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# 34th Annual General Meeting

26 June 2025

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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**

 **Nihon M&A Center HD**

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

TSE code 2127

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# Business Overview

(1 April 2024 – 31 March 2025)

Suguru Miyake, President and Representative Director

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 Nihon M&A Center HD

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

# Our Story for Restoring Growth



## Strengthen base for return to growth

- The sales structure has been changed to a “channel system” organized by mission
- Many new managerial and mid-level positions have been created
- The president of Japan M&A Center has been replaced by Takeuchi
- **Leading indicators reach new high**

## Target strong growth

- Target reaching 12-month forecasts by December a return to our previous cycle of achieving results forecast
- Increase the achievement rate and enhance engagement
- **Accelerate growth by ensuring leading indicators convert to results**

## Measures to restore unified spirit

- New ways to raise employee engagement, such as vitalization of employee club activities and establishment of new health insurance

## Introducing strict management compliance focus

- Several employees departed due to inappropriate incident. Reduced number of middle managers created need for training in administration

## Announcement of inappropriate accounting incident(Q4)

- Over 80 people penalised

Development

Change

Conclusion

## <Changes in the business environment>

- Establishment of association for M&A intermediary firms(now called M&A Advisors Association)
- Dramatic increase in new boutiques and increased competition
- Revised 2<sup>nd</sup> and 3<sup>rd</sup> editions of SME M&A Guidelines
- Reports of **trouble cases** faced by the industry due to **inappropriate buyers**

FY2020

FY2021

FY2022

FY2023

FY2024

FY2025

FY2026

FY2027

Restoration of strong management systems

Fresh growth

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# FY2024 Results Review

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# FY2024 Results Review



**Slight decline** in full-year sales (YoY)  
**Record** ordinary profit

	FY2024	FY2023	YoY
<b>Transactions closed</b> (Counting sell-side and buy-side mandates separately)	<b>1,078</b>	1,146	-5.9%
<b>M&amp;A sales / transaction (¥mn)</b>	<b>39.6</b>	37.2	+6.4%
<b>Sales (¥mn)</b>	<b>44,077</b>	44,136	-0.1%
<b>Cost of sales (¥mn)</b>	<b>19,298</b>	19,500	-1.0%
<b>Gross profit (¥mn)</b>	<b>24,779</b>	24,636	+0.6%
<b>SGA expenses (¥mn)</b>	<b>8,063</b>	8,569	-5.9%
<b>Ordinary profit (¥mn)</b>	<b>16,918</b>	16,518	+2.4%
<b>Ordinary profit margin (%)</b>	<b>38.4</b>	37.4	+1.0pt

## Results relative to full-year forecasts Sales 90.1% Ordinary profit 99.5%

FY2024  
results

FY2024  
forecasts

**Sales**

¥44,077mn

% reached  
**90.1%**

¥48,900mn

▶ Main factor : Decrease in number of transactions closed

**Ordinary profit**

¥16,918mn

% reached  
**99.5%**

¥17,000mn

▶ Main factor : Maintaining appropriate levels of cost of goods sold and improving expense control

# Strong Leading Indicators



- The **number of new sale mandates**, which is a leading indicator, **reached a record level**
  - Moreover, the share of midcap company<sup>\*1</sup> sell-side mandates was up on YoY. The share of central area company<sup>\*2</sup> mandates was almost unchanged. This gives cause for **optimism** for growth in the future **number of transactions closed** and **maintaining average price levels**
- **Steady progress in reduction of preparatory period**<sup>\*3</sup>  
This is expected to contribute to a reduction in time for mandate completions

\*1 Mandates with expectation of total success fees in excess of ¥100mn

\*2 Central areas = 12 prefectures with relatively higher expectations for successful completion (Tokyo, Chiba, Saitama, Kanagawa, Ibaraki, Osaka, Hyogo, Kyoto, Aichi, Shizuoka, Hiroshima, Fukuoka)

\*3 Preparatory Period = Median average number of days required to complete “preparatory period” ahead of matching

## Number of new sell-side mandates

〈Record high〉

**1,398** YoY +**17.3%**

## Number of new buy-side mandates

**1,378** YoY +**13.1%**

## Number of mid-cap mandates

**255** YoY +**50.9%**

## Preparatory period

Last FY 92days → This FY **60days**

**Signs of growth**

# Balance Sheet Key Data



## Asset

	(¥mn, %)	End-Mar 2025	%	Change	End-Mar 2024
I Current assets		42,566	68.9	180	42,386
Cash and deposits		39,211	63.5	1,771	37,439
Accounts receivable		2,633	4.3	53	2,579
Others		722	1.2	-1,645	2,367
II Fixed assets		19,219	31.1	2,965	16,254
Total assets		61,786	100.0	3,145	58,640

## Liabilities and net assets

	(¥mn, %)	End-Mar 2025	%	Change	End-Mar 2024
I Current liabilities		9,896	16.0	410	9,485
II Long-term liabilities		4,300	7.0	-880	5,181
Total liabilities		14,196	23.0	-470	14,666
Interest bearing liabilities		5,400	8.7	-900	6,300
Net assets		47,589	77.0	3,615	43,973
Retained earnings		56,951	92.2	2,793	54,158
Treasury stock		-18,903	-30.6	59	-18,963
Total liabilities and net assets		61,786	100.0	3,145	58,640



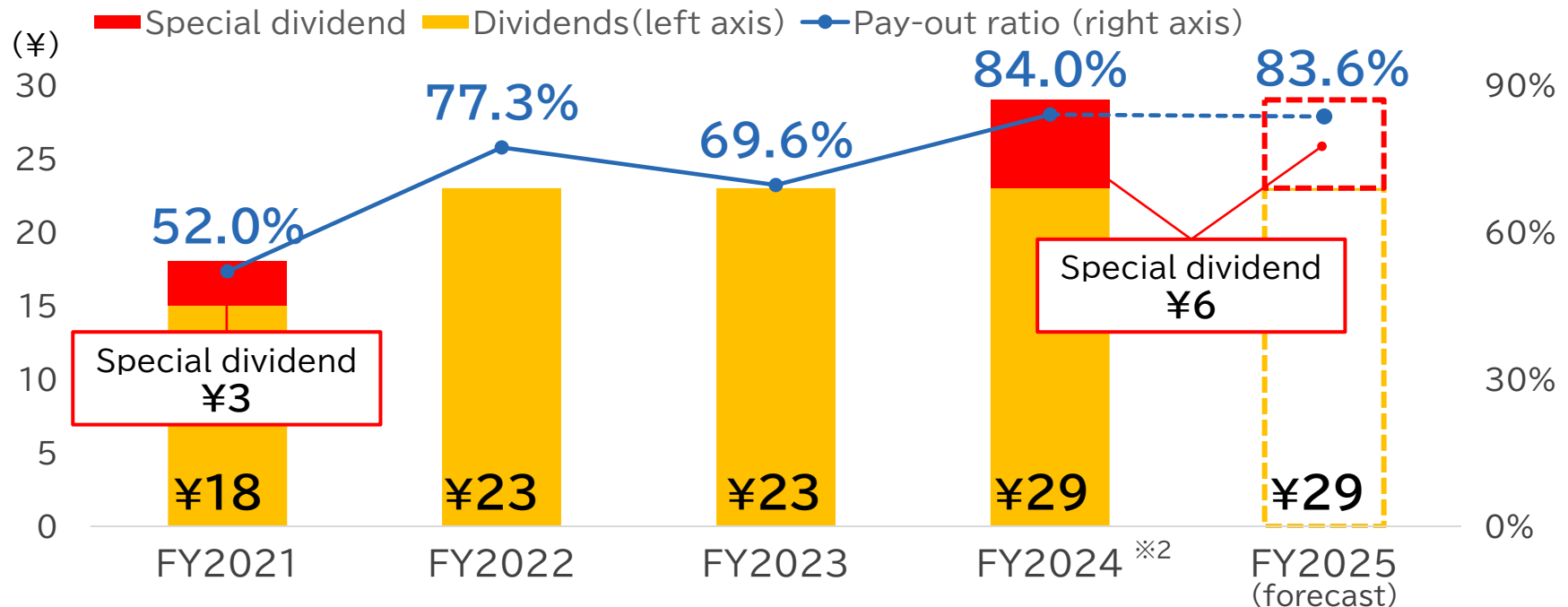
# Shareholder Return Contribution (Dividend Policy)



Due to the abolition of the shareholder benefit program,  
a special dividend was implemented in FY2024

**A policy to maintain a ¥29 dividend level** (including special ¥6 dividend) **in FY2025**

## Dividends<sup>※1</sup> and pay-out ratio



**“Dividend pay-out ratio of 60% or more” to be continued  
during mid-term management plan period**

※1 Adjusted for two-for-one share splits on 1 Apr 2021

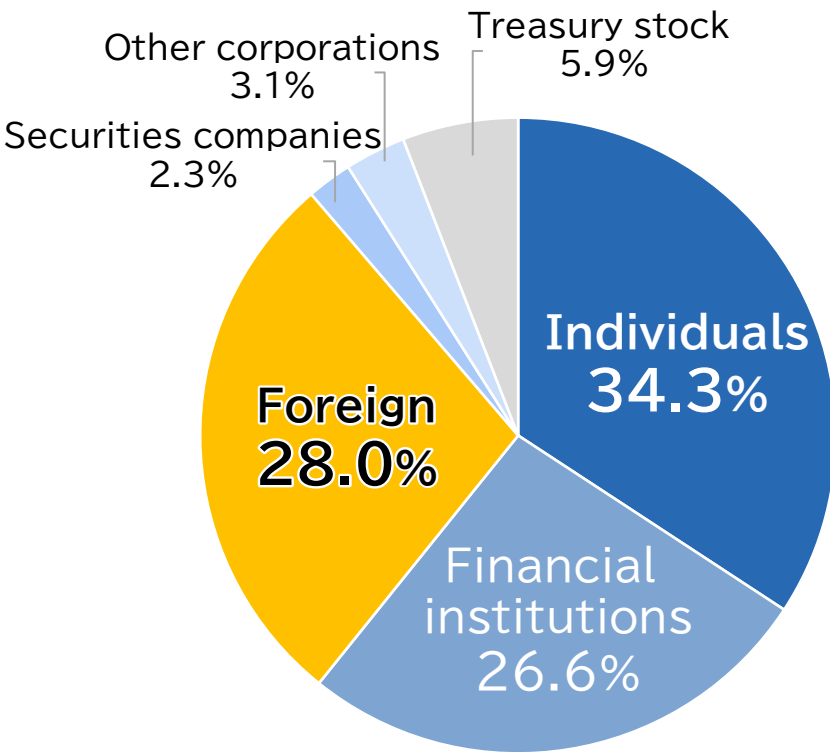
※2 Subject to approval at the shareholders meeting on 26 June 2025

# Share Ownership and Market Capitalization



Ratio of individual shareholders has increased and the total number of shareholders has in parallel risen to over 110,000

## Share ownership as of 31 Mar 2025      Market capitalization (from Apr 2020)



No. of shareholders: 110,382  
No. of shares issued: 336,934,800





## Emphasizing shareholder returns and dialogue with investors : Efforts to enhance corporate value

### Key indicators of recent shareholder returns and IR activities

	Total value of share buybacks	Annual dividend	Total pay-out ratio	Number of companies visited during the overseas roadshow	Number of investor meetings
FY2020	-	¥76bn	77.3%	- (Canceled to prevent the spread of the novel coronavirus)	386
FY2023	¥140bn	¥73bn	200.0%	43	417
FY2024	-	¥91bn	84.0%	43	359

for institutional investors	<ul style="list-style-type: none"> <li>Webcasting of the earnings briefing with simultaneous interpretation for both domestic and international audiences</li> <li>Recorded video will be posted on the website</li> </ul>
for individual investors	<ul style="list-style-type: none"> <li>Conducting of an IR briefing every year</li> <li>Recorded video will be posted on the website</li> </ul>

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# Issues to be addressed

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Decline in number of transactions closed due to the lower conversion ratio and longer negotiations

	FY2024	YoY
Transactions closed (Counting sell-side and buy-side mandates separately)	1,078	−5.9%

**External factors:**  
Significant changes on SME M&A market

Impact of publicity over “inappropriate buyers”

Clients are becoming more cautious in their decision-making

Revisions to SME M&A Guidelines

Contract revised four times and increased requirements for explanations of key items

Tightening of M&A loan screening due to rising interest rates

**Internal factors:**  
A lack of capability to provide supportive responses to clients

Gap between clients’ increased knowledge / awareness and our M&A mandate management methods

Impact of new employee training standard requirements

A lag in progress in the level of customer understanding and development of skills to make attractive proposals

**Improve customer satisfaction, shorten the lead time for negotiations, and lead to sustainable increases in the number of M&A transactions closed**

**External factors:**  
Significant changes on  
SME M&A market

**Response to inappropriate buyers**

**Further enhancement of the system for review of potential buyers**

**Response to the tightening of M&A financing examination**

Establishing an internal consultation desk staffed by experienced personnel from major banks **to strengthen the financing framework**

**Internal factors:**  
A lack of capability to provide  
supportive responses to clients

**Improve management methods**

Enhancing and standardizing **the project management methods** for general managers

**Strengthening new employee training**

Compulsory for new consultants **to gain several experiences** including a minimum of 3 company valuations

**Alleviating clients' concerns**

Starting internal kick-off / **analysis meetings** for M&A transactions at the start of negotiations with addition of veterans with extensive M&A experience and internal experts



## Sales forecast to decline for first time since IPO

	FY2025 forecasts	FY2024 results	Compared to FY2024 results	FY2024 forecasts	Compared to FY2024 forecasts
Sales (¥mn)	46,300	44,077	+5.0%	48,900	-5.3%
Ordinary profit (¥mn)	17,000	16,918	+0.5%	17,000	0%

### Target

In response to changes in client behaviour, in order to increase the ratio of completed mandates

- ① create more time to become closer to clients ② raise consultants performance level

### Expected result

1. Restore the traditional normal performance achievement cycle (whereby most of the full year results are reached in the first nine months, taking pressure off Q4) and rebuild a sustainable growth cycle
2. Improve the overall motivation of the organization by increasing the ratio of consultants achieving their annual budget
3. Restore the trust of investors by reliably achieving the full-year performance forecast



Plan net increase of about 70 consultants (including graduates)  
**HR emphasis in FY2025 is for growth and stability in the workforce**

Number of consultants

\* Excludes employees of Batonz Co., Ltd.

	FY2021	FY2022	FY2023	FY2024	FY2025 (planned)
Number of consultants at end of fiscal year	558	607	645	716	More than 780
Net increase	+91	+49	+38	+71	Approx +70

Personnel status

- The trend is now for **a lower turnover rate among employees who have been with the firm for over 3 years**
- A problem is that **new employees** who have little experience of completing mandates have had too little success, resulting in **a certain number of departures**

Development and higher performance measures

- **Strengthen management training** — Introduction of 360° reviews
- **Promoting early development for new entrants** — Broaden the scope of the new employee 2in1 system (selling in pairs)

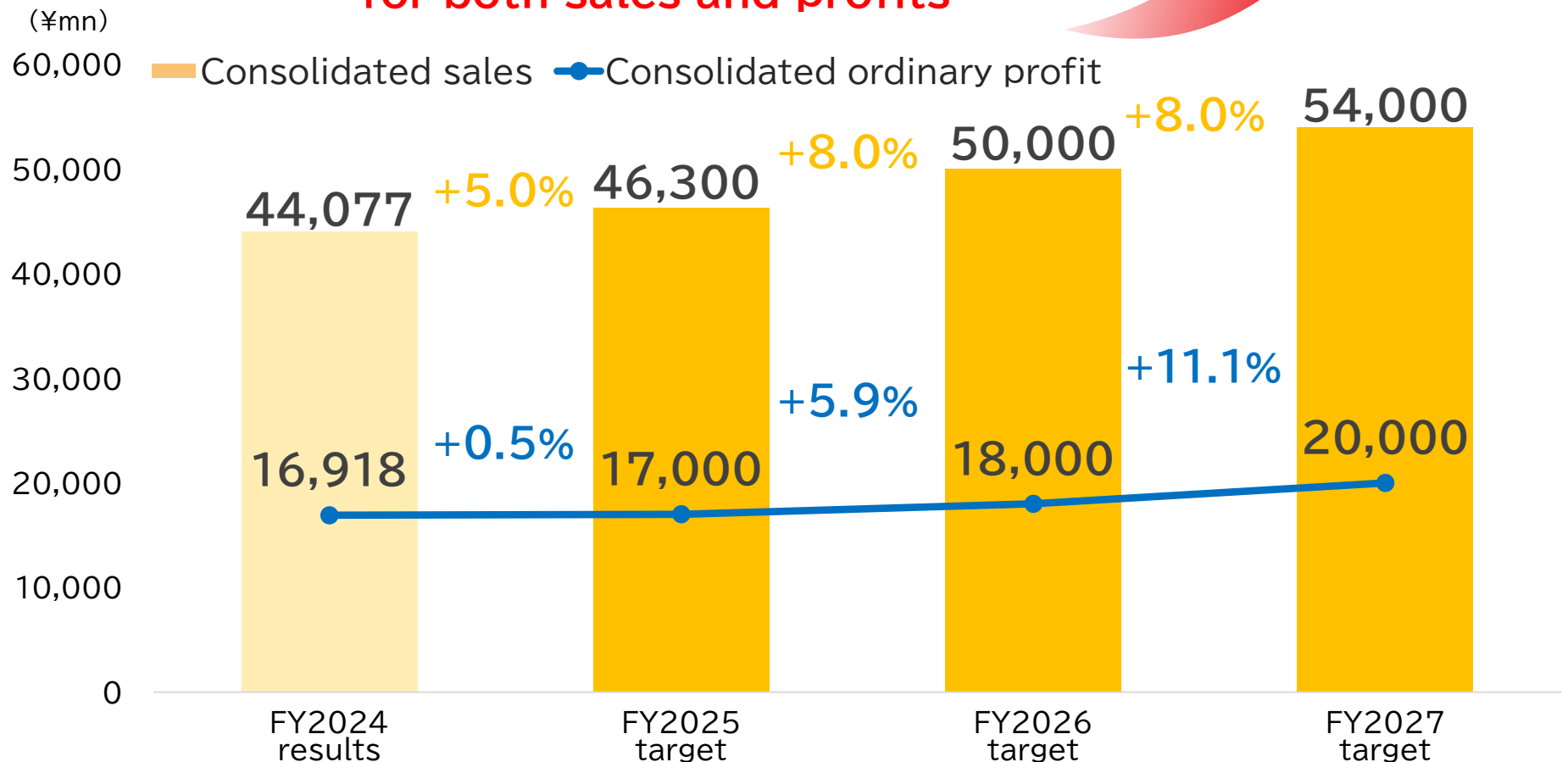


# Mid-term Management Plan



**Revising the medium-term management objectives** to respond to changes in the external environment and strengthen the internal framework

**Target higher than budgeted figures for both sales and profits**



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# Business Strategy

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## Management reorganisation for start of second foundation phase

Nihon M&A Center Holdings Board of Directors

### Management Meeting



Body for management decision making

A weekly Management Meeting for active discussion of important management topics in a timely manner and proposals of answers

Chairman: Suguru Miyake, President and Representative Director

### M&A Strategic Meeting

Establishment of strategies and action plans for **M&A related activities** of Nihon M&A Center and group companies

Chairman: Naoki Takeuchi,  
Managing Director  
(President and Representative Director of  
Nihon M&A Center)

### Financial Strategic Meeting

Establishment of strategies and action plans for Japan Investment Fund and **private equity fund related** group companies

Chairman: Masahiko Otsuki,  
Executive Managing Director  
(President and Representative Director of  
Japan Investment Fund)



In the AI era, the arrival of “data capitalism,”  
where data generates profits

## Transition to data-driven management

### Breakdown of the factors contributing to sales growth



Improving **productivity per person** requires  
business efficiency and value creation through  
digital transformation (DX) utilizing AI and data

Actively promote **data collection and utilization**  
throughout all processes of M&A deals

Capital and business alliance with BRING OUT Co., Ltd(February 2025), which provides BRING OUT for **business interview analysis using AI**

## Adopting BRING OUT



With the highest number of consultants in our industry recordings are taken of **client information and requirements** to be made available for sales activity

**Selection and analysis** of important information from the recorded interview, **making the business interview data visible**. Kept on the company CRM system

- **Enable connections with internally held knowledge** such as industry data, prior transactions and experience of our specialists
- Analysis of high performer business interviews for **use in development of consultants**

\* Recordings of business interviews are only made with prior approval of participants, and permitted use of recordings is subject to the rules in the “Nihon M&A Center policy for use of personal data”

**Utilize AI to aim for an increase in the number of new mandates and an improvement in success rate of M&A transactions**

\* The enclosed sections show the results for FY2024

## 1. Strengthening the acquisition of new mandates

① **joint venture** with **regional bank**

② Strengthening direct marketing  
Holding **seminars nationwide**

- NOBUNAGA Succession Inc. (Gifu Pref. 2023)
- Kyushu M&A Advisors Co., Ltd (Fukuoka Pref. 2024)
- Commencement of discussions for establishment of a joint venture company with Okinawa Bank (Okinawa Pref. 2025)

**over 12,000 registrations for seminars**

## 2. Strengthening the mid-cap mandates acquisition structure (mid-cap mandates mean mandates with expectations of total success fees in excess of ¥100mn)

Establishing **a company-wide consultation reception system**  
within **a specialized department**. Number of mid-cap mandates **255 (YoY+50.9%)**

## 3. Regional revitalization through support services for listing on the TOKYO PRO Market

Creating “star companies” nationwide **No. of our IPO support assignments 15**

## 4. The necessity for PMI (Post-M&A Integration) consulting is increasing

Track record of providing **PMI services**  
through our **specialized subsidiary** **93 (YoY+40.9%)**

## 5. The overseas business is entering a growth phase

- ① Established **five locations in the ASEAN region**, including four local subsidiaries
- ② Joined the global M&A alliance World M&A Alliance, established by independent M&A advisory firms (2021)  
Capital and business alliance with a Korean M&A brokerage firm (2024)

## Starting the year to develop the fund business as our company's second pillar Creation of new funds **AtoG Capital** and **J-Search**

### AtoG Capital (Since Dec 2023)

**ASEAN SME investments; governance and compliance support.** M&A is difficult for Japanese companies in this region.  
Future exit to Japanese companies

#### AtoG Fund Number 1 (Since Sep 2024)

First investment  
(Oct 2024)



### J-Search (Since Oct 2024)

Together with regional financial institutions we have created bespoke regional search funds\*. Filling gaps in management resources in the regions

The following three companies were jointly established by our company and regional banks

- **Southern Kyushu Search Fund Number 1**
- **Hokkaido Search Fund Number 1**
- **Hokuriku Search Fund Number 1**



### Japan Investment Fund (Since Jan 2018, Joint venture between the Company and the Development Bank of Japan)

#### Fund Number 1 (Since Feb. 2018)

**12 investments in total**  
→ exited from 5

#### Fund Number 2 (Since Jan 2024)

Investments commenced



\* Search fund: activities in which individuals who are prospective business owners take the lead in business succession of SMEs and themselves engage in business management.

Funds to **increase company values** and support **regional rejuvenation**

We aim for **further growth** while responding to changes in the external environment of the M&A business and **adhering to compliance**

- Thorough implementation of purpose and philosophy
- Further strengthening of internal consultation and whistleblowing system, regular meetings with key people
- Strengthening compliance framework and risk management
- Strengthening the structure of the audit and supervisory divisions
- Inaugurate effective compliance training and education
- Multi-faceted employee evaluations and review of management methods
- Promotion of business soundness and quality improvement led by Business Processes Dept.
- Compliance with the guidelines of the Small and Medium Enterprise Agency and the self-regulatory rules of the M&A support organizations association



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# SME M&A Market and Industry Trends

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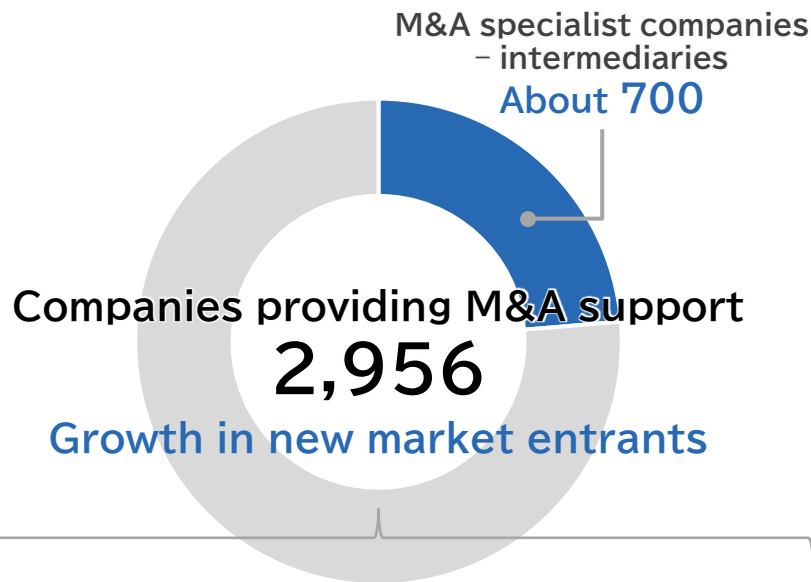
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## Improvement required to **service quality** and **ethical standards** of the industry

### Number of companies providing M&A support (as of 13 Mar 2025)



Within the total

- **86.3%** have 4 or less specialist M&A support staff
- **57.0%** founded after 2020

### Media Coverage on Trouble Cases involving Inappropriate Buyers

(Starting around May 2024)

#### 【Cases of trouble】

- Cash extraction from target company by inappropriate buyer
- Personal guarantee of target company owner not released

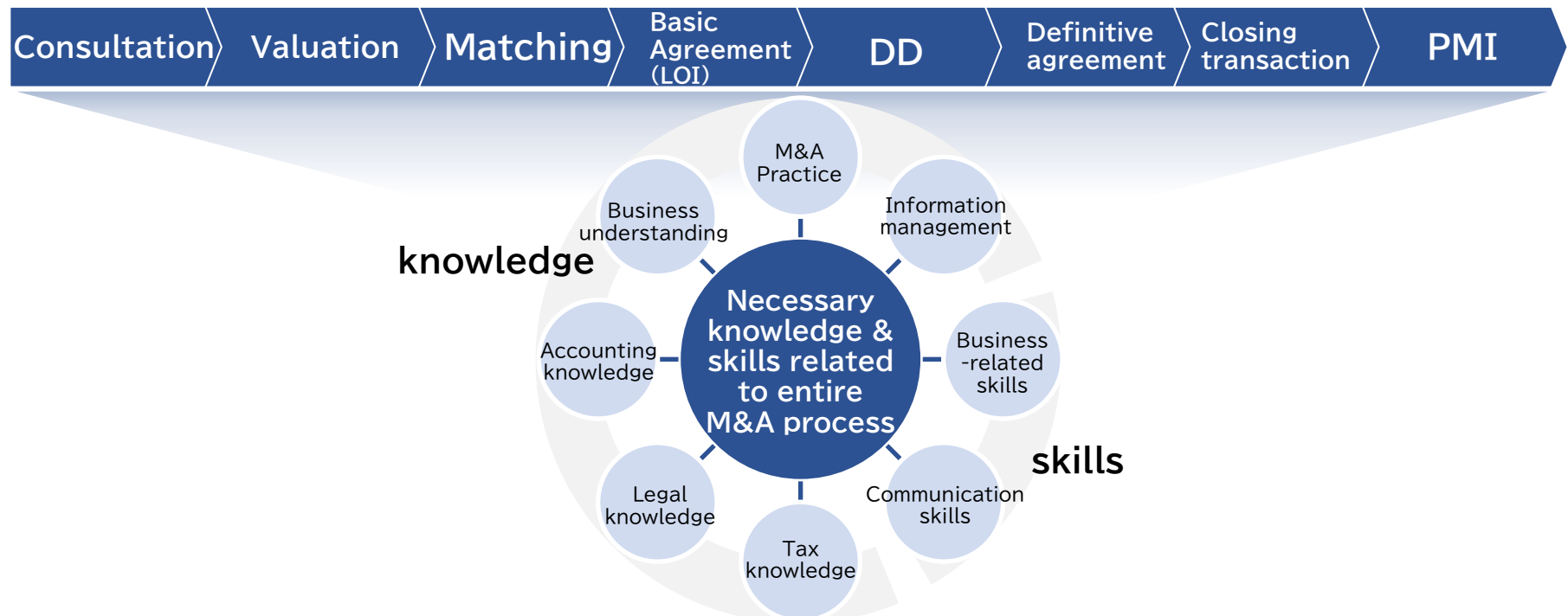
## **“SME M&A guidelines” 2nd revised edition** (30 Aug 2024)

Summary of revisions (for intermediary parties)

1. Intermediaries, financial advisor fees and scope
2. Specification of what is not permitted in advertising and sales activity
3. Specification of prohibited areas of conflict of interest
4. Rules for name clearance and contract term
5. Risks for parties following definitive agreement
6. Treatment of seller warranties
7. Exclusion of inappropriate parties

**In order to improve the quality of private sector M&A specialized human resources, “Skill map for SME M&A Specialists (Individuals)” Released (Apr 2025)**

The skills related to a wide range of structured M&A areas



Sources: SME Agency. Extract from "Skill map for SME M&A Specialists (Individuals) on the mission, 'Ethics and Code of Conduct, and knowledge'"

Our personnel have cleared the **majority of levels**, including PMI and written risk explanations ⇒ We will **lead** the industry in skills



## Accelerate efforts toward **industry revitalization**

### M&A Advisors Association

- Members from financial institutions and professional services have been appointed as directors
- Number of membership: 194 (as at Jun 2025)
- We are participating as an executive committee

### Creation of Qualification system committee

Agile revisions to **self governance rules for the industry** (advertising, sales, compliance, explanation of important points in contracts) first published in December 2023

Inappropriate buyer\* disclosure in **“List of named buyers”** for the industry (in operation since October 2024)

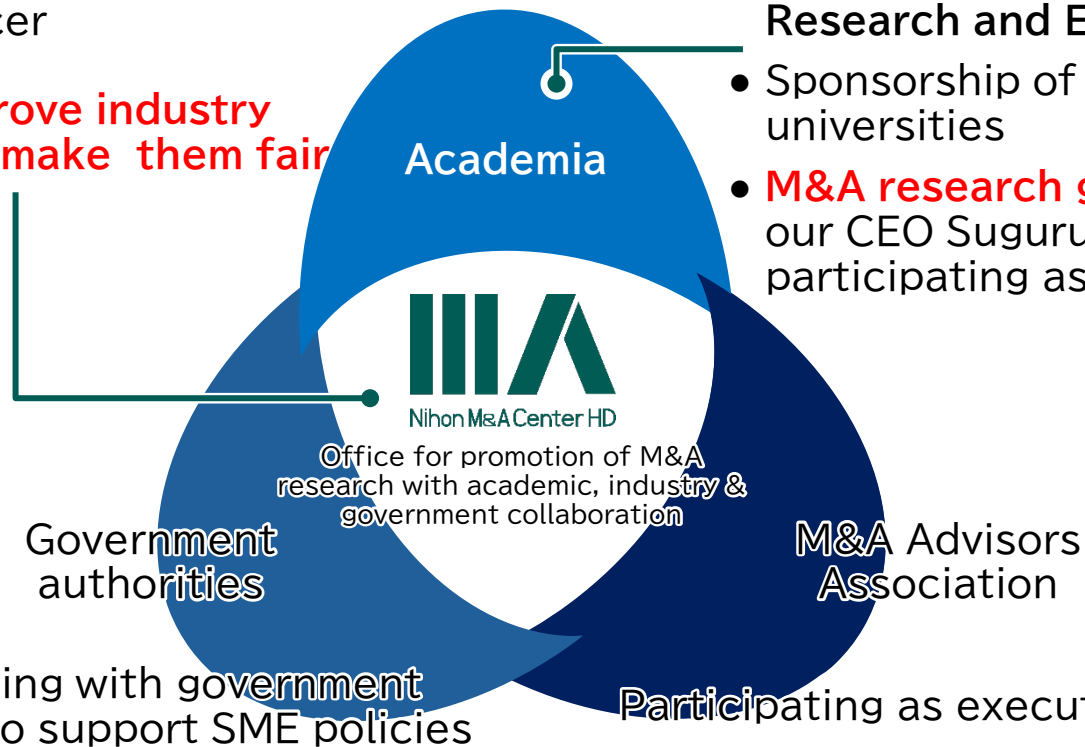
\* The kind of buyer who might behave in ways that could be considered illegal in M&A (eg transfer of seller funds into a personal account after the M&A transaction has completed) or in other ways operate the company differently from what was agreed in the SPA at the time of the acquisition (eg disregard release clauses for a seller's personal guarantees)

To assist the healthy development of the industry and improve standards  
Further strengthening of **academic, industry and government collaboration**

## New PR role – **CPAO**

- CPAO … Chief Public Affairs Officer  
Appointment of Shin Yokoi,  
Executive Officer
- Helping to **improve industry standards and make them fair**

- Kobe University Graduate School of Business Administration  
**Small and Medium Sized M&A Research and Education Centre**
- Sponsorship of lectures at universities
- **M&A research group**, our CEO Suguru Miyake participating as executive member



**Strengthening academic, industry and government collaboration**  
The start of a new chapter, **establishing industry standards for SME M&A**



While M&A has become common, direct marketing towards small and medium-sized business owners has intensified  
**M&A support companies are subject to comparative selections**  
due to changes in the market environment

## Our company's belief

Companies are places for owners, employees  
and families to **form lasting bonds**

## Four reasons for achieving the best completed mandate

Receipt of initial  
payment· Exclusivity  
agreement

Matching that  
connects the  
aspirations of  
both companies

Thorough  
corporate  
valuation

Safe and secure  
M&A realized with  
our experts

## Five supports to lead you from “Completed mandate” to “Success”

A company specialized in PMI support will lead M&A to success.

Even in the unlikely event of a breach of representations and warranties, we will provide support to maintain a good relationship.

**Synergy Creation**  
PMI

**Trouble Prevention**  
Automatic Attachment of  
Representation and  
Warranty Insurance

**A memorable**  
Closing  
Ceremony

**To the Legendary**  
Entrepreneur  
The WAY

**Supporting Your**  
Second Chapter of Life  
Next Navi

We will beautifully stage this day; it marks the culmination of the seller's entrepreneurial journey and the start of a new chapter for the acquiring company.

Life experiences, thoughts, and the life philosophy cultivated will be documented in a biography until the point of transfer.

We provide support from asset succession to enjoying the second chapter of life.



For more details about the closing ceremony, please take a look [here](#).



The production record of 'The WAY' has surpassed a total of 100 books



# Our Brand Movie



日本M&AセンターHD

「想い」に寄り添うM&A  
M&A that aligns with clients' aspirations

As we have prepared a video, please take a look

Our Brand Movie 「Support that ‘feeling’ more than anyone else」 Please take a look [here](#).

**We will strive to enhance corporate value by fulfilling our social mission as a unified team of all executives and employees.**

# Greeting

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Thank you very much for your  
participation

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We appreciate your continued future  
support for Nihon M&A Center Holdings

 Nihon M&A Center HD