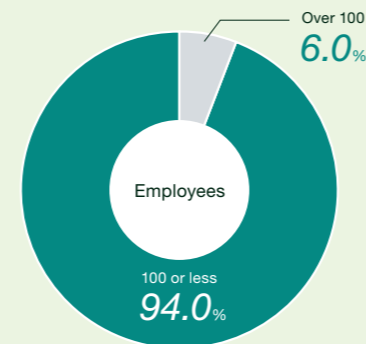
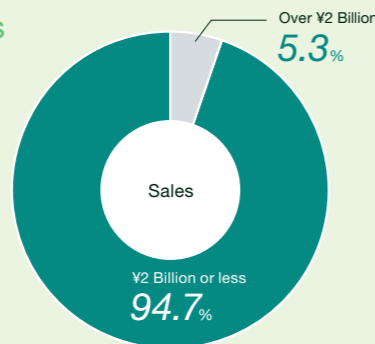
**¥15,472** Million (FY2022)

Business scale of supporting sellers

Over **90** % are SMEs

with ¥2 Billion or less sales

(The Company's closing data for FY2022)

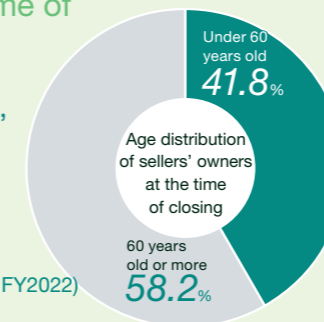


Owners' age at the time of transfer closing

Over **1/3** of sellers' owners are under

**60** years old

(The Company's closing data for FY2022)



Actual matching results

Deliver best matches from a wide area and diverse industries

Actual matching results

(Company's closing data for FY2022)

	Same industry	Different industry	Subtotal
Same area	8.2%	20.0%	28.2%
Different area	29.4%	42.4%	71.8%
Subtotal	37.6%	62.4%	100.0%

Area: per prefecture  
Industry: based on our original industrial classification (262 industries)



Average number of transactions closed per consultant with sales budget responsibility (FY2022)

**2.4**

\*Number of consultants as of the end of the fiscal year.



Average age of employees

**33.8**

\*Nihon M&A Center

Ratio of new graduate entrants to mid-career hires

New graduate entrants: **2**  
Mid-career hires = **8**

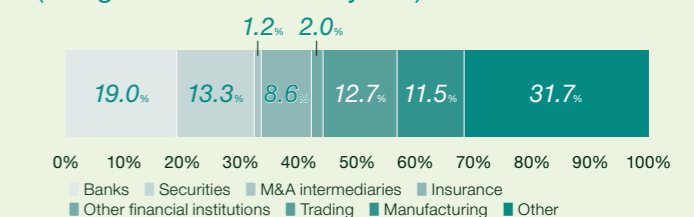
Number of employees hired annually **291**



\*Nihon M&A Center Group

(FY2022)

Industries mid-career consultants come from (hiring in the latest three years)



Total annual training hours

**56,169** hours

(FY2022)



Ratio of female managers

**11.5** %

(FY2022)

Company with Audit and Supervisory Committees

Ratio of Outside Directors **53.8** %

Ratio of female Directors **15.4** %



GHG emissions volume

**2,500.0** t-CO<sub>2</sub>

(FY2022)



# Value Creation Process

Nihon M&A Center Group will carry out management based on its purpose and take advantage of its strengths as a comprehensive M&A support company for SMEs that consists of its group companies specialized in all processes from company valuation to post-merger integration (PMI). By doing so, the Group will create value by resolving social issues.

## Environment recognition

- Aging company owners
- Increasing percentage of companies with no successor
- Decreasing population
- Shrinking domestic markets and declining GDP
- More companies going out of business
- M&A becoming common
- Diversifying values and needs
- Acceleration of digitalization
- Climate change
- Increasing awareness of ESG
- Japanese companies' low labor productivity and profitability

## Invested capital (as of September 30, 2023)

**Human capital**

Number of employees (consolidated) **1,111**

Consultants **648**

Hours spent on training **56,169** hours/year

Employees with qualifications **Over 40**  
(Lawyers, notaries, certified public accountants, tax accountants)  
Organic connections among employees of group companies  
(Corporate Value Laboratory Inc., Batonz Co., Ltd., etc.)

**Intellectual capital**

Cumulative total of transactions closed **Advanced knowledge and know-how related to over 8,000 M&A cases for SMEs**

Database containing information accumulated over a long period

Development and utilization of highly accurate M&A systems

- Company valuation system "V-Compass"
- Case analysis system "D-Compass"
- Company sale simulation system "M-Compass"

**Social and relationship capital**

Strong relations with M&A information networks

- 307 regional financial institutions (90% of regional banks and 80% of credit unions nationwide)
- 1,026 accounting firms
- Major financial institutions (megabanks, major securities companies)
- Chamber of Commerce and Industry, venture capitals, etc.

Number of locations **12**

Secondees from financial institutions and accounting firms, etc. **Approx. 30** (regularly)

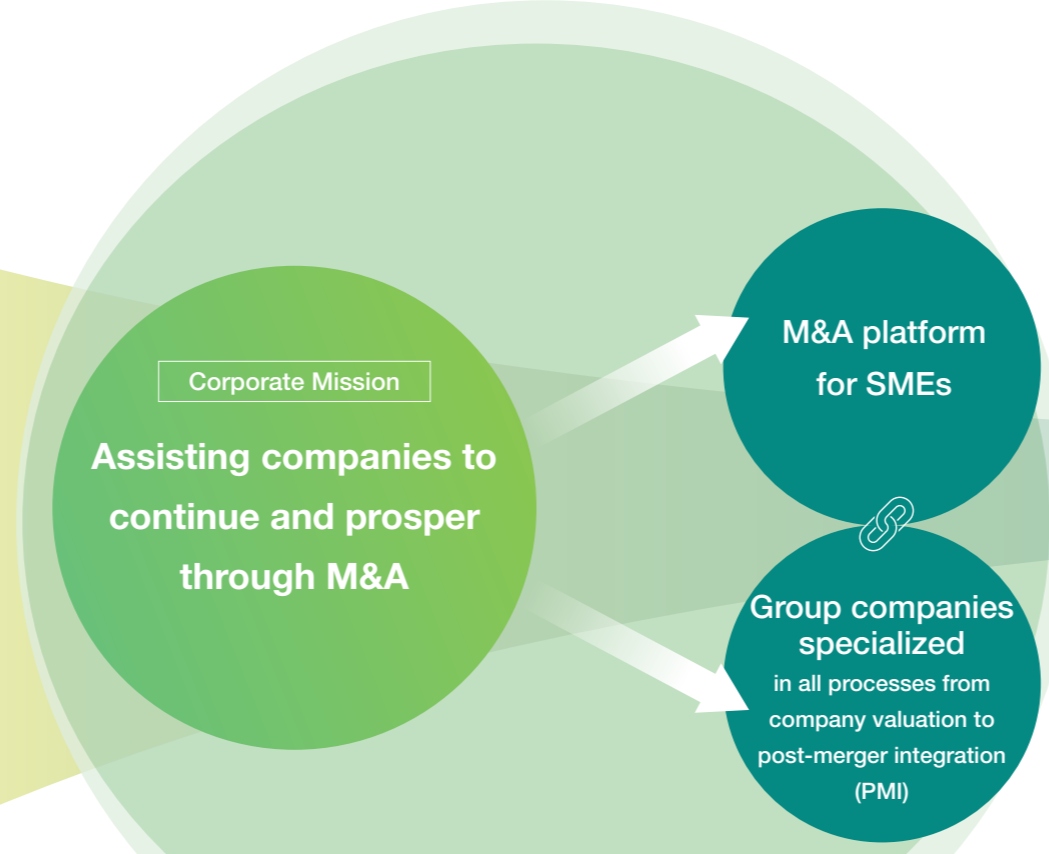
Member of World M&A Alliance

**Financial capital**

Financial base for value creation (as of March 31, 2023)

- Capital adequacy ratio **82.8%**
- Ordinary profit ratio **37.5%**

## Business activities



### Materiality (Priority Issues) of

- ◆ Further advancement as an integrated M&A company ◆ Innovation
- ◆ Safe and secure M&A ◆ Contribution to society

#### Key priorities

- Structure that can provide services to all manner of companies both in Japan and overseas
- Promotion of transformation of fund business into social infrastructure
- Response to market changes (including changes in business owners' awareness)
- Productivity improvement/marketing promotion using DX
- Maintenance and improvement of service quality
- Engagement with clients, business partners and shareholders
- Regional revitalization through further advancement as an integrated M&A company
- Sound advancement and development of the industry as the leading company

### Nihon M&A Center Holdings

- ◆ Promotion of human capital management
- ◆ Strengthening of information management
- ◆ Strengthening of governance foundations

- Collaboration with public institutions, educational institutions, etc.
- Recruitment and development of talented human resources to revitalize the organization
- Active participation by diverse human resources suitable for an integrated M&A company
- Information security and cybersecurity measures
- Building of corporate governance with emphasis on compliance
- Enhancement of risk management with risk map
- Thorough implementation of purpose- and philosophy-oriented management
- Succession planning for top management
- Enhancement of financial foundations through provision of added value to clients

Materiality (Priority Issues) ⇒ P.27

## Output/Outcome

**Output**

FY2022  
Transactions closed by Nihon M&A Center **1,050**/year

No. of companies we supported in TOKYO PRO Market listing (as of Sept., 2023) **21** companies

**Outcome**

Contribute to regional revitalization by

- Resolving SMEs' business succession issues
- Sustaining and increasing employment
- Improving corporate productivity
- Reducing M&A risks
- Creating regional core companies
- Developing executive management personnel

Our M&A intermediary activities provide economic benefits

Preventive effects on economic-losses and on job losses as of FY2022\*

Number of M&A contracts supported by Nihon M&A Center **486**

Total revenues for the companies involved in the above M&A contracts **¥307.1** Billion

Preventive effects on economic-losses **¥346.8** Billion

Preventive effects on job losses **28,805**

Preventive effects on economic losses for the next decade **¥2.7185** Trillion

\*Estimated by Yano Research Institute Ltd.

4th-period medium-term management targets

**Exceed 30**

## Our vision

To connect hopes and dreams for the best M&A experience in Japan and then the world