



M&A 総研HD

FY2025/9 Q1

Financial Results Presentation

January 30, 2025

M&A Research Institute Holdings Inc. (TSE Prime: 9552)

Table of Contents

- 1** **FY2025/9 Q1 Earnings Results**
- 2 FY2025/9 Earnings Forecast
- 3 Medium- to Long-term Growth Strategy
- 4 Q&A
- 5 Company Overview
- 6 Competitive Advantages of M&A Research Institute
- 7 Reference

1. FY2025/9 Q1 Earnings Results

Earnings Summary

Net sales ¥4,900mn → ¥**4,178mn**
(FY25/9 Q1 → FY25/9 Q1) (−14.7%)

Operating profit ¥3,353mn → ¥**1,684mn**
(FY24/9 Q1 → FY25/9 Q1) (−49.8%)

Operating margin **40.3%**
(FY25/9 Q1)

Sales growth rate **+14.7%**
(FY24/9 Q1 → FY25/9 Q1)

Number of M&A advisors
(for transferring companies)
(FY25/9 Q1)

306

Increase from the end of
FY24/9 Q1 (200 advisors)

+106 (+53.0%)

Landing at 363 advisors including those
who has accepted offers as of January.

Sales per M&A advisor
(for transferring companies)¹
(FY24/9)

¥65mn

FY21/9 FY22/9 FY23/9
¥61mn ▶ ¥74mn ▶ ¥67mn

FY24/9 concluded above the initial plan
(61 million yen), with strong results
(+6.6% compared to the plan).

Average time to M&A conclusion²
(~FY24/9 average)

7.1 months

The shortest time

1.5 months

Maintained 7 months while also
expanding business

Notes:

1. Calculated based on the average number of employees during the period
2. Average of all deals signed since inception (excluding financial advisor deals)

**Q1
Performance**

Consolidated net sales of ¥4,178 million (-14.7% YoY),
Consolidated operating profit of ¥1,684 million (-49.8% YoY), and
Consolidated operating margin of 40.3% (68.4% a year earlier) were recorded.

【M&A Brokerage】

Revenue was ¥3,956 million, a decrease of 19.1% compared to the same period last year. However, **the balance of advisory contracts in progress has reached a record high**. Additionally, efforts to expand partnerships have resulted in a steady increase in the number of partners, which is expected to contribute to an increase in successful deals. In addition, operating profit was ¥1,740 million, a decrease of 47.2% compared to the same period last year, primarily due to stagnant revenue growth, along with investments in strengthening management, talent development, and compliance measures.

【Consulting business】

The sales performance for the first quarter amounted to 222 million yen, **achieving a revenue level comparable to the previous fiscal year's annual sales of 247 million yen**.

In addition to ongoing projects, new orders have also been secured from enterprise clients.

Recruitment**【M&A Brokerage】**

The number of M&A advisors at the end of the first quarter settled at 306. As of the end of Q1, the number of M&A advisors was 306. With the introduction of the division head system and retention initiatives (see pages 4 and 5 for details), the number of M&A advisors, including confirmed hires scheduled to join from January onward, **will increase by 43 (from 320 to 363)**. **The progress rate toward the current fiscal year's planned increase of 80 to 130 advisors is tracking at 33.1% to 53.8%**.

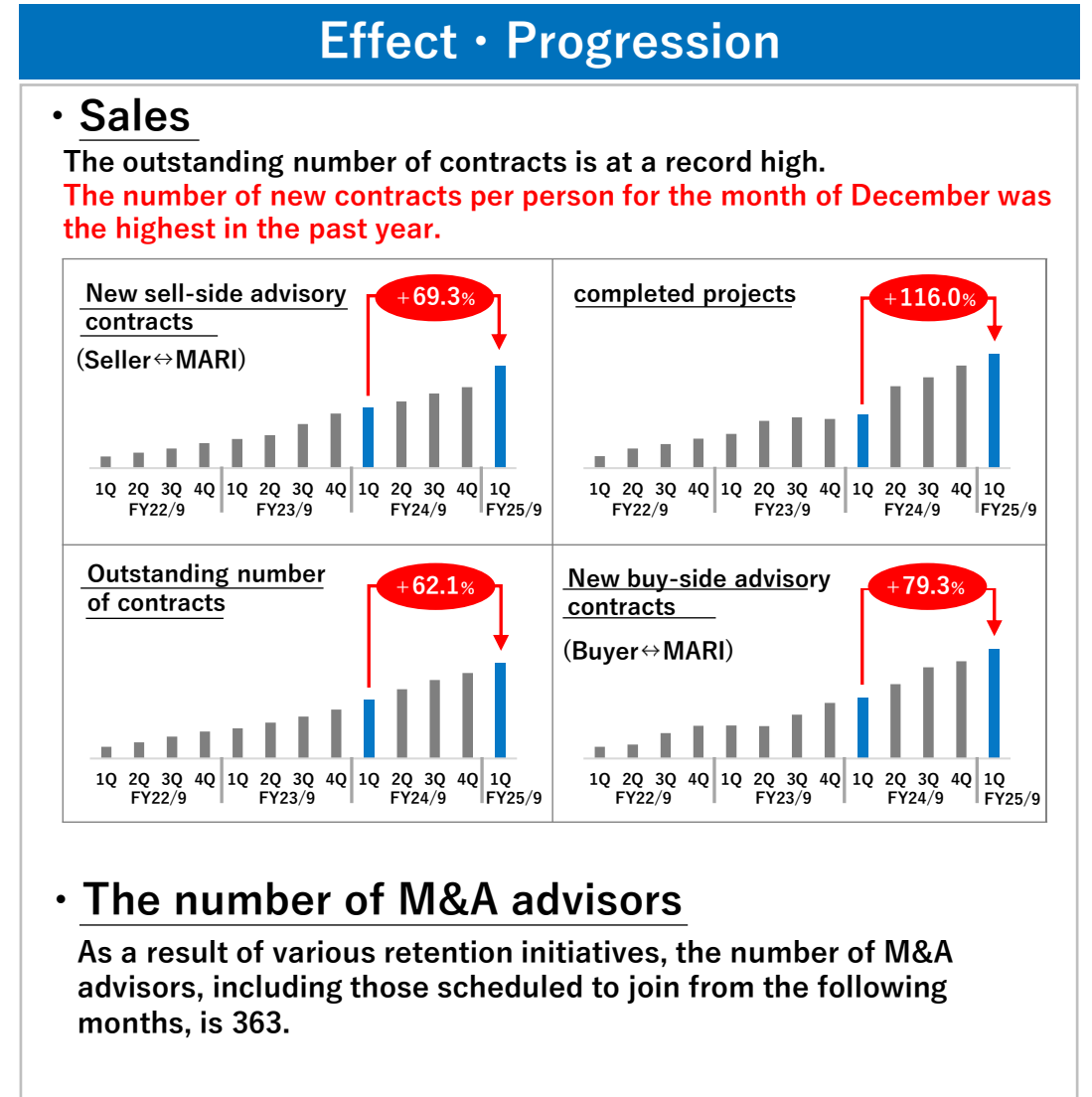
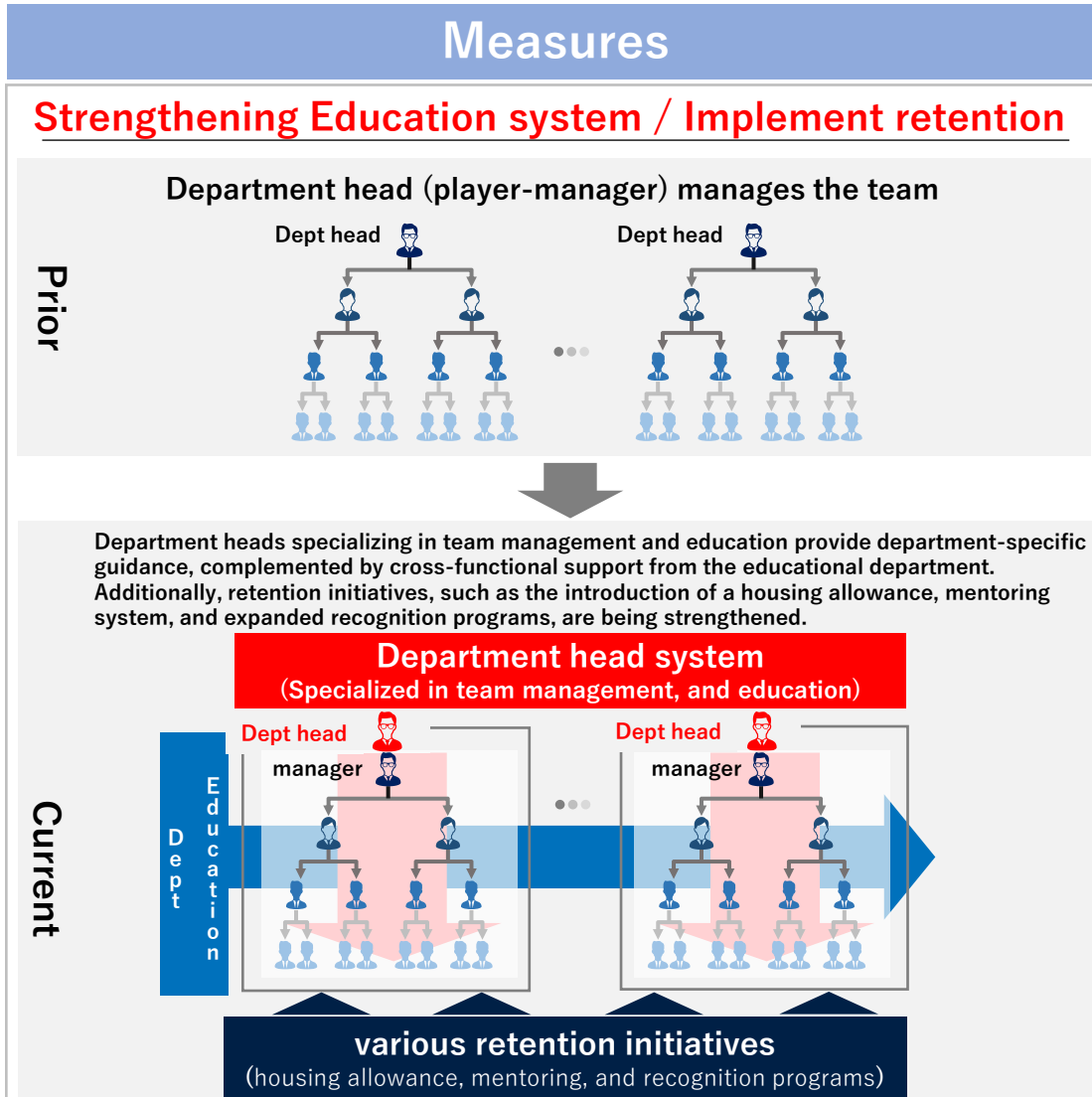
【Consulting business】

As of the end of Q1, the number of consultants increased by 15 (from 28 to 43). Including confirmed hires scheduled to join from January onward, **the number of consultants will rise by 66 (from 28 to 94), achieving a progress rate of 91.7% to 126.9% toward the current fiscal year's planned increase of 52 to 72 consultants**.

Adjustments to the staffing plan will be considered as needed based on the progress made in Q2.

Measures to Increase Revenue in the M&A Brokerage Business

As a revenue enhancement measure, **the implementation of a department head system, strengthening the educational support department, and establishing a multifaceted guidance system**, along with various retention initiatives, have been carried out.



HR development structure

Performance is enhanced through management-focused department heads and the Educational Support Department. Group-wide study sessions to share knowledge and experience in order to enhance proposal quality and broaden offerings.

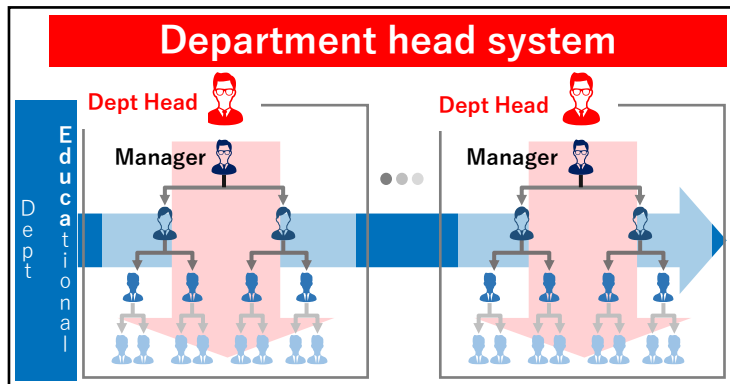
Education system

1 Supervision by each department head

Establish a department head specialized in management and education. Strengthen support for junior members beyond previous levels and work towards elevating overall performance.

2 Cross-departmental support : Education dept

Post-hire training is supplemented with position-specific, phased programs, and the content and effectiveness are optimized using surveys and performance data.



Education/Supervisor system

Analyze various data and validate effectiveness



Refine the training materials through the use of surveys and feedback

+

Tailored training environment

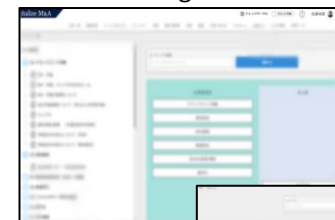
1 Efficient learning environment

Implement a proprietary internal system for knowledge sharing, and develop an environment that facilitates efficient online learning.

2 Group-wide study sessions

Facilitate the sharing of knowledge and experience across group companies, aiming to improve the quality and broaden the range of proposals.

Knowledge Portal



Online Training



Video contents



Joint Study Session with Quantis Consulting ,Inc.

In addition to the existing direct sales and inbound sales approaches, efforts are being made to strengthen partnerships with various operating companies to secure additional deals. **The development of partnership opportunities is progressing smoothly** and is expected to contribute to an increase in closed transactions. Furthermore, **initiatives to acquire large-scale projects will be further reinforced.**

Strategies for expanding contracted projects

Reinforcement

Outbound sales

Develop a large number of sell-side candidates through identification of companies with high transfer needs and improvement of approaches to lead to the acquisition of contracts.

Inbound sales

Increase brand recognition through further expansion of the website advertising and holding of various seminars to lead to the acquisition of contracts.

Partnership

Promote partnerships with community-based tax accountant firms, accounting firms, and business companies to lead to the acquisition of contracts through referrals.

large-scale projects

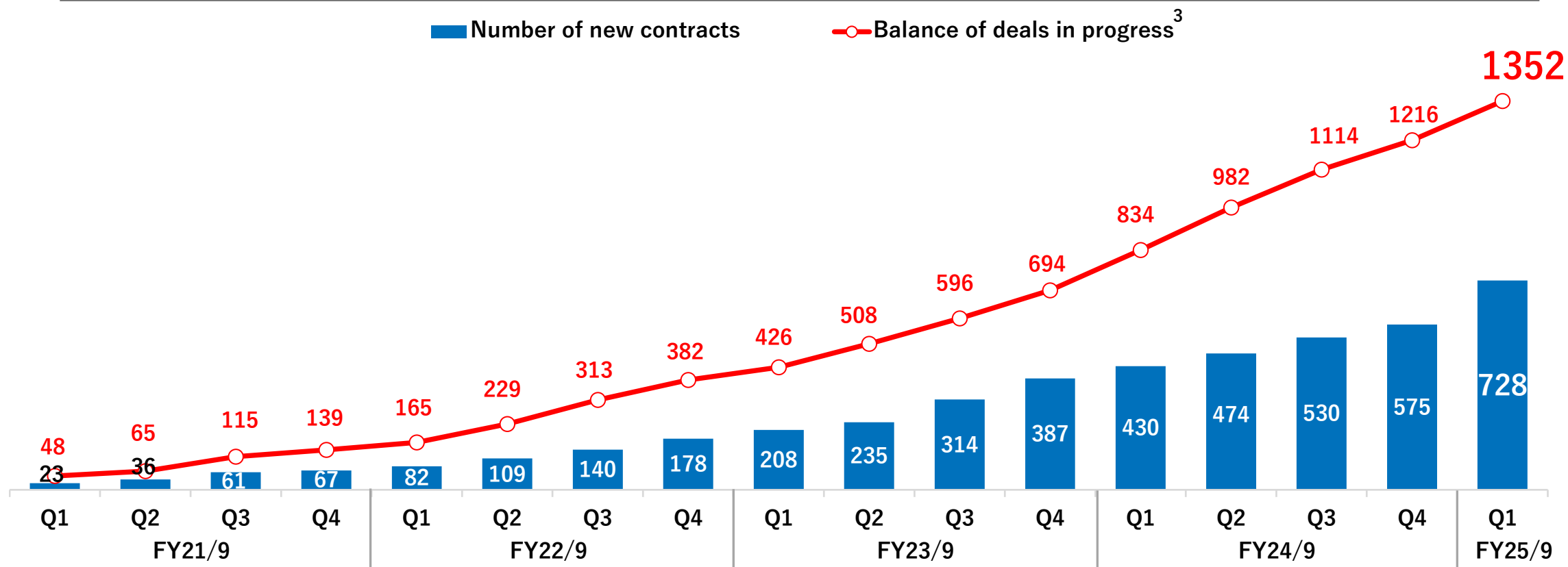
Assign dedicated personnel for each company actively considering acquisitions and further strengthen to secure large-scale projects.

Number of New Advisory Contracts¹ and Deals in Progress

The number of new contracted projects and the balance of deals in progress, which form the foundation for future revenue, have reached record highs. Newly recruited advisors are also steadily securing contracts.

Regarding the increase in contracted FA M&A cases and overseas M&A cases, FA M&A cases are excluded from the count, and for overseas M&A cases, only a portion is counted.²

Quarterly number of new advisory contracts and number of deals in progress at the end of each quarter³



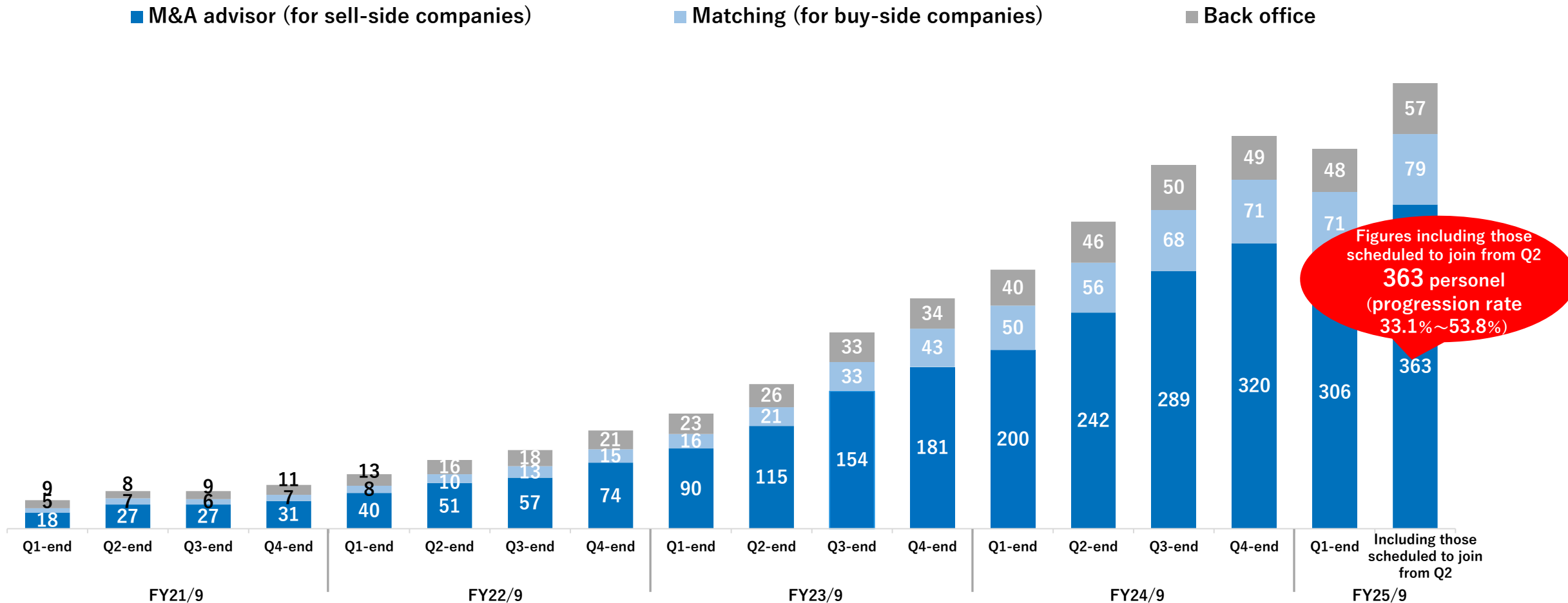
Notes:

1. M&A advisory contracts concluded with the selling company
2. FA M&A cases are excluded from the count. In addition, for overseas M&A cases, due to differences in business customs, active projects that do not have an advisory contract are excluded from the count.
3. Only active deals, excluding pending deals, are counted. Cases in which the progress of an Item has stopped once and may progress again after a period of time have been conservatively pended and excluded from the number of cases.

Number of Employees (only for M&A Business)

As of the end of Q1, the number of M&A advisors stands at 306. However, including those scheduled to join after January, the number of M&A advisors is projected to increase by 43 (from 320 to 363). **This represents a progress rate of 33.1% to 53.8%** toward the planned increase of 80 to 130 advisors for the current fiscal year (targeting 400 to 450 advisors).

Number of employees by division (as of the end of each quarter)



1. FY2025/9 Q1 Earnings Results

Financial Highlights

	FY22/9 Q1	FY23/9 Q1	FY24/9 Q1	FY25/9 Q1	YoY
Net sales	¥1,010 million	¥2,125 million	¥4,900 million	¥4,178 million	+14.7%
M&A Brokerage	¥1,010 million	¥2,125 million	¥4,892 million	¥3,956 million	+19.1%
Others	-	-	¥7 million	¥222 million	+3071.4%
Gross profit	¥888 million	¥1,788 million	¥4,045 million	¥2,727 million	-32.6%
Gross profit margin	88.0%	84.2%	82.6%	65.3%	-17.3Pt
SGA	¥177 million	¥390 million	¥692 million	¥1,043 million	+50.7%
Operating profit	¥711 million	¥1,398 million	¥3,353 million	¥1,684 million	-49.8%
M&A Brokerage ¹	¥711 million	¥1,398 million	¥3,353 million	¥1,740 million	-47.2%
Others ¹	-	-	¥-12 million	¥-37 million	-
Operating margin	70.4%	65.8%	68.4%	40.3%	-28.1Pt
Ordinary profit	¥705 million	¥1,397 million	¥3,352 million	¥1,685 million	-49.7%
Ordinary income margin	69.9%	65.8%	68.4%	40.3%	-28.1Pt
Profit	¥486 million	¥958 million	¥2,175 million	¥1,092 million	-49.8%
Net income margin	48.1%	45.1%	44.4%	26.1%	-18.3Pt

Note :

1. In addition to these, unallocated corporate expenses amounting to 19 million yen have been incurred across various segments, and the total of these corresponds to the operating profit in the consolidated income statement.

Financial Highlights(only for M&A Business)

	FY22/9 Q1	FY23/9 Q1	FY24/9 Q1	FY25/9 Q1	YoY
Net sales	¥1,010 million	¥2,125 million	¥4,892 million	¥3,956 million	-19.1%
Operating profit	¥711 million	¥1,398 million	¥3,294 million	¥1,740 million	-47.2%
Operating margin	70.4%	65.8%	67.3%	44.0%	-23.3Pt
Number of M&A advisors	40	90	200	306	+53.0%
Closed M&A deals ¹ (large-scale deals ²)	17 (2)	33 (4)	66 (9)	65 (4)	—
Fees per deal ³	¥58 million	¥61 million	¥74 million	¥61 million	—
Average time to M&A conclusion ⁴	7.9 months	6.6 months	6.7 months	7.1 months	—

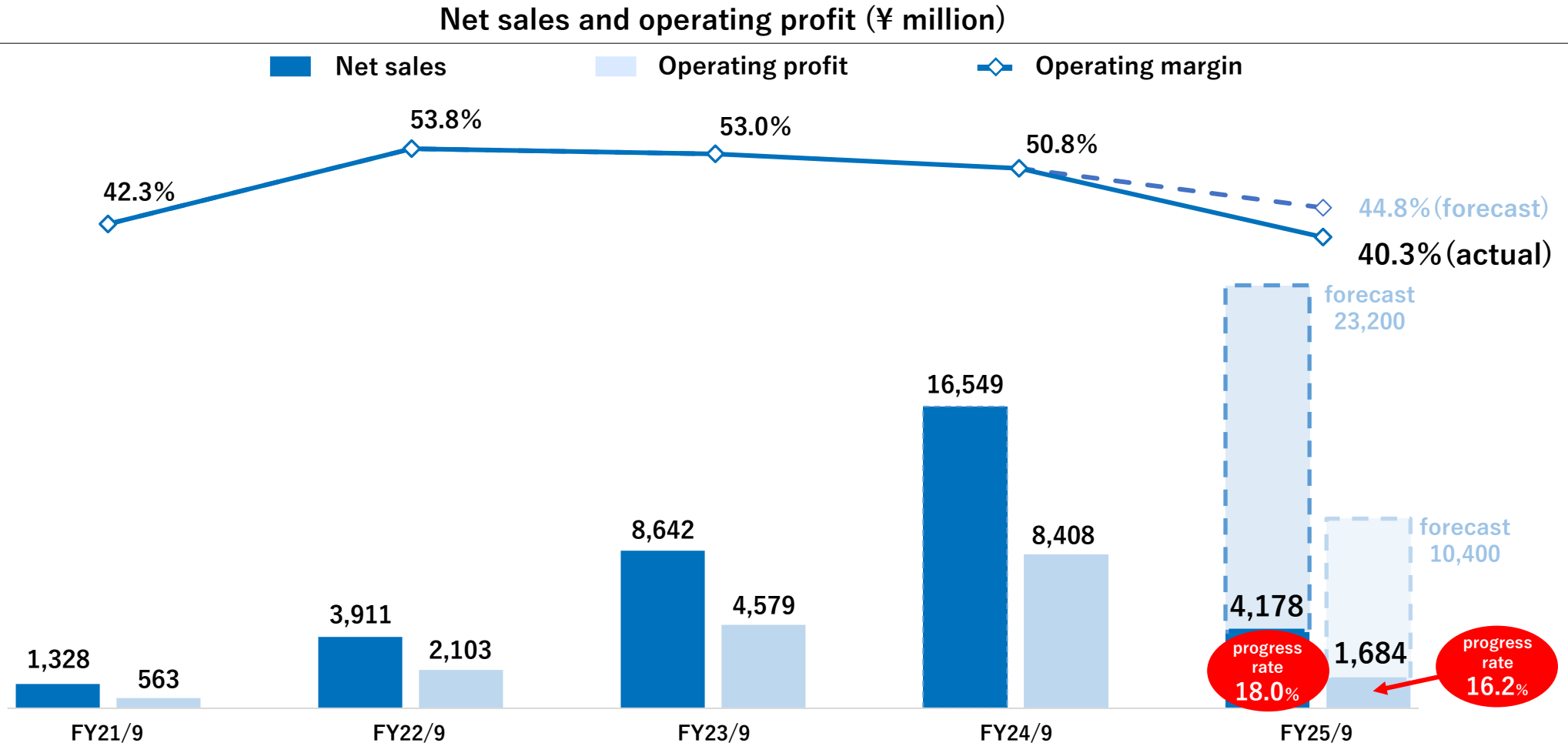
Notes:

1. Non-facilitated advisory (FA) cases are excluded from the count of concluded transactions.
2. Cases with a total commission fee exceeding 100 million yen are defined as large-scale transactions.
3. To enable comparison with industry peers, the calculation method for transaction unit prices has been changed from FY24/9 Q1, now determined by "Revenue in M&A brokerage business ÷ Number of transactions concluded (excluding FA cases)". The average value of closed M&A deals during the quarterly accounting period.
4. The average value of all concluded cases since inception (excluding FA cases).

Net Sales and Operating Profit

The sales amounted to 4,178 million yen, achieving a progress rate of 18.0%, and operating profit reached 1,684 million yen, with a progress rate of 16.2%, against the full-year forecast.

At this time, there are no plans to revise the earnings forecast.



1. FY2025/9 Q1 Earnings Results

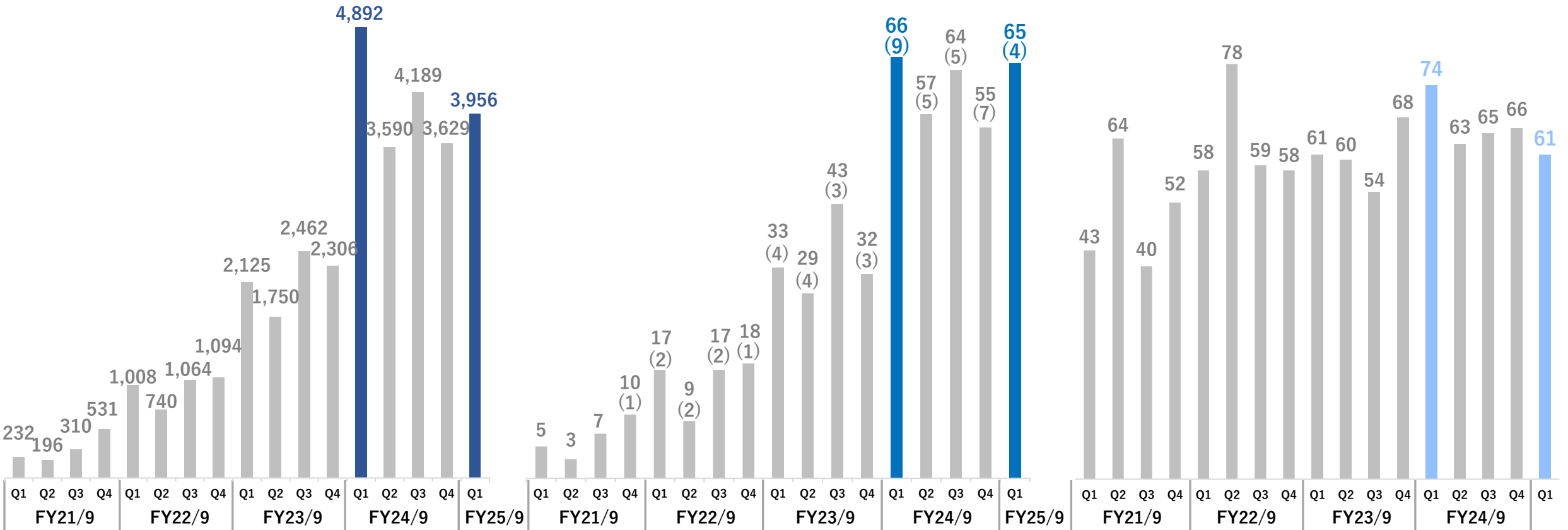
Sales, Closed M&A Deals, and Fees Per Deal (only for M&A Business)

As of Q1, sales amounted to ¥3,956 million (decreased by 19.1% compared to the same period from last year), and the number of completed deals were 65, including 4 large deals.

M&A brokerage sales (¥ million)

Closed M&A deals (large-scale deals)

Fees per deal ¹(¥ million)



Note:

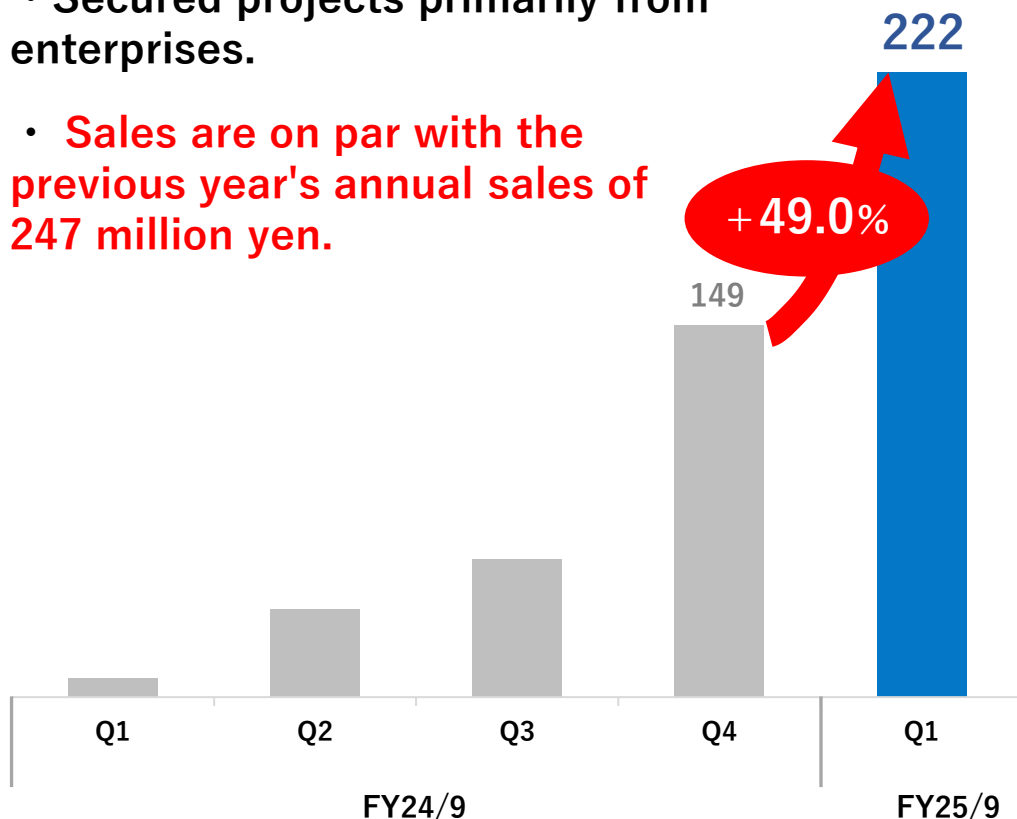
1. To enable comparison with industry peers, the calculation method for transaction unit prices has been changed from FY24/9 Q1, now determined by "Revenue in M&A brokerage business ÷ Number of transactions concluded (excluding FA cases)".

Sales have been steadily increasing, resulted to reach 222 million yen in Q1, which is on par with the annual sales of 247 million yen from the previous year.

The recruitment of consultants is progressing smoothly, and in relation to the consultant increase plan of +52 to +72 for the current fiscal year, the number of consultants, including those scheduled to join after Q1, has increased by +66 (from 28 to 94), resulting in a progress rate of 91.7% to 126.9%.

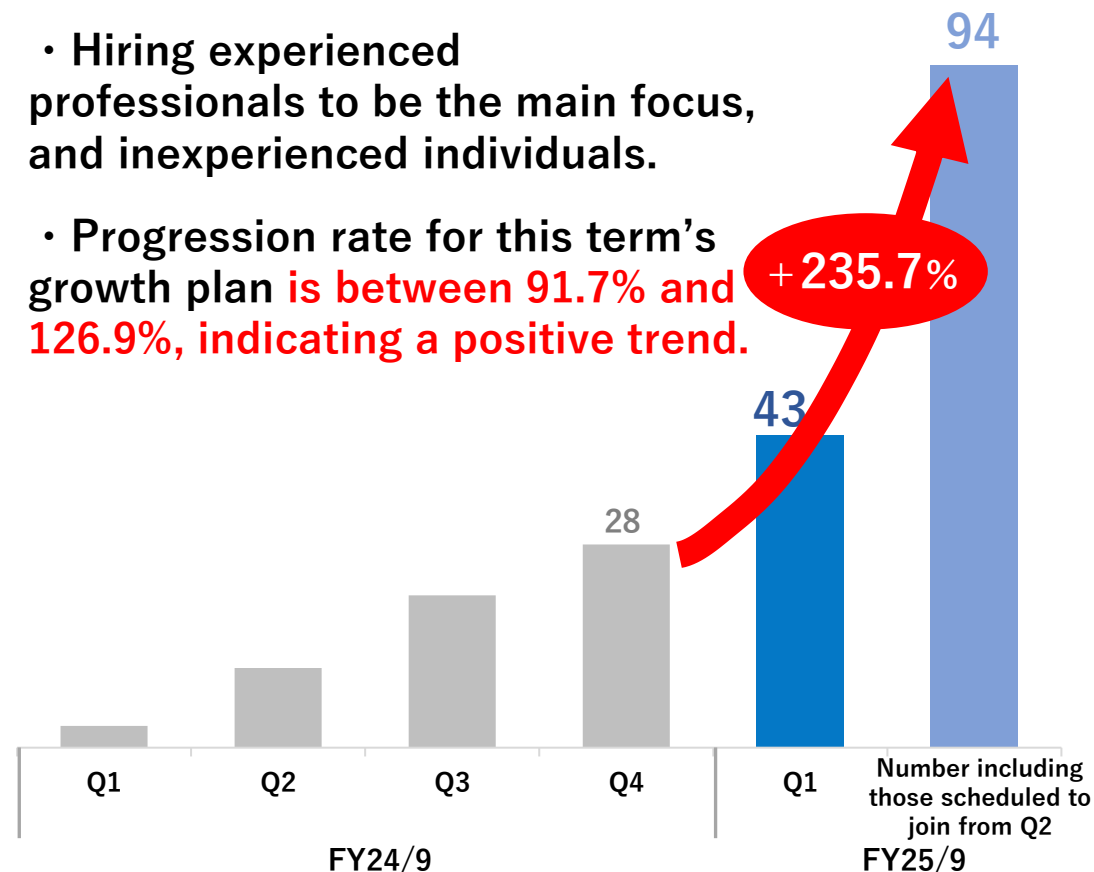
Sales of consulting business(¥ million)

- Secured projects primarily from enterprises.
- Sales are on par with the previous year's annual sales of 247 million yen.



Number of consultants

- Hiring experienced professionals to be the main focus, and inexperienced individuals.
- Progression rate for this term's growth plan is between 91.7% and 126.9%, indicating a positive trend.

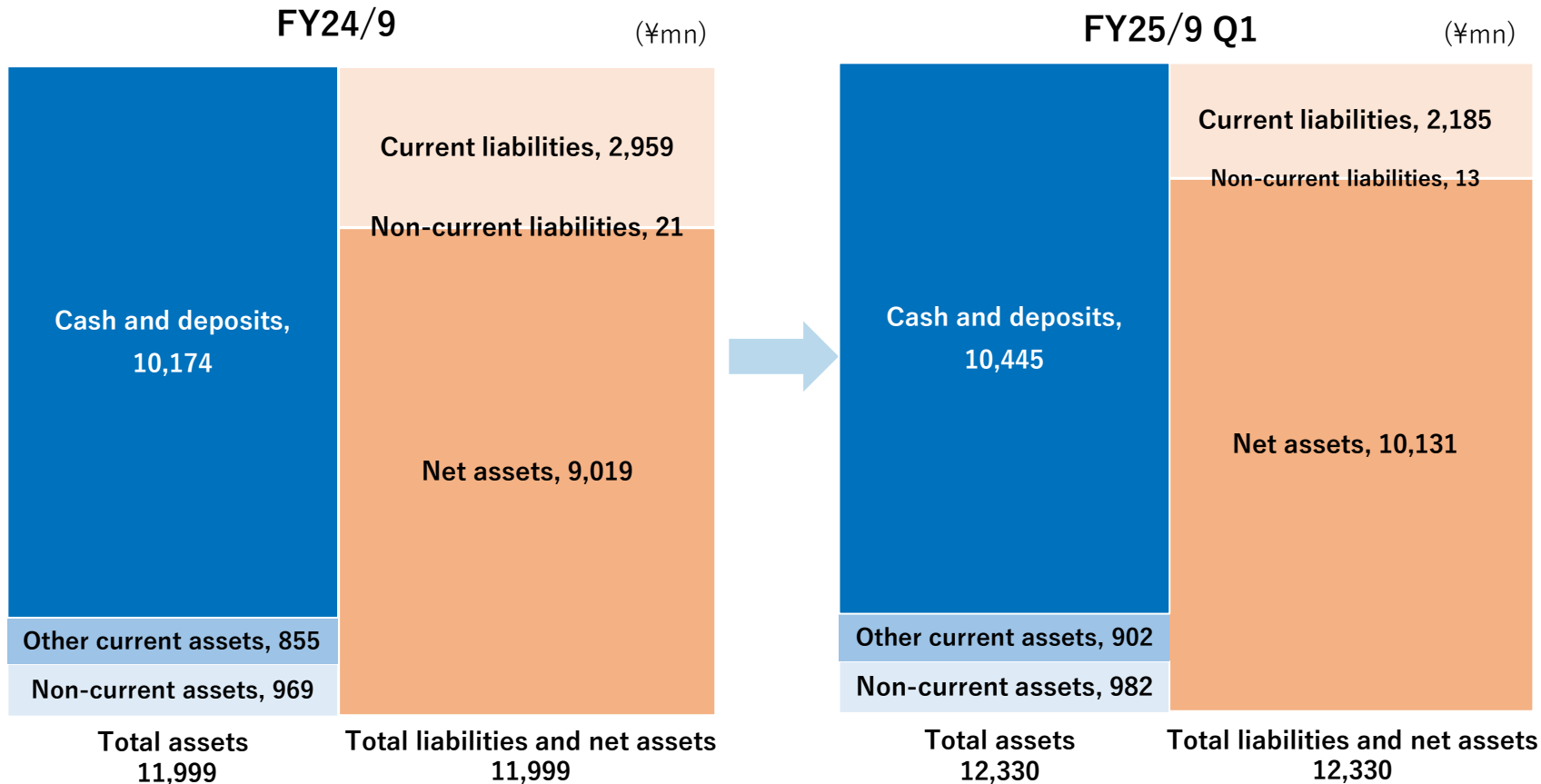


1. FY2025/9 Q1 Earnings Results

Consolidated Balance Sheet

The Company is highly financially sound with increased cash and deposits due to net cash provided by operating activities.

Despite the growth in net assets as profits are generated, ROE is very high owing to thorough and efficient management.



(Ref.) ROA ¹		
FY22/9	FY23/9	FY24/9
47.5%	42.1%	57.0%

(Ref.) ROE ²		
FY22/9	FY23/9	FY24/9
71.6%	62.1%	79.2%

Notes:

1. Profit / Total assets (average of at the beginning and ending of the period). We do not calculate ROIC because our business invested assets and total assets are similar.
2. Net income / Shareholder's equity (average of at the beginning and ending of the period)

Table of Contents

- 1 FY2025/9 Q1 Earnings Results
- 2 FY2025/9 Earnings Forecast**
- 3 Medium- to Long-term Growth Strategy
- 4 Q&A
- 5 Company Overview
- 6 Competitive Advantages of M&A Research Institute
- 7 Reference

Consolidated Earnings Forecast

	FY24/9 actual	FY25/9 forecast	YoY growth
Net sales	¥16,549 million	¥23,200 million	40.2%
M&A Brokerage	¥16,301 million	¥22,000 million	+35.0%
Others	247 million	¥1,200 million	+358.8%
Operating profit	¥8,408 million	¥10,400 million	+23.7%
M&A Brokerage	¥8,690 million	¥11,000 million	+26.6%
Others	¥-274 million	¥-600 million	-
Operating margin	50.8%	44.8%	-6.0Pt
M&A Brokerage	53.3%	50.0%	-3.3Pt
Others	-	-	-
Profit	¥5,788 million	¥6,759 million¹	+16.8%
Earnings per share	¥98.82	¥115.19	+16.6%

Note:

1. In the fiscal year ending September 2024, the tax rate was 31.1% (net income/pre-tax income), however for the fiscal year ending September 2025, calculations have conservatively assumed a rate of 35%.

Forecasts in the M&A Brokerage

To achieve medium- to long-term growth in sales and operating profit, the fiscal year ending September 2025 will emphasize strengthening management (by implementing a division head system), investing in talent development, and enhancing compliance. The return on investment in management and talent development will be monitored on an ongoing basis.

	FY24/9 actual	FY25/9 forecast	YoY growth
Net sales	¥16,301 million	¥22,000 million	+35.0%
Operating profit	¥8,690 million	¥11,000 million	+26.6%
Operating margin	53.3%	50.0%	-3.3Pt
Number of M&A advisors	320	400~450	+25.0%~+40.6%
Sales per advisor (Average number of advisors during the term)	¥65 million (250.5)	¥57 million~61 million (360~385)	-
Closed M&A deals	242	367	-
Fees per deal	¥68 million	¥60 million	-
Average time to M&A conclusion	7.0 months	Around 7 months	-

- Strengthening Management (Introduction of a general manager system)
- Human Resource Development

- Expansion of management
- Expansion of training programs
- Expansion of retention measures

Increase in productivity per worker

- Compliance Enhancement

- Strengthening cooperation with credit reporting companies
- Expand checking tools

- Improvement of customer satisfaction
- Improvement of service quality

Aiming for medium- to long-term growth in sales and operating income

Assumption of Earnings Forecasts in the M&A Brokerage

	Assumption of earnings forecast
Net sales	Calculated based on factors such as the likelihood of M&A completion and the accumulation of expected contract fees for each accepted project.
Operating margin	In addition to strengthening management, active investments will be made in employee training and compliance enhancement. Necessary costs will be allocated appropriately to support organizational growth.
Number of M&A advisors	For FY25/9, the plan is to have between 400 and 450 advisors.
Sales per advisor (calculated based on the average number of employees during the period)	For FY25/9, the plan is set at ¥57~61 million.
Closed M&A deals	Expected to increase proportionally as the number of advisors increases.
Fees per deal	Expect to maintain the current price level. While emphasizing the maximization of sales per M&A advisor, we will also implement measures aimed at improving fees per deal.
Average time to M&A conclusion¹	Expected to remain around 7 months. This level has been reached as a result of continuous improvement of efficiency in the four years since our inception. Important to maintain this short period while rapidly expanding our scale in the future.

Note:

1. Average of all deals signed since inception (excluding financial advisor deals)

Forecasts in the Others

For Quants Consulting Inc, sales are expected to increase alongside the expansion of the consultant team. For Asset Management Consulting Inc, preparations for the business launch are progressing steadily; however, as sales figures are currently undetermined, they have not been included in the performance forecast.

	FY24/9 actual	FY25/9 forecast	YoY growth
Net sales	¥247 million	¥1,200 million	+385.8%
Quants Consulting	¥247 million	¥1,200 million	+385.8%
Asset Management Consulting	-	-	-
Operating profit	¥-275 million	¥-600 million	-
Quants Consulting	¥-224 million	¥-540 million	-
Asset Management Consulting	¥-42 million	¥-60 million	-

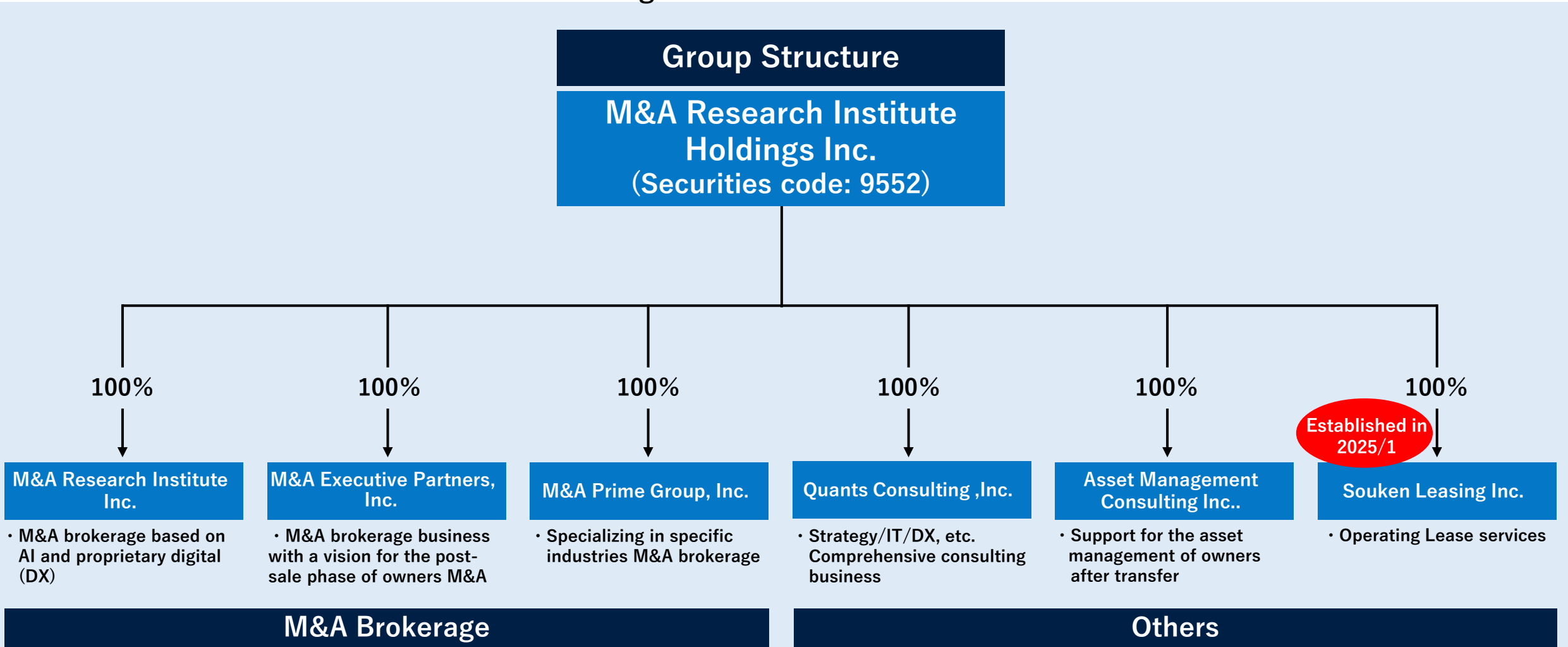
Table of Contents

- 1 FY2025/9 Q1 Earnings Results
- 2 FY2025/9 Earnings Forecast
- 3 Medium- to Long-term Growth Strategy**
- 4 Q&A
- 5 Company Overview
- 6 Competitive Advantages of M&A Research Institute
- 7 Reference

Structure of the Group

Established Souken Leasing Inc. in February 2025 to expand its operating lease business.

Three companies engaged in M&A advisory services and three companies involved in other businesses are affiliated under M&A Research Institute Holdings Inc.



Note:

1. Change of trade name from “M&A Financial ,Inc.” to “M&A Prime Group ,Inc.” in August 2024.

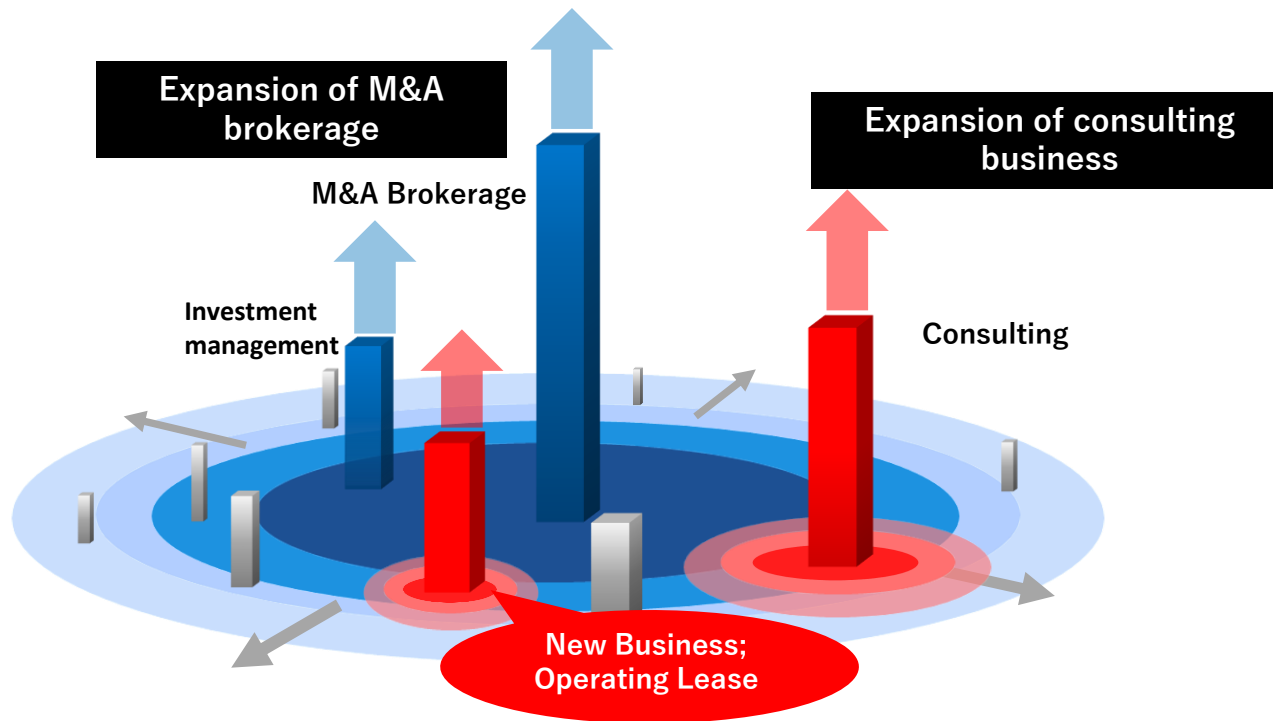
7. Reference: Shareholder Composition

Expansion of new business

Driving continued growth in the M&A brokerage business, as well as entering the consulting field, which has a large market size and high growth potential, in October 2023, with the aim of expanding the group's overall profitability. Furthermore, an expansion into the operating lease business, starting in January 2025, in order to pursue further growth.

Our growth vision and the newly established company

Management capabilities × DX
/AI technology × Talent recruitment capabilities
 Leverage these strengths to expand into new businesses.



Overview of the new company

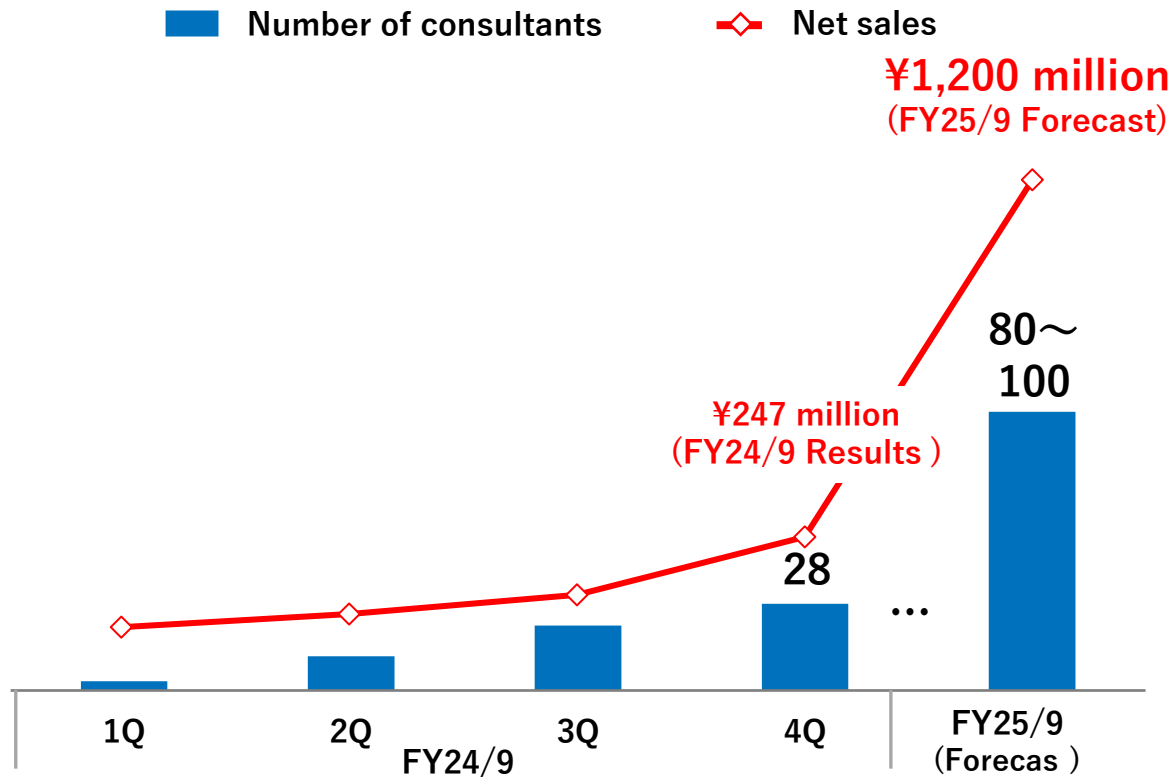
Company name	Souken Leasing Inc.
Establishment	January 30, 2025
Representative	Shunsaku Sagami
Address	1-8-1 Marunouchi, Chiyoda-ku, Tokyo
Capital	¥300 million (Including capital reserve)
Business	Operating Lease services
Description	Provide operating lease services by leveraging the customer base and network developed by the group companies.

3. Medium- to Long-term Growth Strategy

Growth Strategy in Consulting Business

The company will continue to grow steadily and stably with a focus on quality, led by members with management experience at major consulting firms.

FY24/9 Results and FY25/9 Forecast



**FY25/9
Forecast**

Net sales : ¥1,000 million (+385.8%)
 Number of consultants : 80~100
 (+185.7%~+257.1%)

■ Strategies

- Thorough quality control system leads to stable orders
 - Providing high-quality services focused on business strategy and IT/DX to enhance corporate value.
 - Established a structure where, in addition to on-site consultants, the sales and quality risk management teams oversee service quality, ensuring high standards.

■ Recruitment/Training

- Prioritizing quality, with a focus on hiring skilled, experienced consultants.
 - Focused on building a strong candidate pool, recruiting primarily top talent with proven experience at major consulting firms.
- Thorough on-the-job training and in-house training are provided after employment.
 - Providing efficient, practical training led by management with extensive experience in talent development. A training program has been established to quickly empower even inexperienced hires.

3. Medium- to Long-term Growth Strategy

Growth Strategy in M&A Intermediary Business

Aim for significant growth by increasing the number of M&A advisors hired and increasing net sales per advisor.

Number of M&A advisors
(for sale-side companies)



Net sales per advisor



Number of advisory contracts



Fees per deal



Contract rate



Human Resource Strategy

Recruitment

- Continue to focus on lateral recruitment and strengthen the employment of new graduates.
- Break down the recruitment process to use data-driven recruitment based on data management.

Development

- Reduce training time thorough analysis of training content required for empowerment.
- Reduce the time required for onboarding by establishing a system to learn as needed through text and video content regarding questions arising in the course of work.
- Manage and analyze the sales activities of each M&A advisor to optimize sales performance

Measures to improve per capita productivity

Number of advisory contracts

- Partnerships with tax and accountant firms and business companies.
- Improved approach methods
- Active in organizing seminars
- A new Overseas Business Department has been established, with a focus on securing overseas M&A projects.

成約単価

- Establish a system to focus on large projects in addition to regular projects, led by excellent advisors

成約率

- Increase in the number of personnel in the matching division
- Improving AI accuracy

3. Medium- to Long-term Growth Strategy Initiatives: M&A Insight Seminars

Free monthly online M&A seminars for owners of sell-side companies.
Various seminars such as "Co-sponsored seminars" and "Industry-specific seminars."

Holding of co-sponsored seminars

The image shows three posters for co-sponsored seminars. The first is for Hokkaido on 11/22 (Friday) at 15:00-16:00, featuring M&A Research Institute and a local partner. The second is for Niigata on 12.2 (Monday) at 13:30-14:50, featuring M&A Research Institute and Maruho. The third is for Aomori on 12/20 (Friday) at 13:30-14:45, featuring M&A Research Institute and Toyouke Shimbun.

Cumulative number of seminars held¹

150

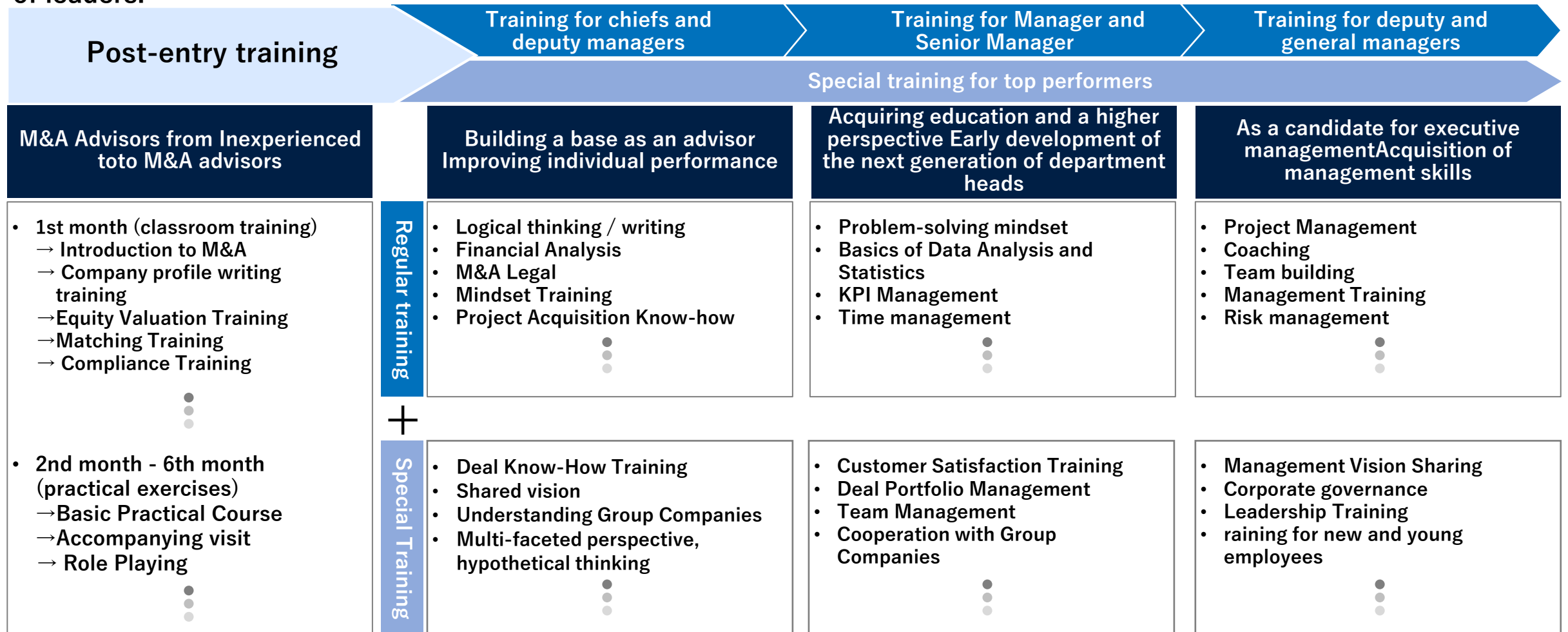
Holding of various seminars

The image shows three posters for various seminars. The first is 'Human Resources Industry M&A' by Sohma. The second is 'M&A Usage Methods' by Kaneko. The third is 'Reform Industry M&A' by Kubo.

Note:
1. Cumulative number of seminars held by the end of December 2024

Comprehensive training curriculum established

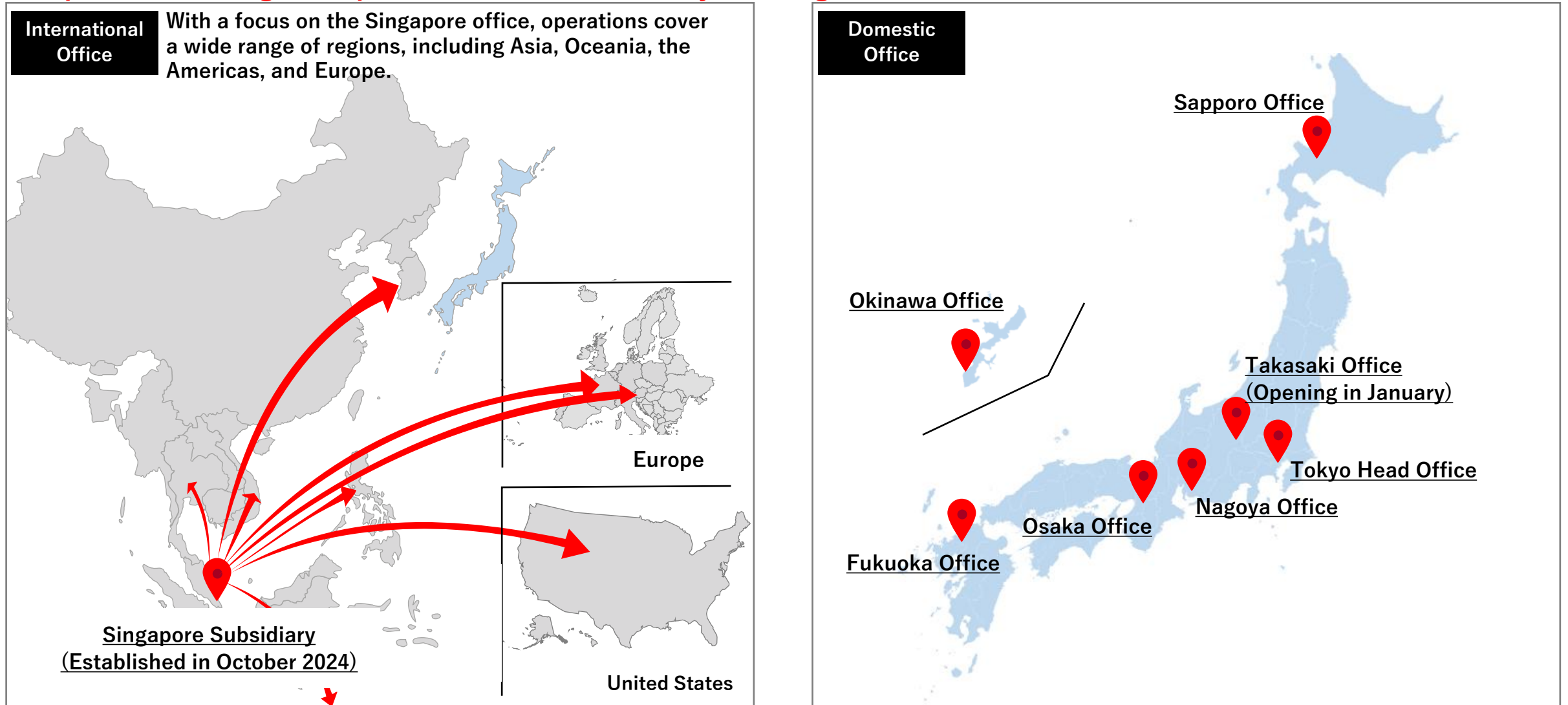
A management-focused mentoring system, led by a dedicated department manager, is being implemented to improve the performance of team members. In addition, an educational support department is being established to provide training not only after joining the company, but also through comprehensive programs tailored to each position. This approach aims to cultivate the necessary skills and mindset, facilitate early talent development and strengthen the next generation of leaders.



Expansion of Offices

Expanding domestic and international offices to strengthen the sales structure.

Successful track records in projects involving [domestic companies × foreign companies], as well as [foreign companies × foreign companies] have been steadily building.



Participation in M&A Brokerage Associations

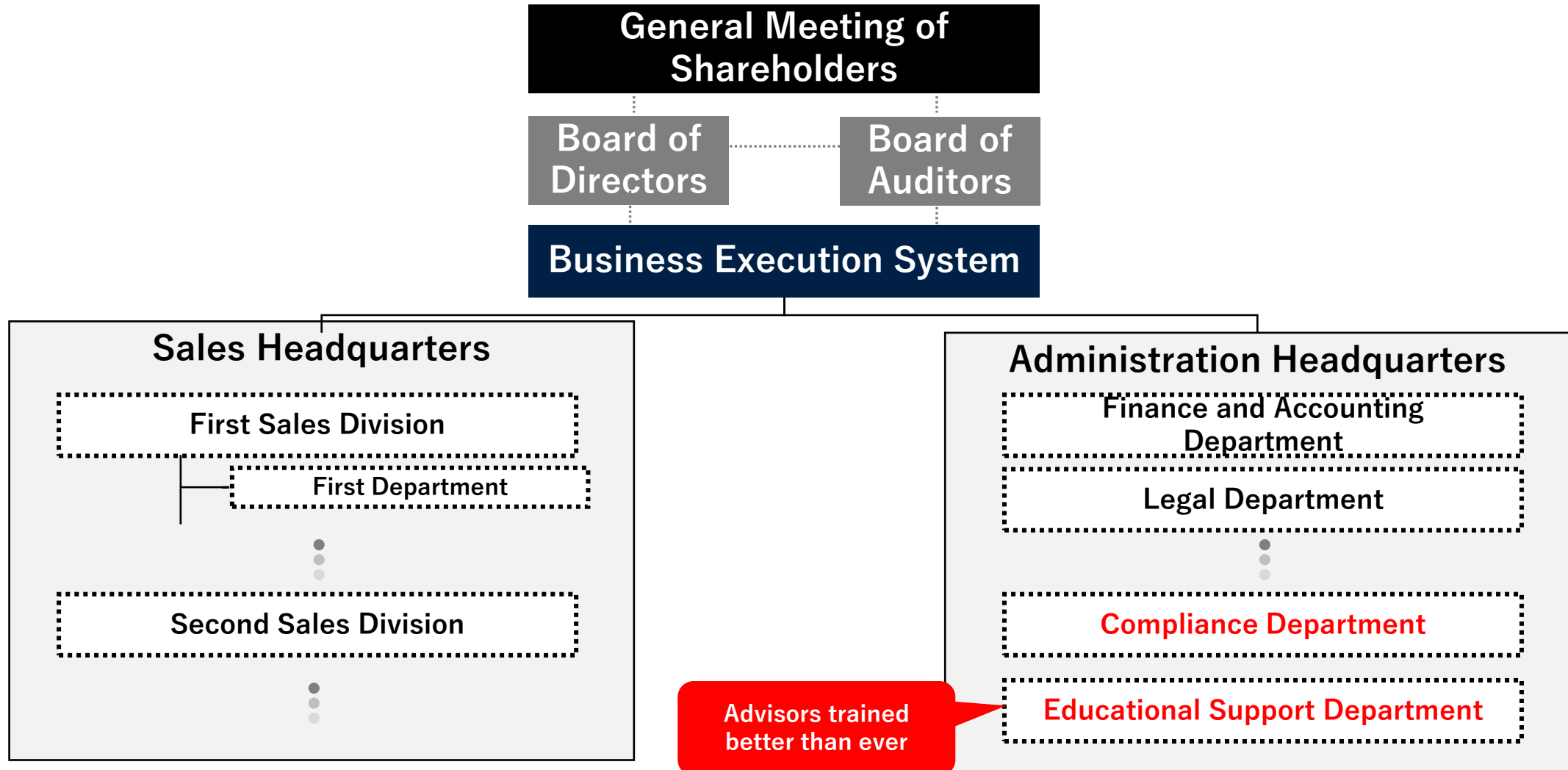
The M&A Intermediary Association was renamed the **"M&A Advisors Association"** in January and established a committee to develop a qualification system and self-regulation rules. It involves not only M&A firms but also experts to incorporate external insights. Through collaboration across M&A support entities, it aims to contribute to the growth of Japan's SMEs.



Association Overview	
Japanese name	一般財団法人M&A支援機関協会
English name	M&A Advisors Association(MAAA)
Established	October 1, 2021
Board Member	< Representative Director > Kunihiko Arai (Strike Co., Ltd.)
	< Director > Nobuo Onodera (The Bank of Yokohama, Ltd. , RBAJ)
	Ryosuke Kubo (Ondeck Co., Ltd.)
	Shunsaku Sagami (M&A Research Institute Inc.)
	Yasuhito Shinoda (Meinan M&A Co., Ltd.)
	Shibusu Toshihiko (Toranomom Audit LLC , JICPA)
	Satoru Nakamura (M&A Capital Partners Co.,Ltd.)
	Suguru Miyake (Nihon M&A Center Inc.)
	Akihiro Watanabe (CPA)
	< Auditor > Lawyer Kikuchi Yutaro(KIKUCHI SOGO LAW OFFICE)
Activities	<ul style="list-style-type: none"> • Promoting fair and smooth transactions in M&A • Adherence to Appropriate Transaction Rules, Including M&A Guidelines • Support for M&A support personnel development • Operation of a complaint and consultation service for M&A intermediaries • Qualification system and self-regulation review

Strengthening Internal Management Systems①

To further strengthen compliance, the Compliance Department is leading efforts to align with the SME M&A Guidelines, industry self-regulations, and internal rule development. Additionally, the Education Support Department has been established as a separate division to further enhance advisor training efforts.



Mr. Kanetaka, Former Commissioner General of the National Police Agency, was appointed as an advisor in October and now provides advice and guidance on our company’s risk management and compliance systems.



Advisor Mr. Masahito Kanetaka

Mr. Kanetaka has held key positions, including the role of Commissioner General of the National Police Agency, and has extensive experience in public safety and crime prevention. Through his management of this large-scale organization, he has accumulated deep insights into fostering organizational transparency and ethical standards. He now provides advice and guidance to strengthen our company’s risk management and compliance systems.

	Main Career
1978	Joined National Police Agency
1998	Chief of Toyama Prefectural Police Headquarters
1999	General Manager of Administration Department, Kanagawa
2001	Director of 2nd Investigation Division, Criminal Affairs Bureau, National Police Agency
2003	Director of Personnel Division, Commissioner-General’s Secretariat, National Police Agency
2006	General Manager of Criminal Investigation Bureau, Metropolitan Police Department
2007	General Manager of Personal and Training Bureau, Metropolitan Police Department
2008	Senior Councilor of Commissioner-General’s Secretariat, National Police Agency
2009	Commissioner of Criminal Affairs Bureau, National Police Agency
2011	Director-General of Commissioner-General’s Secretariat, National Police Agency
2013	Deputy Commissioner-General, National Police Agency
2015	Director General of National Police Agency
2016	Retired from National Police Agency. Chief Director, Japan Police Personnel Mutual Aid Association
2023	Outside Director and Audit Committee Member, Nitori Holdings, Inc.
2023	Senior Advisor, Konami Group

3. Medium- to Long-term Growth Strategy

Strengthening Internal Management Systems③

In addition to the SME M&A Guidelines and the self-regulatory rules of the M&A Intermediary Association, we conduct our own rigorous multi-level compliance checks to ensure quality of service and a fair trading environment.

Small and Medium Enterprise Agency/ M&A Advisors Association

- **Small and Medium Enterprise Agency**
Revised SME M&A Guidelines (3rd edition) to promote sound M&A transactions by SMEs and to establish proper procedures and transaction environment.
 1. Matters related to commission and provision of brokerage and FA services
 2. Specifying prohibitions on advertising and sales
 3. Clarification of Prohibitions on Conflicts of Interest
 4. Discipline regarding name-clear-tail clauses
 5. Risk matters between the parties after the final contract
 6. Treatment of Management Guarantee by the Transferring Party
 7. Exclusion of inappropriate business operators

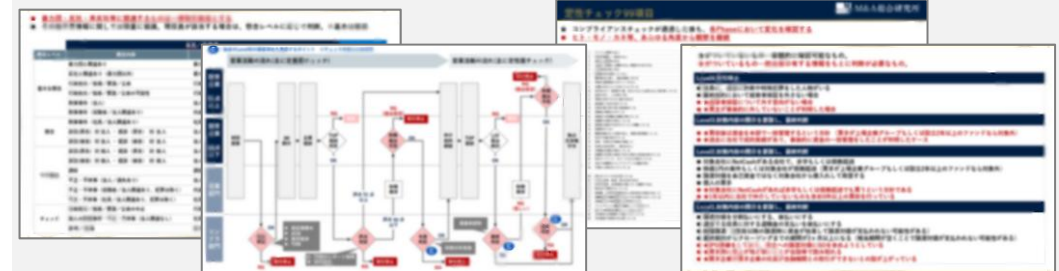
- **M&A Advisors Association**
To ensure transparency, fairness, and credibility in the small- and medium-sized M&A market, consider formulating rules and regulations and introducing a qualification system.
 1. Establishment of Code of Ethics
 2. Self-regulatory rules established and revised
→ Compliance Regulations Contract Important Information Explanation Regulations (Revised September 2024)
Advertising and Sales Regulations (Revised September 2024)
 3. Began operating the “Specified Business List.”
→ Elimination of malicious concessionaires
 4. Consideration of introducing a qualification system to improve the service level of M&A support organizations
→ Improve the effectiveness of self-regulatory rules and the quality of work of M&A intermediaries

+

Additional efforts unique to our company

Thorough elimination of malicious buyer companies

1. At the time of new transaction
→ Strengthen and diversify the tools used for compliance checks at the start of new transactions to prevent transactions from being initiated with malicious transferees.
2. At the start of the deal
→ The soundness of the buyer company will be confirmed from various perspectives based on approximately 20 items of investigation using multiple credit research firms. If there is any concern about the financial strength of the buyer during the investigation process, we will request the buyer to disclose materials that will enable us to identify the problem, and if we are unable to do so, the deal will be suspended.
3. Since the start of the deal
→ Based on a checklist of approximately 100 items, monitoring is conducted for suspicious points from both quantitative and qualitative perspectives. Depending on the items found, we will request the disclosure of documents or cancel the deal.



Check response flowchart

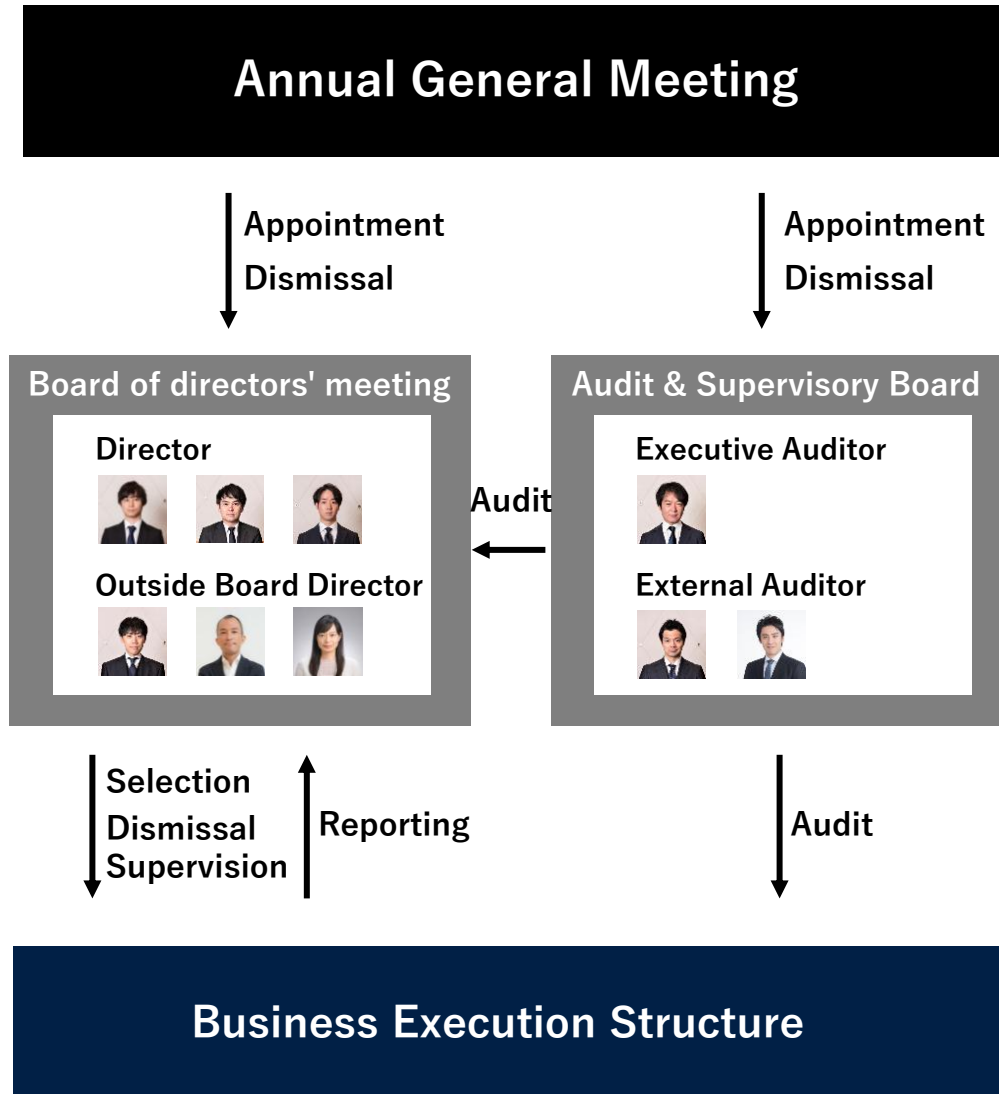
Checklist

Efforts/Responses

3. Medium- to Long-term Growth Strategy Strengthened Governance

Independence and diversity have been emphasized in the governance framework, which has been further refined.

Through rigorous risk management and compliance, along with transparent and proactive information disclosure, we seek to strengthen the foundation of management and drive the creation of new value.



Name	Position	Independent	Expertise and experience						
			Business management	Sales & Marketing	Accounting & Finance	Compliance and Risk Management	M&A	Human Resources Development	Legal
Shunsaku Sagami	Director & CEO		●	●		●	●	●	
Akihiro Yabuki	Director & COO			●			●	●	
Hikaru Ogino	Director & CFO				●	●			
Ryo Mizutani	Outside Board Director	●	●		●		●	●	
Toru Kamiyama	Outside Board Director	●	●		●		●		
Mika Aoki	Outside Board Director	●				●			●
Naoki Okamoto	Executive Auditor	●			●	●			
Makoto Kumazawa	External Auditor	●	●			●	●		●
Yousuke Azuma	External Auditor	●			●	●	●		

We are actively advancing the launch of new businesses, including consulting businesses and operating lease businesses, as well as investments in existing businesses to increase corporate value over the medium to long term.

New businesses will be launched both by the company itself, such as the consulting business announced this time, and by acquiring existing companies through M&A. We will continue to work on accumulating funds for future M&A activities.

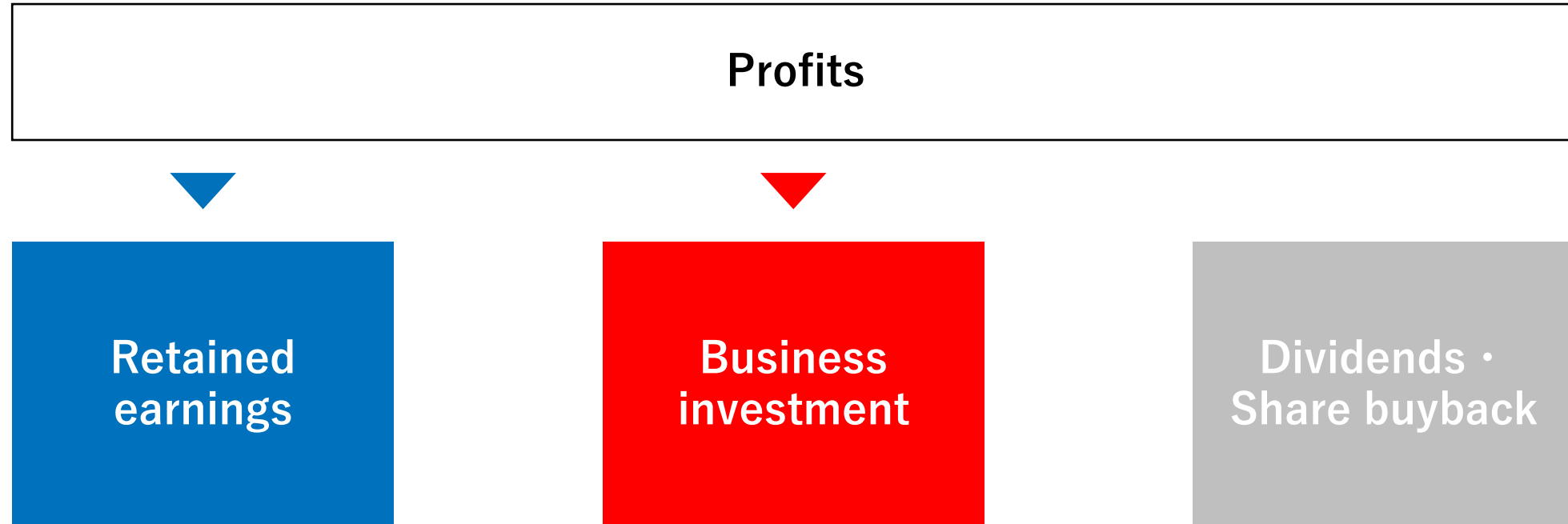


Table of Contents

- 1 FY2025/9 Q1 Earnings Results
- 2 FY2025/9 Earnings Forecast
- 3 Medium- to Long-term Growth Strategy
- 4 Q&A**
- 5 Company Overview
- 6 Competitive Advantages of M&A Research Institute
- 7 Reference

項目	Q	A
M&A Brokerage	<p>Sales revenue for Q1 has not grown. Is it still possible to achieve the full-year earnings forecast?</p>	<p>Currently, there are no plans to revise the earnings forecast</p>
	<p>Compared to FY24/9, the number of advisors has decreased on a net basis as of the end of Q1. How do you assess the progress toward achieving the recruitment plan?</p>	<p>Although the number of advisors decreased on a net basis in Q1, the effects of various retention measures, including the expansion of the housing allowance program, mentor system, and recognition program, have started to show. Recruitment efforts will continue to be strengthened to meet the plan.</p>

項目	Q	A
New Business	Why is the operating lease business being launched? Does it have a competitive advantage?	Until now, we have primarily provided M&A services to SMEs, but in order to offer a wider range of services, we have decided to launch the operating lease business. This business will be developed by leveraging the extensive network our group has built over the years.
Quants Consulting	The number of consultants, including those scheduled to join, has already reached a progress rate of 87.5% to 121.2% of this fiscal year's growth plan. Will there be a revision to the full-year recruitment plan?	Recruitment, post-hire training, and integration into the workforce are progressing smoothly. While the lower limit of the full-year recruitment plan has already been achieved, any revisions to the plan will be considered as necessary, based on the progress observed in the second quarter.
	The full-year earnings forecast shows an operating loss of 540 million yen, while Q1 posted a loss of 37 million yen. Has the cost incurred been lower than expected?	The main costs are personnel and recruiting expenses, which are expected to increase as the number of employees increases. On the other hand, recruiting costs are treated as expenses at the time the new employees join the company. Recruitment is progressing steadily, with a net increase of 15 employees in Q1, and given the plan to increase the number of employees from Q2 onward, there is no significant deviation from the plan at this time.

Table of Contents

- 1 FY2025/9 Q1 Earnings Results
- 2 FY2025/9 Earnings Forecast
- 3 Medium- to Long-term Growth Strategy
- 4 Q&A
- 5 Company Overview**
- 6 Competitive Advantages of M&A Research Institute
- 7 Reference

5. Company Profile

Company Overview

Company name M&A Research Institute Holdings Inc.

Established October 12, 2018

Representative: Shunsaku Sagami

Address 1-8-1 Marunouchi, Chiyoda-ku, Tokyo

Business description M&A brokerage business, Asset management business, Consulting business, Operating lease business,

Offices Tokyo (head office), Sapporo, Takasaki, Nagoya, Osaka, Fukuoka, Okinawa
Singapore Subsidiary

Executive Officers

Director	Akihiro Yabuki
Director	Hikaru Ogino (Certified Public Accountant)
Outside Board Director	Ryo Mizutani
Outside Board Director	Toru Kamiyama
Outside Board Director	Mika Aoki (Lawyer)
Executive Auditor	Naoki Okamoto (Certified Public Accountant)
External Auditor	Yosuke Azuma (Certified Public Accountant)
External Auditor	Makoto Kumazawa (Lawyer)



Vision

Transforming the M&A brokerage sector by fully leveraging AI and DX

Representative Director & CEO
Shunsaku Sagami

Graduated from the Faculty of Agriculture, Kobe University. In 2016, he established his first company, Alpaca, and subsequently sold all shares to VECTOR INC. in 2017. As a serial entrepreneur, he founded M&A Research Institute (currently M&A Research Institute Holdings Inc.), his second company, in 2018.

- 2013** **Joined MicroAd, Inc.**
- Worked on the development of an advertisement system algorithm
- 2016** **Established Alpaca**
- Founded the company as Engineer and CEO at the age of 25, and launched a fashion and make-up media business for women
- 2017** **Sold Alpaca's shares to VECTOR INC. (TSE Prime 6058)**
- Continued working to expand the business as a management member following the stock transfer
- Noticed inefficiencies of the M&A brokerage market through experience in multiple M&As
- 2018** **Established M&A Research Institute**
- Having faced the closing of his grandfather's company, decided to run a M&A brokerage company that works closely with SMEs
- 2022** **Listed on the Japan Exchange Group Growth Market**
- Listed in June 2022, 3 years and 9 months after its founding
- 2023** **Listed on the Japan Exchange Group Prime Market**
- Listed in August 2023, 4 years and 11 months after its founding

Management



Akihiro Yabuki, Director and COO

Graduated from Meiji University. Joined Keyence Corporation in 2010. Engaged in consulting sales for the manufacturing industry. Joined Nihon M&A Center Inc. in 2015, completing many successful transactions centered around manufacturers. Joined M&A Research Institute in 2019, where he leads the Sales Division. Appointed as Director in 2020.



Hikaru Ogino, Director and CFO (CPA)

Graduated from Rikkyo University. Joined KPMG AZSA LLC in 2014 and worked in statutory audits and IPO support, primarily for startups. Joined M&A Research Institute in 2020, where he leads the Administrative Division. Appointed as Director in 2020.



Outside Board Director Ryo Mizutani

Graduated from Keio University. Joined Daiwa Securities SMBC Co., Ltd. (currently Daiwa Securities Co., Ltd.) in 2007 and worked in investment banking. Involved in the founding of and factory, inc. in 2014 and appointed as Director. The company succeeded in an IPO on TSE Mothers 4 years after its founding. Founded Beyond X, Inc. in 2019, becoming Representative Director. Appointed as an Outside Director for M&A Research Institute in 2020.



Outside Board Director Toru Kamiyama

Graduated from Keio University. Joined Nomura Securities Co., Ltd. in 2000 and worked in investment banking. He became independent in 2017 and has served as an outside director of HEROZ (TSE: 4382), B-Platz (TSE: 4381), and Itsumo (TSE: 7694), Inc. Appointed as an Outside Director for M&A Research Institute in 2022.



Outside Board Director Mika Aoki (Lawyer)

Graduated from Waseda University. Joined USEN Corporation in 2004. Worked as a freelance announcer in news programs and other media since 2007. Joined the law firm Yamazaki, Akiyama, Yamashita in 2016. Involved in various tasks related to mass media and corporate legal affairs. Appointed as an Outside Board Director of M&A Research Institute in 2023.



Executive Auditor Naoki Okamoto (CPA)

Graduated from Rikkyo University. Joined Asahi & Co. (currently KPMG AZSA LLC) in 1999, working in both statutory audits and IPO support as well as the Digital Innovation department where he focused on promoting the digitalization of auditing operations. Became a Full-time Auditor for M&A Research Institute in 2020.



External Auditor Yosuke Azuma (CPA)

Graduated from Meiji University. Joined Deloitte Touche Tohmatsu LLC in 2006 and worked in statutory audits and IPO support. Joined CyberAgent, Inc. in 2011, and worked in accounting. Joined GameWith, Inc. in 2015 and as an executive in charge of the administrative division, achieved a successful IPO on TSE Mothers, achieving promotion to the TSE 1st Section. Appointed as an External Auditor for M&A Research Institute in 2020.



External Auditor Makoto Kumazawa (Lawyer)

Graduated from Waseda University. Joined Mori Hamada & Matsumoto in 2007. Founded Kumazawa Law Office (currently Shin Saiwai Law Office) in 2011 and worked in legal affairs for many M&As and other transactions as co-representative. Appointed as an External Auditor for M&A Research Institute in 2020.

Advantages in services

- 1 Adopt a pricing system with only success fees
- 2 Average time of 7.1 months to M&A completion¹
- 3 Industry-leading matching capability

Advantages in recruitment

- 1 Efficient working environment
- 2 Incentive plan at an industry top level



Underlying structure and philosophy of the Company

Develop and implement optimal strategies through thorough industry analysis and improvement

- 1 Data driven and rational management and organizational capabilities
- 2 Self-development of all in-house systems, efficiency through AI and DX
- 3 Ability to recruit excellent human resources

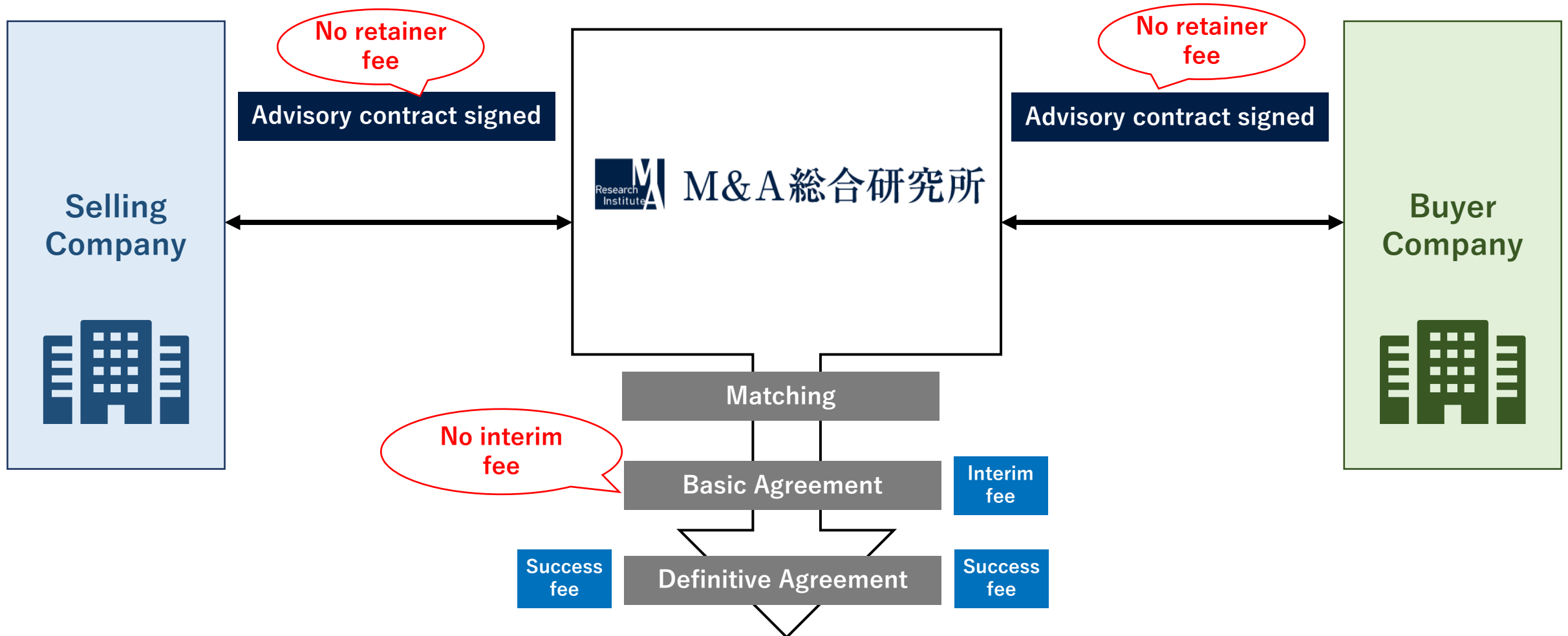
Notes:

1. Average of all deals signed since inception (excluding financial advisor deals)

5. Company Profile

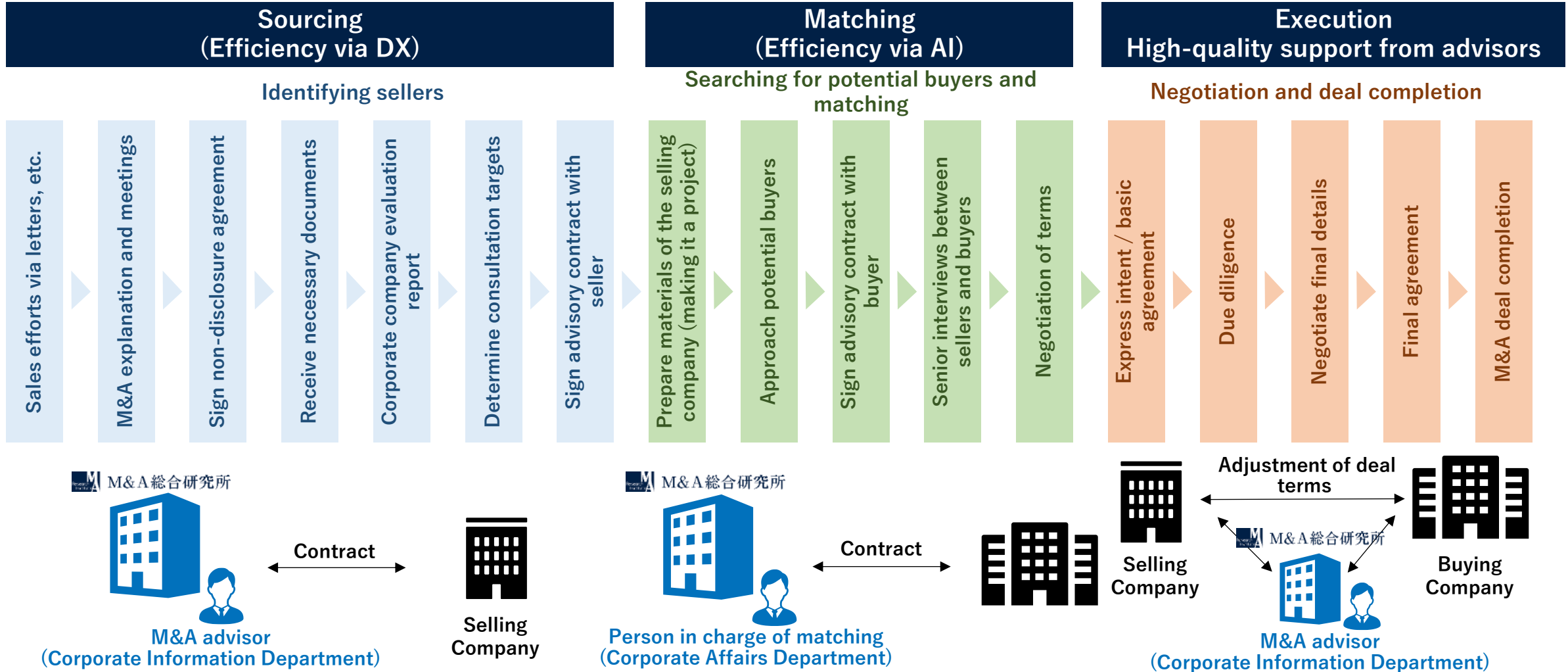
Business model

The brokerage business model charges fees from both the selling and acquiring companies. Succeeded in reducing costs through streamlining and introduced **a system with no start-up or interim fees. Only contingency fees for selling companies.**



M&A Brokerage Deal Flow by Step

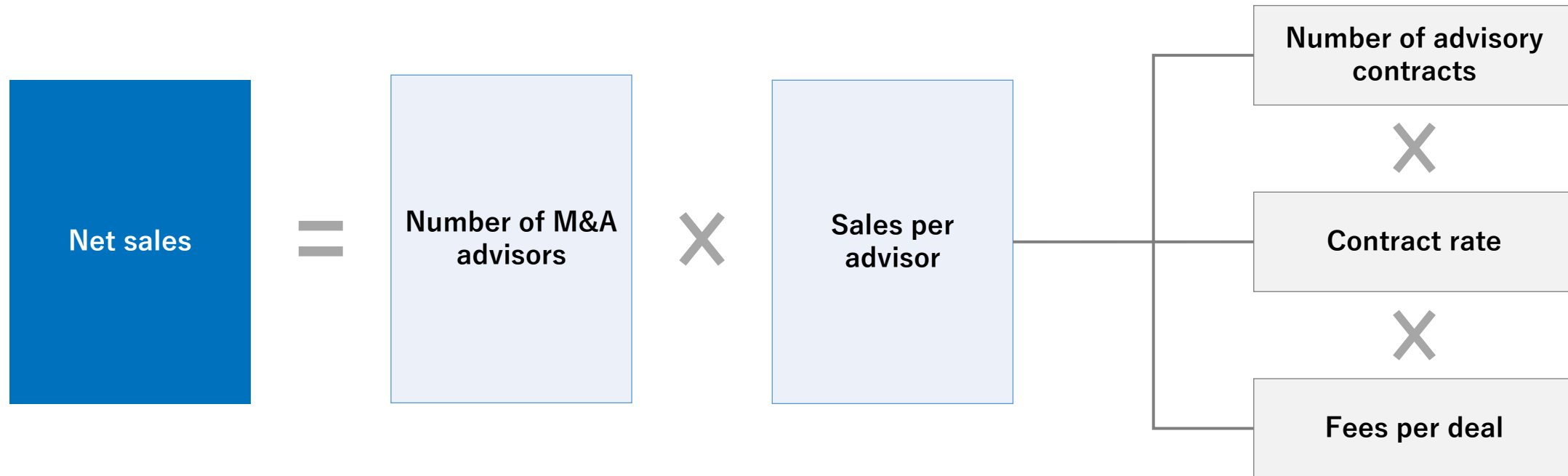
The M&A process is divided into three phases. We respond to the phases by **dividing operations between two departments: the Corporate Information Department (M&A advisor) and the Corporate Affairs Department (matching)**. DX/AI technologies simplify the two phases of sourcing and matching, allowing advisors to spend more time in execution to support, leading to providing quality services.



M&A brokerage earnings are structured as follows: **Sales = number of M&A advisors x sales per advisor.**

Keys to further accelerate the increase in sales are the number of M&A advisors and increase in sales per advisor.

Earnings structure



5. Company Profile

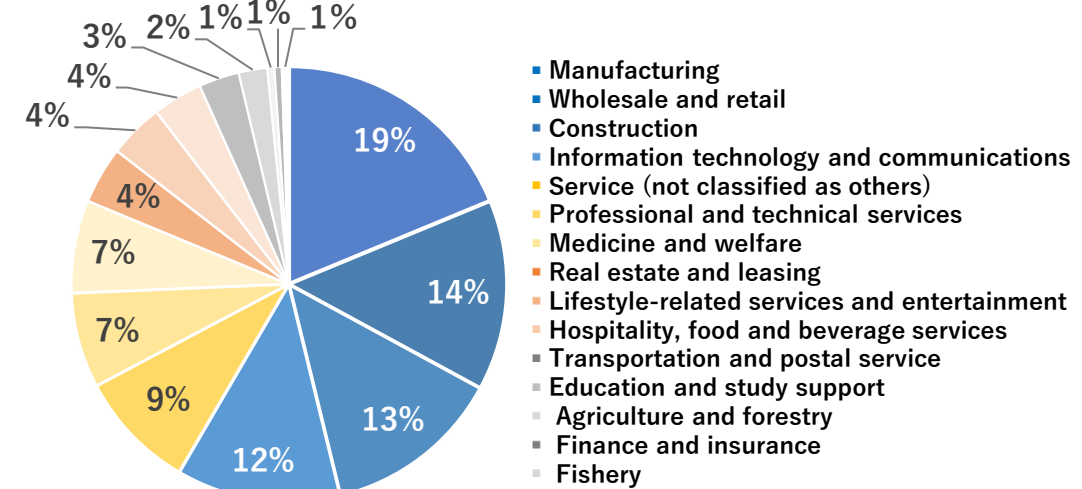
M&A Conclusion

We have successfully brokered M&As with companies in various industries, sectors, and regions.

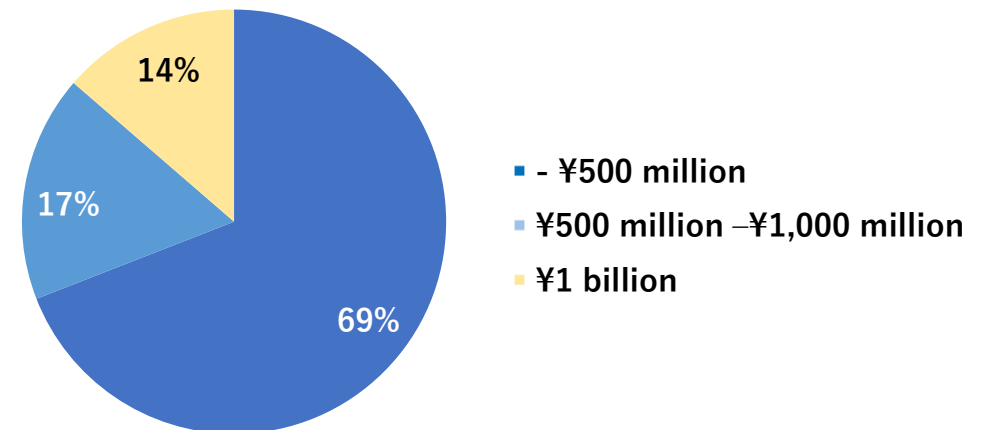
Examples

Selling company		Buyer	
Business description	Region	Business description	Region
1 Construction	Kyushu	Service	Hokkaido
2 Hospitality, food and beverage services	Chugoku	Transportation and postal service	Chugoku
3 Agriculture and forestry	Tokai	Service	Kanto
4 Medicine and welfare	Kanto	Agriculture and forestry	Hokkaido
5 Manufacturing	Kanto	Service	Kanto
6 Lifestyle-related services and entertainment	Chugoku	Hospitality, food and beverage services	Kanto
7 Lifestyle-related services and entertainment	Kanto	Real estate and leasing	Kanto
8 Information technology and communications	Kanto	Lifestyle-related services and entertainment	Kinki
9 Manufacturing	Hokuriku	Wholesale and retail	Kinki
10 Real estate and leasing	Kinki	Service	Kanto
546 Wholesale and retail	Kanto	Wholesale and retail	Kinki
547 Professional and technical services	Kinki	Construction	Kanto
548 Wholesale and retail	Kanto	Medicine and welfare	Kanto
549 Construction	Kanto	Financial Services and Insurance Industry	Kanto
550 Medicine and welfare	Chūbu	Medicine and welfare	Tokai
551 Information technology and communications	Kanto	Information technology and communications	Kanto
552 Real estate and leasing	Kinki	Real estate and leasing	Kinki
553 Hospitality, food and beverage services	Hokuriku	Real estate and leasing	Kanto

Business of selling companies¹



Size of selling companies¹

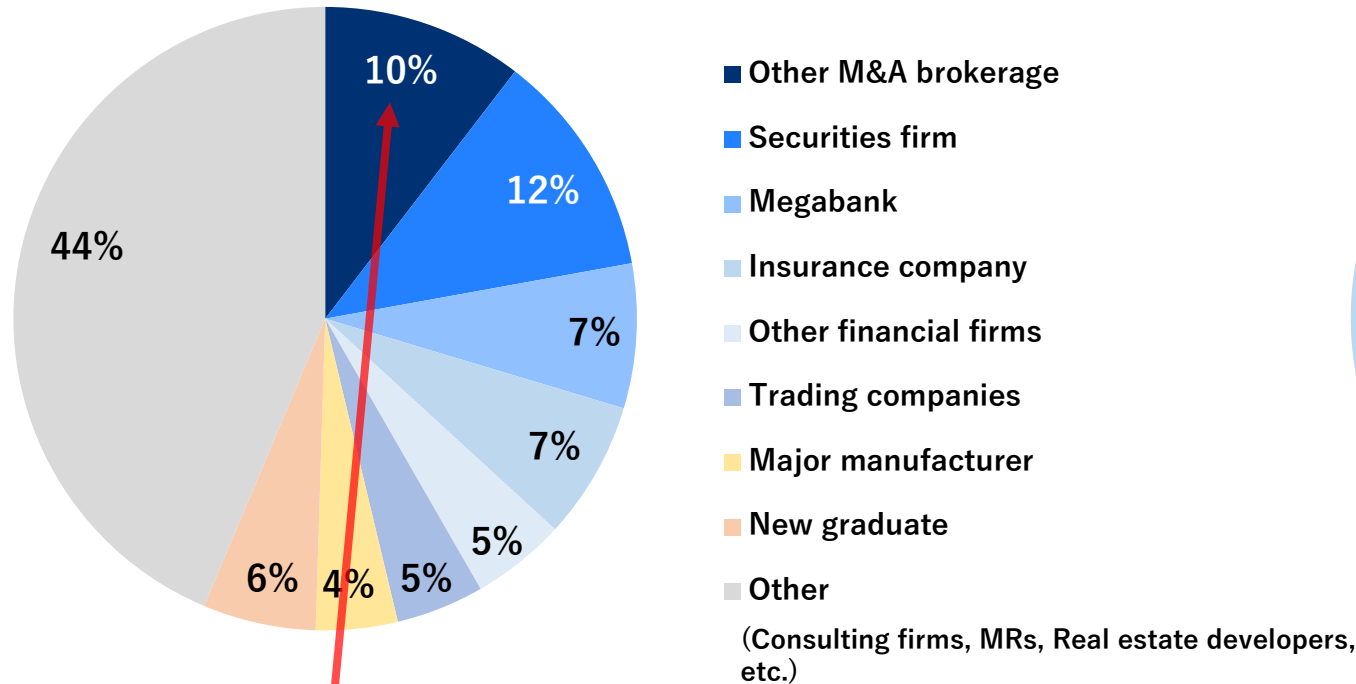


Note 1: Aggregated based on all deals concluded by the end of December 2024 .

Background of Our M&A Advisors

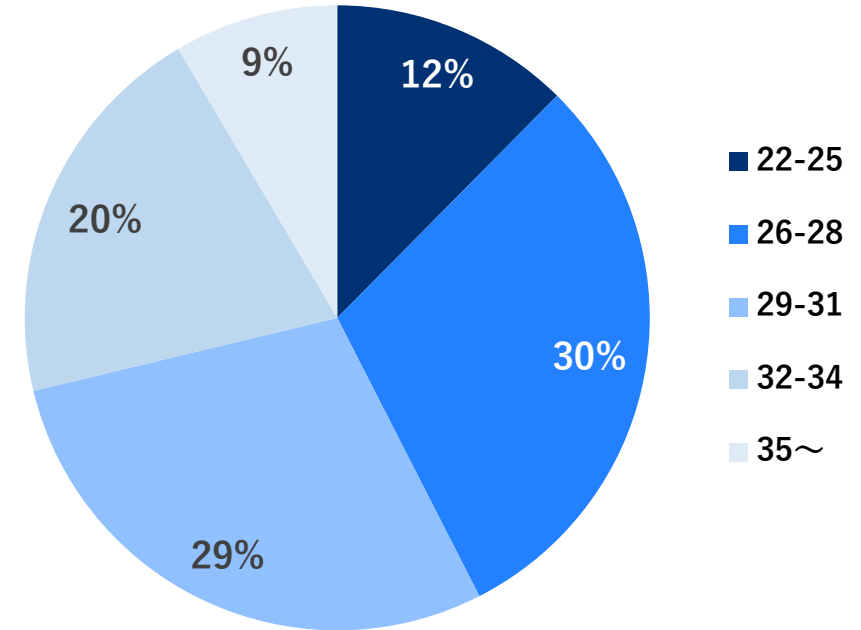
M&A Research Institute’s M&A advisors come from various industries and companies. The creation of a work environment enabling younger employees to succeed has gradually lowered the average age of advisors to 30 years old.

Former employers of M&A advisors



An environment conducive to success for individuals without prior experience has been established, resulting in a low percentage of job applicants from competing companies at our firm.

Breakdown by age of M&A advisors



Note: Based on our employee data (including those scheduled to join us) as of December 2024

Table of Contents

- 1 FY2025/9 Q1 Earnings Results
- 2 FY2025/9 Earnings Forecast
- 3 Medium- to Long-term Growth Strategy
- 4 Q&A
- 5 Company Overview
- 6 Competitive Advantages of M&A Research Institute**
- 7 Reference

Pricing, speed to completing M&A transactions, and matching capability, creating a competitive advantage

1

Adopt a pricing system with only success fees

Selling companies are charged with only a success fee

No. 1 for successful deals among M&A brokerage companies with a pricing system charging only success fees¹

2

Average time of 7.1 months¹ to M&A completion

Shorter time to M&A completion versus the industry average through streamlined operations

3

Industry-leading matching capability

AI utilization and an efficient buyer development system improve the possibility of closing deals

Notes:

1. Average of all deals signed since inception (excluding financial advisor deals)

6. Competitive Advantages of M&A Research Institute

Pricing System with Only Success Fees

M&A Research Institute is the only prime market listing M&A brokerage company which adopts a pricing system charging only success fees, thereby lowering fee-related hurdles for M&As. The pricing system provides an advantage to win competitive bids.

Common brokerage companies

We hesitate because we will be charged fees even if the M&A is not completed

Start-up fee + Interim fee (partial payment of contingency fee) + Success fee

Interim fees and start-up fees are not reimbursed even if the M&A is not concluded

M&A Research Institute

(Pricing system for selling companies)

The pricing system is clear and no fee is charged until the M&A is completed. Let's consider an M&A

~~Start-up fee~~ + ~~Interim fee~~ + Success fee only

The only listed company to adopt a pricing system with only success fees

Pricing system for selling companies	M&A deal completion		
	Signing of an advisory contract	Determination of potential acquirers (Matching)	M&A deal completion
M&A総合研究所	None		Success fee
A	Start-up fee	None	Success fee
B	None	Interim fee	Success fee

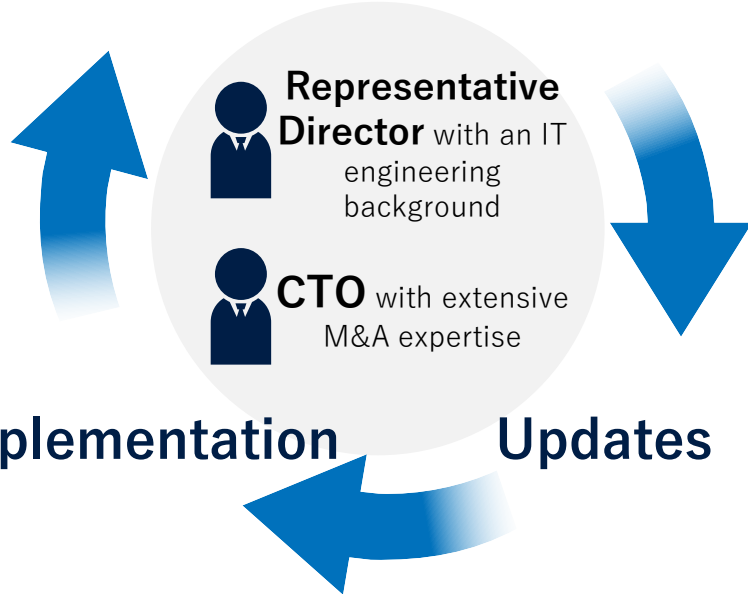
In-House Development of Transformational System

We have developed **a sales management system specialized in M&A** and have already updated it 11,236 times
 We have also **reduced working hours** and shortened **the time required to complete M&A deals to about 7.1 months** by streamlining **inefficient activities through digital transformation (DX) and AI technology**, giving us an advantage.

In-house development cycle for the specialized M&A IT system

Three steps of M&A brokerage business and details of efficiency improvement

Proposals from employees

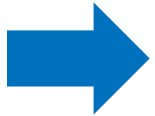


Sourcing (DX)	<ul style="list-style-type: none"> • Complete sending a letter simply by specifying the destination on the system • Complete preparing a contract and approval request by one-click • Complete contacting the team by one-click for sending a contract etc.
----------------------	--

Matching (AI)	<ul style="list-style-type: none"> • Improve accuracy by learning domestic M&A deals and internal sales data • Automatic extraction of potential acquiring companies based on selling company information
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Execution (DX under consideration)	<ul style="list-style-type: none"> • A lot of work humans have to do • Will use cloud and streamline operations such as exchanging contracts
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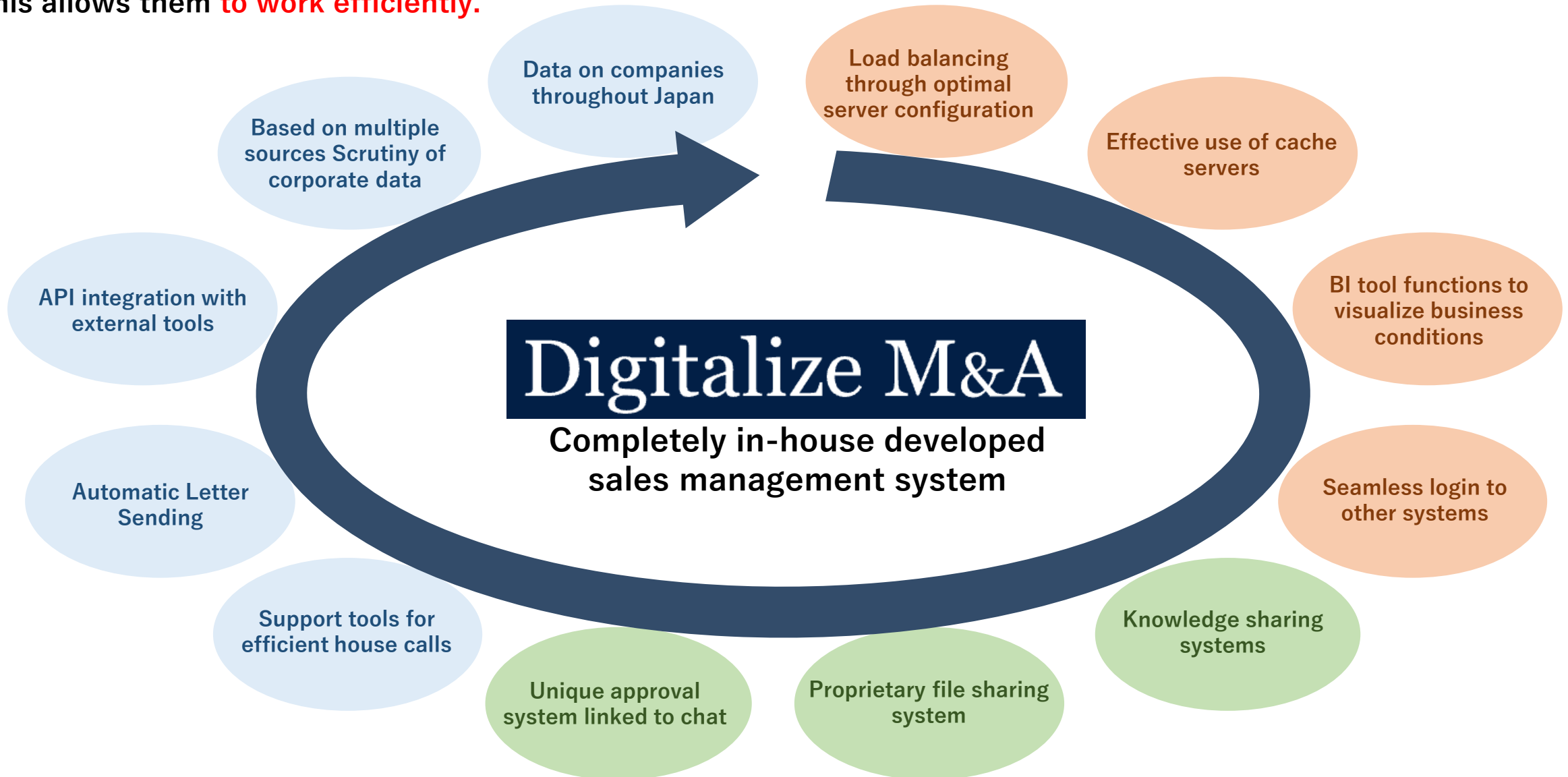
11,236 (inception – December 2024) updates
 In-house development of a specialized M&A IT system beyond what is available in the market



Shortening the time for M&A completion and reduction of operation time

Unparalleled In-House Developed System: Technological Advantages

Our company has developed a variety of systems in-house that can be used seamlessly. This allows them **to work efficiently**.



History of developing in-house system and our advantages

History of Development: We realized the disadvantages of an off-the-shelf system and switched to in-house development early on

- In the inception stage of the company, we used an off-the-shelf system, but switched to in-house development due to the disadvantages such as slow development and inability to create specific functions.
- Building the better system than the off-the shelf from scratch meant that we needed to repeatedly improve the system and deal with many caveats in the beginning with cooperation of all the employees and It took about a year for the system to be fully usable.
- It's realistically difficult to imagine a company discarding an off-the-shelf system for an internally developed one.
- In-house development currently enables smooth and speedy development of various functions.
- Many functions specialized in shortening the M&A brokerage times have been developed.
- Since it can be connected to multiple external systems, it has made operations other than sales more convenient.

Advantages: Development by engineers with extensive M&A knowledge

- Representative Director Sagami is a former engineer, and the CTO is also a M&A expert.
- There is no separation between M&A experts and engineers, where people familiar with both areas have developed the system.
- We can develop a system responsive to user needs and with true value in streamlining M&A brokerage.

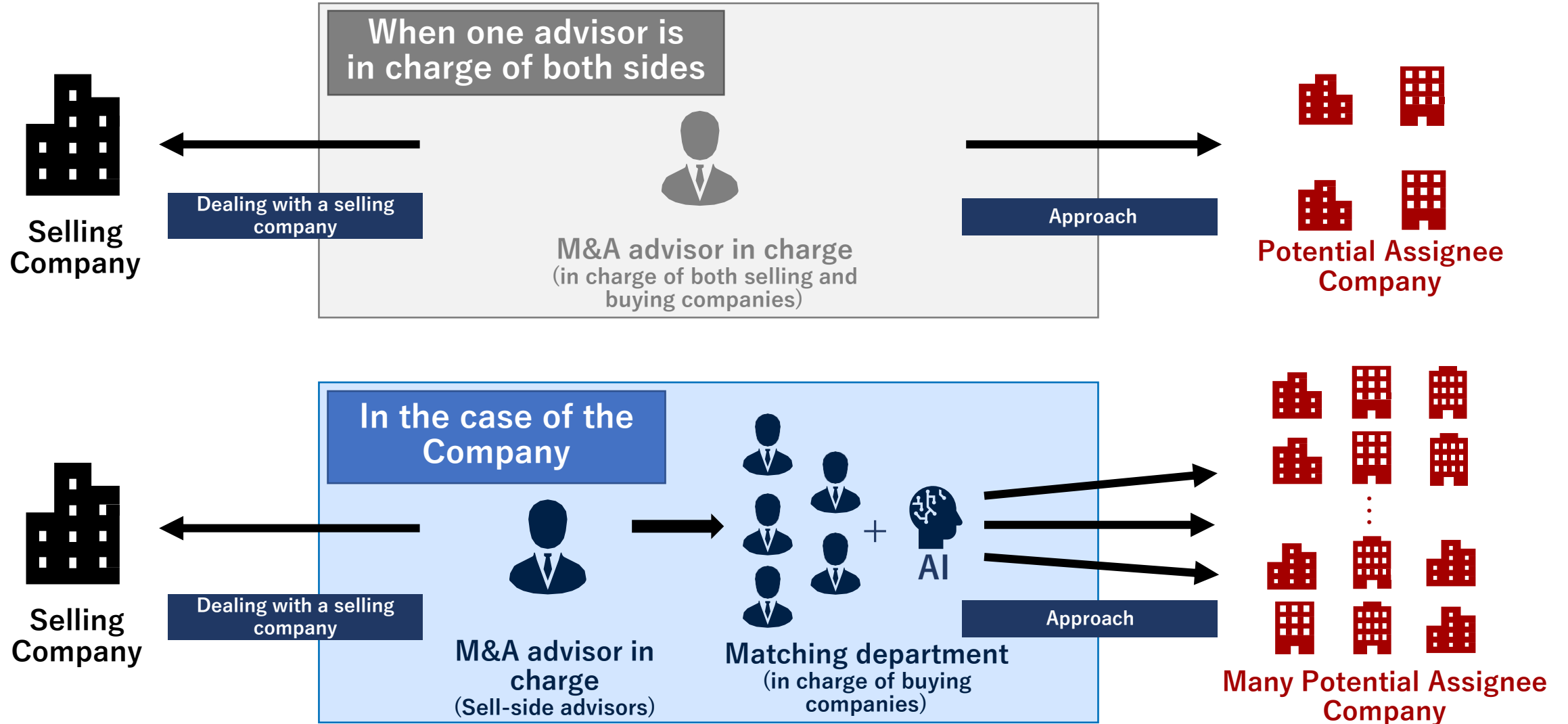
Difficulty of imitation due to our improvement speed: Seamless development for continuous function improvements

- We always listen to employees' needs and they can casually request system development.
- In-house engineers' development without outsourcing enables us to directly discuss the improvement plan and to implement it immediately.
- We provide ideas for streamlining everyday and continuous efficiency improvements has become our corporate culture.

Industry-leading Matching Capability

We have established a system that enables us to quickly make proposals to a large number of companies through a matching-specific department.

AI utilization enables a speedy approach with no omissions.



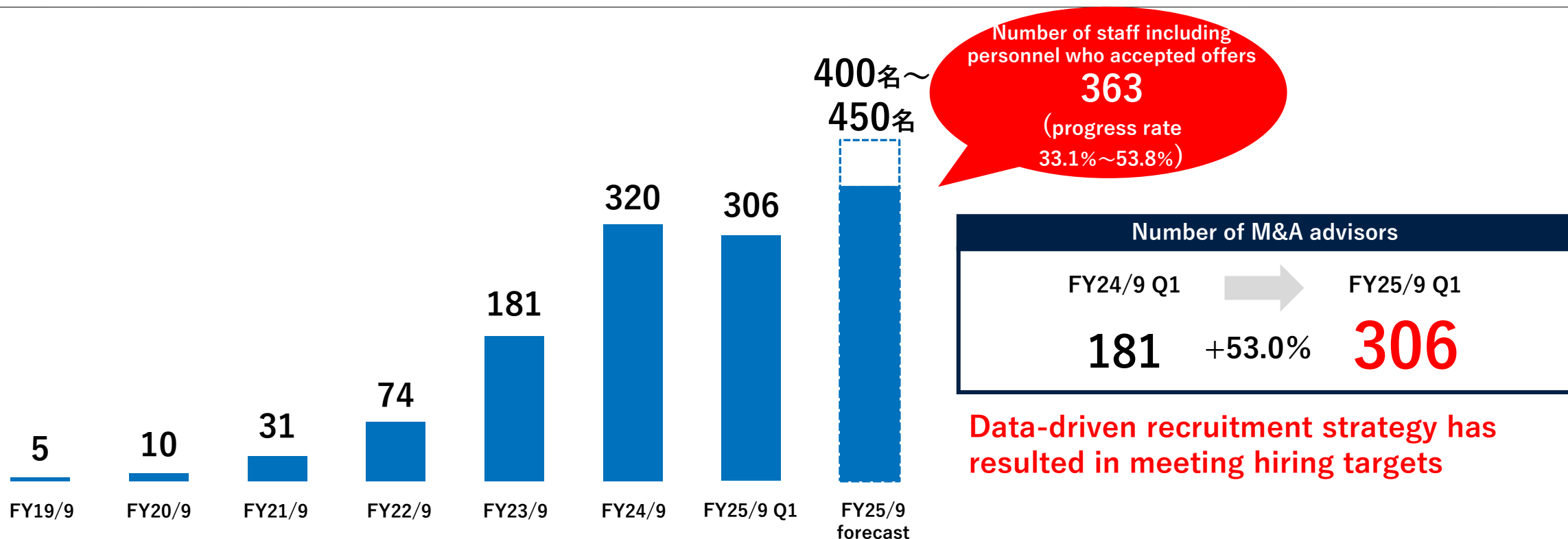
6. Competitive Advantages of M&A Research Institute

Advantages in Recruitment of M&A Advisors

M&A Research Institute is quickly expanding advisor headcount through **its extensive data-driven recruitment strategy**
 Training system focused on OJT **enables employees to become immediately work-ready, and retention remains high.**



Number of M&A advisors (sell-side advisors)



Thorough Data Management of Recruitment Processes

Recruitment is conducted based on data for each recruitment channel.

KPI management



Detail of KPI management¹

Channel (1) Number of applications via headhunters

Understand the number of applications via headhunters. Conduct joint seminars, etc. to increase the number of applications via headhunters

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Total
Total	50	30	40	40	30	50	40	30	40	50	40	40	480
Agent A	2	1	2	3	2	1	3	2	1	1	2	1	21
Agent B	3	2	1	0	2	3	2	1	1	0	3	2	20
Agent C	1	1	1	2	2	1	2	3	0	0	2	1	16
Agent D	2	1	2	3	2	1	3	2	1	1	2	1	21
Agent E	3	2	1	0	2	3	2	1	1	0	3	2	20
Agent F	1	1	1	2	2	1	2	3	0	0	2	1	16
Agent G	2	1	2	3	2	1	3	2	1	1	2	1	21
Agent H	3	2	1	0	2	3	2	1	1	0	3	2	20
Agent I	1	1	1	2	2	1	2	3	0	0	2	1	16

Note:
1. Figures in the table are hypothetical and not actual figures

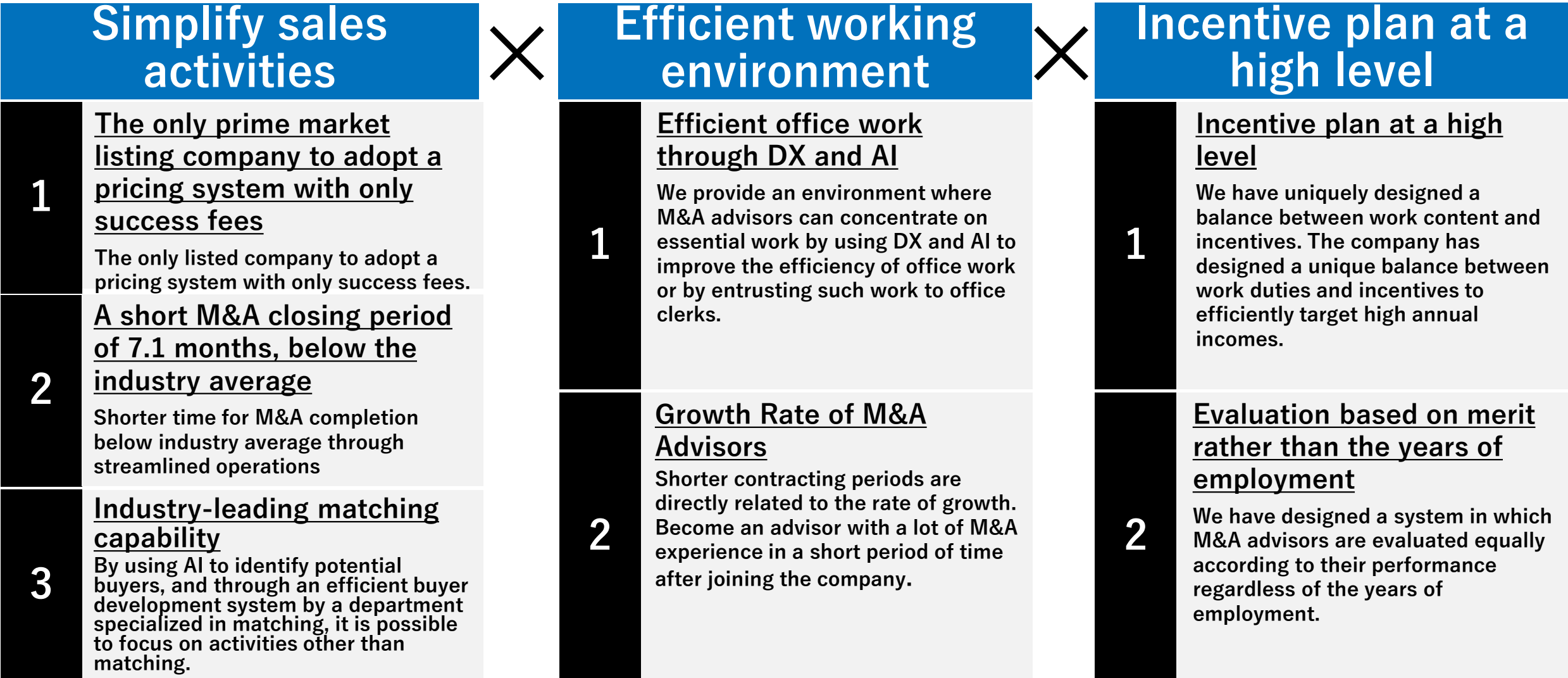
Channel (2) Number of scouting messages sent and replies

Check the ratio of successful recruitments to the number of scouting messages sent monthly and adjust the number of scouting based on planned figures

		Target	May	Jun	July	Aug	Sept	Total
Total	Scouting	300	300	300	300	400	400	2,000
	Applications	150	150	150	150	200	200	1,000
	Recruitment	3	3	3	3	3	3	20
Headhunter A	Scouting	100	100	100	100	150	150	1,000
	Applications	50	50	50	50	60	60	500
	Recruitment	1	1	1	1	1	1	10
Headhunter B	Scouting	100	100	100	100	150	150	1,000
	Applications	50	50	50	50	60	60	500
	Recruitment	1	1	1	1	1	1	10

Competitive advantages (2) Advantages in Recruitment

We have created a working environment where M&A advisors can work efficiently concentrating on essential work by promoting systemization of other work with DX and AI technology. We also try to differentiate from other companies by creating a salary structure that makes it easier to earn money.



6. Competitive Advantages of M&A Research Institute

Various measures in recruitment activities

Increase exposure and awareness in recruitment by sending out information through a variety of media.

Various measures to increase awareness

1 Posting of video content

(Right Brothers)



(Own YouTube channel)

Not only our own media, Many agent-affiliated channels have picked up on our work, increasing our ability to spread the word.

166 Listed

2 Various recruitment events

(hosted by the company itself)



(M&A Research Institute x UNIQUE BOX)

Deepening understanding of our company through events and seminars

93¹

3 Expansion of recruitment website and publication in various media

(Published a tie-up article with Forbes CAREER)



(Own Recruitment website)

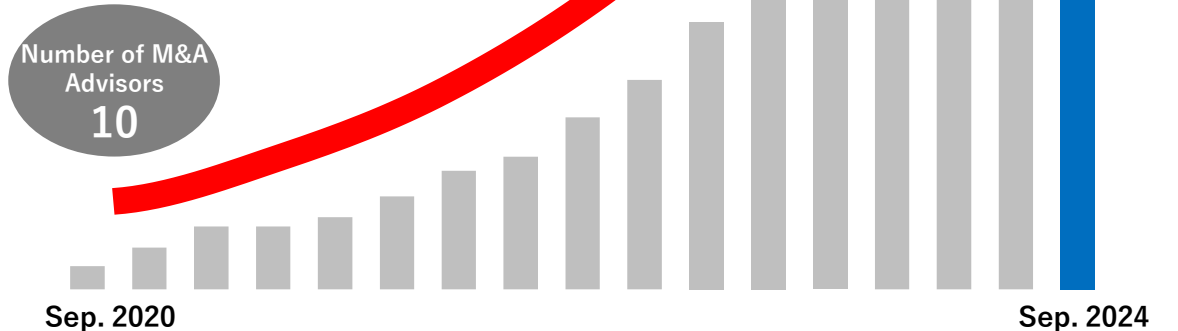
Increase brand power and recognition through site expansion and various media coverage

Number of M&A Advisors

Achieved recruitment plan with successful implementation of various measures to form a population for recruitment, and exceeded the recruitment plan while acquiring excellent human resources.

Number of M&A Advisors
320

FY20/9~FY24/9
CAGR 137.8%



Note:
1. Number of events held or attended by the end of December 2024

Get real-time KPIs for sales and recruitment activities. **The entire process is data-managed** and data-driven. It has **developed its own BI tools** for managing and visualizing data and is constantly improving its capabilities.



**Director and COO,
Head of Sales Division
Akihiro Yabuki**

Graduate of Meiji University

2010 Joined Keyence Corporation

- Engaged in consulting sales for the manufacturing industry

2015 Joined Nihon M&A Center Inc.

- Concluded many M & As, mainly in the manufacturing industry, as an advisor

2019 Joined M&A Research Institute

- Leveraging data-driven sales activities cultivated at Keyence Corporation and my experience at the Japan M&A Center to improve the efficiency of M&A intermediation

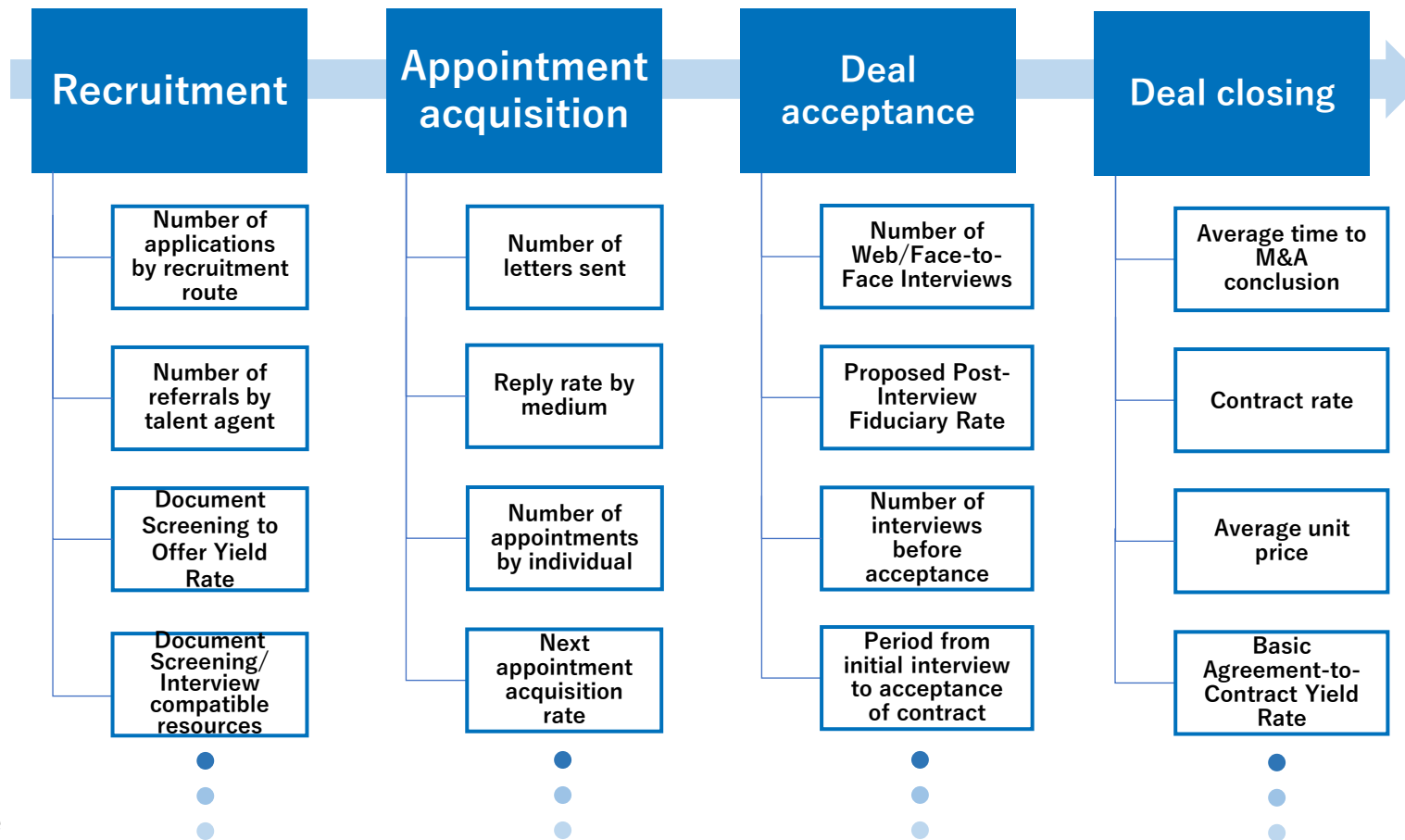
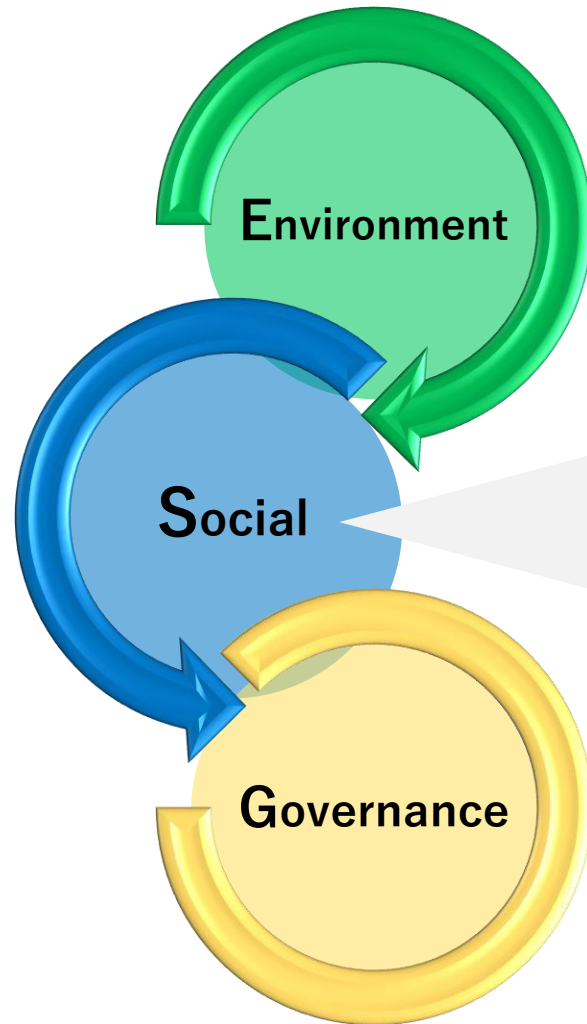


Table of Contents

- 1 FY2025/9 Q1 Earnings Results
- 2 FY2025/9 Earnings Forecast
- 3 Medium- to Long-term Growth Strategy
- 4 Q&A
- 5 Company Overview
- 6 Competitive Advantages of M&A Research Institute
- 7 Reference**

Towards the realization of a sustainable society, we aim to solve the “Social” issues facing Japan, where the declining birthrate and aging population are becoming more serious, tackling the business closure issues due to the lack of successors through our M&A brokerage business.



To solve Social issues through M&A brokerage

More than 99% companies in Japan are SMEs. According to Teikoku Databank, “National Survey of Companies Without a Successor (2021),” about two-thirds (61.5%) of the companies had no successors.

Termination of business due to lack of successor not only leads to the loss of proprietary technology and know-how but also disrupts the livelihood of employees and their families.

Moreover, the successor issue is not only for SMEs, but also a factor that worsens the Japanese economy as a whole.

M&A Research Institute will continue to focus on social issues by resolving successor issues through ESG initiatives in the M&A brokerage business.

SDG Initiatives

We aspire to create a sustainable work environment where employees can work in a healthy manner both physically and mentally.

We contribute to solving social issues arising from the lack of successors and realizing a sustainable society through the M&A brokerage business.

3 すべての人に健康と福祉を



Support for living infrastructure

8 働きがいも経済成長も



Realization of an attractive working environment

9 産業と技術革新の基盤をつくろう



Efforts to address the aging working population issue



M&A Research Institute Holdings aims to realize a “sustainable” society through the M&A brokerage business

11 住み続けられるまちづくりを



Contribution to the local economy

13 気候変動に具体的な対策を



Paperless transition

16 平和と公正をすべての人に



Compliance-focused management

7. Reference: Shareholder Composition Focus Area in SDG Initiatives

We will contribute to the SDG Goal 9 and Goal 11 through our M&A brokerage business.
We will also expand information disclosure on our corporate website.

We will contribute to creating a base for industry and technological innovation through the M&A brokerage business.

Opening of sustainability page (<https://masouken.com/holdings/sustainability>)

1

Support the business succession of SMEs based in rural areas with high-quality services and technology
Reduce business closures due to lack of a successor, which result in loss of services and technology are lost

2

Create economic activity maintenance effects in Japan through M&A
Prevent job losses and GDP declines due to the closure of SMEs

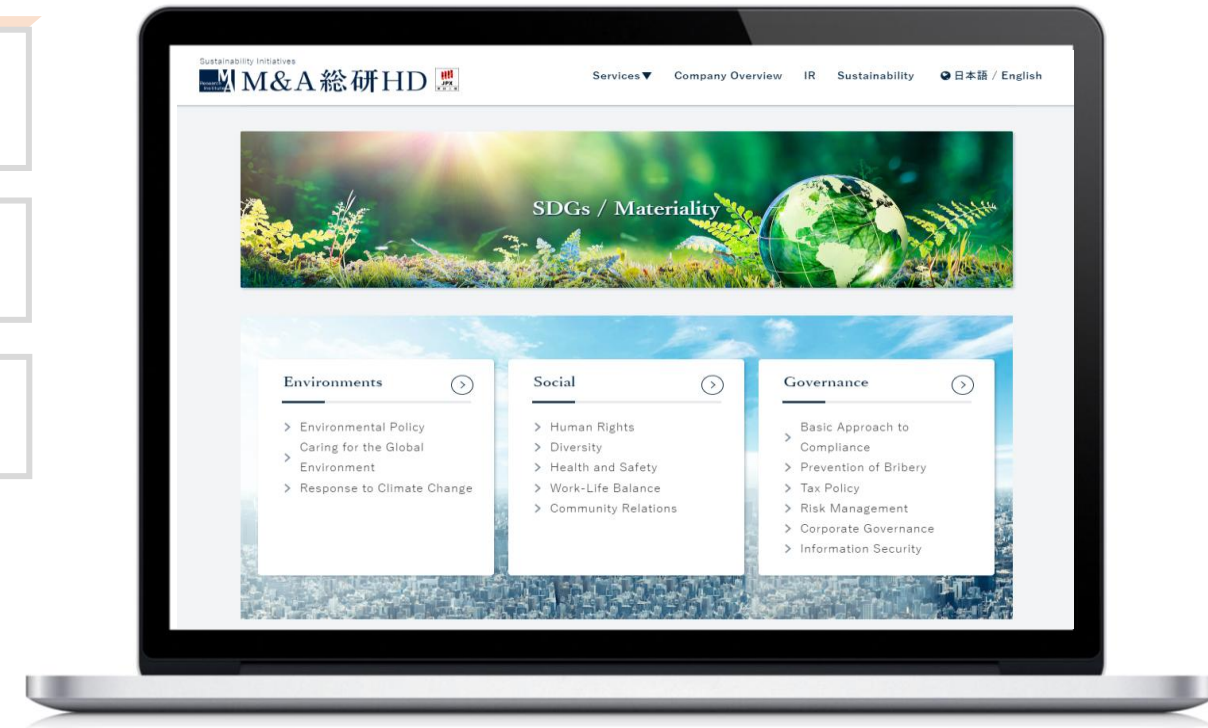
3

Protect the industry by making business and employment remained through business succession
Protect the domestic industry by decreasing business closures

9 産業と技術革新の
基盤をつくらう



11 住み続けられる
まちづくりを



7. Reference: KPI Highlights

Trends in key indicators: Year to date

Consolidated Financial Statements

(¥mn)

	FY22/9 Q1	FY22/9 Q2	FY22/9 Q3	FY22/9 Q4	FY23/9 Q1	FY23/9 Q2	FY23/9 Q3	FY23/9 Q4	FY24/9 Q1	FY24/9 Q2	FY24/9 Q3	FY24/9 Q4	FY25/9 Q1
Net sales	1,010	1,752	2,817	3,911	2,125	3,874	6,336	8,642	4,900	8,526	12,771	16,549	4,178
Gross profit	867	1,463	2,345	3,123	1,788	3,116	5,055	6,617	4,045	6,556	9,610	12,017	2,727
Gross profit margin	85.8%	83.5%	83.2%	79.8%	84.2%	80.4%	79.8%	76.6%	82.6%	76.9%	75.3%	72.6%	65.3%
Operating profit	711	1,066	1,680	2,103	1,398	2,287	3,610	4,579	3,353	4,938	7,019	8,408	1,684
Operating margin	70.4%	60.9%	59.6%	53.8%	65.8%	59.0%	57.0%	53.0%	68.4%	57.9%	55.0%	50.8%	40.3%
Profit	486	728	1,140	1,326	958	1,567	2,427	2,646	2,175	3,173	4,498	5,788	1,092
Net income margin	48.1%	41.5%	40.4%	33.9%	45.1%	40.4%	38.3%	30.6%	44.4%	37.2%	35.2%	35.0%	26.1%

Key indicators for the M&A brokerage business

Number of M&A advisors	40	51	57	74	90	115	154	181	200	242	289	320	306
Deals in progress ¹	165	229	313	382	426	508	596	694	834	982	1,114	1,216	1,352
Closed M&A deals ² (large-scale deals ³)	17 (2)	26 (4)	43 (6)	61 (7)	33 (4)	62 (8)	105 (11)	137 (14)	66 (9)	123 (14)	187 (19)	242 (26)	65 (4)

Notes:

1. Only active projects are counted, excluding suspended projects.
2. Non-brokerage FA deals are excluded from the number of contracts and unit price calculations.
3. Large deals are defined as those with total fees of ¥100 million or more.

7. Reference: KPI Highlights

Trends in Key Indicators: Quarterly accounting period

Consolidated Financial Statements

(¥mn)

	FY22/9 Q1	FY22/9 Q2	FY22/9 Q3	FY22/9 Q4	FY23/9 Q1	FY23/9 Q2	FY23/9 Q3	FY23/9 Q4	FY24/9 Q1	FY24/9 Q2	FY24/9 Q3	FY24/9 Q4	FY25/9 Q1
Net sales	1,010	742	1,065	1,094	2,125	1,749	2,462	2,305	4,900	3,626	4,244	3,778	4,178
Gross profit	867	596	882	778	1,788	1,328	1,938	1,562	4,045	2,511	3,053	2,407	2,727
Gross profit margin	85.8%	80.3%	82.8%	71.1%	84.2%	75.9%	78.7%	67.8%	82.6%	69.3%	71.9%	63.4%	65.3%
Operating profit	711	355	614	423	1,398	889	1,323	968	3,353	1,584	2,081	1,388	1,684
Operating margin	70.4%	47.8%	57.7%	38.7%	65.8%	50.8%	53.7%	42.0%	68.4%	43.7%	49.0%	36.8%	40.3%
Profit	486	242	412	186	958	609	860	219	2,175	997	1,325	1,289	1,092
Net income margin	48.1%	32.6%	38.9%	17.0%	45.1%	34.8%	34.9%	9.5%	44.4%	27.5%	31.2%	34.1%	26.1%

Key indicators for the M&A brokerage business

Number of contracts	82	109	140	178	208	235	314	387	430	474	530	575	728
Closed M&A deals ¹ (large-scale deals ²)	17 (2)	9 (2)	17 (2)	18 (1)	33 (4)	29 (4)	43 (3)	32 (3)	66 (9)	57 (5)	64 (5)	55 (7)	65 (4)
Fees per deal ³	58	78	59	58	61	60	54	68	74	63	65	66	61

Notes:

1. Non-brokerage FA deals are excluded from the number of contracts..

2. Large deals are defined as those with total fees of ¥100 million or more

3. To enable comparison with industry peers, the calculation method for transaction unit prices has been changed from FY24/9 Q1, now determined by "Revenue in M&A brokerage business ÷ Number of transactions concluded((excluding FA cases))".

The company manages all business processes via data and monitors sales and recruitment KPIs in real time, monitors all processes using data via an in-house developed BI tool for daily improvement.

Uniqueness of M&A Market in Japan

1

Growing Need for Business Succession due to Aging of Business Owners

In Japan, the average age of management executives in SMEs is becoming high
On the other hand, they lack successors and business succession issues are becoming more serious

2

Japan's unique business practice: "M&A brokerage" service instead of FA

Outside of Japan, it's common to execute M&A using a financial advisor (FA)
In Japan, other than large-scale M&A, brokerage companies are used to intervene and support both parties

3

There are few M&A brokerage companies against M&A needs

While it is said that 620,000 profitable companies are at risk of closure due to the lack of successors, there are only 41 companies that provide M&A services with 20+ M&A advisors. M&A demand is highly exceeding its supply.

Market Size of Domestic M&A Brokerage

Many profitable companies are at risk of closure and the market size is extremely large even in the domestic market. We expect **M&A demand is highly exceeding its supply**, and the M&A brokerage market size to be **¥553 to ¥653 bn annually**, so it is a “Blue Ocean”.



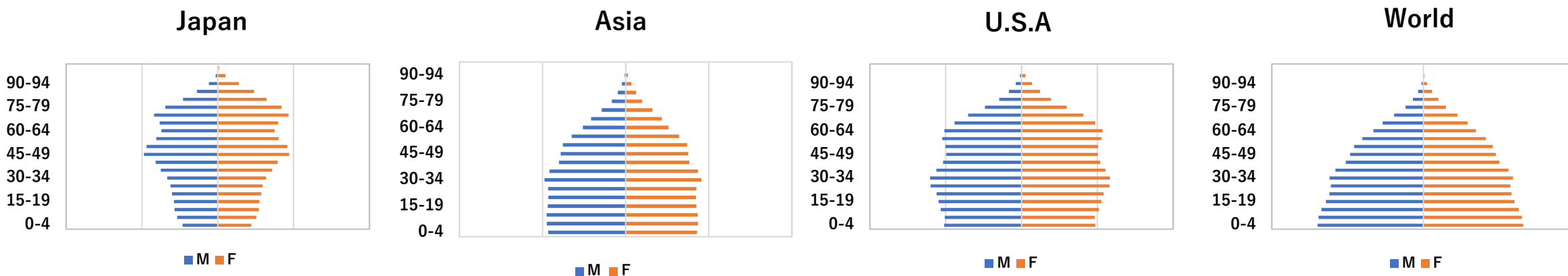
Notes:
 1. Source: The Small and Medium Enterprise Agency “Current Situation and Challenges of M&A in SMEs and Micro Business Owners”
 2. Source: Credit Risk Database Association “Outsourced project related to fact-finding survey of SMEs based on FY2018 financial information”
 3. Actual figure in FY2023/9
 4. The market size is what we estimated based on external statistical materials and published materials, and may differ from the actual market size

* Currently, there is a shortage of M&A intermediary firms, resulting in a situation where demand exceeds supply. Companies that cannot achieve business succession are carried over from year to year and accumulate in TAMs.

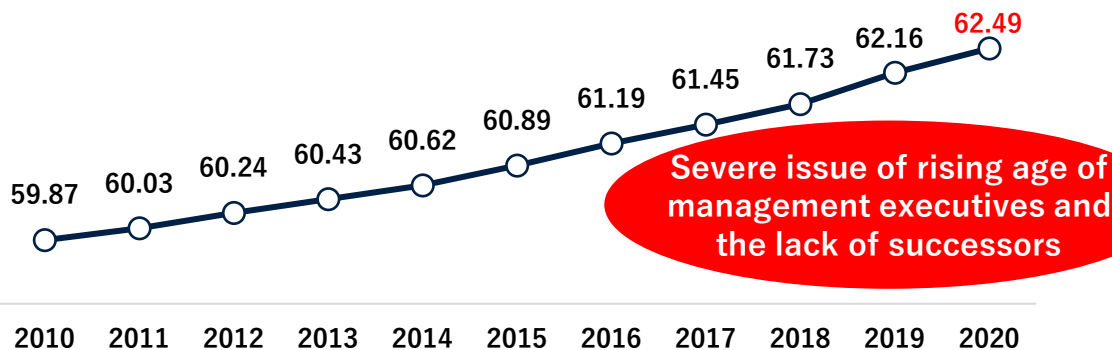
In Japan today, the number of young people continues to decline, and the birthrate is declining and the population is aging.

As a result, **the ratio of companies without successors is 57.2%**¹, and business succession through M&A is an issue.

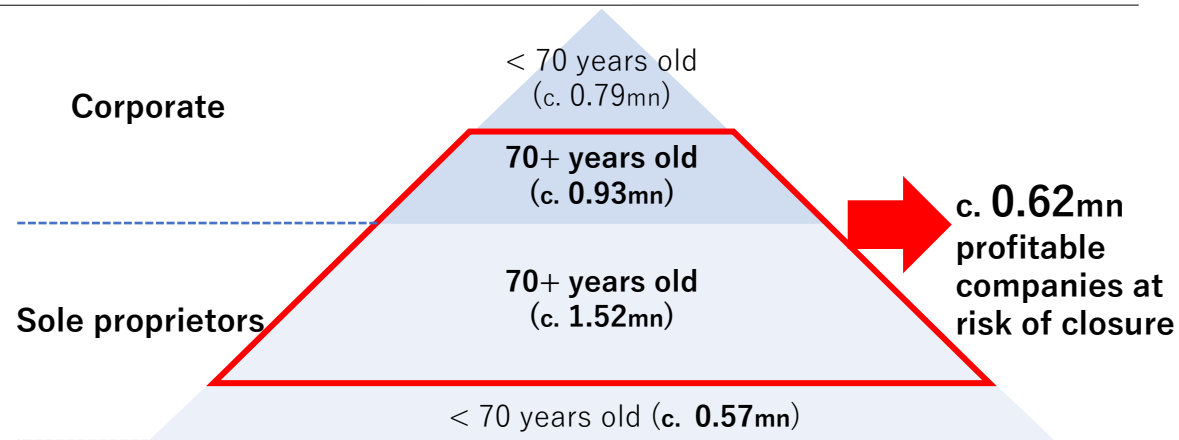
Population Pyramid: Japan's Declining Birthrate and Aging Population



Average Age of Managers²



Increase in Risk of Black-ink Bankruptcy



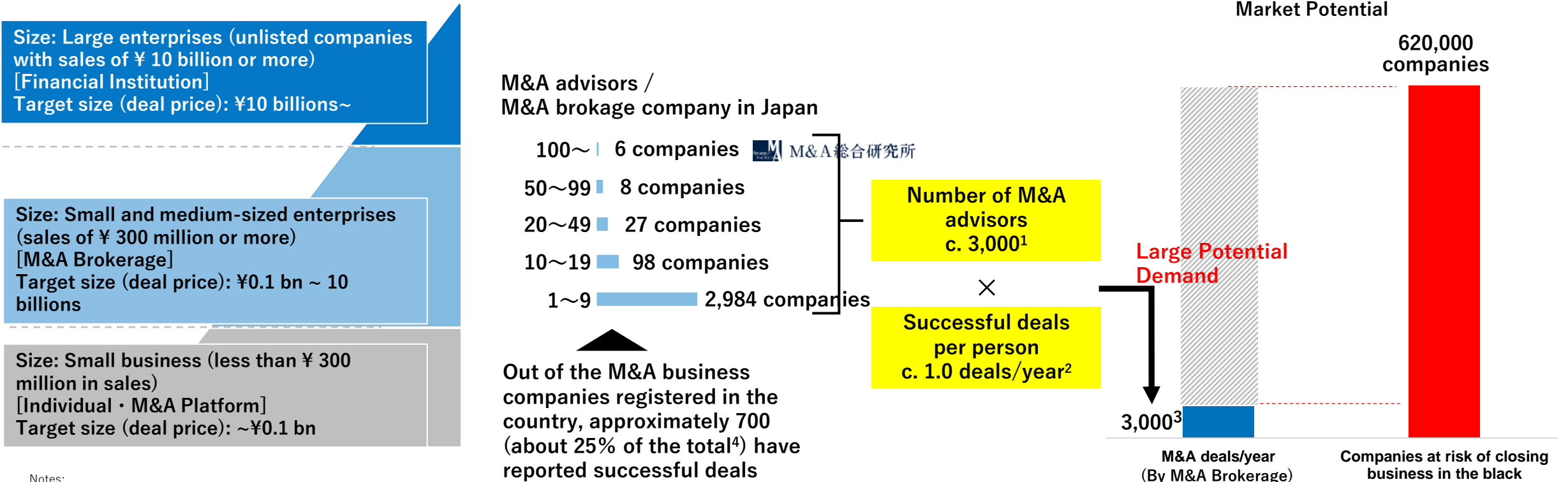
Notes:

1. Teikoku Databank (2022), "Research on the Ratio of Companies without Successors in Japan"
2. Tokyo Shoko Research (2021), "Research on the Average Age of Company Owners"

Imbalance between M&A Demand and M&A Brokerage Supply

There are three types of companies engaged in M&A intermediation, but in Japan, **M&A intermediary firms hold a significant presence**, with about 3,000 such companies operating nationwide. However, there is an overwhelming number of companies at risk of closure with a surplus of profitable M&A transactions that M&A advisors can handle in a year (3,000 cases³). **This has led to a disruption in the supply-demand balance.**

M&A Brokerage Supply and Market Potential

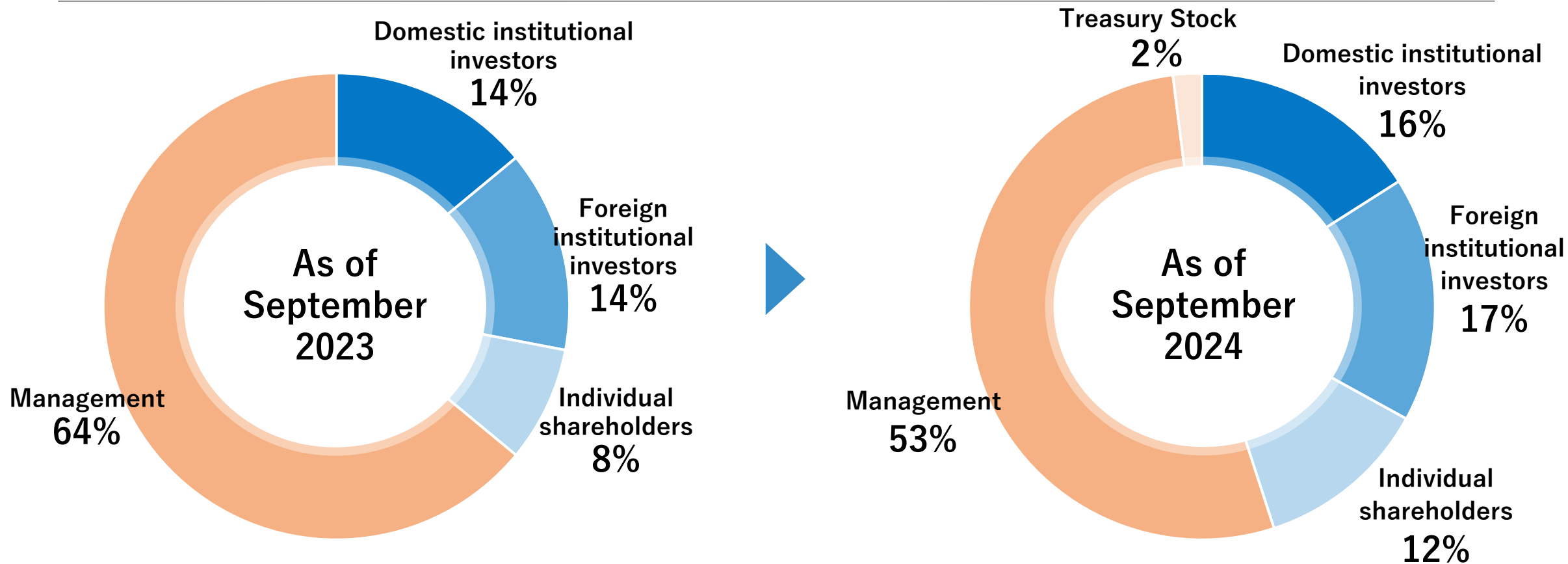


Notes:

1. Publication of Registered Financial Advisors and Intermediaries under the Small and Medium Enterprise Agency M&A Support Institution Registration System - February 1-month Public Offering (Registration Status as of March 13, 2024). Calculated taking into account factors such as transaction performance reporting.
2. Calculated based on the number of the most recent closed deals published by the major listed M&A brokerage companies (excluding our company)
3. Note 1: Calculated assuming that each advisor signs 1.0 contract per person per year for the calculated number of advisors.
4. Estimated by M&A Research Institute based on the Small and Medium Enterprise Agency's "8th Study Group on Consolidation of Management Resources of Small and Medium Enterprises, etc.

Increase the ratio of overseas institutional investors

Change in shareholder composition



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