

Celebration of our 30<sup>th</sup> anniversary - April 25, 2021

# IR Report

Financial Results Report for Q3 FY2023

Year to March 2024 TSE code 2127

The information included in this presentation, such as industry trends and analysis, future plans and forecasts, is based on data available at the time of release. As the operating environment is subject to risks of large changes and uncertainties we make no guarantees regarding future plans or forecasts.

2024.1.30

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# Nihon M&A Center Holdings Purpose

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

Best M&A = Top level compliance, client satisfaction, quality



# Q3 FY2023 Results Review



Nihon M&A Center HD



# Q3 Results Review (YoY comparison)

In Q3 and YTD **sales and profit increase**

Q3 large improvement in profit margin

**Record quarter** for number of transactions closed, reaching **300**

	9 months (Apr - Dec)		
	FY2023	FY2022	YoY
Transactions closed (Counting sell-side and buy-side mandates separately)	796	754	+5.6%
M&A sales /transaction (¥mn)	37.7	37.8	-0.3%
Sales (¥mn)	31,147	29,876	+4.3%
Ordinary profit (¥mn)	11,676	11,045	+5.7%
Ordinary profit margin (%)	37.5	37.0	+0.5pt

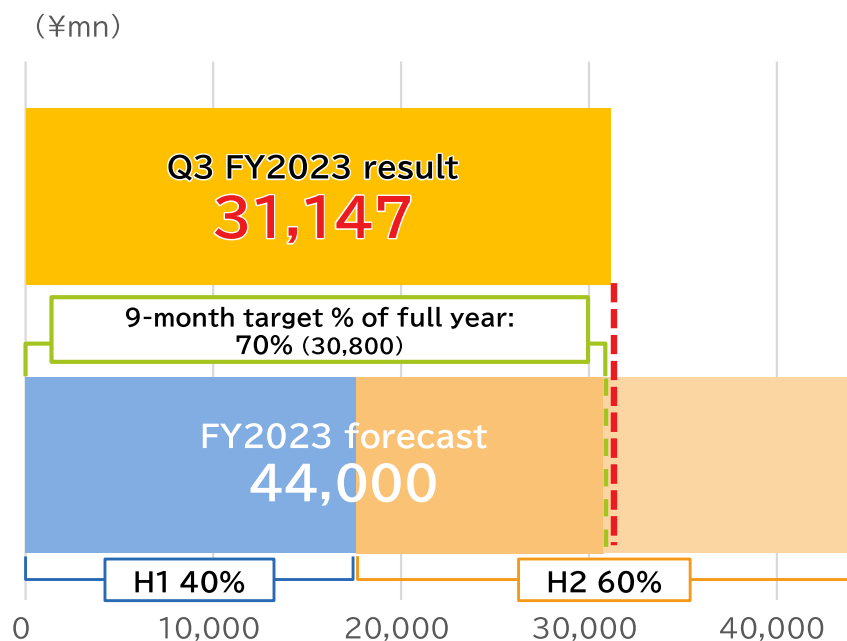
	Q3 (Oct - Dec)		
	FY2023	FY2022	YoY
Transactions closed (Counting sell-side and buy-side mandates separately)	300	258	+16.3%
M&A sales /transaction (¥mn)	38.9	36.1	+7.8%
Sales (¥mn)	11,975	9,777	+22.5%
Ordinary profit (¥mn)	5,567	3,072	+81.2%
Ordinary profit margin (%)	46.5	31.4	+15.1pt

# Sales・Ordinary Profit Progression

9-month sales and profit  
at about targeted proportion of full year (70% of forecast)

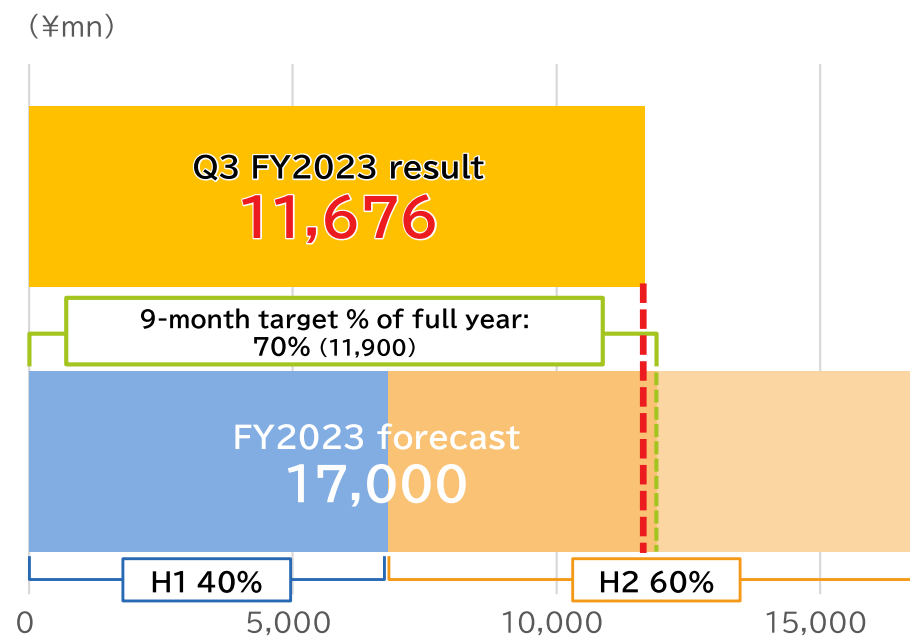
## Sales progression

% of full year forecast **70.8%**



## Ordinary profit progression

% of full year forecast **68.7%**



# Income Statement Key Data

**Ordinary profit margin recovers to 37.5%**  
(1Q: 19.9%)

	FY2023 Q3 results (Apr-Dec)			FY2022 Q3 results (Apr-Dec)		FY2023 full-year forecasts	
(¥mn, %)	Total	%	YoY %	Total	%	Total	%
<b>Sales</b>	<b>31,147</b>	<b>100.0</b>	<b>4.3</b>	<b>29,876</b>	<b>100.0</b>	<b>44,000</b>	<b>100.0</b>
(o/w M&A sales)	30,138	96.8	4.7	28,784	96.3		
Cost of sales	13,237	42.5	6.0	12,491	41.8		
(o/w referral fees and outsourcing expenses)	4,241	13.6	16.4	3,643	12.2		
(o/w personnel and transportation costs)	8,709	28.0	2.7	8,480	28.4		
<b>Gross profit</b>	<b>17,910</b>	<b>57.5</b>	<b>3.0</b>	<b>17,384</b>	<b>58.2</b>		
SGA expenses	6,675	21.4	6.5	6,269	21.0		
<b>Operating profit</b>	<b>11,234</b>	<b>36.1</b>	<b>1.1</b>	<b>11,115</b>	<b>37.2</b>	<b>17,000</b>	<b>38.6</b>
Non-operating income	545	1.8	695.0	68	0.2		
Non-operating expenses	103	0.3	-25.3	138	0.5		
<b>Ordinary profit</b>	<b>11,676</b>	<b>37.5</b>	<b>5.7</b>	<b>11,045</b>	<b>37.0</b>	<b>17,000</b>	<b>38.6</b>
Extraordinary gain	0	0.0		0	0.0		
Extraordinary loss	-	-		0	0.0		
<b>Pretax profit</b>	<b>11,677</b>	<b>37.5</b>	<b>5.7</b>	<b>11,045</b>	<b>37.0</b>		
Tax (corporation tax & other)	4,378	14.1	11.4	3,928	13.2		
<b>Net profit</b>	<b>7,298</b>	<b>23.4</b>	<b>2.6</b>	<b>7,116</b>	<b>23.8</b>		
Profit attributable to parent company	7,306	23.5	3.0	7,097	23.8	11,000	25.0

\*The amount "0" indicates less than ¥1mn, the term "-" indicates that there is no applicable amount.

# Review of Q3

**Sales up** due to higher number of transactions closed  
and maintaining high average revenue per transaction

**Profit up** due to recovery in gross profit margin and control of SGA expenses

	Q3 results (Apr-Dec)	YoY	Cause/results	Initiatives/current progress
<b>Sales</b> (¥mn)	<b>31,147</b> Q3: 11,975 +22.5%	<b>+4.3%</b>	<ul style="list-style-type: none"> <li>Drop in Q1 compensated for in Q2-Q3</li> </ul>	<ul style="list-style-type: none"> <li>Emphasis on <b>strengthening</b> of <b>consultant training</b></li> <li>Enhanced development programs for new managers (department heads, group leaders)</li> <li>Rolling out 2in1 (selling in pairs) development system</li> </ul>
<b>Transactions closed</b> (Counting sell-side and buy-side mandates separately)	<b>796</b> Q3: 300 +16.3%	<b>+5.6%</b>	<ul style="list-style-type: none"> <li>Number of transactions closed (by number of companies) reached new quarterly high of <b>300</b></li> </ul>	<ul style="list-style-type: none"> <li>Further focus on <b>improvement in winning mandates</b> through <b>our network</b></li> <li><b>Major push</b> of various <b>measures to promote securing of direct mandates</b> (Details on page 33)</li> </ul>
<b>M&amp;A sales /transaction</b> (¥mn)	<b>37.7</b> Q3: 38.9 +7.8%	<b>-0.3%</b>	<ul style="list-style-type: none"> <li>Impact of implementation of new measures to gain midcap* mandates (Centre for Growth Strategy Development)</li> <li><b>20</b> large transactions closed in Q3 - maintaining a high level following 19 in Q2 (13 in Q3 FY2022)</li> <li><b>Increase</b> in proportion of completed sell-side mandates of companies with <b>sales of over ¥1bn</b></li> <li><b>Decrease</b> in proportion of companies with <b>sales under ¥100m</b></li> </ul>	<ul style="list-style-type: none"> <li>Continuous implementation of measures to strengthen ability to gain midcap mandates (Details on page 8 and 32)</li> </ul>

Sales mix

\* Companies with sales of over ¥1bn or profit of over ¥50m

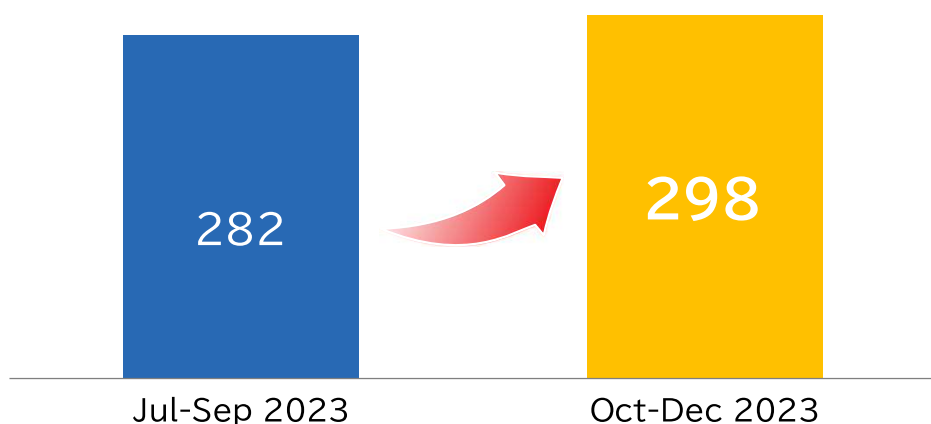
# Review of Q3

	Q3 results (Apr-Dec)	YoY	Cause/results	Initiatives/current progress	Cost composition
Cost of sales (¥mn)	13,237 Q3: 4,611 +7.3%	+6.0%	<ul style="list-style-type: none"> <li>Personnel costs +¥420m</li> <li>Transportation costs -¥190m</li> <li>Referral fees +¥600m</li> </ul>		
Referral fee ratio (%)	13.6% Q3: 12.0% +1.0pt	+1.4pt	<ul style="list-style-type: none"> <li>A large increase in the proportion of transactions closed originated through our network partners leading to a higher referral fee ratio</li> </ul>	<ul style="list-style-type: none"> <li>There has now been an increase in the proportion of transactions closed sourced directly, hence the <b>referral fee ratio is trending down</b> Q1:14.8% → Q2:14.5% → Q3:12.0%</li> </ul>	
Gross profit (¥mn)	17,910 Q3: 7,363 +34.4%	+3.0%	+4.4pt improvement in the ratio of client-facing employees compared with the level at end-March 2023	Continually working towards appropriate proportion of client-facing employees	
Gross profit margin (%)	57.5% Q3: 61.5% +5.5pt	-0.7pt	<ul style="list-style-type: none"> <li>The gross profit margin has greatly improved from the Q1 level of 50%</li> <li>In Q3 it <b>recovered to the 60% level</b></li> </ul>		
SGA expenses (¥mn)	6,675 Q3: 2,233 -5.5%	+6.5%	<ul style="list-style-type: none"> <li>Personnel costs +¥250m</li> <li>IT costs +¥150m</li> </ul>	<ul style="list-style-type: none"> <li>Continuously working towards <b>appropriate cost structure</b> through <b>optimisation and concentration</b></li> </ul>	
Ordinary profit (¥mn)	11,676 Q3: 5,567 +81.2%	+5.7%	<ul style="list-style-type: none"> <li>Non-operating profit +¥440m</li> </ul>		
Ordinary profit margin (%)	37.5% Q3: 46.5% +15.1pt	+0.5pt	<ul style="list-style-type: none"> <li>In Q3 it <b>recovered to the 46% level</b></li> </ul>		

# Developments from Q4 onwards

Continuing **high number of new transaction negotiations**  
**Increase** in volume of **new large-scale**  
**sell-side mandates** versus a year ago

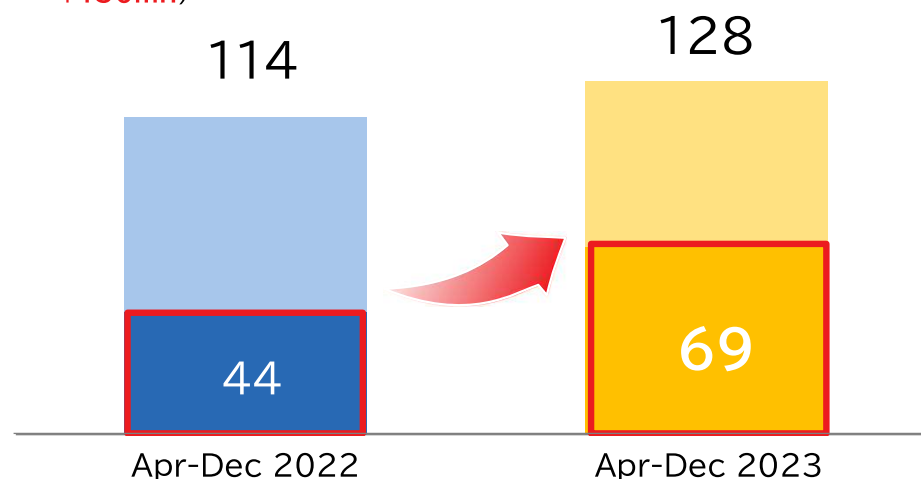
■ Status of **new transaction negotiations**\*1 between sellers and buyers



\*1 Almost all negotiations with retainer fee from both sellers and buyers

■ Expectation of success fees in excess of ¥100mn  
Status of **new large-scale sell-side mandates**\*2

(Red outlined portion of chart depicts expectation for number of new sell-side mandates with success fees in excess of ¥150mn)



\*2 Almost all mandates with retainer fee from sellers

Striving to meet the announced financial forecasts  
with **increased success in closing transactions**



# Record of Transactions Closed, M&A Sales, New Mandates

In Q3 both the **number of transactions closed** and **M&A sales reached record highs**

Continuously implementing measures to **strengthen ability to gain large mandates** and **handle small mandates by a group company**

(Units: no. of transactions, million yen)	FY2020		FY2021					FY2022					FY2023		
	3Q	Full year	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q
Total number of transactions closed *1 (by no. of companies)	246	886	291	286	243	176	996	226	270	258	296	1,050	230	266	300
Cumulative total for the financial year	701	-	291	577	820	996	-	226	496	754	1,050	-	230	496	796
Number of sell-side transactions closed	123	441	146	145	119	89	499	110	135	126	148	519	115	131	146
Number of buy-side transactions closed	123	445	145	141	124	87	497	116	135	132	148	531	115	135	154
Total number of transactions closed *1	126	453	148	146	127	90	511	116	137	135	151	539	116	136	156
Cumulative total for the financial year	358	-	148	294	421	511	-	116	253	388	539	-	116	252	408
M&A sales *2	9,106	33,614	11,305	11,250	10,404	5,631	38,591	8,630	10,570	9,320	10,895	39,416	7,695	10,637	11,675
M&A sales/transaction *3	37.0	37.9	38.8	39.3	42.8	32.0	38.7	38.2	39.2	36.1	36.8	37.5	33.5	40.0	38.9
Number of new sell-side mandates *4	264	1,143	271	329	352	273	1,225	310	297	276	301	1,184	280	298	287
Cumulative total for the financial year	868	-	271	600	952	1,225	-	310	607	883	1,184	-	280	578	865

\*1 The total number of transactions closed in the line 1-1 represents the sum of the number of completed sell-side and buy-side mandated transactions; the total number of transactions closed in the line 4-1 represents the number of transactions in which we were involved.

\*2 This number does not include M&A Sales by Batonz Co., Ltd.

\*3 This number represents M&A sales (including retainers and other fees) divided by the number of transactions closed (number of companies).

\*4 In almost all of our newly contracted mandates, we receive a retainer fee from the seller side. The figure for the total sell-side mandates is calculated on the basis of the effective date of the selling party's contract.

21 Number of referrals to a group company for small mandates 42

(Number outside of  
aforementioned 276)

(Number outside of  
aforementioned 287)

# Balance Sheet Key Data

## Maintaining a healthy balance sheet

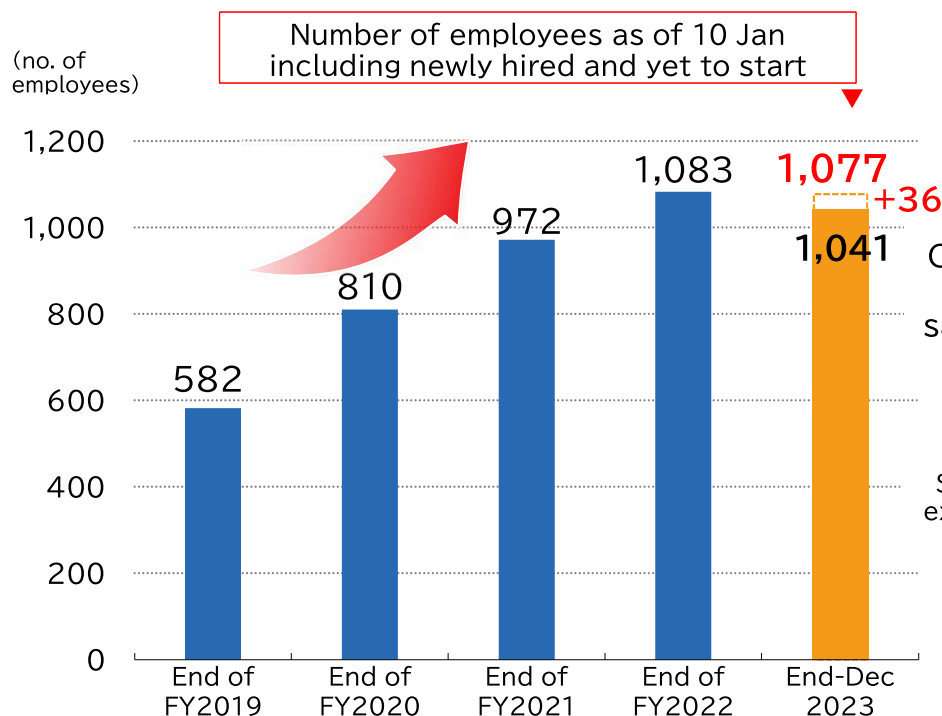
Asset	(¥mn, %)	End-Dec 2023	%	Change	End-Mar 2023
I Current assets		45,445	77.1	-7,553	52,998
Cash and deposits		42,165	71.5	-3,409	45,575
Accounts receivable		1,152	2.0	-1,846	2,998
Others		2,126	3.6	-2,298	4,425
II Fixed assets		13,515	22.9	748	12,766
<b>Total assets</b>		<b>58,960</b>	<b>100.0</b>	<b>-6,804</b>	<b>65,765</b>
Liabilities and net assets	(¥mn, %)	End-Dec 2023	%	Change	End-Mar 2023
I Current liabilities		6,570	11.1	-4,107	10,678
II Long-term liabilities		5,068	8.6	4,702	366
<b>Total liabilities</b>		<b>11,638</b>	<b>19.7</b>	<b>594</b>	<b>11,044</b>
Interest bearing liabilities		6,300	10.7	6,300	-
<b>Net assets</b>		<b>47,321</b>	<b>80.3</b>	<b>-7,399</b>	<b>54,720</b>
Retained earnings		50,804	86.2	-247	51,052
Treasury stock		-11,963	-20.3	-6,999	-4,963
<b>Total liabilities and net assets</b>		<b>58,960</b>	<b>100.0</b>	<b>-6,804</b>	<b>65,765</b>

# Number of Employees

## Continually active recruitment drive

Batonz Co., Ltd. is now accounted for as an **affiliate** rather than consolidated, so unlike March 2023 **its year-end headcount is excluded from the group total**

### Number of employees (consolidated)



	End of FY2019	End of FY2020	End of FY2021	End of FY2022	End-Dec 2023
M&A consultant, specialists*1	390	473	568	622	643*3
(o/w Nihon M&A Center Inc.)				(592)	(625)
(o/w Batonz Co., Ltd.)				(15)	-
Support staff*1	138	282*2	335	383	336*3
(o/w Nihon M&A Center Inc.)				(191)	(193)
(o/w Batonz Co., Ltd.)				(43)	-
Administration Internal audit office	54	55*2	69	78	62*3
(o/w Nihon M&A Center Inc.)				(70)	(58)
(o/w Batonz Co., Ltd.)				(4)	-
<b>Total</b>	<b>582</b>	<b>810</b>	<b>972</b>	<b>1,083</b>	<b>1,041*3</b>
(o/w Batonz Co., Ltd.)				(62)	-

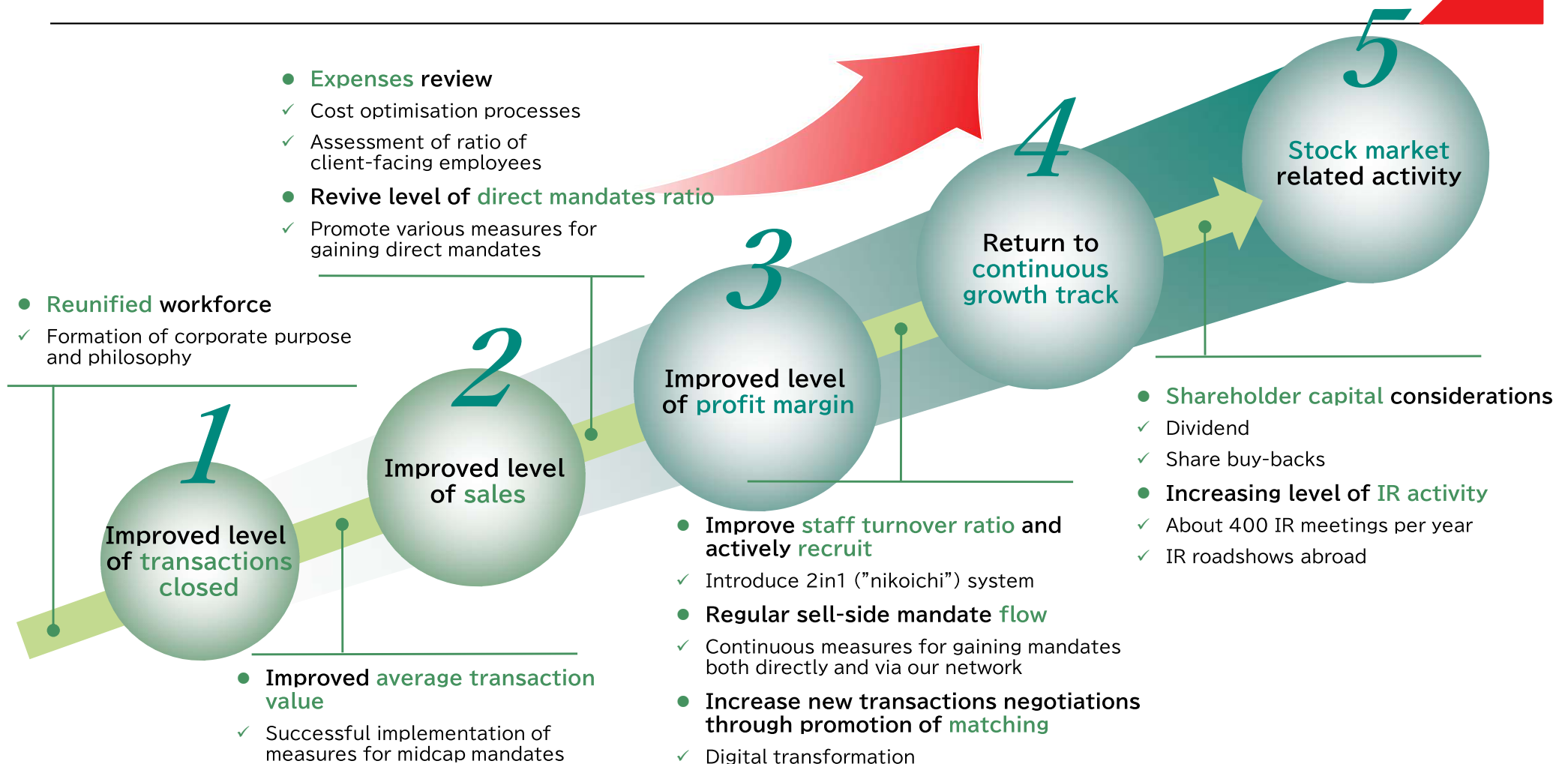
\*1 The definitions of M&A consultants/specialists and Support staff included in the total number of employees are as follows.

M&A consultants, specialists: sales personnel (including at subsidiaries); Midcap Support Office members; legal and accounting professionals specialized in M&A transaction support. Support staff: employees in Strategy H.Q., training department, internal sales, sales support in subsidiaries, IT support.

\*2 Includes employees of Spia (100% owned by Corporate Value Laboratory Inc.), consolidated in October 2020. At end-Dec 2022 there were 60 support staff and 4 employees in administration.

\*3 From Q2 FY2023 Batonz is to be accounted for as an affiliate company with headcount no longer consolidated within the group

# With a unified workforce Now targeting a **recovery in our company value**





# Dividend Policy

## Shareholder Breakdown

 Nihon M&A Center HD

# Shareholder Return Contribution (Share Repurchase)

**Second share repurchase to be implemented (up to: ¥7.0bn)  
for this fiscal year**

**Total payout ratio expected to be about 200%**

Implementation of share repurchase, decided on 30 January 2024

Total number of shares that may be purchased	<b>Up to 10,000,000 shares</b> Ratio to total number of shares issued 3.1% (excluding treasury stock)
Total purchase amount	<b>Up to ¥7 billion</b>
Purchase period	<b>31 January 2024 – 31 March 2024</b>

【Reference】 **Total payout ratio** including **annual dividend of ¥23** per share (forecast) and share repurchase at maximum level is **194.0%**

- Total dividend (forecast): about ¥**7.3**bn ⇒ payout ratio **66.7%**
- Total amount of share repurchase : ¥**14.0**bn ⇒ payout ratio **127.3%**  
this fiscal year (maximum)

**All stated payout ratios and total payout ratios on this page are estimated figures**

- \* Total payout ratio=(total dividend + total amount of share repurchase) ÷ profit attributable to parent company
- \* Profit attributable to parent company (forecast): ¥11bn
- \* Total number of shares issued (excluding treasury stock) as of 31 Dec 2023: 324,183,899 shares
- \* Shares held in treasury as of 31 Dec 2023: 12,750,901 shares



# Shareholder Return Contribution (Dividend Policy)

**Dividend pay-out ratio of 60%**  
**during mid-term management plan period (up to FY2027)**  
**Expecting ¥23 dividend level in FY2023**  
**Announced termination of shareholder benefit program (30 Jan 2024)**

## Termination of shareholder benefit program

We have carefully considered the fairness in the distribution of profits to shareholders, from the **perspective of ensuring substantial equality among shareholders** as required by the Corporate Governance Code for listed companies. As a result, we have determined to **consolidate profit distribution through dividends and other means**, and decided to **terminate the shareholder benefit program**

### 【Termination date of shareholder benefit program】

**The termination of the shareholder benefit program will take effect when 2024 shareholder benefit gifts are sent to all shareholders who are listed in the shareholder registry as of March 31, 2024 and have held 100 shares (1 unit) or more for at least one year**

\*“Held shares for at least one year” refers to being listed three times or more consecutively with the same shareholder number in the shareholder registry as of the end of March and the end of September

## Dividends per share and pay-out ratio

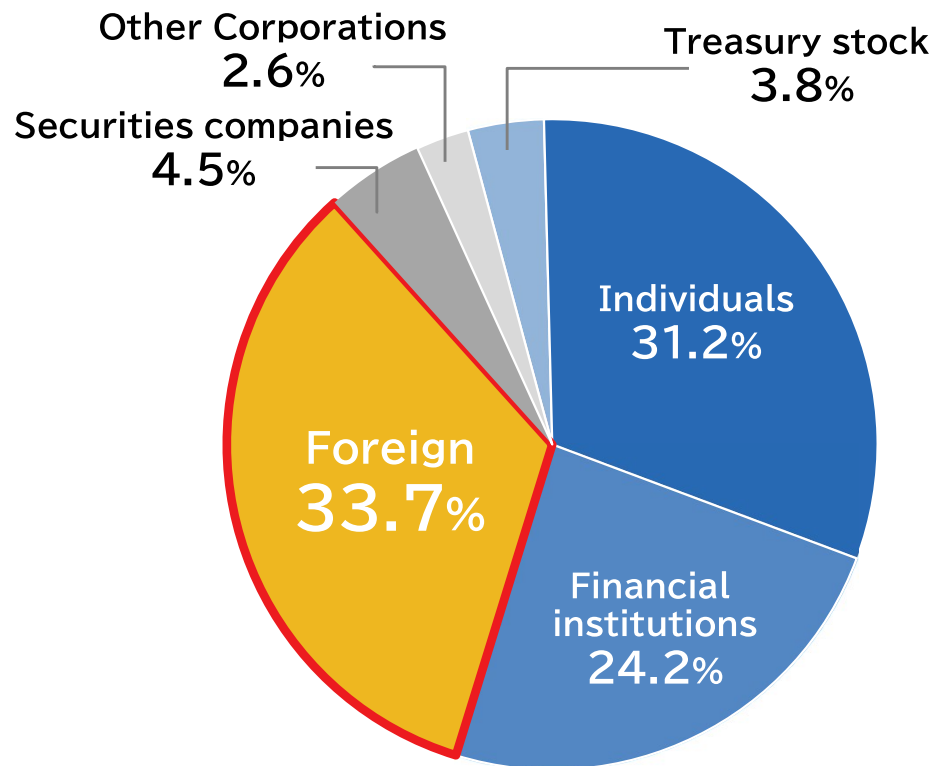
	Dividend forecast at start of year (¥)			Dividend paid (¥)			Pay-out ratio (%)
	Dividend	Breakdown		Dividend	Breakdown		
FY2023	23.00	Interim Year-end	11.00 12.00		Interim Year-end	11.00	66.7% (forecast)
FY2022	23.00	Interim Year-end	11.00 12.00	23.00	Interim Year-end	11.00 12.00	77.3%
FY2021	18.00	Interim (o/w special div 2.00) Year-end (o/w special div 1.00)	9.00 9.00	18.00	Interim (o/w special div 2.00) Year-end (o/w special div 1.00)	9.00 9.00	52.0%
FY2020	13.00	Interim Year-end	6.50 6.50	14.00	Interim Year-end	6.50 7.50	43.1%
FY2019	11.50	Interim Year-end	5.50 6.00	13.00	Interim Year-end	5.50 7.50	41.1%

\* Adjusted for two-for-one share splits on 1 Apr 2021

# Share Ownership and Market Capitalization

Ratio of individual shareholders has increased and the **total number of shareholders** has in parallel risen to **over 100,000**

## Share ownership as of 30 Sep 2023



Number of shareholders: **105,404**  
Number of shares issued: **336,934,800**

## Market capitalization (From Apr 2017)





# Potential Market

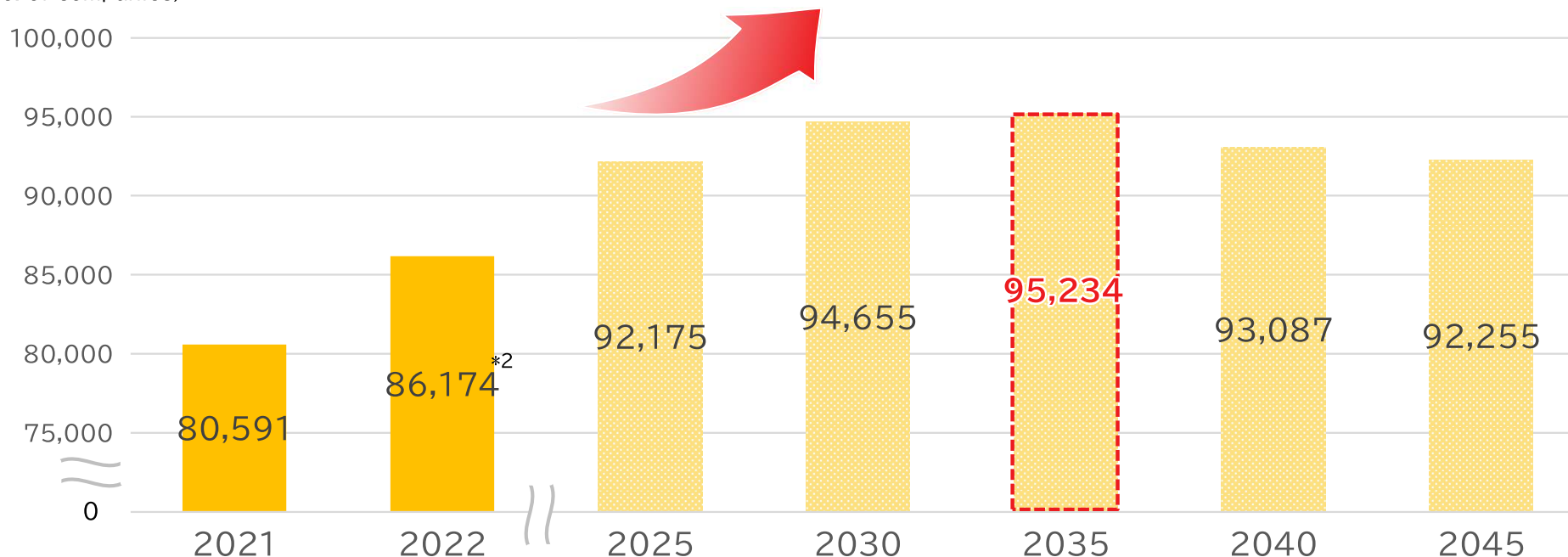
 Nihon M&A Center HD

# Estimated Potential Demand for M&A Related to Business Succession

Potential demand for M&A of SMEs lacking a successor is forecast to peak in 2035, but still maintain a high annual volume of over 90,000

■ Projection of potential demand for M&A of SMEs lacking a successor\*<sup>1</sup>  
(sales over ¥100m, CEO age over 60)

(no. of companies)



\*1 Those companies with undermined succession or closure plans are included, except for those that already have a family or employee succession plan and those that are planning for closure or liquidation (The above inclusion assumes that the same percentage as those that have been revealed by business closures, business succession, etc. of potential companies exist)

\*2 The discrepancy in the potential number of M&A of SMEs lacking a successor (estimated) on the next page is due to differences in categorization and the assumptions at the time of estimation

Sources: Estimated by Yano Research Institute Ltd.

# M&A Potential Market Size

The potential market size for M&A of SMEs (sales over ¥100m) in the domestic market is **¥13.5 trillion**

Sales size	Number of SMEs*1	Number of potential M&A target companies*2		Potential market size*3
		Business succession focus (CEO age over 60)	Business succession not focus (CEO age under 60)	
>¥1bn	100,012	13,821	16,758	¥ 4.0 trillion
>¥100m <¥1bn	577,149	79,715	90,724	¥ 9.5 trillion
Total	677,161	93,536 *4	107,482	¥ 13.5 trillion

\*1 Yano Research Institute estimates based on data in “Survey of SME status (2022 edition)”

\*2 In calculating the estimated number of potential M&A target companies, it has been assumed that those companies with a CEO aged over 60 are considered to aim for business succession, while those with a CEO aged under 60 are not. Because it is an estimate, the number of companies with a CEO aged over 60 may include those companies that do not aim for business succession. Likewise, the number of companies with a CEO under 60 may include those that do aim for business succession. “Non-business succession focus M&A” are classified into industry restructuring and growth strategy types

\*3 Based on our company’s average historical success fees within each sales size category, multiplied by the number of potential M&A target companies

\*4 The discrepancy in the potential number of M&A of SMEs lacking a successor (estimated) on the previous page is due to differences in categorization and the assumptions at the time of estimation

Sources: Estimated by Yano Research Institute Ltd.



# Industry Trends

 Nihon M&A Center HD



# Industry Trends (1)

## Revised edition of “SME M&A guidelines”, the first in about 3 years (22 Sep 2023)

### Outline of the revised SME M&A guidelines

**Background** SME M&A is endorsed by recognition of public and private initiatives. However, there remains a lack of clarity over the contractual basis and fee structure of the supporting institutions and a problem with the disparate quality

#### Discussion topics for SME M&A

- **Complicated fee structure**

It is difficult for industry to understand the fee structure

SMEs

- **Recruitment and development of skilled staff supporting**

Improvement of standards among participating institutions

Supporting institutions

- **Forms of M&A contract**

Difficulty in understanding contract terms

Supporting institutions

#### Key elements of revised guidelines

- Fees (including minimum levels) key considerations highlighted and fresh examples provided

- New stipulations on developing talents and fostering ethical values for M&A support institutions

- New stipulations on requirements for explanation by intermediaries of key terms prior to closing advisory contracts
- Specification of considerations for restrictions on direct negotiation conduct

M&A intermediary companies with advanced compliance systems in place **benefit from this trend**

# Industry Trends (2)

## M&A Intermediaries Association\* Formulation of **ethical standards** and **3 rules for self regulation of industry**

### The key new points

\* M&A Intermediaries Association is an incorporated industry body with Nihon M&A Center as an executive member

- M&A Intermediaries Association to lead any discussion of fundamental improvements pertaining to quality and ethics in the M&A support industry
- Creation of appropriate **ethical standards** for SME M&A industry advisers, and self regulation for 3 core domains of M&A support: **compliance, marketing, explanation of principal contractual terms**
- Requirements for **adherence to “SME M&A Guidelines”**



As a leading company we contribute to the **healthy development and growth in trustworthiness of the wider industry** through observance of **ethical standards and rules for peer group self regulation**

# Industry Trends (3)

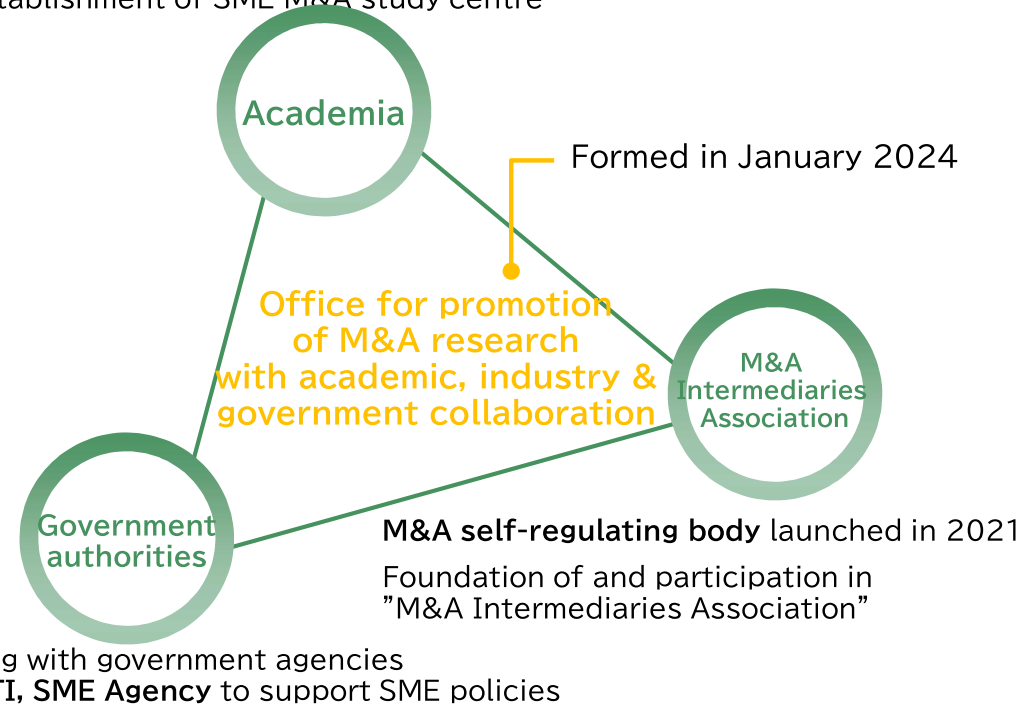
## Founding of Office for promotion of M&A research with academic, industry & government collaboration

### Overview

- Formed as a **specialist group reporting directly to CEO**
- Participating members to include **specialists and professionals** in a variety of M&A domains such as company succession, company valuation and legal matter
- For even greater promotion of M&A research through very close collaboration between academia, industry and government

Collaboration agreement with Kobe University Graduate School of Business Administration in 2022

Establishment of SME M&A study centre



**Strengthen the collaboration of the trinity and  
establish the standards for M&A industry of SMEs in the new era**

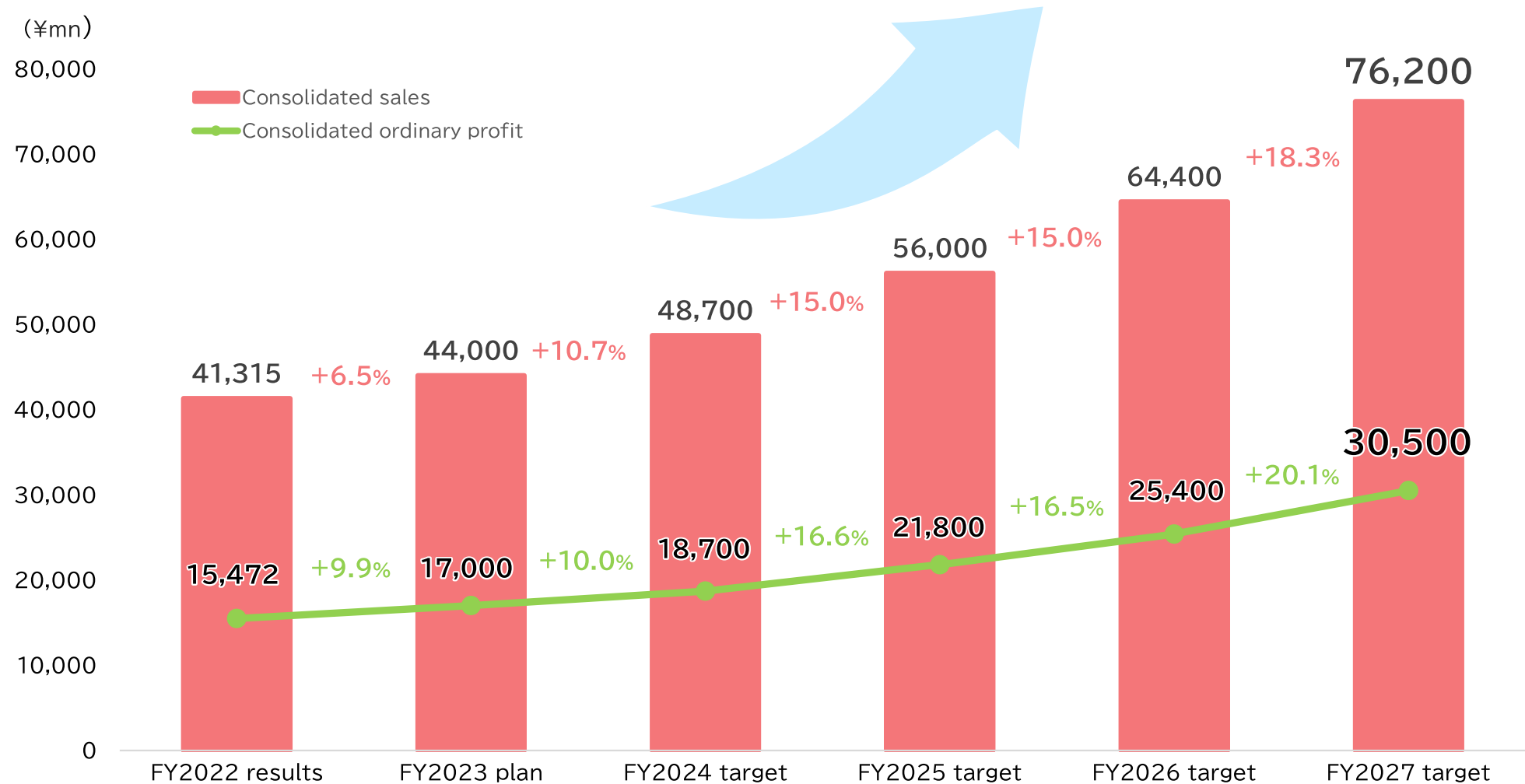


# Mid-term Management Goals

 Nihon M&A Center HD

# Mid-term Management Plan

The ordinary profit target for FY2027 is **¥30.5bn**



# Mid-term Management Plan

To achieve our targets  
**higher productivity** is essential



Recruitment  
of excellent  
people

Training

P.55-56

Digitalisation

P.57-58

Work to increase productivity and reduce lead times  
through digital transformation





# Related Activities

 Nihon M&A Center HD

# Update on Related Activities

## Financial Performance of M&A Sales and Other Sales

Batonz Co., Ltd. accounted for as an affiliate since Q2

	QoQ comparison						YoY comparison					
	Q3 FY2023			Q3 FY2022			FY2022		FY2021		FY2020	
	Total	%	YoY	Total	%		Total	YoY	Total	YoY	Total	YoY
(¥mn)												
<b>M&amp;A sales *1</b>	30,138	100.0%	104.7%	28,784	100.0%		39,785	102.5%	38,807	115.0%	33,743	108.2%
M&A cost of sale *2	4,241	14.1%	116.4%	3,643	12.7%		5,126	106.9%	4,797	127.4%	3,764	79.3%
M&A gross profit ①	25,896	85.9%	103.0%	25,141	87.3%		34,658	101.9%	34,010	113.4%	29,979	113.4%
<b>Other sales</b>	1,009	100.0%	92.5%	1,091	100.0%		1,530	96.0%	1,593	151.5%	1,051	128.5%
Other cost of sales	286	28.4%	78.0%	367	33.7%		338	134.8%	250	88.1%	284	302.7%
Other gross profit ②	722	71.6%	99.8%	723	66.3%		1,191	88.8%	1,342	175.1%	766	105.9%
Unallocated cost of sales *3 ③	8,709	28.0%	102.7%	8,480	28.4%		12,338	110.1%	11,210	117.7%	9,527	123.5%
<b>Gross profit (①+②-③)</b>	17,910	57.5%	103.0%	17,384	58.2%		23,511	97.4%	24,143	113.8%	21,218	109.1%

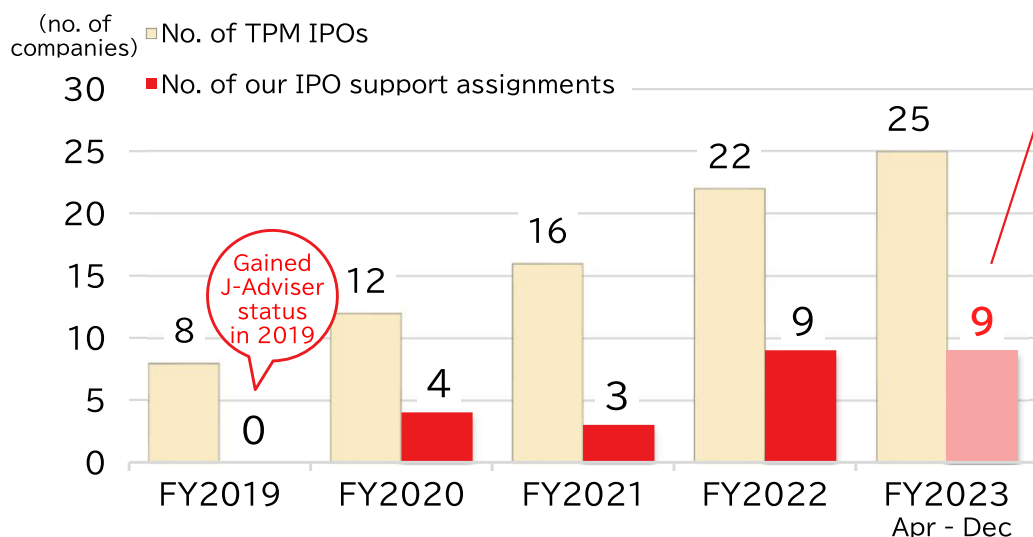
\*1 M&A sales for the period Q2 in FY2021 to Q1 in FY2023 include Batonz. From Q2 FY2023 Batonz is to be accounted for as an affiliate company with sales no longer consolidated within the group \*2 M&A cost of sales consists of referral fees and outsourcing expenses

\*3 Unallocated cost of sales includes personnel costs, transportation costs, other

# Update on Related Activities (1)

## TOKYO PRO Market (TPM)\*IPO support activities Top share of IPO support assignments out of all J-Advisers\*2 Jan - Dec 2023

### TPM IPOs

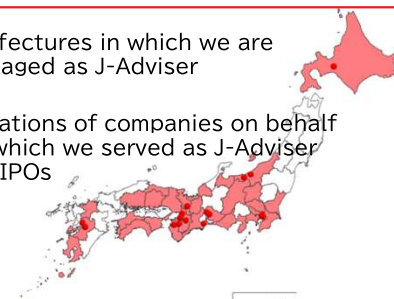


Pre-IPO review service “GO↗PUBLIC”  
**95** companies has signed up as at end-Dec 2023

In Q3 (Oct -Dec)  
IPO support advisor to  
**4** companies nationwide

■ Prefectures in which we are engaged as J-Adviser

● Locations of companies on behalf of which we served as J-Adviser for IPOs



Birth of star companies nationwide,  
contributing to **regional and national regeneration**

### Publication of book about companies listed on TPM



Includes discussion of benefits of a TPM listing and IPO growth strategies

- Title: “The time is right for listing on the Tokyo PRO Market”, A new growth strategy for SMEs with once sales exceed ¥1bn.
- Author: Yoshiharu Amemori - Senior Executive Officer of Nihon M&A Center, General Manager of Strategic Growth Division
- Publisher: Nikkei BP

\*1 A stock market operated by the Tokyo Stock Exchange for professional domestic and overseas investors. It provides more flexible listing criteria than the general markets

\*2 Authorised by the Tokyo Stock Exchange to review TPM IPO candidate applications and provide post-IPO support for processes such as disclosure and financing

Formation of **lasting relationships with midcap companies**  
**helps to support execution of their growth strategies, including M&A**

# Update on Related Activities (2)

## Funds to increase company values and support regional rejuvenation Handling of small mandates by group company

### Search Fund Japan

SEARCH FUND JAPAN

\* The structure of a search fund enable a potential manager (searcher) to receive funding for finding a suitable company; carrying out M&A; subsequently operating the company

- **First exit** - Ares Company Limited share disposal
- 2 investments made with 2 searchers in companies in need of a successor, bringing Fund Number 1 investments to a **total of 6**
- **Created Tokyo Search Fund** with the city of Tokyo and other investors for co-investment in SMEs in the Tokyo metropolitan area with Fund Number 2

### Japan Investment Fund

J-FUN

- **Made 12<sup>th</sup> investment**
  - Establishment of **Fund Number 2**
- Date established: 1 January 2024  
■ Fund size: Planned total ¥10bn

### BATONZ (Online M&A matching platform)

BATONZ

- Transactions closed (cumulative) **over 5,800** User registrations (cumulative) **over 272,800**

Aim to be an **integrated M&A group** with specialised high quality group companies



# Features

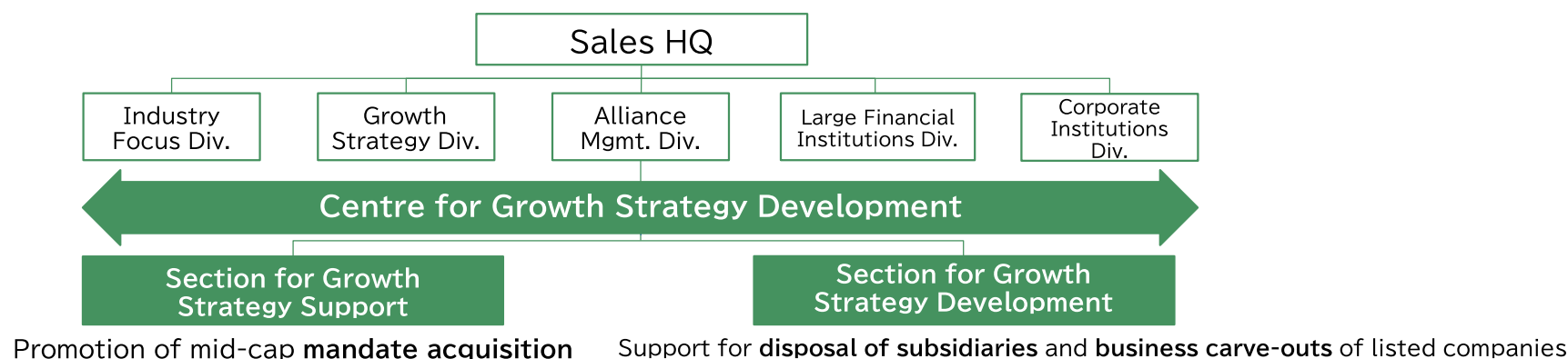
 Nihon M&A Center HD

# Features (1)

## Strengthening our structure and policy for gaining midcap company mandates

Companies with sales of over ¥1bn or profit of over ¥50mn

Creation of new specialist department for dealing with mid-cap companies to serve the whole company (Apr 2023)



### Main measures

- **Monthly** firmwide strategy meetings on midcap mandates attended by directors
- **Frequent** seminars for midcap company owners
- Monthly internal company newsletter articles with the latest news (case studies of success, strategy) on midcap company mandates recently gained and executed
- Together with group company Next Navi Inc. we can offer enhanced advisory services in **wealth management** and **capital allocation policies**

### Examples of success April-December 2023

- Initiatives to gain midcap mandates have **been broadly adopted by the main sales force** and led to the arrangement of Teach-Ins for alliance partners
- Discussions between internal sales people and the Centre for Growth Strategy Development continue to run at a high level and are **up fourfold** versus the same period in 2022
- **Acquisition discussions** with mid-cap company owners increasingly **convert into discussions about selling their own company**

We aim to achieve sustainable **improvement in average revenue per transaction**

# Features (2)

## Direct marketing strategy

### Seminars

- Hosted a **large-scale seminar** event “Management optimisation forum”  
5-6 December total registration **excess of 1,800**
- Plan event called “**Talking about the future among company owners**”
  - To take place in February-March on 6 occasions
  - President Miyake to lead “Owner to owner” exchange of views



### New bespoke strategy for regions and industries

- Broadcast of **TV commercial in Miyagi Prefecture** (since end-November)
  - Opening of Miyagi local representative office with discussion desk in September 2023
  - Dedicated consultants to be stationed in the prefectures
  - Development of regional marketing to include local companies, government, etc.
- Launch of **e-commerce industry group**
  - The domestic e-commerce market has lots of small players
  - Anticipating market development to lead to increase in M&A demand

We aim to **gain more mandates** through initialising many forms of direct marketing



# Features (3)

Celebration ceremony for the 10-year anniversary  
of our Chubu branch

About **750 participants**, mostly from our alliance partners



▲ Greeting from our Managing Director Masahiko Otsuki, the scene on the day

- The event was well attended by our **partner financial institutions and accountancy firms**
- We expressed our gratitude to our alliance partners

## The Chubu branch

- Established as a branch office in Nagoya in 2013
- Employs about 40 consultants responsible for the Tokai area

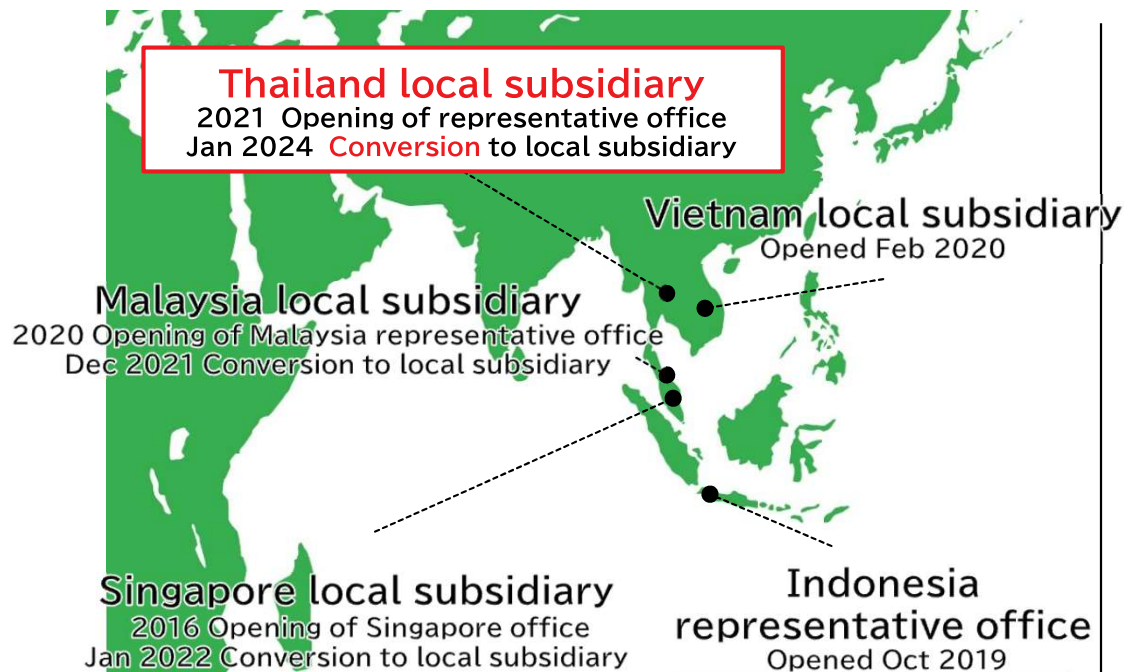
Reinforcement of the strong relationship with our **alliance partners**



# Features (4)

## Strengthening of sales presence in ASEAN

### Nihon M&A Center Group global network



### Publication of data book



- Produced data book on overseas and cross-border M&A, in which there is growing interest
- Including examples, it has easy to understand explanations of cross-border M&A trends and points of note about the important countries

**Strengthening cross-border M&A support capabilities**  
in ASEAN region where growth in demand is anticipated

# Features (5)

## Establishment of **new company** for **digital transformation (DX) training and support for SME digital transformation**

- Establishment of a new company for training and external introductions, providing support to SMEs in digital transformation using Salesforce (enterprise software for client relationship management for use in marketing applications)

### Mai Fujita, CEO

- Graduate entry** to our company. **Leader in development of digital transformation** in a period of **rapid growth** in headcount from 100 to 1,000 – implementation of Salesforce; operation and database building; development of internal accreditation system
- In 2022 **winner** of national Salesforce user award in large company category

Company name	Nihon DX Human Resources Center Inc.
Share capital	¥10m
Foundation date	2 February 2024
Shareholder	Nihon M&A Center Holdings Inc. 100%
Business activity	Digital transformation training and external introductions; support for adoption of Salesforce; digital transformation consulting



▲Mai Fujita, CEO

Opportunities are provided for **developing skills** in the workplace, then **introducing** talented digital transformation staff **to clients** and broadly **promoting DX**

# Features (6)

## Integrated Report 2023

### Simultaneous release of publications in English and Japanese

#### Integrated Report 2023 (Published on 10 Nov 2023)

##### Cover page



##### Message from the President



##### Roundtable Discussion with Outside Directors



▲ Full text of Integrated report

The complete Integrated Report is available to view on our website

Strengthening communication of our growth strategy and foundation for value creation

# Company Overview

 Nihon M&A Center HD



# Our Vision

「Aiming to become the  
top global integrated  
M&A company」

Became Japan's top  
M&A intermediary company

1991 2001 2011 2021 (year)



Start-up phase

Becoming Japan's top M&A intermediary company

Aiming to become the  
top global integrated M&A company

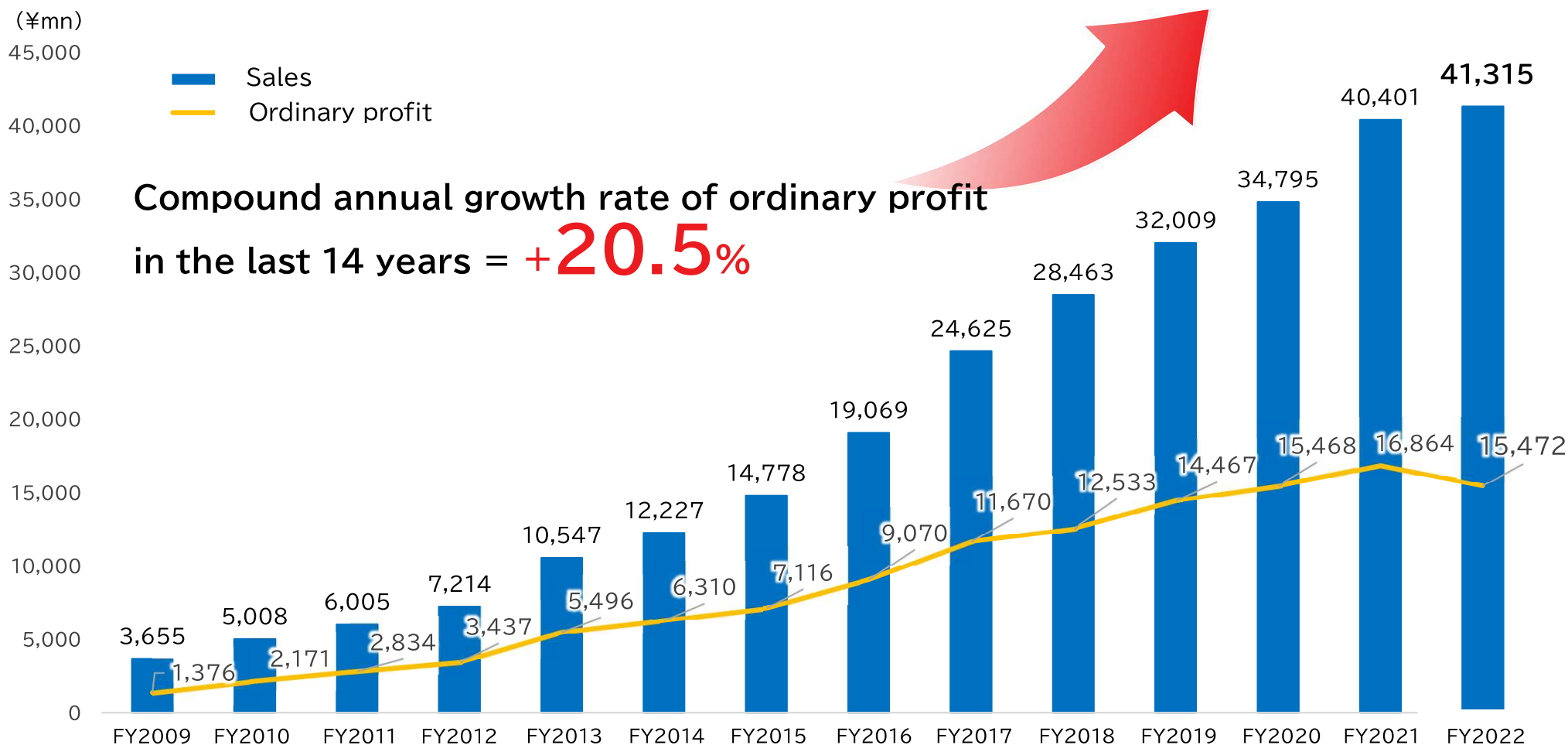
1991  
Foundation

TSE 1st Section listing in 2007  
TSE Mothers listing in 2006

Transition to a holding company  
structure in 2021

# (Reference) 14-year Results Record

13<sup>th</sup> consecutive period of higher sales

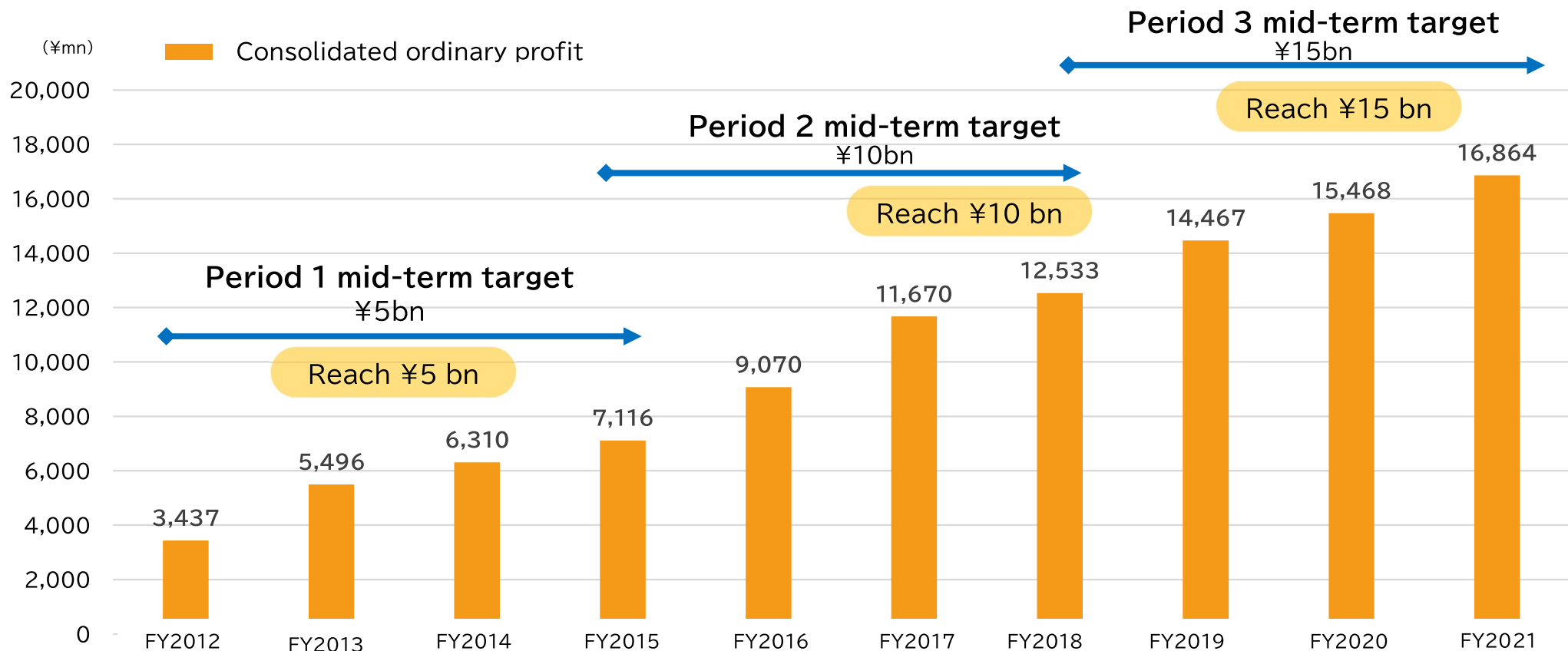


(Reference)

## Last Three Mid-term Management Targets and The Trend in Ordinary Profit

All three of the last  
mid-term management targets have been reached early

As the industry leader in SME M&A  
we have displayed steady growth and established a unique position



# To Become the Top Global Integrated M&A Company

## Number of transactions closed

Number of mandated projects, number of transactions closed



◆ Recognized by Guinness World Records  
for 3 consecutive years ◆

Best-selling mergers and acquisitions advisory company  
(Year of record: Jan 2022 – Dec 2022)

## Customer satisfaction

Optimal matching and post-merger integration

## Broad coverage

Expanding operations from very small customers to large ones (in different space from investment banks) increasing our global presence

## Quality control

Valuation, execution

**Eight leading qualities**  
related to M&A that our group  
is aiming to achieve

## Integrated solutions

Providing a full range of services, including PMI, strategic, financial and HR planning, as well as every kind of related activity

## Innovation

Creating new industry standards for M&A

## Market capitalisation

Top market capitalisation in the M&A sector

## Employee satisfaction

Motivation, personal development, remuneration

\*Our aim is not to gain top rankings in league tables or among investment banks – it is to become the top global integrated company by achieving the eight qualities described above.



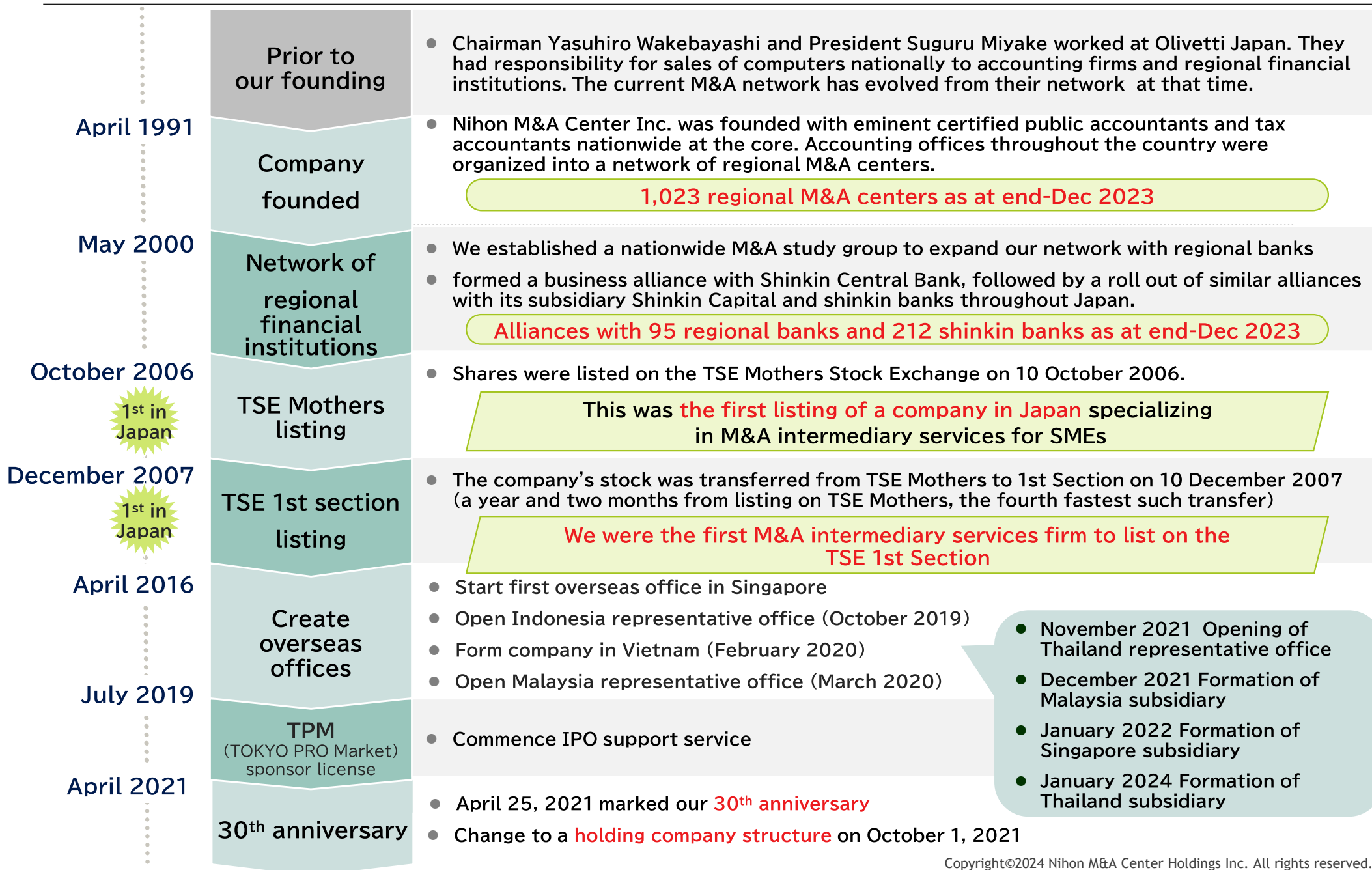
# Corporate Profile

**Leading company** in M&A intermediary services  
with a track record of over **8,500** completed transactions

Company name	Nihon M&A Center Holdings Inc.		
Established	April 1991 *Transition to a holding company structure taken place in October 2021		
Business outline	Group management function of M&A intermediary service subsidiaries		
Representative	President and Representative Director      Suguru Miyake		
Offices	Domestic 7: Tokyo headquarters, Osaka branch, Nagoya branch, Fukuoka branch, Hiroshima branch, Sapporo sales office, Okinawa sales office Overseas 5: Nihon M&A Center Singapore Pte. Ltd., Indonesia Representative Office, Nihon M&A Center Vietnam co., LTD, Nihon M&A Center Malaysia Sdn. Bhd., Nihon M&A Center (Thailand) Co., LTD		
Paid-in capital	¥4.0 billion	Number of shares issued	336,934,800 (including treasury stocks)
Market listing	Tokyo Stock Exchange Prime Market	Stock code	2127
No. of employees (consolidated)	1,041 (excluding 6 full-time directors)	Breakdown of employees by type	Consultants 643 Other 398

# Corporate History

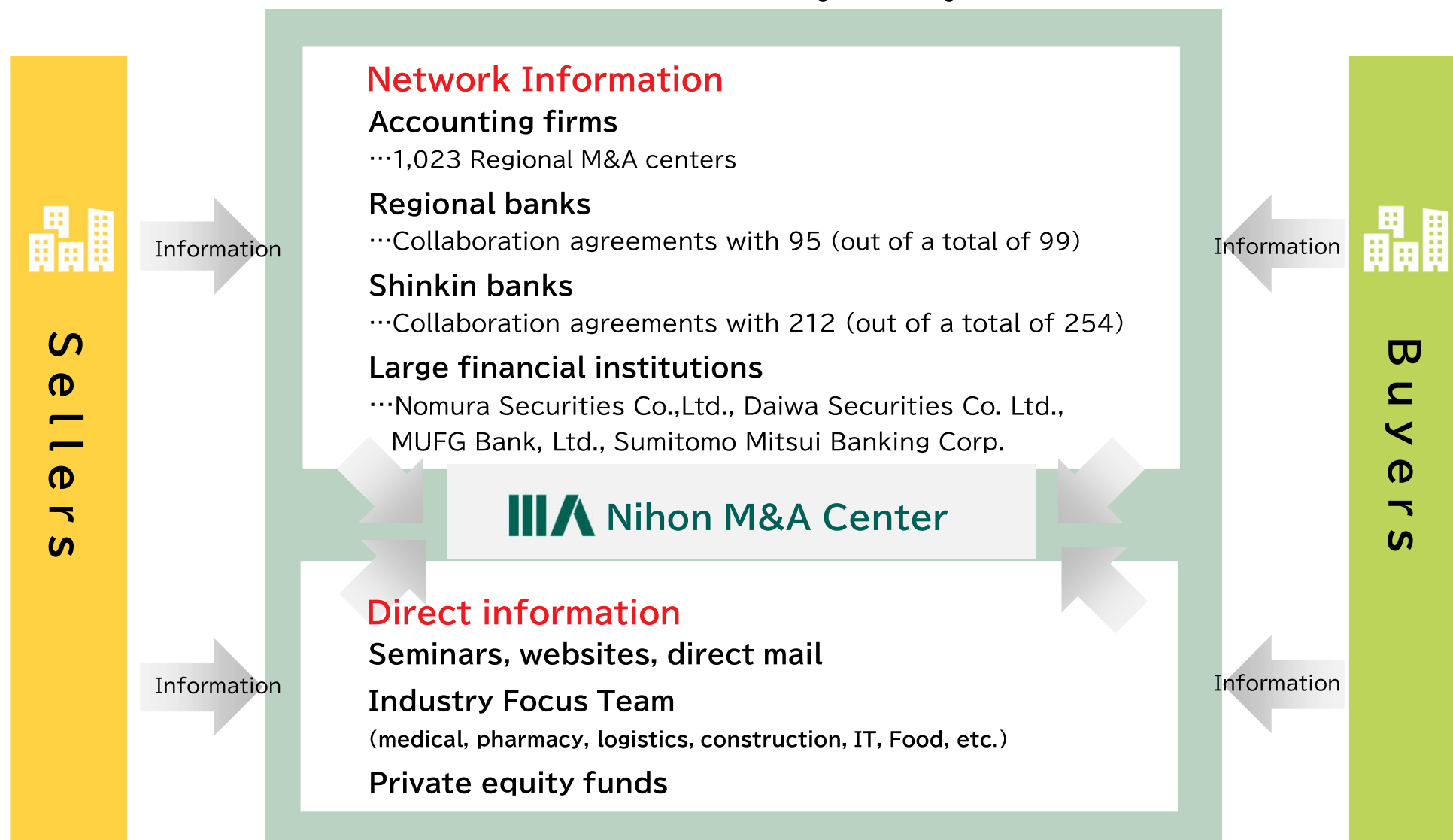
★We have been profitable since the second year of our history and have continuously paid a dividend



# Business Model A Platform for The M&A Market

## Top M&A information network

Collaboration agreement figures as of end-Dec 2023



# The Strengths of Nihon M&A Center

Never let any competitor catch up  
**Differentiation through service,  
superiority without competing on price**

1. Strong systems for developing valuable information

- **Very strong network for M&A information**  
Regional financial institutions, accountants, large financial institutions, other

2. Powerful matchmaking capability

- **Top in the industry with above 600 well organized specialist M&A consultants**
- **Database which has accumulated information for a long period of time.**

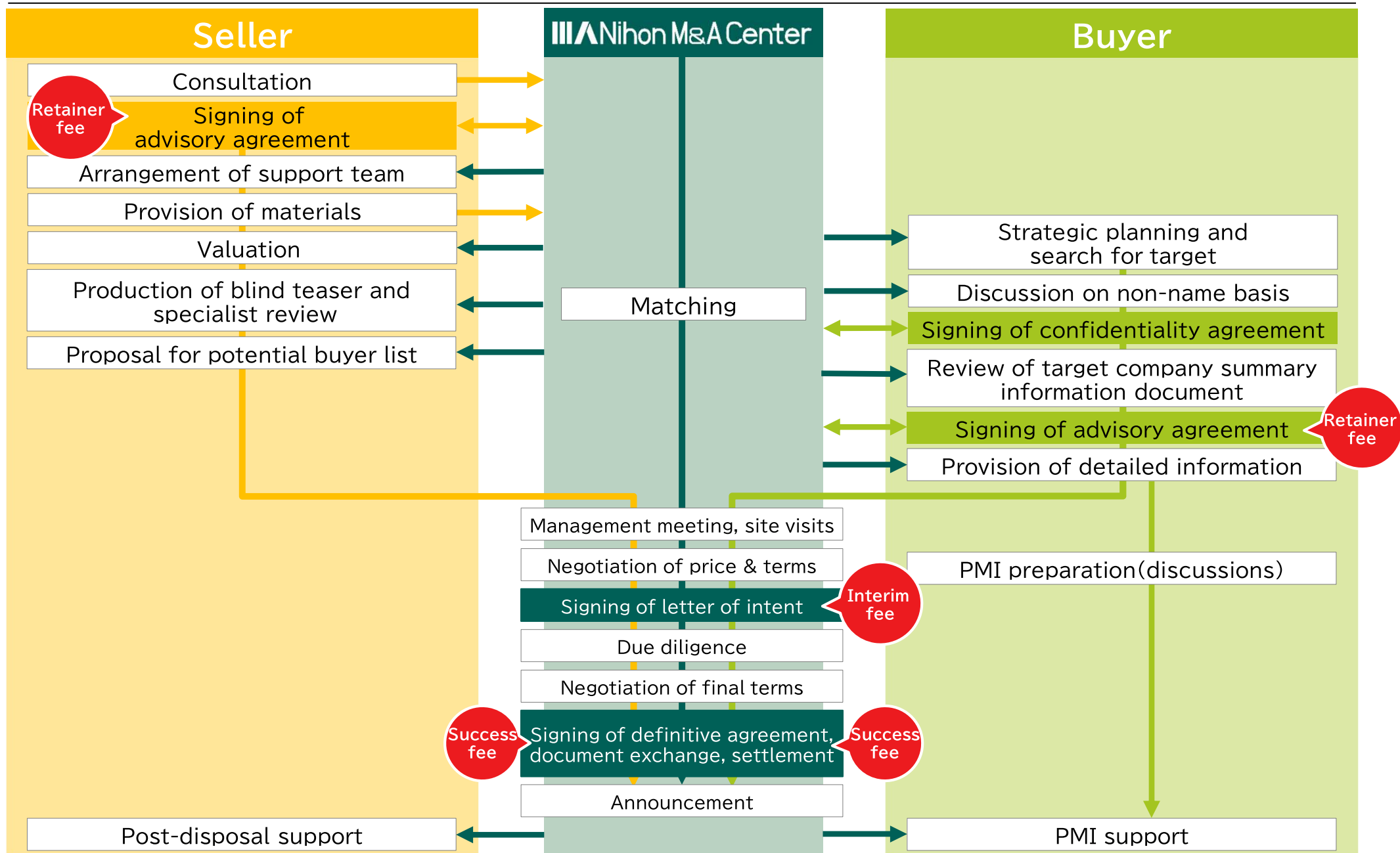
3. High level of M&A expertise and knowledge of the industry

- **Over 40 people with legal, accounting and tax qualifications**  
(lawyers, notaries, certified public accountants, tax accountants)  
A wealth of in-house expertise, finding M&A solutions in a timely way with M&A processes
- **Integration**  
Several subsidiaries which specialize in all the processes, from company valuation to post-merger integration (PMI)

4. Highly trusted

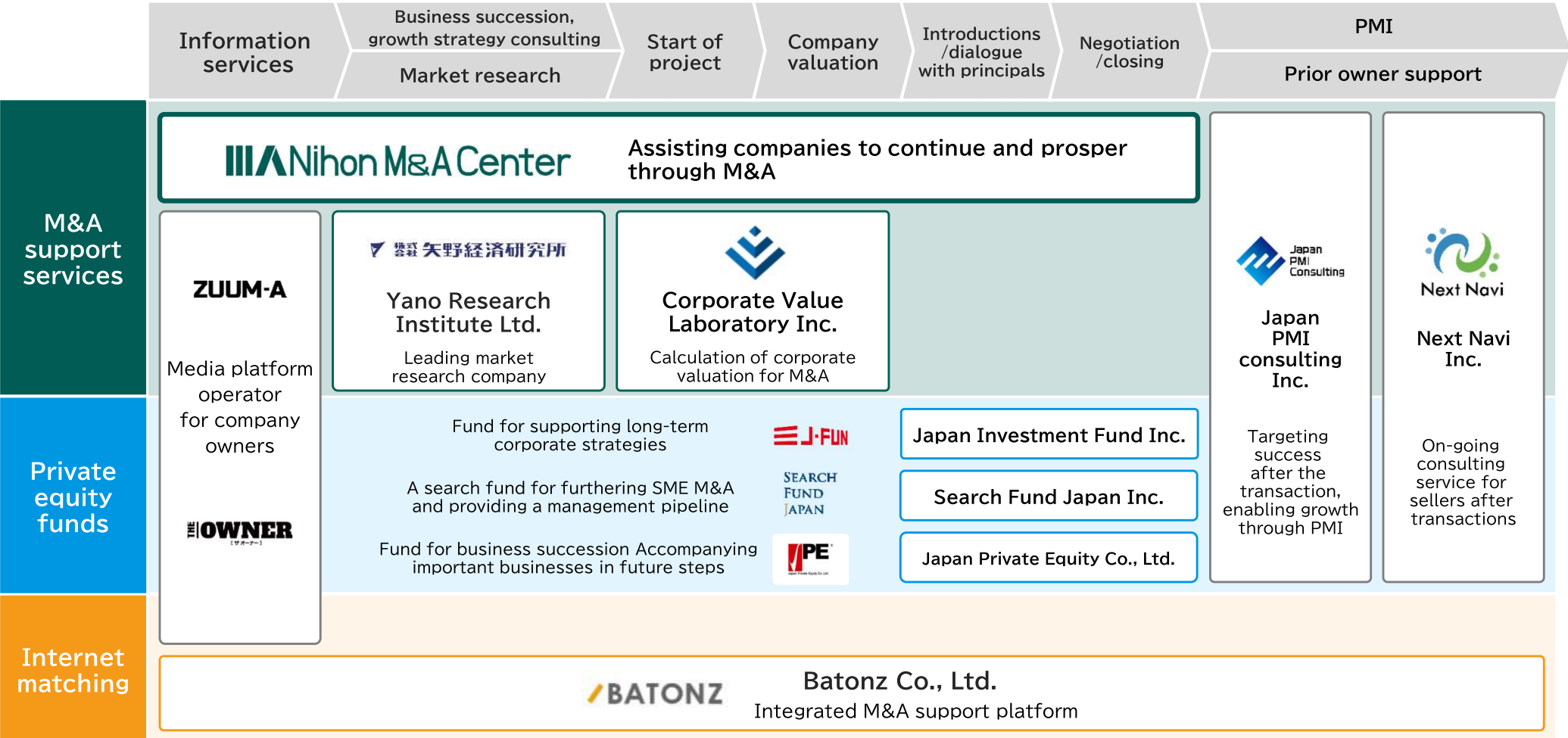
- **Pioneer in SME M&A with an outstanding track record**  
32 years of history, over 8,500 successful transactions

# Our Workflow as An M&A Intermediary



# Becoming An Integrated M&A Company

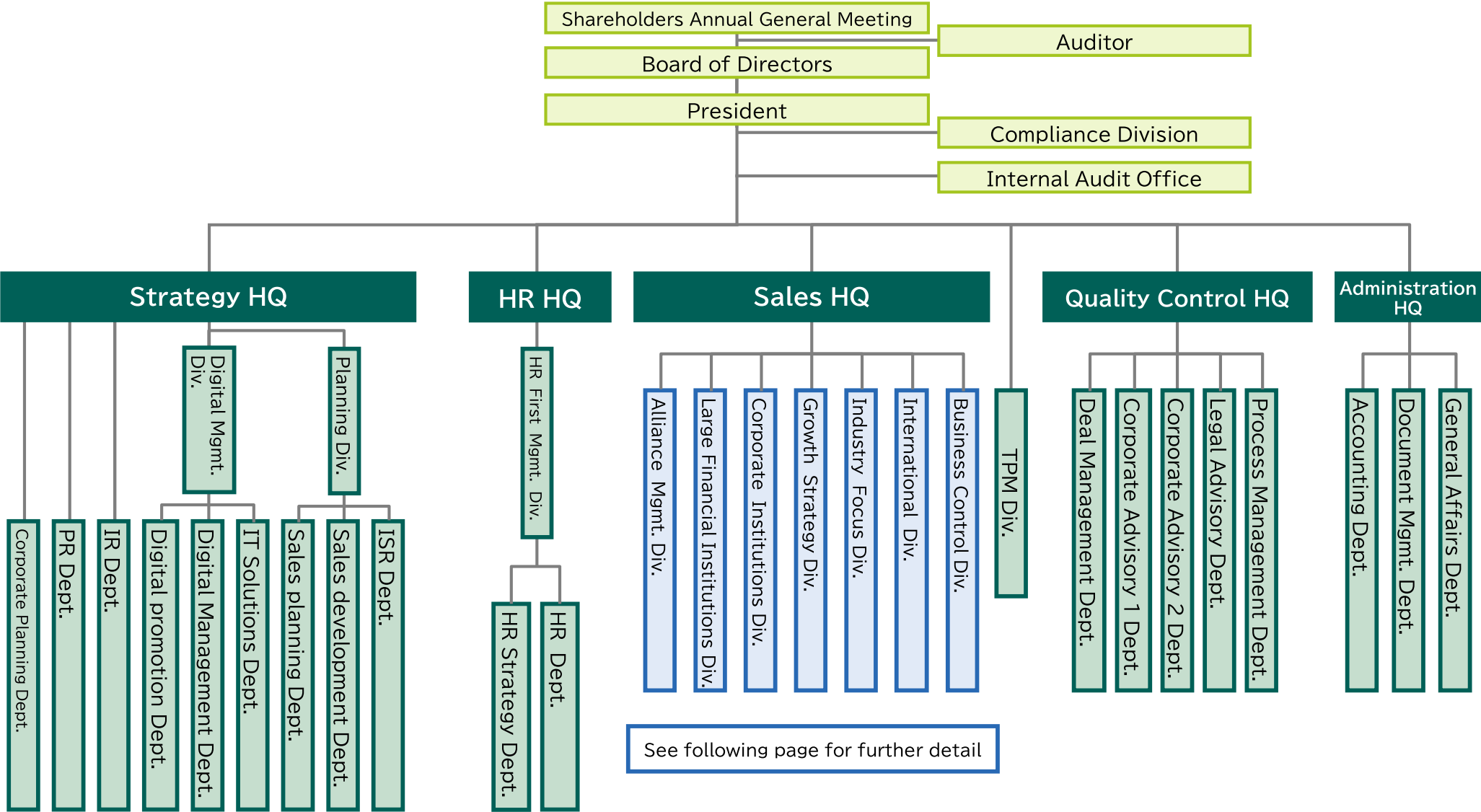
## Nihon M&A Center becoming a hub for specialized high quality group companies



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

# Nihon M&A Center Inc. Organization Structure

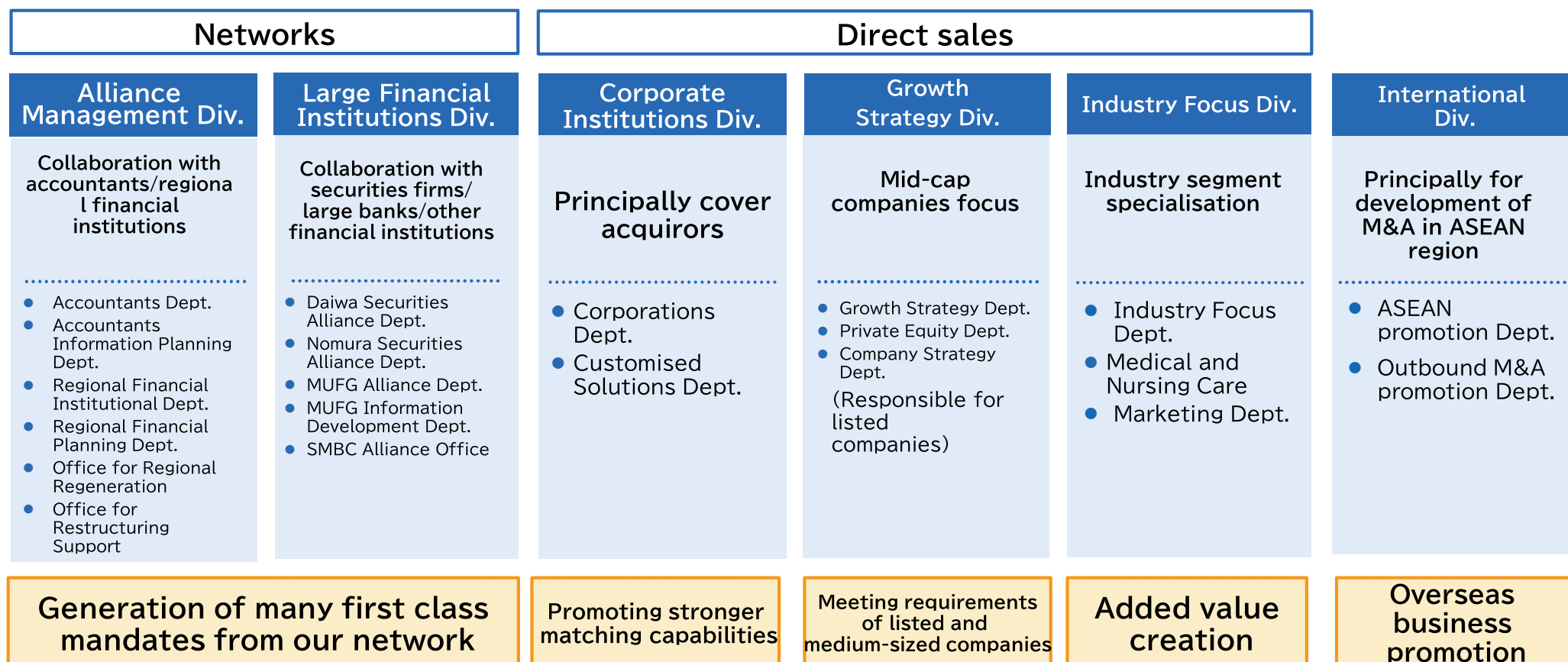
(As of End-Dec 2023)



# Sales Headquarters divisional structure

(As of End-Dec 2023)

## Sales HQ





# Sustainability Initiatives

FY2023

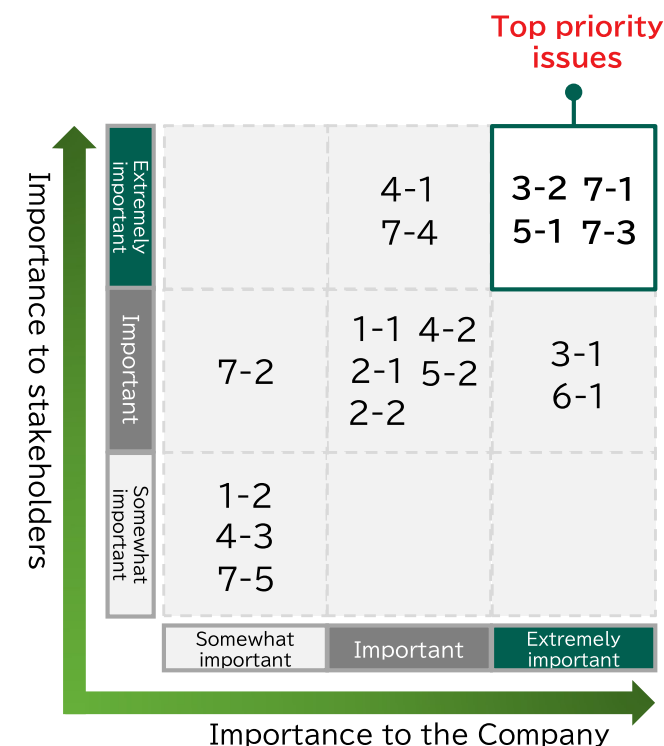
## Revision and re-identification of **materiality**

Given that we now have good prospects for the establishment of compliance foundations to an extent, revised the content of the materiality to emphasize on growth strategy

### New materiality items (★ - top priority issues)

1. Further advancement as an integrated M&A company	1-1 Structure that can provide services to all manner of companies both in Japan and overseas 1-2 Promotion of transformation of fund business into social infrastructure
2. Innovation	2-1 Response to market changes (including changes in business owners' awareness) 2-2 Productivity improvement/marketing promotion using DX
3. Safe and secure M&A	3-1 Maintenance and improvement of service quality 3-2 <b>Engagement with clients, business partners and shareholders ★</b>
4. Contribution to society	4-1 Regional revitalization through further advancement as an integrated M&A company 4-2 Sound advancement and development of the industry as the leading company 4-3 Collaboration with public institutions, educational institutions, etc.
5. Promotion of human capital management	5-1 <b>Recruitment and development of talented human resources to revitalize the organization ★</b> 5-2 Active participation by diverse human resources suitable for an integrated M&A company
6. Strengthening of information management	6-1 Information security and cybersecurity measures
7. Strengthening of governance foundations	7-1 <b>Building of corporate governance with emphasis on compliance ★</b> 7-2 Enhancement of risk management with risk map 7-3 <b>Thorough implementation of purpose- and philosophy-oriented management ★</b> 7-4 Succession planning for top management 7-5 Enhancement of financial foundations through provision of added value to clients

### Materiality matrix



Aiming for **continued enhancement of corporate value** and **sustainable development of society**

# Sustainability Initiatives

Enabling the **continual growth of society**  
through **sustaining and increasing employment**  
Also committing to provide safe and fair M&A

## Our M&A intermediary activities provide economic benefits

**1**  
FY2022  
Basic  
information

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**

**2**  
Preventive  
effects  
on economic  
losses and job  
losses

Preventive effects on economic losses

**¥346.8 billion**

Preventive effects on job losses

**28,805**

**3**  
Preventive  
effects on  
economic losses for  
the next decade

Preventive effects on economic losses  
for the next decade

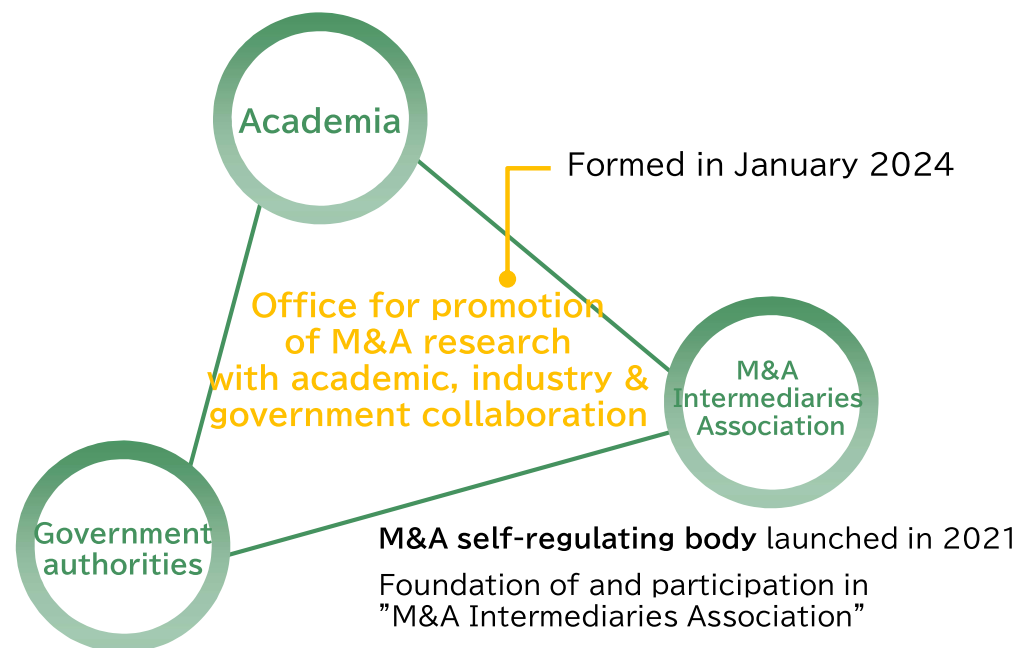
**¥2.7185 trillion**

Sources: Estimated by Yano Research Institute Ltd.

## Contributing to the improvement of quality of M&A intermediary industry

Collaboration agreement with Kobe University Graduate  
School of Business Administration in 2022

Establishment of SME M&A study centre



Collaborating with government agencies  
such as **METI, SME Agency** to support SME policies

# Sustainability Initiatives

## Initiatives towards healthy development of M&A industry

### Obtained Ph.D. of research on legal aspects of SME M&A

#### Initiatives towards development of M&A industry

Mr. Yokoi, Head of Legal Advisory Department, obtained Ph.D. in his research on legal aspects of SME M&A at Graduate School of Law, Hitotsubashi University.

He is dedicated to fostering researchers in the field of SME M&A and contributing to development of industry through “M&A Intermediary Association”

Shin Yokoi, Head of Legal Advisory Dept., Head of Office for promotion of M&A research with academic, industry & government collaboration, an attorney with Ph.D. in Business Law, Visiting Professor, Graduate School of Business Administration, Kobe University



### Supporting the active participation of female consultants.

#### Initiatives in Diversity and Inclusion

We are strengthening recruitment and supports of female M&A consultants, to achieve sustainable growth and become the best place to work for diverse talents

Conducted a training specialized for female consultants with aim of networking and identifying challenges



### (Reference) Web media “MA COLORS”

<https://colors.nihon-ma.co.jp/>

We have launched a web media platform with the concept of “Sharing the Diverse Talents of Nihon M&A Center Group”. It aims to provide a wide range of information, including profiles of individuals who are active in various departments of Nihon M&A Center Group, event reports, working environment, and company policies. Interviews with Mr. Yokoi and female consultants are also featured on the platform.



MACOLORS

# Sustainability Initiatives

## Initiatives to broadening the base of M&A

### Commencement of talks nationwide at high schools

#### “Who knows about M&A” – broadening the base

Themed “How does M&A link companies and protect local economies?” – explaining the importance of ownership succession and the attractiveness of a career in consulting,



First event held in July at Matsuyama Minami high school in Ehime Prefecture

#### The pupils reaction

Previously the image of M&A was negative - a poor thing for a company. However, the talk made it clear **how important it is in order for companies to survive.**

### First “Family day”

#### To promote employee engagement

The opportunity to express our gratitude to the families of our employees for their long-standing support, whilst also being an opportunity for them to get to know us better through experiencing the M&A completion ceremony and exchanging business cards.



First event held in August. 138 participants

### (Reference) “Integrated report” on our website

<https://www.nihon-ma.co.jp/en/ir/disclosure.html>

Since FY2022 we have published an integrated report. It is a compendium to set out our growth plans and sustainability strategy in the medium-term, including governance issues.



# Human Resources Training

## Subsidy system for training of new recruits and further development of key employees

Internal training			External training
Training for new recruits	Step up training for each level	Regular training	
<ul style="list-style-type: none"> <li>• Understanding of our company and management principals of our chairman</li> <li>• M&amp;A project flow</li> <li>• Creating company profiles</li> <li>• Company valuation</li> <li>• Matching of companies</li> <li>• Use of databases for projects</li> <li>• Role playing</li> <li>• Preserving confidentiality</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of case studies for success and failure</li> <li>• Study of M&amp;A special structures</li> <li>• M&amp;A market segment training (as required)</li> <li>• Training on legal and tax change related to M&amp;A</li> <li>• Training to share selling techniques</li> <li>• Offsites for directors and managers</li> <li>• Group leader training</li> <li>• Training for young employees( Reiwa training)</li> </ul>	<p><b>Monthly training</b></p> <ul style="list-style-type: none"> <li>• Basic practices lectures</li> <li>• Compliance</li> <li>• Information security systems</li> <li>• Systems training</li> <li>• Training on corporate objectives</li> </ul> <p><b>Annual training</b></p> <ul style="list-style-type: none"> <li>• Overseas visits(high performers)</li> <li>• Management principles explanation meeting</li> <li>• Training for all employees</li> </ul>	<ul style="list-style-type: none"> <li>• Dale Carnegie course</li> <li>• Management training</li> <li>• Coaching</li> <li>• Ritsumeikan University Saionji leadership course</li> <li>• Lee Kuan Yew School of Public Policy short graduate programme</li> <li>• BBT(Business Breakthrough) training</li> </ul>
<b>Education subsidies</b>	<ul style="list-style-type: none"> <li>• Bookkeeping Level 2</li> <li>• Business succession, M&amp;A expert qualifications</li> <li>• Public accountant, tax accountant, SME advisor and equivalents</li> <li>• Contribution to cost of purchase of specialist textbooks</li> </ul>		

It takes 6-12 months to get an overall understanding of M&A, but we always have several M&A transactions on the go, enabling employees to gain a lot of practical experience in a short space of time

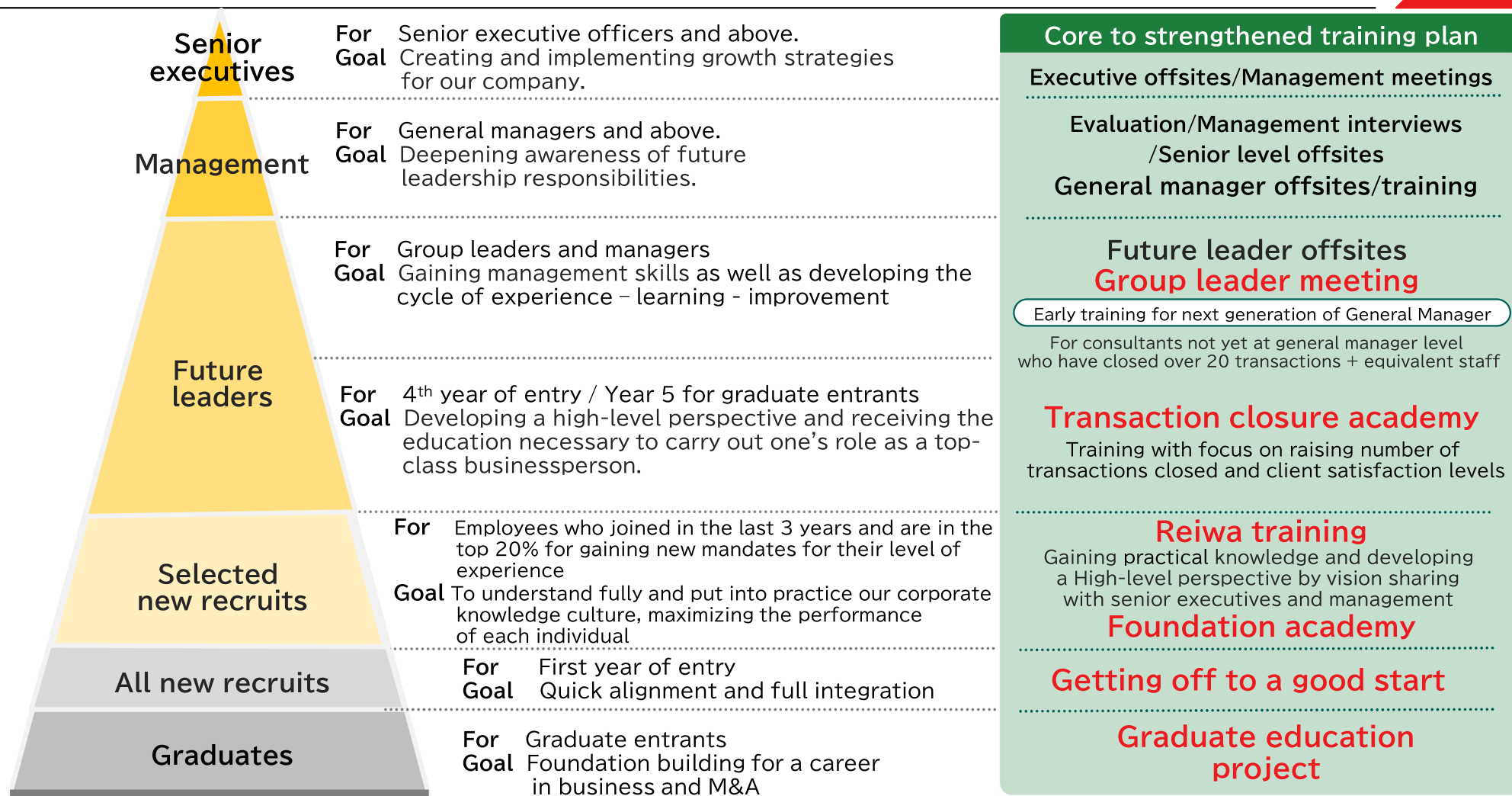
Training inexperienced employees to develop quickly into M&A specialists

Training M&A specialists to reach a more senior level



# Human Resource Development Plan

A layered approach for thoroughness  
We aim to achieve fast results from the training



# What We Do for Digital Transformation

## Use of Salesforce (CRM system for managing client information and marketing)

### Creation of database through Salesforce

- Management of progress of M&A mandates
- Managing information on sell-side companies and potential buyers
- Recording and organising employee sales activity

### Firm-wide utilisation of Salesforce

- **Introducing internal qualifications** to train employees in use of Salesforce so that it is **spread and adopted throughout the organisation**
- Salesforce internal competition to **foster improved business processes**

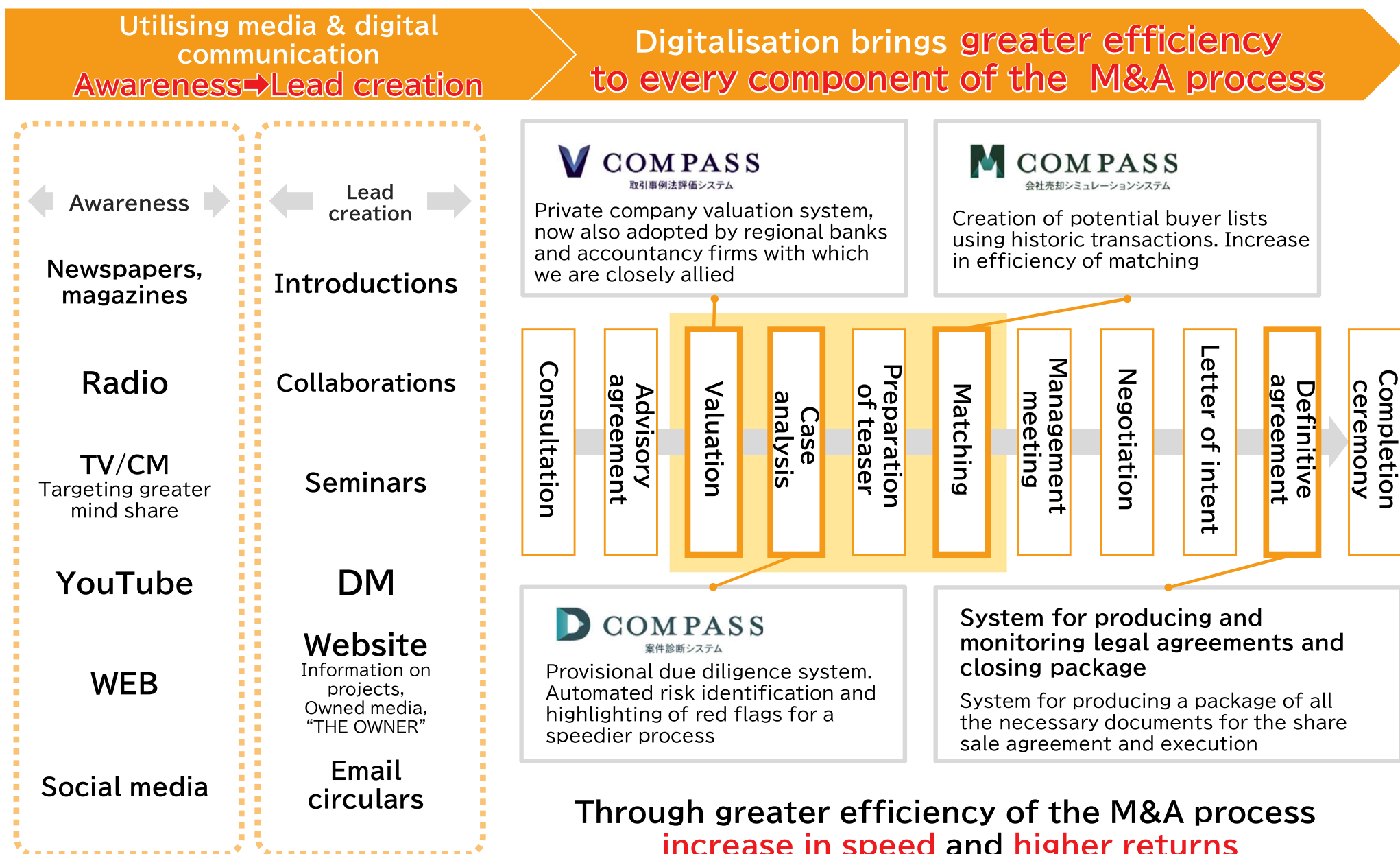
- **Winner** of Salesforce user national championship in large company category
- Commissioned **independent assessment** of our digital transformation initiatives

### Use of AI

- Use of database which is populated daily with fresh information
- Creation of system to **recommend automatically matches** of sellers with buyers
- Exchange of information between Salesforce head office AI specialist department and our digital transformation team

**Accelerating operational efficiencies through  
Salesforce usage and education of our in-house IT specialists**

# What We Do for Digital Transformation



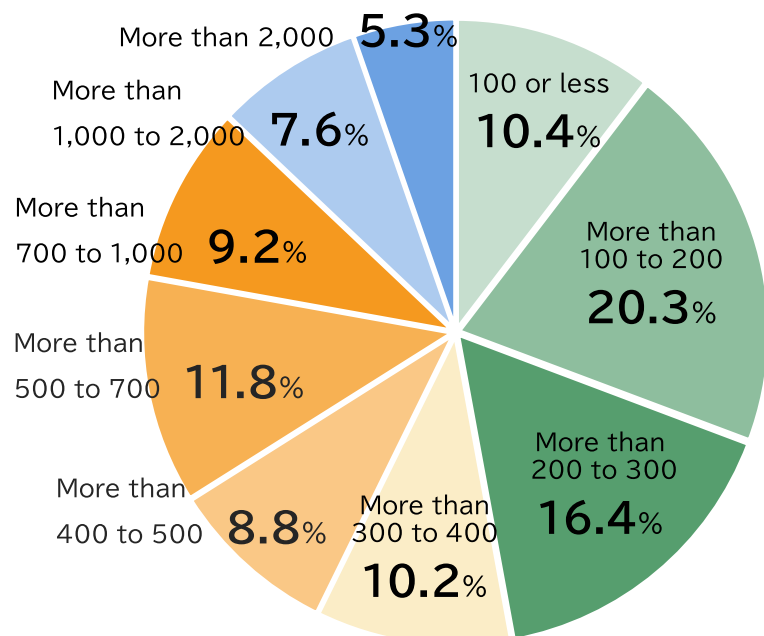


# Transactions closed in FY2022

## What size sellers does Nihon M&A Center support ?

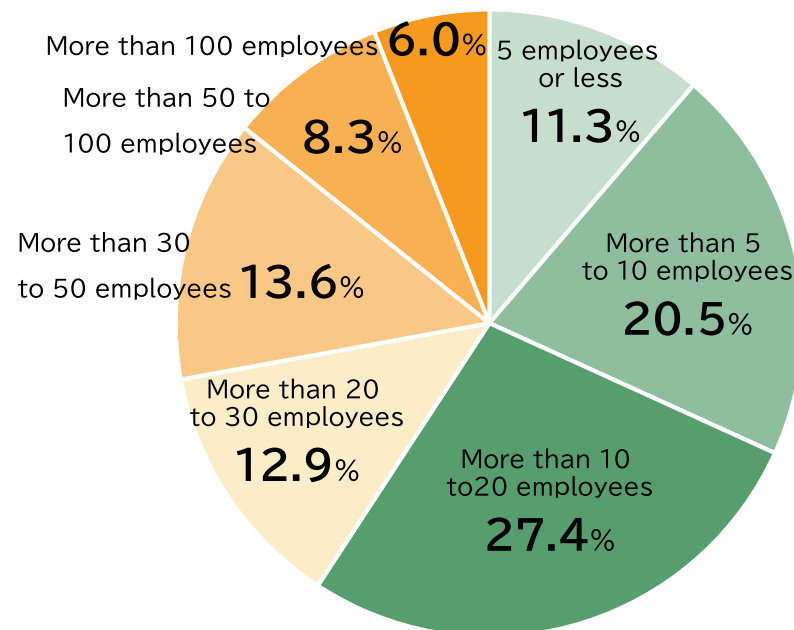
Calculated from deals closed in FY2022

### Sales in a seller (¥mn)



Average: ¥737 mn, Median: ¥328 mn

### Number of employees in a seller



Average: 39 employees, Median: 16 employees

**90% is composed of companies with sales of 2 billion yen or less.**

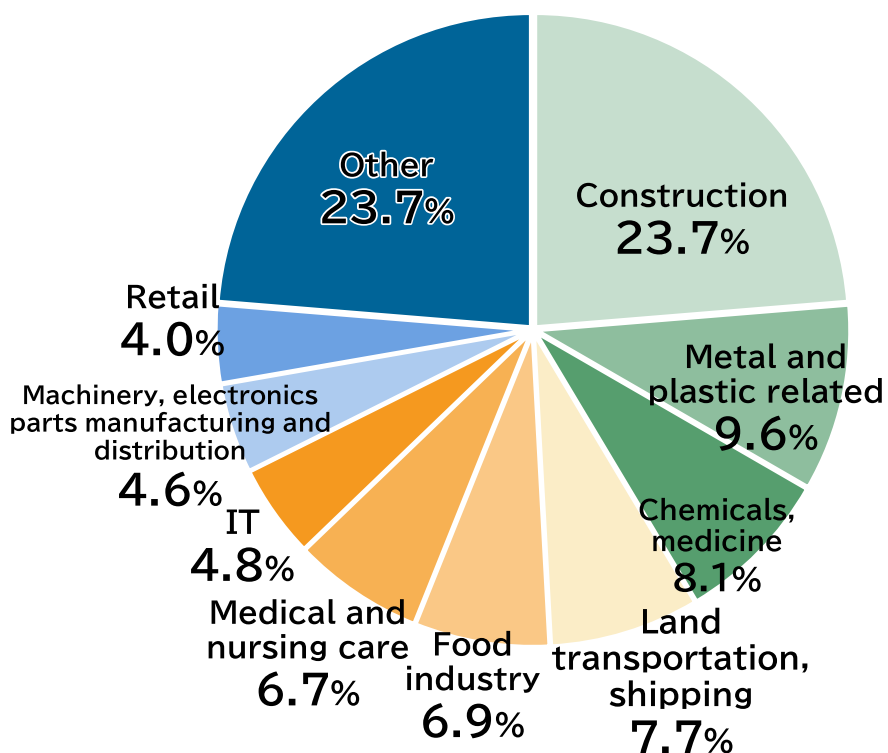
We offer different services according to a company's size.

➔ The focus is on M&A support for small- and medium-sized companies.  
There are numerous potential clients.

# Transactions closed in FY2022

## What size sellers does Nihon M&A Center support ?

### Industries of companies sold



### Nihon M&A Center matching results

	Same sector	Different sector	Total
Same region	8.2 %	20.0 %	28.2 %
Different region	29.4 %	42.4 %	71.8 %
Total	37.6 %	62.4 %	100.0 %

Regions: Based on prefectures  
Sectors: Our Internal industry classification is used. (Left graph: 20, Right table: 262). Data in both cases taken from completed transactions in FY2022

**Few cases of simple matching from the same region or sector, we put forward combinations which create synergies**

# Number of Transactions Closed in Q3 (1/5)

**156** transactions closed, **300** by number of companies

Selling company		Acquiring company	
Industry classification	Region	Industry classification	Region
1 Industrial machinery wholesale	Kyushu, Okinawa	Energy	Kansai
2 Steel processing	Kanto	Building construction	Kanto
3 Industrial waste management	Kyushu, Okinawa	Civil engineering contractor	Kyushu, Okinawa
4 Property development / sales	Kansai	Pavement work	Chugoku, Shikoku
5 Pipe contractor	Kanto	Plant engineering	Kansai
6 Industrial waste management	Tokai, Hokuriku	Industrial waste management	Kansai
7 Proprietary software development	Kyushu, Okinawa	Energy	Kyushu, Okinawa
8 Food manufacture	Kanto	Property development / sales	Kanto
9 Hospital	Kyushu, Okinawa	Hospital	Kanto
10 Clinic	Kyushu, Okinawa	Medical related services	Tokai, Hokuriku
11 Restaurants	Kanto	Restaurants	Kanto
12 Mold manufacturing	Tokai, Hokuriku	Metals parts processing	Tokai, Hokuriku
13 Pipe contractor	Tokai, Hokuriku	Other machinery manufacture	Tokai, Hokuriku
14 Other construction works	Overseas	Other machinery manufacture	Kanto
15 Packaging materials wholesale	Tokai, Hokuriku	Packaging materials wholesale	Kanto
16 Sport	Kanto	Truck transportation	Chugoku, Shikoku
17 Transportation related services	Kanto	Truck transportation	Kanto
18 Proprietary software development	Tokai, Hokuriku	Customised software development	Tokai, Hokuriku
19 Outsourcing	Tokai, Hokuriku	Manpower dispatching	Kanto
20 E-commerce services	Kanto	Manpower dispatching	Kanto
21 Cosmetics manufacturing	Kansai	Private equity fund	Kanto
22 E-commerce services	Kansai	Household goods retail	Kansai
23 Automotive retail	Kanto	Automotive retail	Kanto
24 Apparel business	Kansai	Wedding business	Kansai
25 Other construction works	Hokkaido, Tohoku	Building construction	Hokkaido, Tohoku
26 Property development / sales	Kanto	Building construction	Koshinetsu
27 Truck transportation	Chugoku, Shikoku	Civil engineering contractor	Chugoku, Shikoku
28 Building construction	Kanto	Building construction	Kanto

# Number of Transactions Closed in Q3 (2/5)

	Selling company		Acquiring company	
	Industry classification	Region	Industry classification	Region
29	Pipe contractor	Kanto	Electrical and telecoms contractor	Tokai, Hokuriku
30	Pipe contractor	Kyushu, Okinawa	Pipe contractor	Tokai, Hokuriku
31	Construction related services	Kanto	Construction related services	Kanto
32	Architect	Kyushu, Okinawa	Architect	Kansai
33	Building construction	Tokai, Hokuriku	Construction materials wholesale	Kanto
34	Building construction	Kansai	Property management / sale	Kanto
35	Property management / sale	Kanto	Building maintenance	Kanto
36	Restaurants	Kansai	Property business	Kansai
37	Sport	Kanto	Property business	Kanto
38	Hospital	Kanto	Clinic	Kanto
39	Apparel design / retail	Kansai	Nursing and welfare	Kansai
40	Nursing and welfare	Kyushu, Okinawa	Nursing and welfare	Kyushu, Okinawa
41	Nursing and welfare	Kansai	Nursing and welfare	Tokai, Hokuriku
42	Food manufacture	Kanto	Food manufacture	Overseas
43	Apparel business	Chugoku, Shikoku	Apparel design / retail	Kansai
44	Life related services	Hokkaido, Tohoku	Apparel business	Kansai
45	Industrial machinery manufacture	Kyushu, Okinawa	Metals parts processing	Tokai, Hokuriku
46	Packaging materials wholesale	Kanto	Metals parts processing	Koshinetsu
47	Energy	Chugoku, Shikoku	Industrial machinery manufacture	Kanto
48	Metals parts processing	Kansai	Industrial machinery manufacture	Tokai, Hokuriku
49	Pharmacy / drugstore	Kanto	Pharmacy / drugstore	Kanto
50	Convenience goods manufacture / wholesale	Kanto	Truck transportation	Chugoku, Shikoku
51	IT related business	Kanto	Customised software development	Kanto
52	Customised software development	Kanto	Customised software development	Kanto
53	Sales promotion	Kanto	IT related business	Tokai, Hokuriku
54	Accounting firm	Kanto	Accounting firm	Kanto
55	Electrical and telecoms contractor	Kyushu, Okinawa	Property business	Kyushu, Okinawa
56	Outsourcing	Overseas	Services for corporate customers	Kanto
57	Metals parts processing	Kanto	Metals parts processing	Kanto
58	Construction materials wholesale	Hokkaido, Tohoku	Building construction	Hokkaido, Tohoku
59	Property business	Tokai, Hokuriku	Building construction	Tokai, Hokuriku
60	Construction related services	Kanto	Civil engineering contractor	Kanto
61	Civil engineering contractor	Chugoku, Shikoku	Civil engineering contractor	Chugoku, Shikoku
62	Pipe contractor	Kyushu, Okinawa	Electrical and telecoms contractor	Kyushu, Okinawa
63	Furniture wholesale	Kanto	Electrical and telecoms contractor	Kanto
64	Manpower dispatching	Kanto	Electrical and telecoms contractor	Hokkaido, Tohoku

# Number of Transactions Closed in Q3 (3/5)

	Selling company		Acquiring company	
	Industry classification	Region	Industry classification	Region
65	Interior finish work	Kansai	Pipe contractor	Kansai
66	Manpower dispatching	Kanto	Plant engineering	Kanto
67	Interior finish work	Overseas	Interior finish work	Kanto
68	Construction materials wholesale	Chugoku, Shikoku	Interior finish work	Chugoku, Shikoku
69	Steel processing	Koshinetsu	Steel processing	Kanto
70	Steel processing	Kansai	Steel processing	Kansai
71	Sales promotion	Kanto	Steel processing	Hokkaido, Tohoku
72	Geological survey	Chugoku, Shikoku	Architect	Tokai, Hokuriku
73	Geological survey	Koshinetsu	Geological survey	Kanto
74	Sales promotion	Tokai, Hokuriku	Construction materials wholesale	Tokai, Hokuriku
75	Scrap processing and wholesaling	Tokai, Hokuriku	Scrap processing and wholesaling	Kanto
76	Can manufacture / sheet metal	Tokai, Hokuriku	Scrap processing and wholesaling	Hokkaido, Tohoku
77	Private equity fund	Tokai, Hokuriku	Property development / sales	Kansai
78	Property business	Kansai	Property development / sales	Kansai
79	Property business	Kanto	Property management / sale	Kanto
80	Building maintenance	Kanto	Building maintenance	Kanto
81	Food wholesale	Hokkaido, Tohoku	Property business	Hokkaido, Tohoku
82	Property management / sale	Kansai	Property business	Kansai
83	Hospital	Tokai, Hokuriku	Hospital	Tokai, Hokuriku
84	Hospital	Kyushu, Okinawa	Hospital	Kyushu, Okinawa
85	Clinic	Kansai	Clinic	Kansai
86	Medical related services	Kanto	Clinic	Kanto
87	Nursing and welfare	Tokai, Hokuriku	Nursing and welfare	Tokai, Hokuriku
88	Agriculture	Kanto	Agriculture	Kanto
89	Food manufacture	Tokai, Hokuriku	Food manufacture /contract food service	Tokai, Hokuriku
90	Food manufacture	Chugoku, Shikoku	Food manufacture	Hokkaido, Tohoku
91	Food manufacture	Tokai, Hokuriku	Food manufacture	Tokai, Hokuriku
92	Food manufacture	Kanto	Food manufacture	Chugoku, Shikoku
93	Food manufacture	Kansai	Food manufacture	Kansai
94	Food wholesale	Kanto	Food manufacture	Koshinetsu
95	Food wholesale	Kanto	Food wholesale	Kansai
96	Metal parts wholesale	Kansai	Food wholesale	Tokai, Hokuriku
97	Agricultural related manufacture / sales	Hokkaido, Tohoku	Food wholesale	Kanto
98	Apparel design / retail	Kanto	Apparel design / retail	Kanto
99	Metals parts processing	Kanto	Metals parts processing	Kansai
100	Industrial machinery manufacture	Chugoku, Shikoku	Can manufacture / sheet metal	Chugoku, Shikoku

# Number of Transactions Closed in Q3 (4/5)

	Selling company		Acquiring company	
	Industry classification	Region	Industry classification	Region
101	Resin parts processing	Kansai	Resin parts processing	Kansai
102	Apparel manufacturing and sewing	Kanto	Resin parts processing	Kansai
103	Industrial machinery wholesale	Koshinetsu	Metal parts wholesale	Koshinetsu
104	Steel processing	Hokkaido, Tohoku	Metal parts wholesale	Hokkaido, Tohoku
105	Industrial machinery manufacture	Kanto	Industrial machinery manufacture	Kansai
106	Electric components manufacture	Tokai, Hokuriku	Industrial machinery manufacture	Tokai, Hokuriku
107	Office equipment manufacturing	Koshinetsu	Electric components manufacture	Koshinetsu
108	Electric components manufacture	Kanto	Electric components manufacture	Kanto
109	Industrial machinery manufacture	Chugoku, Shikoku	Industrial machinery wholesale	Kansai
110	Resin parts processing	Kanto	Industrial machinery wholesale	Kanto
111	Metal parts wholesale	Kanto	Machine repair / maintenance	Tokai, Hokuriku
112	Convenience goods manufacture / wholesale	Tokai, Hokuriku	Convenience goods manufacture / wholesale	Tokai, Hokuriku
113	E-commerce services	Kansai	Daily goods manufacture / wholesale	Kansai
114	Life related services	Kanto	Daily goods manufacture / wholesale	Koshinetsu
115	Daily goods manufacture / wholesale	Kanto	Daily goods manufacture / wholesale	Kanto
116	Industrial machinery wholesale	Kanto	Chemical manufacturing	Kanto
117	Cosmetics manufacturing	Overseas	Cosmetics manufacturing	Kansai
118	Pharmacy / drugstore	Hokkaido, Tohoku	Pharmacy / drugstore	Hokkaido, Tohoku
119	Pharmacy / drugstore	Hokkaido, Tohoku	Pharmacy / drugstore	Hokkaido, Tohoku
120	Pharmacy / drugstore	Kanto	Pharmacy / drugstore	Kanto
121	Automotive retail	Kansai	Truck transportation	Hokkaido, Tohoku
122	Truck transportation	Tokai, Hokuriku	Truck transportation	Kansai
123	Truck transportation	Chugoku, Shikoku	Truck transportation	Kyushu, Okinawa
124	Truck transportation	Tokai, Hokuriku	Truck transportation	Tokai, Hokuriku
125	Furniture retail	Kyushu, Okinawa	Truck transportation	Kyushu, Okinawa
126	Leisure goods retail	Tokai, Hokuriku	Warehousing	Tokai, Hokuriku
127	Customised software development	Kanto	Customised software development	Kanto
128	Customised software development	Kyushu, Okinawa	Customised software development	Kyushu, Okinawa
129	Customised software development	Kanto	Proprietary software development	Kanto
130	Proprietary software development	Koshinetsu	Proprietary software development	Kanto
131	Proprietary software development	Kyushu, Okinawa	Sales promotion	Kanto
132	Nursing and welfare	Kanto	Manpower dispatching	Kanto
133	Manpower dispatching	Kansai	Manpower dispatching	Kanto
134	Nursing and welfare	Kanto	Manpower dispatching	Kanto
135	Accounting firm	Kyushu, Okinawa	Accounting firm	Kansai
136	Accounting firm	Chugoku, Shikoku	Accounting firm	Chugoku, Shikoku



# Number of Transactions Closed in Q3 (5/5)

Selling company		Acquiring company	
Industry classification	Region	Industry classification	Region
137 Office for professional occupations	Kanto	Office for professional occupations	Kanto
138 Outsourcing	Kanto	Outsourcing	Kanto
139 Security firm	Chugoku, Shikoku	Security firm	Chugoku, Shikoku
140 Interior finish work	Chugoku, Shikoku	Private equity fund	Chugoku, Shikoku
141 Metals parts processing	Kanto	Private equity fund	Kanto
142 Sport	Kanto	Sport	Kanto
143 Apparel business	Koshinetsu	Jewelry goods retail	Kanto
144 Automotive retail	Hokkaido, Tohoku	Automotive retail	Hokkaido, Tohoku
145 Food manufacture	Kyushu, Okinawa	Sales promotion	Overseas
146 Food wholesale	Kanto	Funeral services	Kanto
147 Funeral services	Hokkaido, Tohoku	Funeral services	Hokkaido, Tohoku
148 Truck transportation	Kansai	Education	Kansai
149 Household goods retail	Kanto	Life related services	Kansai
150 Customised software development	Kanto	Private equity fund	Kanto
151 Building maintenance	Overseas	Life related services	Koshinetsu
152 Services for corporate customers	Kanto	Life related services	Tokai, Hokuriku
153 Hospital	Kyushu, Okinawa	Private equity fund	Kanto
154 Restaurants	Kanto	Private equity fund	Kanto
155 Resin parts processing	Tokai, Hokuriku	Resin parts processing	Kansai
156 Security firm	Kanto	Private equity fund	Kanto



# Business Environment

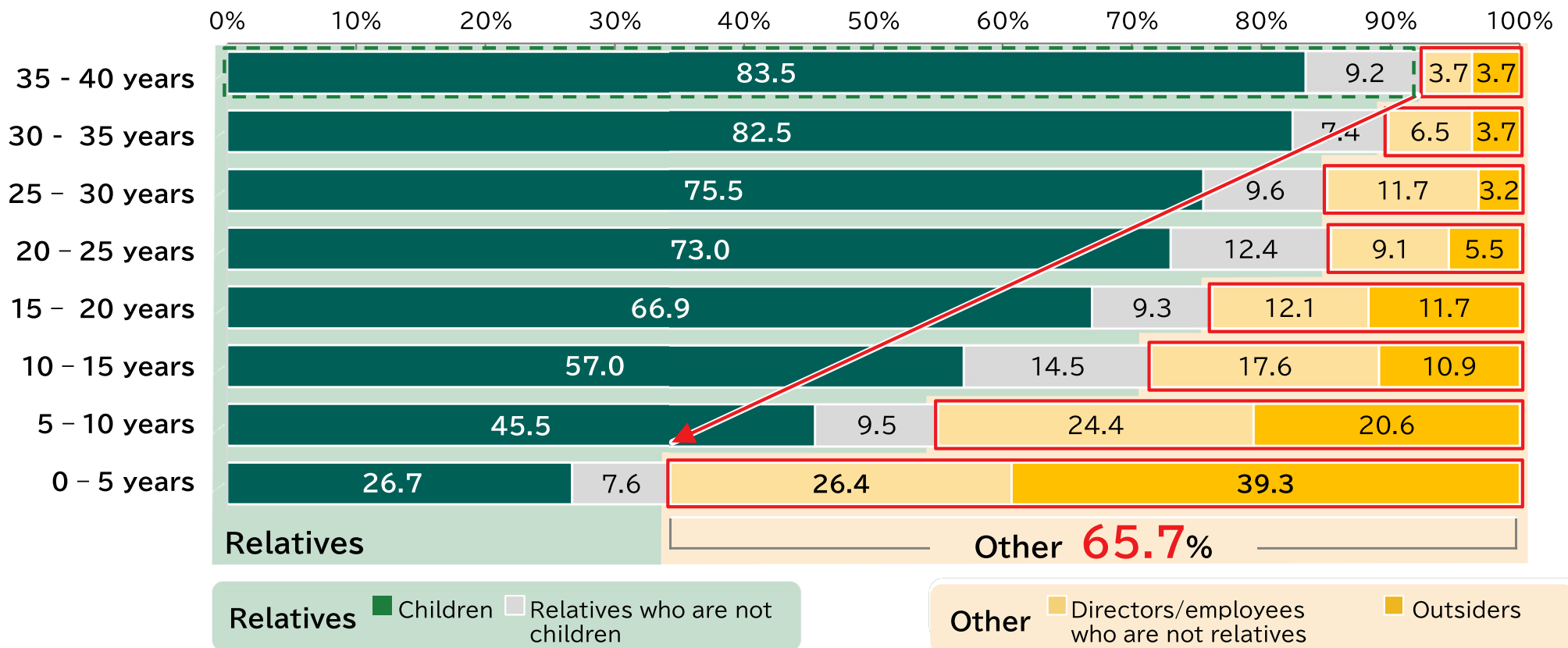
 Nihon M&A Center HD



## (Reference) Strong Increase in Succession Outside Family

# Succession outside family has increased to over 65%

### Shift in background of company presidents viewed by length of term of office

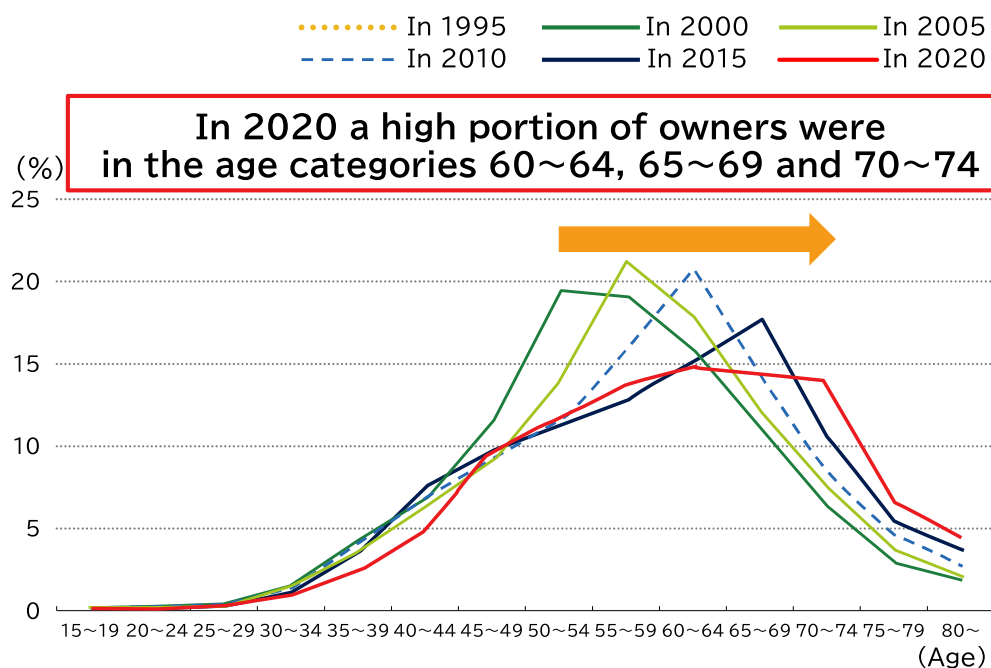


Source: Small and Medium Enterprise Agency, Discussion forum for corporate revitalization, focus on succession (1st in series)

# (Reference) Distribution of the Age of Owners & Changes in the Average Age of Retirement

## Increase in per centage of SME owners aged over 70 Divide between companies with and without succession plan

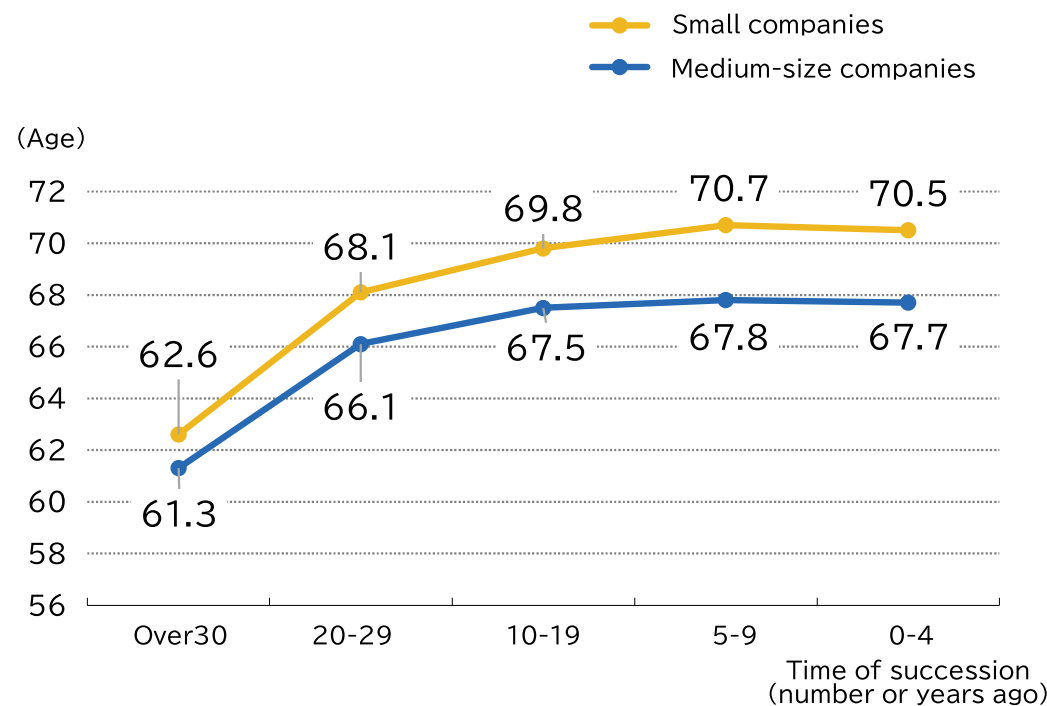
Age distribution of SME owners (in 5-year categories)



Data Source: Tokyo Shoko Research – “Corporate information file”  
Note: 2020 covers data collected as at September 2020

Source: White Paper on Small and Medium Enterprises in Japan (April 23, 2021)

Changes in owners average retirement age

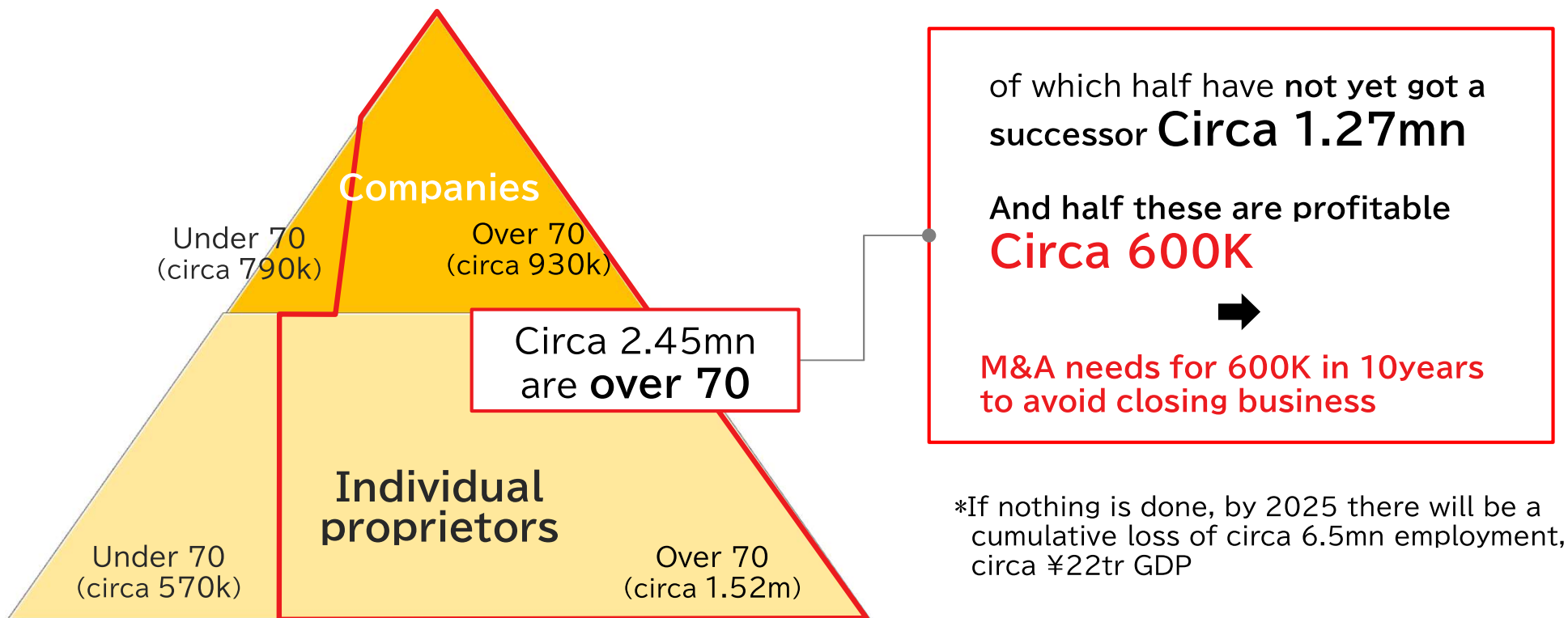


Source: Small and Medium Enterprise Agency, Discussion forum for corporate revitalization, focus on succession (1st in series) (April 26, 2016)

# (Reference) SME Owner Age in 2025

There could be circa 600,000 companies to go out of business by 2025,  
Even though they are profitable.

## ■ SME owner ages in 2025 (number of people)



Source: Estimates from Small and Medium Enterprise Agency data in FY2016 Ministry of Internal Affairs and Communications "Research on economics of individuals companies", and FY2016 Teikoku Databank industry review

# Lastly

## I . Corporate ethos

### Corporate ethos

Assisting companies to continue and prosper through M&A

### Corporate Purpose

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

## II . To investors

### Increase market value

We aim to increase market value through high profitability  
and growth

### Return profits to shareholders

Increase in market value together with stability and  
growth in dividends

- Contact : <https://www.nihon-ma.co.jp/action/contact/>
- IR page URL: <https://www.nihon-ma.co.jp/groups/ir/>
- English website URL : <https://www.nihon-ma.co.jp/en/>