

To whom it may concern

Company name: Nihon M&A Center Inc.
Representative: Suguru Miyake, President and
Representative Director
(Stock exchange code: 2127, TSE First Section)
Takamoro Naraki,
Contact: Executive Vice President and Director,
General Manager, Administration Division
(Telephone +81-3-5220-5454)

Notice of execution of the Absorption-type Company Split agreement for transition to a holding company structure by means of a corporate split, along with a change in the Articles of Association (concerning the company name and modification of the business purpose)

On 29 January 2021 we announced plans for transition to a holding company structure on 1 October 2021 by means of a company split.

The execution of the Absorption-type Company Split agreement with our 100% subsidiary was approved at the meeting of the Board of Directors held today, as explained below (hereinafter the Absorption-type Company Split agreement with our 100% subsidiary is termed “Company Split”). At the same time we are hereby announcing details which were yet to be confirmed at the time of our statement on 29 January 2021 (“Establishment of Split Preparation Company pursuant to Transition to a Holding Company Structure through a Company Restructure”).

Through the Company Split the intention is for the company name to be changed to Nihon M&A Center Holdings Inc. on 1 October 2021 with the business purpose simultaneously changing to reflect the transition to a new holding company structure. A further condition is for the Company Split and changes to the Articles of Association (concerning the company name and modification of the business purpose) to be approved at our shareholders General Meeting on 24 June 2021 besides any necessary approvals and licensing from supervisory authorities.

Since this is an Absorption-type Company Split imposed upon our 100% subsidiary, certain points of detail are omitted from the announcement.

I. Transition to a holding company structure by means of a corporate split

1. Purpose of transition to a holding company structure

Our group has the aim “To become the top global integrated M&A company”, and for this purpose has continually expanded businesses associated with the core M&A intermediary activities through the establishment of subsidiaries and associates in areas such as company valuations, inheritance tax planning, PMI, online matching services for business succession, media for business owners and PE funds. Moving forward, as we celebrate our 30th anniversary we have decided to shift to a pure holding company structure for future growth development of the group with the following objectives.

(1) Further development of each group company

Clarification of the authority level of each group company, speeding up decision processes and providing clear responsibility for financial performance, so all of the group companies can attain further growth and develop the areas in which they operate and for which they are responsible.

(2) Development of optimum human resource for management of all group companies

By delegating authority to each group company, we aim to develop optimal human resources for management, lifting the overall value of our human resource.

(3) Maximize group company value

Realize group synergies by harmonizing group strategy and reallocating management resources in an optimal way, thereby aiming to maximize the value of the companies in the group.

(4) Further group development in domestic and overseas markets

Seek further development of the group home and abroad through M&A for growth and entry into new business areas.

2. Summary of transition to a holding company

(1) Schedule for the Company Split

Board of Directors meeting approval for establishment of Split Preparation Company	29 January 2021
Establishment of Split Preparation Company	1 April 2021
Board of Directors meeting approval for Absorption-type Company Split agreement	30 April 2021
Execution of Absorption-type Company Split agreement	30 April 2021
Approval of Absorption-type Company Split at General Meeting of shareholders	24 June 2021 (provisional)
Absorption-type Company Split occurs	1 October 2021 (provisional)

Note: The Company Split falls within Article 796, Paragraph 1 of the Company Code relating to short-form split absorption and hence the Split Preparation Company formation does not require ratification from the General Meeting of shareholders.

(2) Method for the Company Split

The Company Split will consist of the Split Absorption company (hereinafter termed “the Split Company”) and the 100%-owned Split Preparation Company of Nihon M&A Center acting as the split successor company (hereinafter termed the “Successor Company”) such that all rights and obligations of the M&A intermediary activities will be absorbed into the Successor Company.

(3) Company Split share allotment

Since we own all issued shares of the Successor Company, in the case of this Company Split the Successor Company will not pay for any succession rights and obligations.

(4) Treatment in Company Split of warrants and bonds with warrants attached

There will be no change as a result of the Company Split to the treatment of warrants issued by our company. Our company has not issued bonds with warrants attached.

(5) Company Split impact on the level of share capital

There will be no change in the level of share capital as a result of the Company Split.

(6) Rights and obligations accruing to the Successor Company

The Successor Company will act in accordance with the terms of the rights and obligations in the Nihon M&A Center Split Preparation Company contract from the effective date of the Company Split agreement. Our company will unconditionally guarantee all obligations of the Successor Company.

(7) Outlook for debt obligation

The value of assets is forecast to exceed the value of liabilities in our company and the Successor Company following the Company Split, and there is no foreseen circumstance for an impediment to fulfilment of the debt obligations. Accordingly, we are of the view that in the Company Split our company and the Successor Company will not have

any difficulty in meeting the debt obligations.

3. Company Split - companies overview

Companies overview

	Split Company As at 31 March 2021	Successor Company At point of formation on 1 April 2021																				
(1) Company name	Nihon M&A Center Inc.	Nihon M&A Center Split Preparation Company Inc.																				
(2) Address	1-8-2, Marunouchi, Chiyoda-ku, Tokyo	1-8-2, Marunouchi, Chiyoda-ku, Tokyo																				
(3) Name and title of representative	Suguru Miyake, President and Representative Director	Suguru Miyake, President and Representative Director																				
(4) Business description	M&A intermediary services	M&A intermediary services																				
(5) Share capital	3,780 million yen	100 million yen																				
(6) Date of establishment	25 April 1991	1 April 2021																				
(7) Number of shares issued	336,536,800	10,000																				
(8) Financial year end	March	March																				
(9) Main shareholders and % held	<table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd (trustee account)</td> <td>8.64%</td> </tr> <tr> <td>SSBTC Client account (Proxy HSBC Tokyo branch)</td> <td>7.45%</td> </tr> <tr> <td>Suguru Miyake</td> <td>6.53%</td> </tr> <tr> <td>JP Morgan Chase Bank 385632 (Proxy Mizuho Bank, Ltd. Settlement Services Division)</td> <td>6.35%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (trustee account)</td> <td>5.81%</td> </tr> <tr> <td>Yasuhiro Wakebayashi</td> <td>3.04%</td> </tr> <tr> <td>The Bank of New York, non-treaty Jasdec Account (Proxy MUFG Bank, Ltd.)</td> <td>1.57%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (trustee account 5)</td> <td>1.45%</td> </tr> <tr> <td>State Street Bank NK West Client - treaty 505234 (Proxy Mizuho Bank, Ltd. Settlement Services Division)</td> <td>1.45%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (trustee account 7)</td> <td>1.39%</td> </tr> </table>	The Master Trust Bank of Japan, Ltd (trustee account)	8.64%	SSBTC Client account (Proxy HSBC Tokyo branch)	7.45%	Suguru Miyake	6.53%	JP Morgan Chase Bank 385632 (Proxy Mizuho Bank, Ltd. Settlement Services Division)	6.35%	Custody Bank of Japan, Ltd. (trustee account)	5.81%	Yasuhiro Wakebayashi	3.04%	The Bank of New York, non-treaty Jasdec Account (Proxy MUFG Bank, Ltd.)	1.57%	Custody Bank of Japan, Ltd. (trustee account 5)	1.45%	State Street Bank NK West Client - treaty 505234 (Proxy Mizuho Bank, Ltd. Settlement Services Division)	1.45%	Custody Bank of Japan, Ltd. (trustee account 7)	1.39%	Nihon M&A Center Inc. 100%
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(10) Relationship between the two companies	Share capital	Split Company holds 100% of issued capital of Successor Company																				
	Human resources	1 Director of Successor Company provided by Split Company																				
	Transactions	The Successor company has no trading activity and so currently there are no transactions between the companies																				
(11) Financial status and operating results for the preceding financial year to 31 March 2021																						
Net assets	45,427 million yen (consolidated)	100 million yen (parent)																				
Total assets	55,558 million yen (consolidated)	100 million yen (parent)																				
Net assets per share	[※] 136.71 yen (consolidated)	10,000 yen (parent)																				
Sales	36,130 million yen (consolidated)	-																				
Operating profit	16,408 million yen (consolidated)	-																				
Recurring profit	16,540 million yen (consolidated)	-																				

	Split Company As at 31 March 2021	Successor Company At point of formation on 1 April 2021
Net profit attributable to parent company	11,415 million yen (consolidated)	–
Net profit per share	[※] 34.70 yen (consolidated)	–

Notes

1. The intention is for the Split Company to be officially renamed Nihon M&A Center Holdings Inc. on 1 October 2021.
2. The intention is for the Successor Company to be officially renamed Nihon M&A Center Inc. on 1 October 2021.
3. The Successor Company has not yet got any financial history and so in the table the only financial data shown is from the opening balance sheet.

[※] Upon its establishment on 1 April 2021 the Split Company had a 2-for-1 share split. Accordingly net asset value and net profit per share were calculated on the basis that the new number of shares had been outstanding from the start of the period to March 2021.

[Overview of the activities of the Split Company]

- (1) Activities of the Split Company division
M&A intermediary services

(2) Split Company operating results (for year ending March 2021)

	Split company (a)	Our company results (parent) (b)	Ratio (a/b)
Sales	35,672 million yen	35,672 million yen	100%
Gross profit	21,951 million yen	21,951 million yen	100%

(3) Value of the assets and liabilities of the Split Company at 31 March 2021

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	11,395 million yen	Current liabilities	4,579 million yen
Fixed assets	6,737 million yen	Long-term liabilities	— million yen
Total	18,132 million yen	Total	4,579 million yen

Note: The above figures are derived from the end-March 2021 balance sheet, but the actual amounts for the succession will be adjusted to reflect changes which take place up to the time of commencement.

4. Split Company at the time of commencement planned for 1 October 2021

	Split Company	Successor Company
(1) Company name	Nihon M&A Center Holdings Inc. (Company name to be changed on 1 October 2021 from Nihon M&A Center Inc.)	Nihon M&A Center Inc. (Company name to be changed on 1 October 2021 from Nihon M&A Center Split Preparation Company Inc.)
(2) Address	1-8-2, Marunouchi, Chiyoda-ku, Tokyo	1-8-2, Marunouchi, Chiyoda-ku, Tokyo
(3) Name and title of representative	Suguru Miyake, President and Representative Director	Suguru Miyake, President and Representative Director
(4) Business description	Group management functions	M&A intermediary services
(5) Share capital	3,780 million yen	100 million yen
(6) Accounting period	Year ending March	Year ending March

5.Outlook

Since the Successor Company is a 100% subsidiary of our company there will be minimal impact on our company's consolidated results from the Company Split.

II. Changes to the Articles of Incorporation and company name

1. Purpose

(1) On the occasion of transitioning to a holding company structure the company name will change to Nihon M&A Center Holdings Inc. and the purpose will change to that of a holding company with group management functions. Besides being appropriate for our group's business and providing clarity for the activities, this will broaden the scope of our business purpose, providing the opportunity for future development.

(2) Other associated appropriate amendments to terminology will be required.

2. Detail

Details of these changes are summarised in the attachment.

3. Schedule

Ordinary General Meeting approval of changes to Articles of Incorporation	24 June 2021 (provisional)
Date of changes to Articles of Incorporate coming into effect	1 October 2021 (provisional)

[End of announcement]

Changes to the Articles of Association

(Words underlined represent the changes, some of which relate to usage of Japanese script)

Current Articles of Association	Proposed amendments
<p style="text-align: center;">Section 1 General provisions</p> <p>(Company name) Article 1 The name of the Company shall be <u>Kabushiki kaisha Nihon M&A Center</u>. It shall be written in English as <u>Nihon M&A Center Inc.</u></p> <p>(Purpose) Article 2 The company conducts business for the following purposes.</p> <p>1. Intermediary services and associated consulting pertaining to the planning and execution of corporate acquisitions, mergers, company splits, share exchanges, transfers, business succession, capital alliances and business alliances</p> <p>2. - 6. (details omitted)</p> <p>7. (unchanged in English)</p> <p>8. - 11. (details omitted)</p> <p style="text-align: right;">(new) (new) (new)</p> <p><u>12.</u> Ancillary activities to all of the above</p> <p>Articles 3 - 21 (details omitted)</p> <p>(Positions of directors) Article 22 The Board of Directors has authority to appoint from its ranks one President and depending on the situation 1 Chair, a Deputy President, Senior Managing Directors and Managing Directors.</p> <p>Articles 23 - 42 (details omitted)</p>	<p style="text-align: center;">Section 1 General provisions</p> <p>(Company name) Article 1 The name of the Company shall be <u>Kabushiki kaisha Nihon M&A Center Holdings</u>. It shall be written in English as <u>Nihon M&A Center Holdings Inc.</u></p> <p>(Purpose) Article 2 The company conducts business for the following purposes. <u>This applies to companies which will conduct future business activities (including overseas), joint ventures (including with companies overseas) including future acquired entities or affiliates to be managed or overseen.</u></p> <p>1. (unchanged in English)</p> <p>2. - 6. (details omitted)</p> <p>7. (unchanged in English)</p> <p>8. - 11. (details omitted)</p> <p><u>12. Consulting for Initial Public Offering of shares</u></p> <p><u>13. Software development and consulting</u></p> <p><u>14. Recruitment activities in accordance with the Employment Security Act</u></p> <p><u>15.</u> Ancillary activities to all of the above</p> <p>Articles 3 - 21 (unchanged)</p> <p>(Positions of directors) Articles 22 (unchanged in English)</p> <p>Articles 23 - 42 (details omitted)</p>

Current Articles of Association	Proposed amendments
<p style="text-align: center;">Additional clauses</p> <p>Transitional measures for exemption of auditor responsibilities</p> <p>1 (details omitted)</p> <p>2 (details omitted)</p> <p style="text-align: center;">(new)</p>	<p style="text-align: center;">Additional clauses</p> <p>Transitional measures for exemption of auditor responsibilities</p> <p><u>Article 1</u> (unchanged)</p> <p>Article 2 (unchanged)</p> <p><u>(Effective date)</u></p> <p><u>Changes to Articles 1 (Company name) and Article 2 (Purpose) are on the agenda for the Annual General Meeting of shareholders scheduled for 24 June 2021. Provided that approval is given for the contract for the Absorption-type Company Split agreement as proposed and that this is executed, it will come into effect from 1 October 2021, the effective date of the aforementioned Absorption-type Company Split. This Article will be removed after the effective date.</u></p>

End of attachment