

April 30, 2025

Q2 FY2025/9 Earnings Presentation

Strike Co., Ltd.

Prime Market, Tokyo Stock Exchange: 6196



STRIKE

FINANCIAL RESULTS AND FUTURE MEASURES

Disclaimers

- Forward-looking statements contained in these materials are based on information available to Strike Co., Ltd. (the “Company”) as of the date of these materials. The forward-looking statements herein will not be updated or revised to reflect future events or conditions.
- Forward-looking statements involve risks and uncertainties. The Company’s future performance and results may differ from these forward-looking statements due to known and unknown risks, uncertainties and other factors.

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Executive Summary

Shareholder Returns

- ✓ Revised the dividend policy to enhance ROE, increasing the dividend payout ratio from 35% to 50%.
- ✓ For the next three fiscal years starting FY25/9, dividends per share will be fixed at ¥180 to facilitate the return of surplus funds to shareholders (see p. 37).

External Environment

- ✓ M&A transactions involving listed companies in Jan. – Mar. 2025 was up by 32 YoY (+10%) (see p. 40).
- ✓ The industry self-regulatory organization, the M&A Advisors Association, is leading efforts to enhance the operation of the Specified Business Operator List to share information about inappropriate buyers more rigorously, and is also considering introducing a certification system, as part of ongoing initiatives aimed at promoting the sound development of the industry.

Operating Performance

- ✓ 1H net sales were ¥8,951 million, down 3.0% YoY. The number of deals closed remained flat YoY at 130, not reflecting the growth in consultant headcount. In addition, deal timelines have lengthened due to compliance with new guidelines and larger transaction sizes. Results were also impacted by large transactions for which final agreements were signed in Q2, but execution was deferred to Q3 (two large deals generating combined success fees of ¥1,279 million).
- ✓ 1H operating profit was ¥2,439 million, down 34.2% YoY. The COS ratio and SG&A ratio increased due to lower-than-expected sales.
- ✓ Full-year performance is expected to be in line with the initial plan as we expect to record considerable sales from the closure of large deals in Q3.

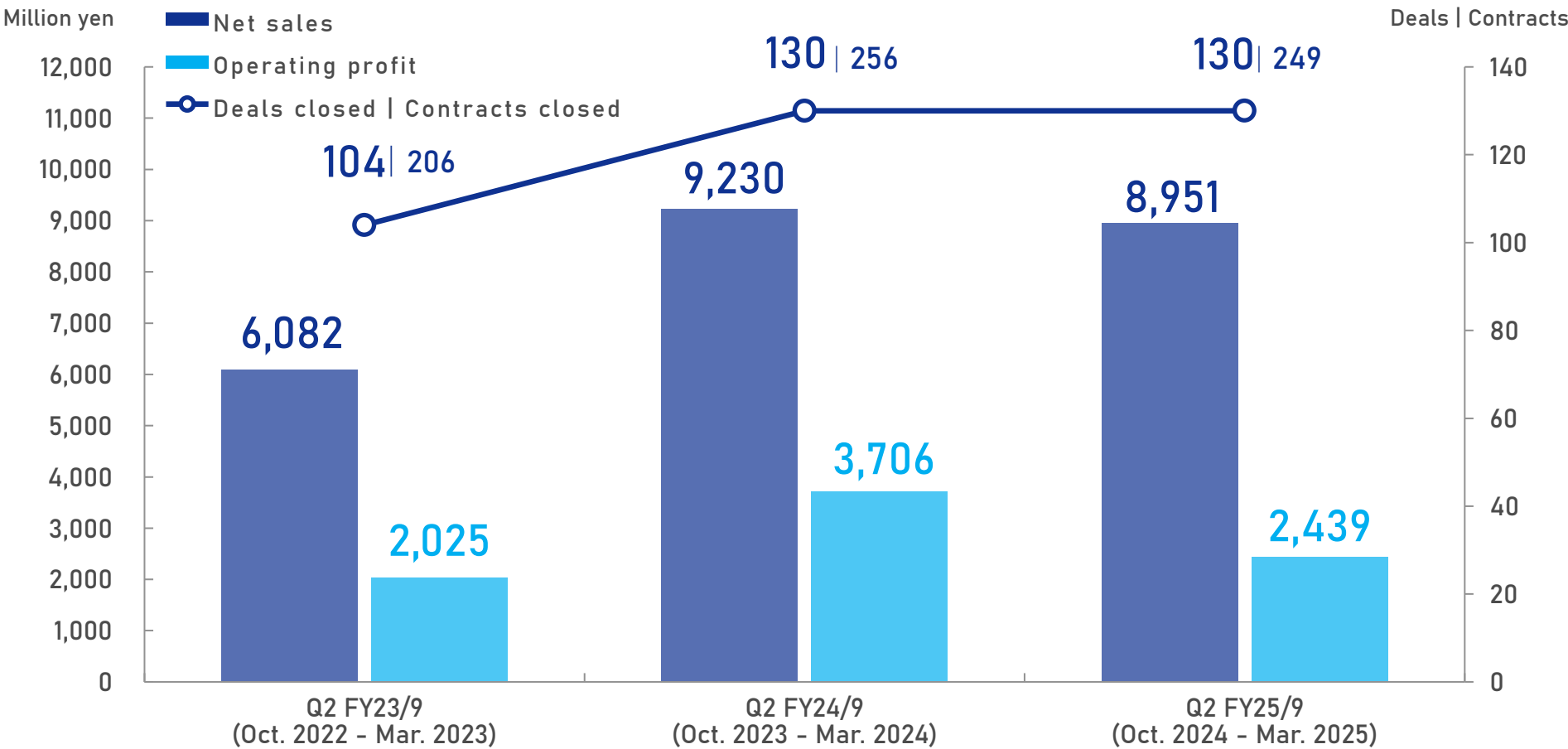
Other

- ✓ The consultant headcount increased by 30 against our annual target of 61. In April, we welcomed 55 new employees (including 33 new graduates).
- ✓ The number of new contracts totaled 535, which was 51.2% of the full-year target of 1,045.

Q2 FY25/9 Operating Performance

- ✓ The number of deals closed remained flat YoY, while the average sales per deal closed decreased slightly YoY (from ¥71.0 million to ¥68.8 million).
- ✓ Net sales did not grow in line with headcount increase and operating profit decreased due to higher operating expenses.

Quarterly Results



Year-on-Year Comparison

- ☑ The COS ratio and SG&A ratio increased, while the operating profit margin declined temporarily, due to lower-than-expected sales.

	Million yen			
	Q2 FY23/9	Q2 FY24/9	Q2 FY25/9	YoY change
Net sales	6,082	9,230	8,951	-3.0%
Cost of sales	2,078	3,248	3,709	+14.2%
Cost of sales ratio	34.2%	35.2%	41.4%	-
SG&A expenses	1,978	2,276	2,801	+23.1%
SG&A ratio	32.5%	24.7%	31.3%	-
Operating profit	2,025	3,706	2,439	-34.2%
OPM	33.3%	40.2%	27.3%	-
Ordinary profit	2,035	3,705	2,440	-34.1%
Profit	1,368	2,440	1,739	-28.7%

Factors Behind Changes in Cost of Sales and SG&A Expenses

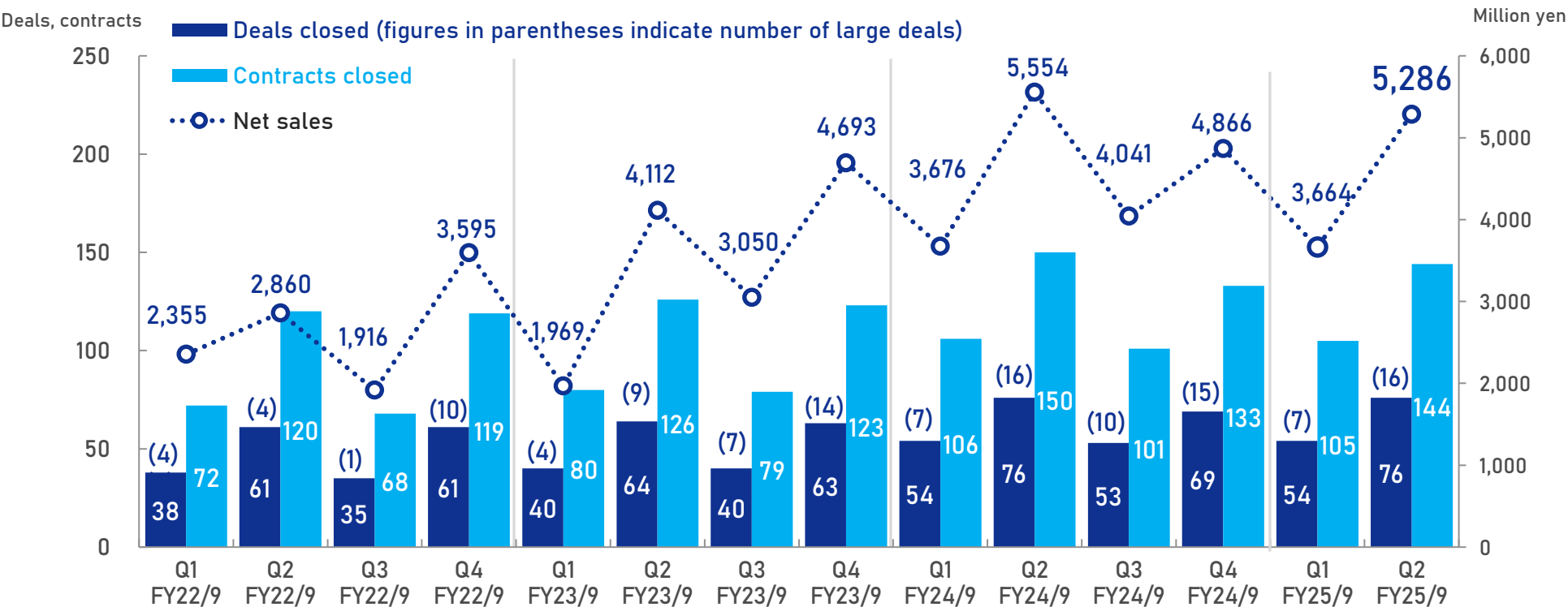
- ✓ Although personnel expenses in cost of sales increased, the rise in fixed salaries was largely in line with the plan.
- ✓ SG&A expenses increased due to the incurrence of sales-related advertising expenses ahead of schedule.

Million yen

	Q2 FY23/9	Q2 FY24/9	Q2 FY25/9	YoY change	Factors behind changes
Cost of sales					
Personnel expenses (Salaries)	1,463 (564)	2,319 (773)	2,585 (1,144)	+265 (+371)	<ul style="list-style-type: none"> ▪ Increase in fixed salaries due to addition of 92 consultants ▪ Incentive bonuses decreased due to a decline in sales
(Incentive bonuses)	(765)	(1,380)	(1,229)	(-152)	
Referral fees	448	695	823	+128	▪ Increase due to closure of large deals contracted through referrals
Other	166	233	300	+67	▪ Increase in overhead costs due to increase in consultant headcount
Total cost of sales	2,078	3,248	3,709	+460	
SG&A expenses					
Personnel expenses	615	734	803	+68	▪ Increase in fixed salaries due to an increase in temporary staff
Ad expenses	356	263	477	+214	▪ Increases in TV commercial expenses (+63), sales ad expenses (+105)
Rent expenses	312	440	486	+46	▪ Increase in rent due to relocation of local offices
Other	693	837	1,034	+196	▪ Increases in recruiting expenses (+97), training expenses (+19)
Total SG&A expenses	1,978	2,276	2,801	+525	

Deals and Contracts Closed

- ☑ A greater-than-expected number of M&A deals were postponed to Q3 or later due to the introduction of new operational procedures under the new guidelines and increased procedural complexity associated with larger-sized deals. As a result, sales remained flat YoY.
- ☑ In Q3, considerable sales are expected from the closure of several large deals previously postponed, which are expected to mitigate the usual seasonal decline typically observed during this quarter.



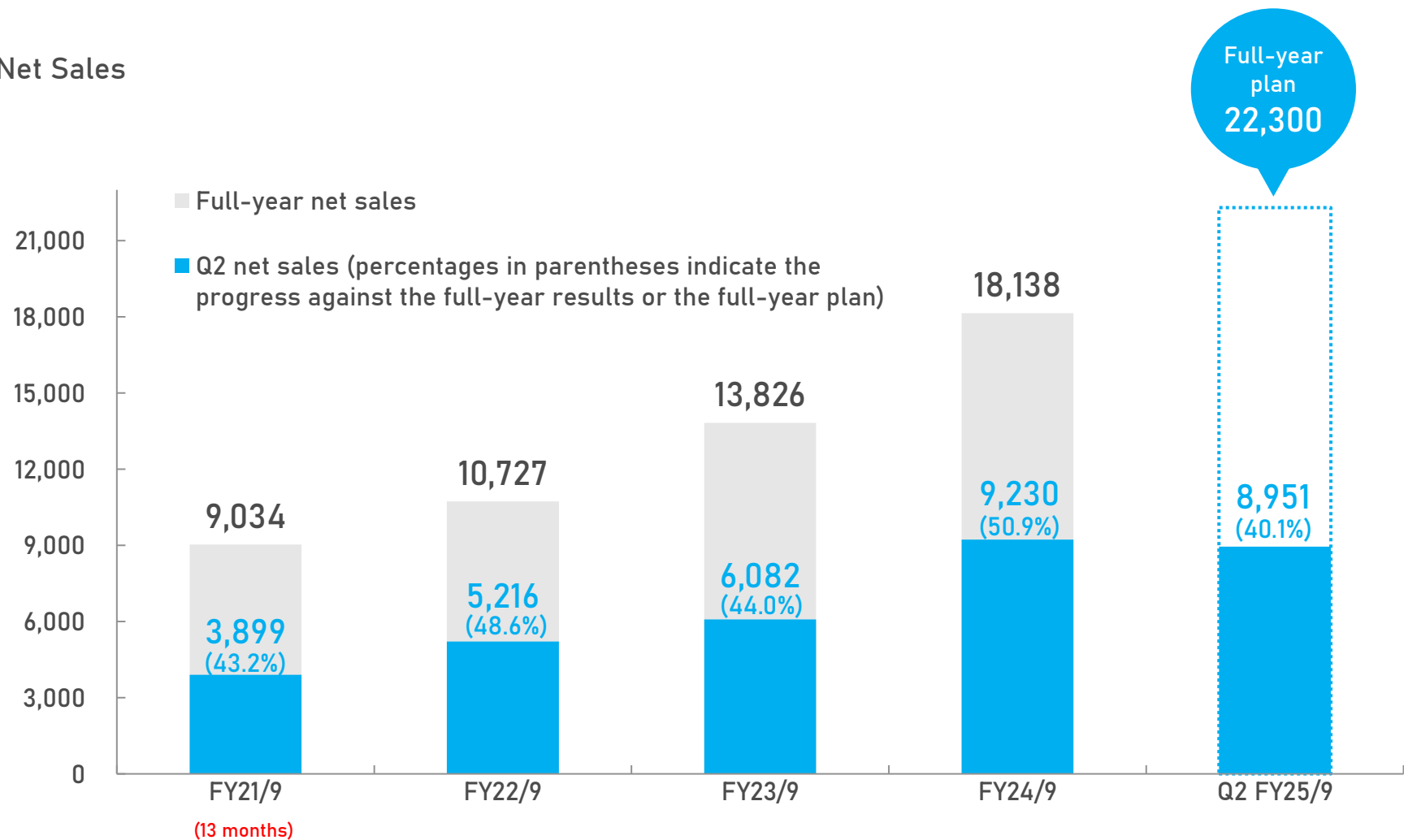
Deals closed: Number of M&A transactions in which Strike provides brokerage or advisory services (i.e., number of deals)
(Large deals are those associated with per-deal sales of ¥100 million or more)

Contracts closed: Number of contracts on closed M&A deals in which Strike provides brokerage or advisory services (i.e., number of companies)

In brokerage services, each deal counts as two contracts (one for the seller and one for the buyer), while in advisory services, each deal counts as one contract.

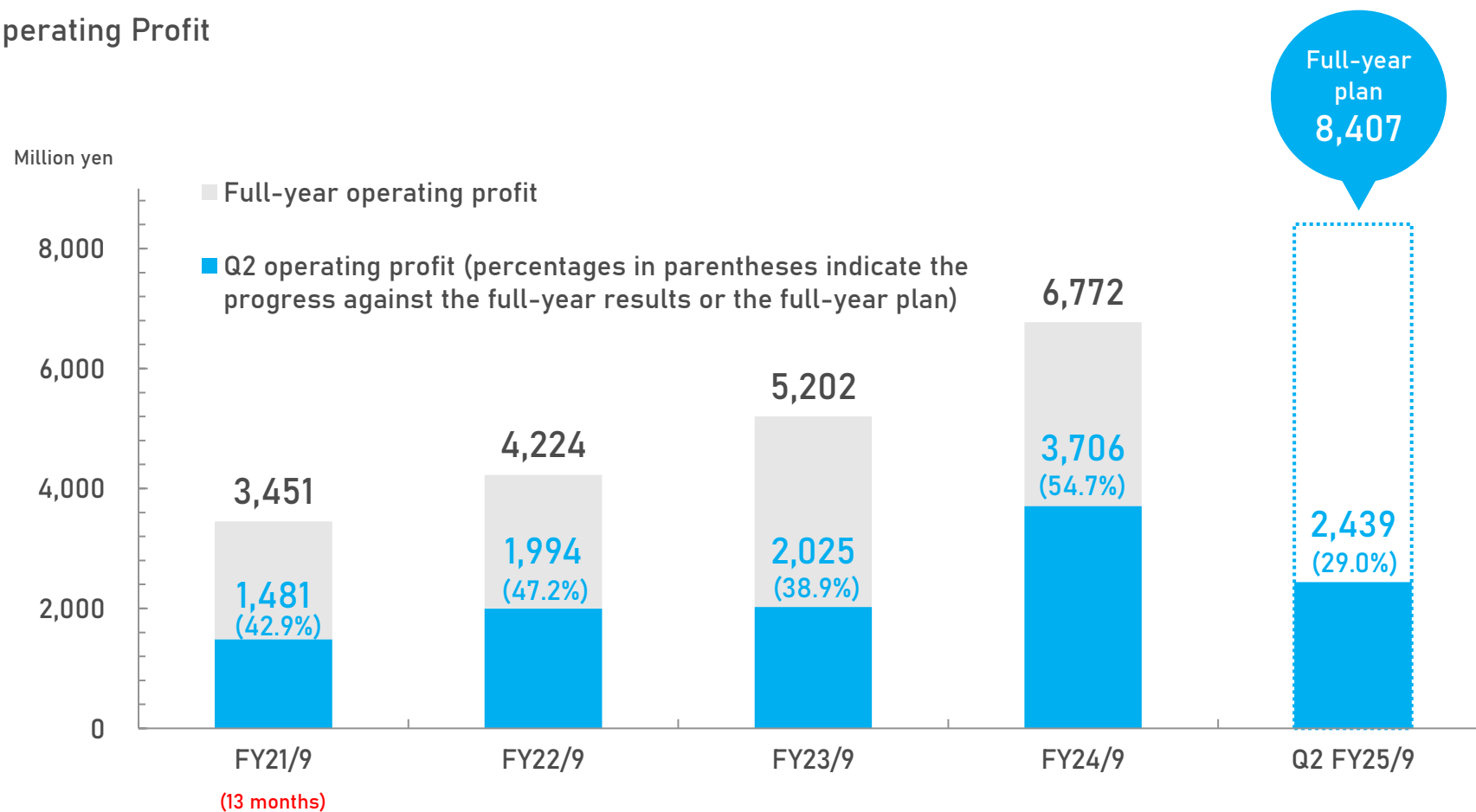
Historical Net Sales

Net Sales



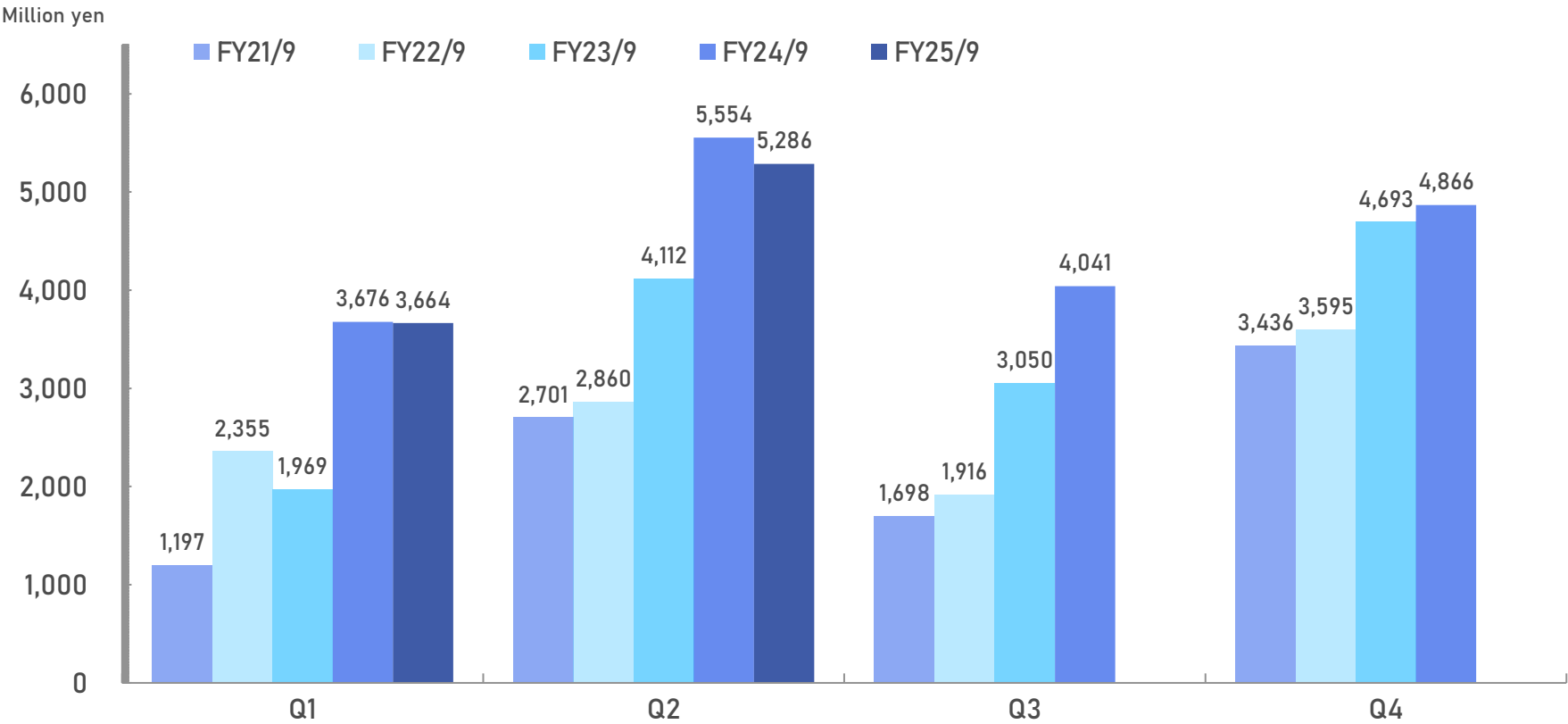
Historical Operating Profit

Operating Profit



(Reference) Quarterly Net Sales

Three-month Net Sales



Short, Medium, and Long-term KPIs

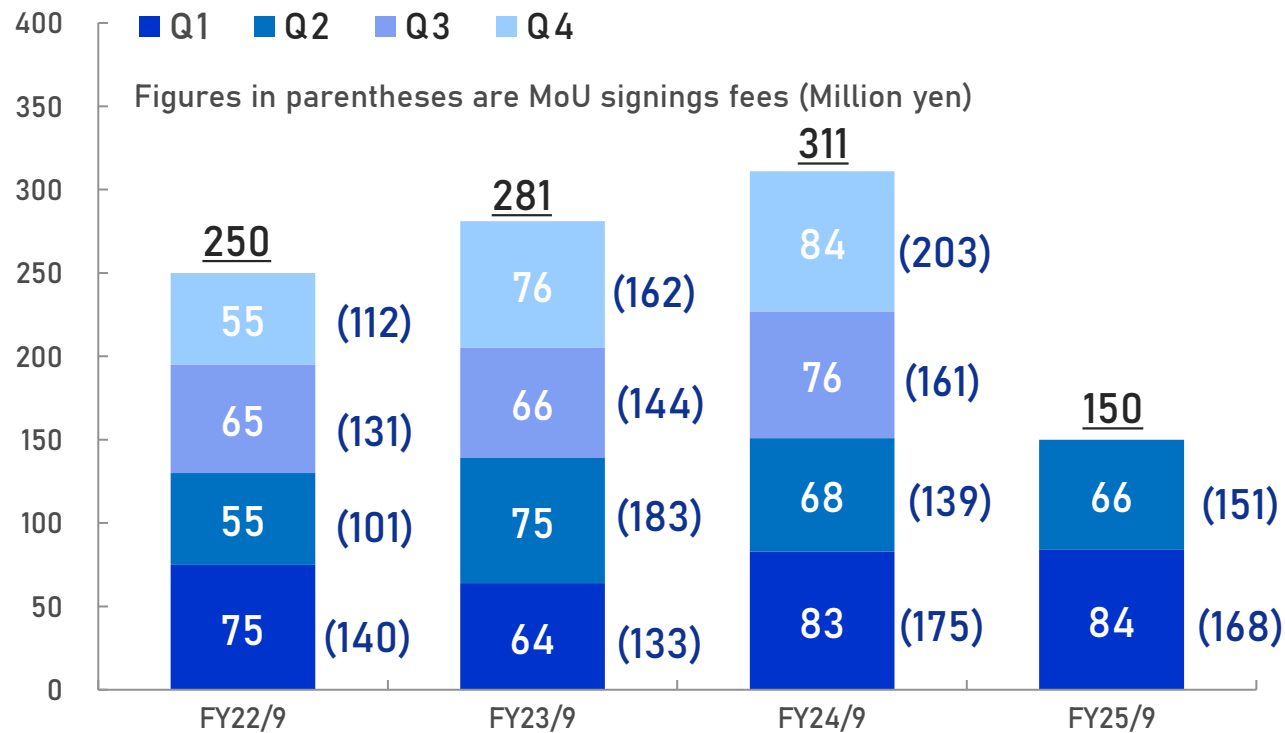
- ✓ Maximize sales and profits by quantitatively monitoring the status of achievement of short, medium, and long-term KPIs below.

	KPI	Time to productivity
Short-term	Number of MoU signed Number of transactions for which exclusive negotiations began between the seller and buyer	Approx. 3 – 6 months
Medium-term	Number of new contracts Number of brokerage contracts signed with sellers	Approx. 8 – 12 months
Long-term	Number of consultants Total number of consultants which include both mid-career and new graduate hires	Approx. 12 months ~ for mid-career hires Approx. 24 months ~ for new graduate hires

Number of MoU Signed and MoU Signing Fees

- After a potential buyer and seller sign a Memorandum of Understanding (MoU), the M&A process advances to the due diligence stage before the conclusion of a final agreement. Therefore, an increase in MoU signing fees is a key performance indicator that leads to an increase in success fees.
- The number of MoU signed in 1H was 150, maintaining our previous levels.

Number of MoU Signed



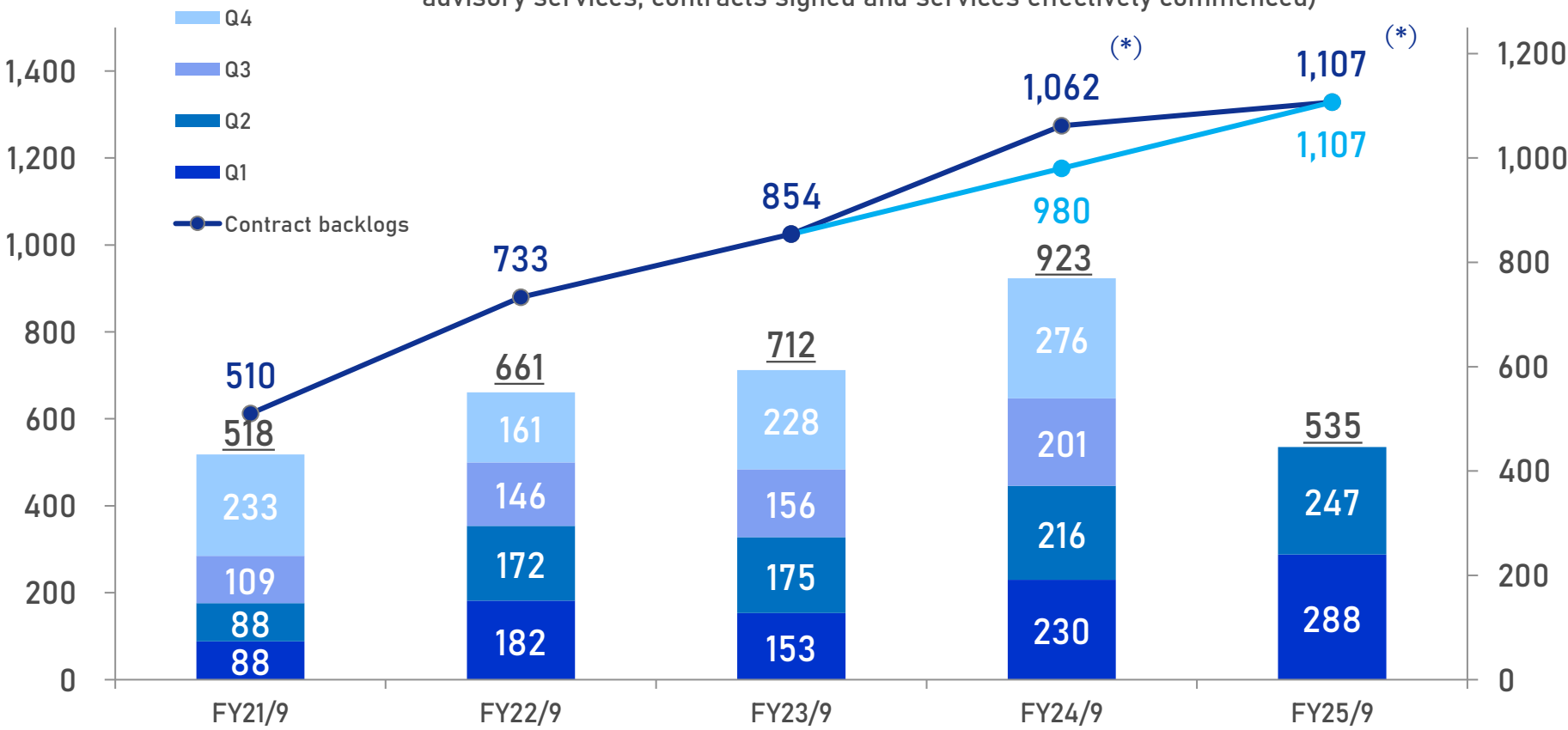
Note:
The MoU signing fee ranges from ¥1 million to ¥3 million, depending on the value of total assets of the potential seller.
The number of MoU signed above includes only those where MoU signing fees were incurred.

New Contracts

- ✓ New contracts were strong, driven by an increase in referrals. Although the backlog grew only modestly, the number of contracts with a higher likelihood of closure increased due to the removal of projects that had been suspended due to client circumstances.
- ✓ The average expected sales per new contract remained largely unchanged from FY24/9 (FY24/9: ¥86 million, Q2 FY25/9: ¥86 million).

New Contracts (Quarterly)

New contracts: New brokerage service contracts signed with sellers (or in the case of advisory services, contracts signed and services effectively commenced)



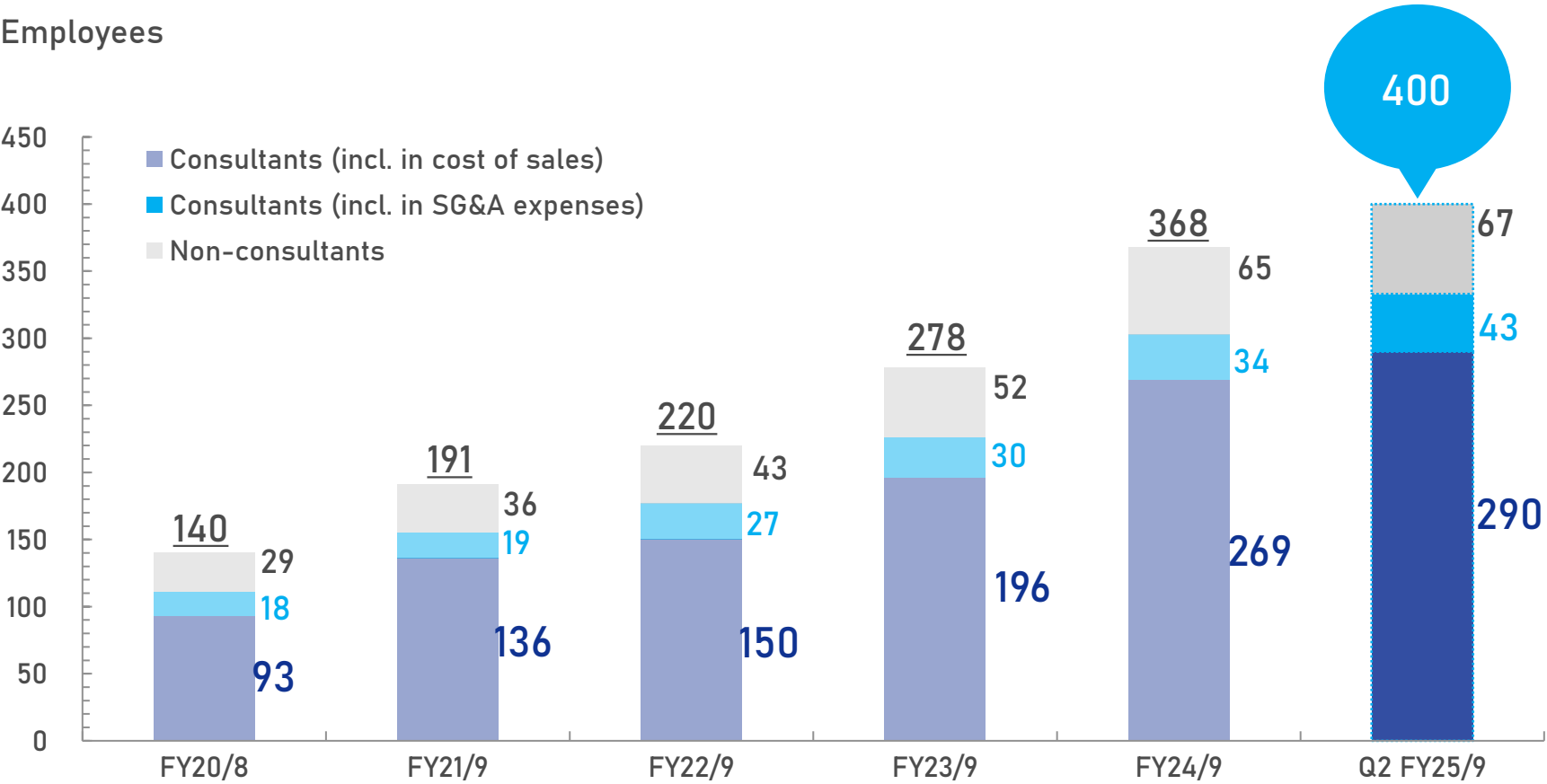
(13 months) (*) Includes projects suspended due to client circumstances (FY24/9: 82 contracts, Q2 FY25/9: 0 contracts).

Employees

- ✓ The consultant headcount increased by 30 in 1H, against our annual target of 61, a steady progress against our plan. The number of employees as of March 31, 2025 is 400.
- ✓ In April, 55 new employees, including 33 new graduates, joined the company.

Consultants (included in cost of sales) are involved in the entire deal process, from sourcing and matching to closing.
Consultants (included in SG&A expenses) specialize in sourcing deals from financial institutions, accounting firms, etc.

Employees



Topic 1

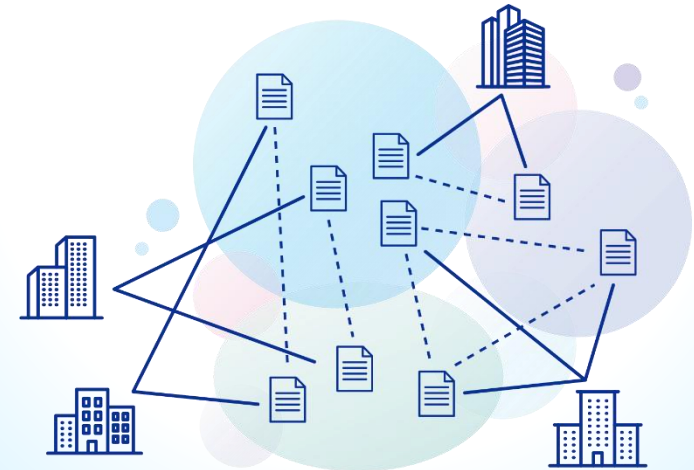
Joint development with the University of Tokyo and UTEC

Development of an M&A matching service utilizing patent data

- ✓ Joint research with the University of Tokyo and the University of Tokyo Edge Capital Partners Co., Ltd. ("UTEC").
- ✓ Collaboration with Shobayashi International Patent & Trademark Office, a firm specializing in corporate intellectual property analysis. Developed an M&A support service called "MAIPL" (M&A by Intellectual Property LINK), leveraging expertise in patent data analysis and IP Landscape® analysis (scheduled for launch in May 2025).
- ✓ Visualize technological synergies from an IP perspective, thus enhancing a framework to promote efficient M&A matching.

MAIPL

M&A by Intellectual Property LINK



正林国際特許商標事務所

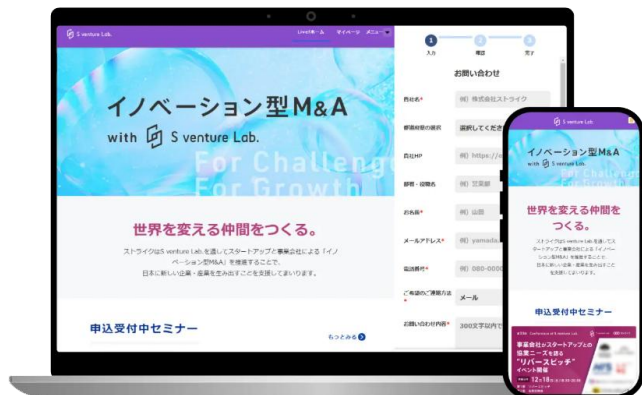


ストライク

URL : <https://www.strike.co.jp/service/maipl/>

Launch of the new website for S venture Lab.

S venture Lab. has launched its new website, "Innovation-oriented M&A with S venture Lab." Through this new site, we aim to actively provide information, promote innovation-oriented M&A between startups and business companies, and support the creation of new businesses and industries in Japan.



URL : <https://www.sventurelab.com/>

Obtained a "B" score in CDP 2024 Climate Change category

We have been awarded a "B" score in the Climate Change category of the 2024 questionnaire conducted by Carbon Disclosure Project (CDP), an international non-profit organization operating an environmental information disclosure system.

A "B" score corresponds to the "Management Level," indicating that our company is aware of its environmental risks and impacts and is taking specific actions to address them. This places us in the third-highest tier of an eight-level scale (A, A⁻, B, B⁻, C, C⁻, D, D⁻).

Having participated in the program since 2023, we have improved by two levels from our previous year's "C" score.



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Full-year Earnings Forecast for FY25/9

The assumptions used for the forecast are as follows. There are no significant changes at this time.

Net sales

- ✓ The expected number of deals closed is planned based on a closing rate reduced by approximately 5% from the most recent results, due to compliance with the revised SME M&A Guidelines. Average sales per deal closed is planned based on FY24/9 results (approx. ¥72 million per deal). Target 20% growth in net sales.

Cost of sales

- ✓ The COS ratio is expected to deteriorate due to an increase in referral fees, driven by an increased number of deals originating from referral channels (COS ratio +0.5%).
- ✓ We expect a 61 net increase in consultant headcount. The COS ratio is expected to increase proportionally to the fixed salaries of these new graduates (COS ratio +1.3%). In addition, due to revisions to the incentive structure starting FY25/9, we also expect a worsening in the COS ratio from higher incentive payments (COS ratio +0.6%).

SG&A expenses

- ✓ Although an increase in SG&A expenses is expected due to the expansion of the Hiroshima Office and relocation and expansion of the Takamatsu Office, we plan to limit the increase in SG&A expenses to about ¥350 million per year by strengthening cost control and improving the SG&A ratio.

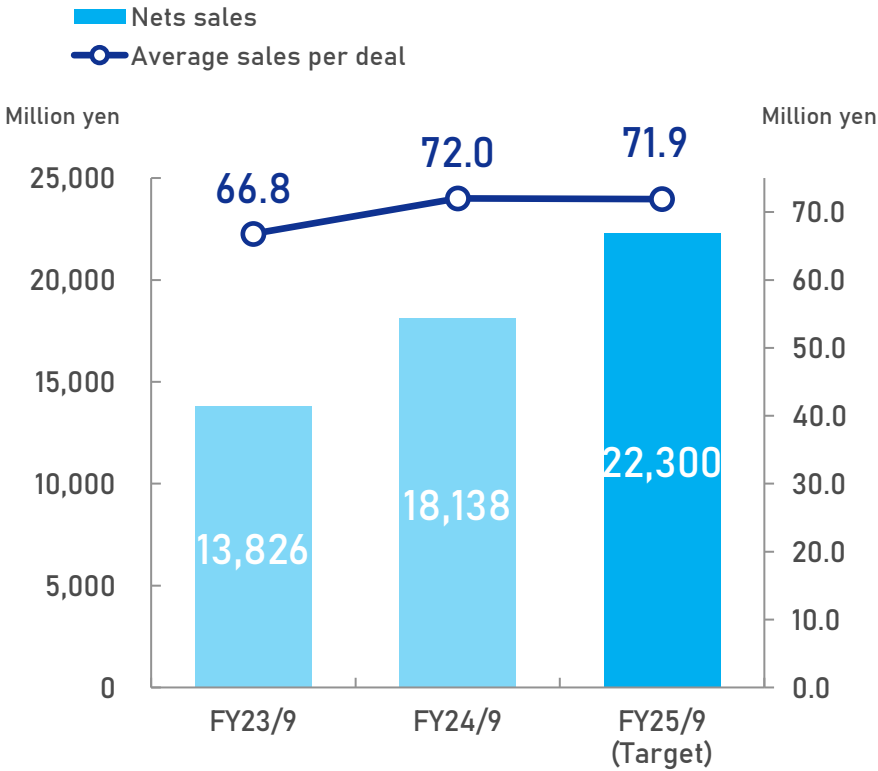
Recent developments

- ✓ There is no change to the full-year earnings forecast from the initial plan.
- ✓ Although net sales fell short of the initial forecast in 1H due to delays in deal closing versus initial plan for several large deals, we anticipate substantial sales from the closure of these deals in Q3. Therefore, we expect to achieve full-year results broadly in line with our original forecast.
- ✓ SG&A expenses, despite incurring sales-related advertising expenses ahead of schedule, are expected to remain broadly in line with the initial full-year plan.

Forecast for FY25/9

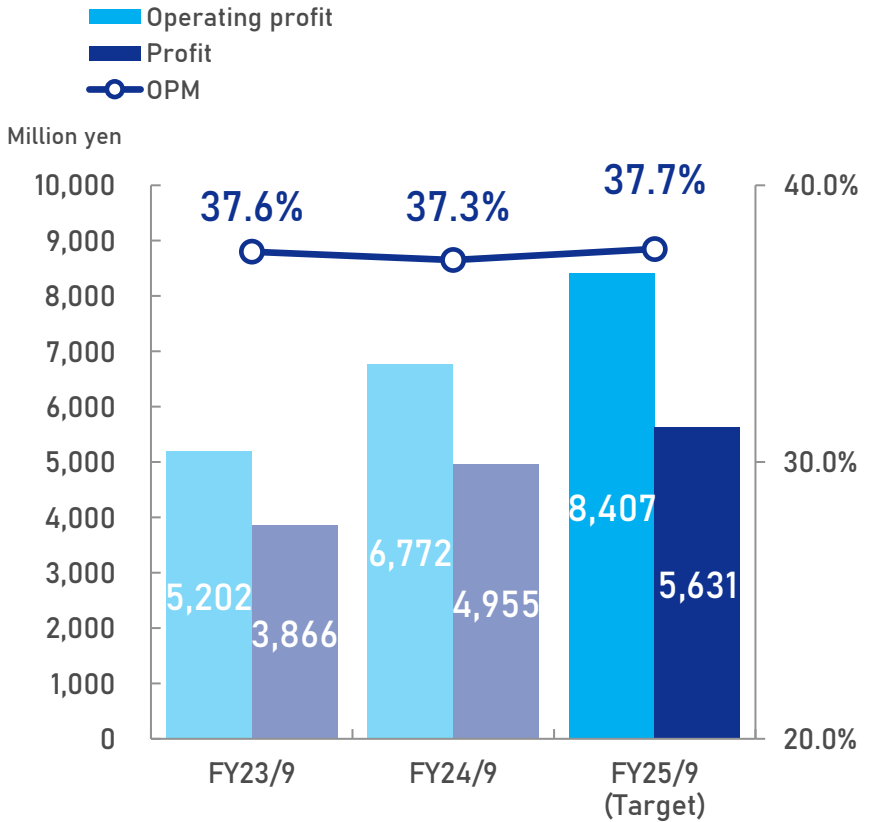
- ✓ Average sales generated per deal closed have been planned based on FY24/9 results. The number of deals closed has been planned with the assumption of a slight extension in the deal timeline due to compliance with the SME M&A Guidelines.

Net Sales and Average Sales per Deal



Note: Average sales per deal closed is calculated by dividing net sales by the number of deals closed.

Operating Profit and Profit



Note: The profit forecast does not account for the impact of tax credits, etc.

Forecast for FY25/9

- ☑ Our plan calls for closing 310 deals and taking on 1,045 new contracts.
- ☑ The COS ratio is expected to deteriorate, but OPM is expected to improve slightly.

Million yen

	FY2024/9	FY2025/9 forecast	YoY change
Net sales	18,138	22,300	+22.9%
Cost of sales	6,527	8,714	+33.5%
Cost of sales ratio	36.0%	39.1%	–
Gross profit	11,610	13,585	+17.0%
SG&A expenses	4,838	5,178	+7.0%
SG&A ratio	26.7%	23.2%	–
Operating profit	6,772	8,407	+24.1%
Operating profit margin	37.3%	37.7%	–
Ordinary profit	6,772	8,406	+24.1%
Profit before income taxes	6,730	8,406	+24.9%
Profit	4,955	5,631	+13.7%
Number of deals closed	252	310	+58
Number of new contracts	923	1,045	+122
Employees	368	434	+66

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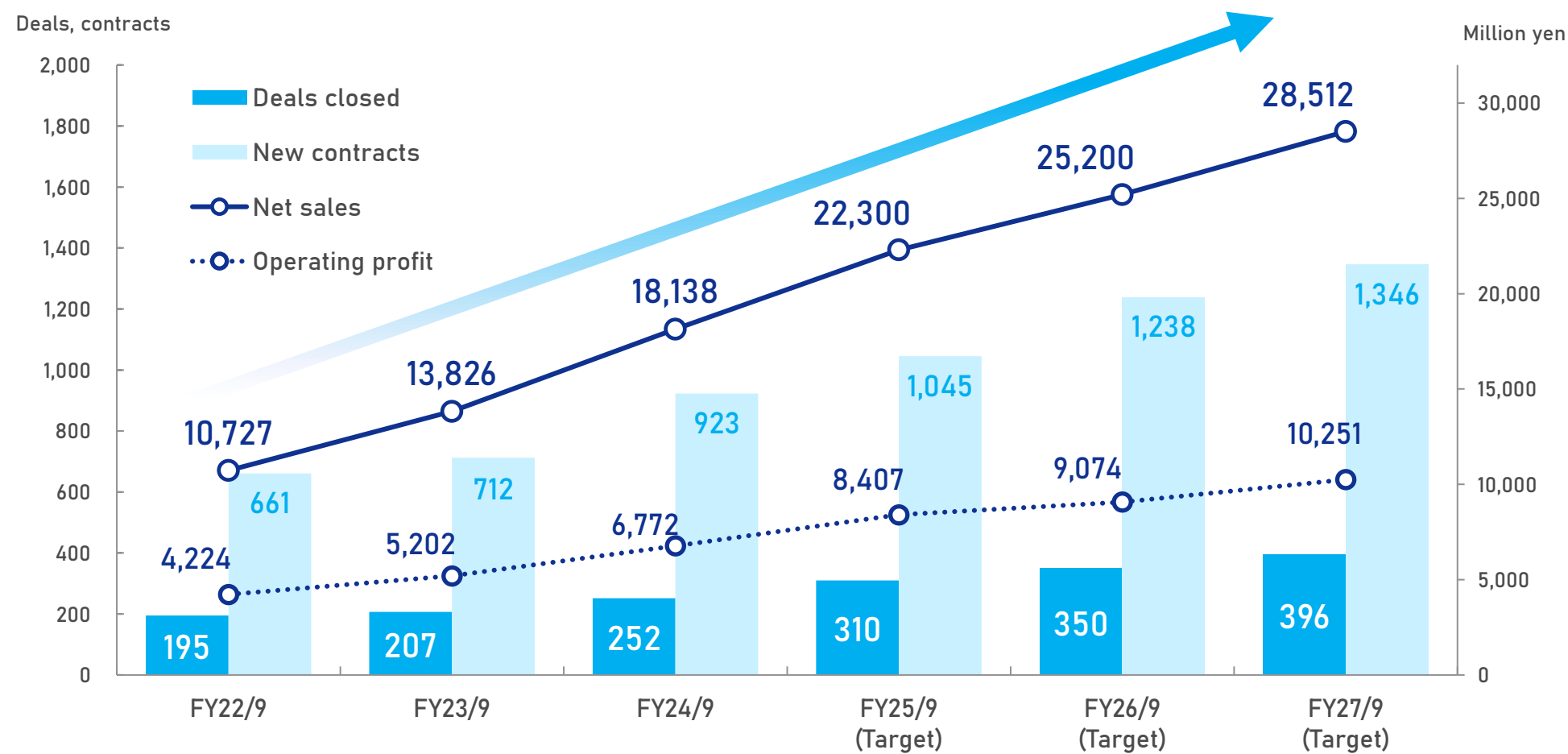
Medium-term Management Plan

Assumptions for the plan

- ☑ We plan to increase the percentage of new graduate employees for M&A consultants and therefore expect productivity to decline slightly until FY2027/9. However, we expect productivity to improve from FY2028/9 onwards, when new graduate employees start contributing to earnings.
- ☑ We expect the percentage of new graduates who will not contribute to earnings to increase until FY2027/9 and therefore expect the COS ratio to increase proportionally to the fixed salaries of these new graduates.
- ☑ The ratio of referrals has increased since FY2024/9, and we expect this trend to continue for the next few years. Therefore, we expect a higher COS ratio due to higher referral fees.
- ☑ We plan to expand our head office in FY2026/9 or later. Although the specifics have not yet been decided, we expect to incur a reasonable amount of rent and office expansion costs.
- ☑ We expect a slight increase in SG&A ratio from FY2026/9 due to factors such as an increase in expenses (including personnel expenses) in response to the strengthening of SME M&A Guidelines, and expenses for business expansion and new business development.

Results and Targets: New Contracts, Deals Closed, Net Sales, and Operating Profit

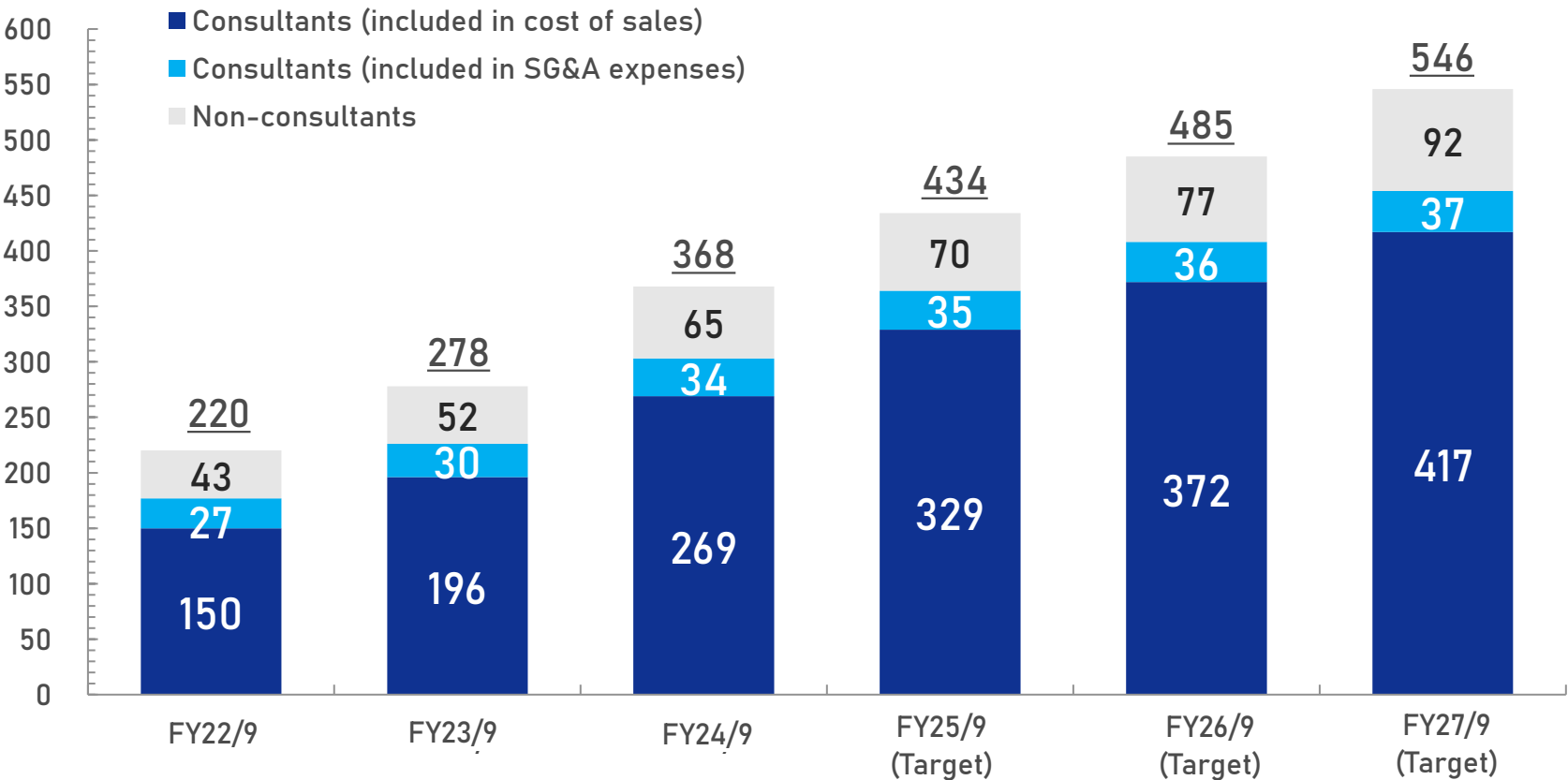
- ✓ We target a net sales CAGR of 15 to 20%.
- ✓ The results could exceed the plan if average sales per deal closed increase, the closing rate remains steady, head office expansion costs are reduced, and there are no significant tightening of regulations.



Employees

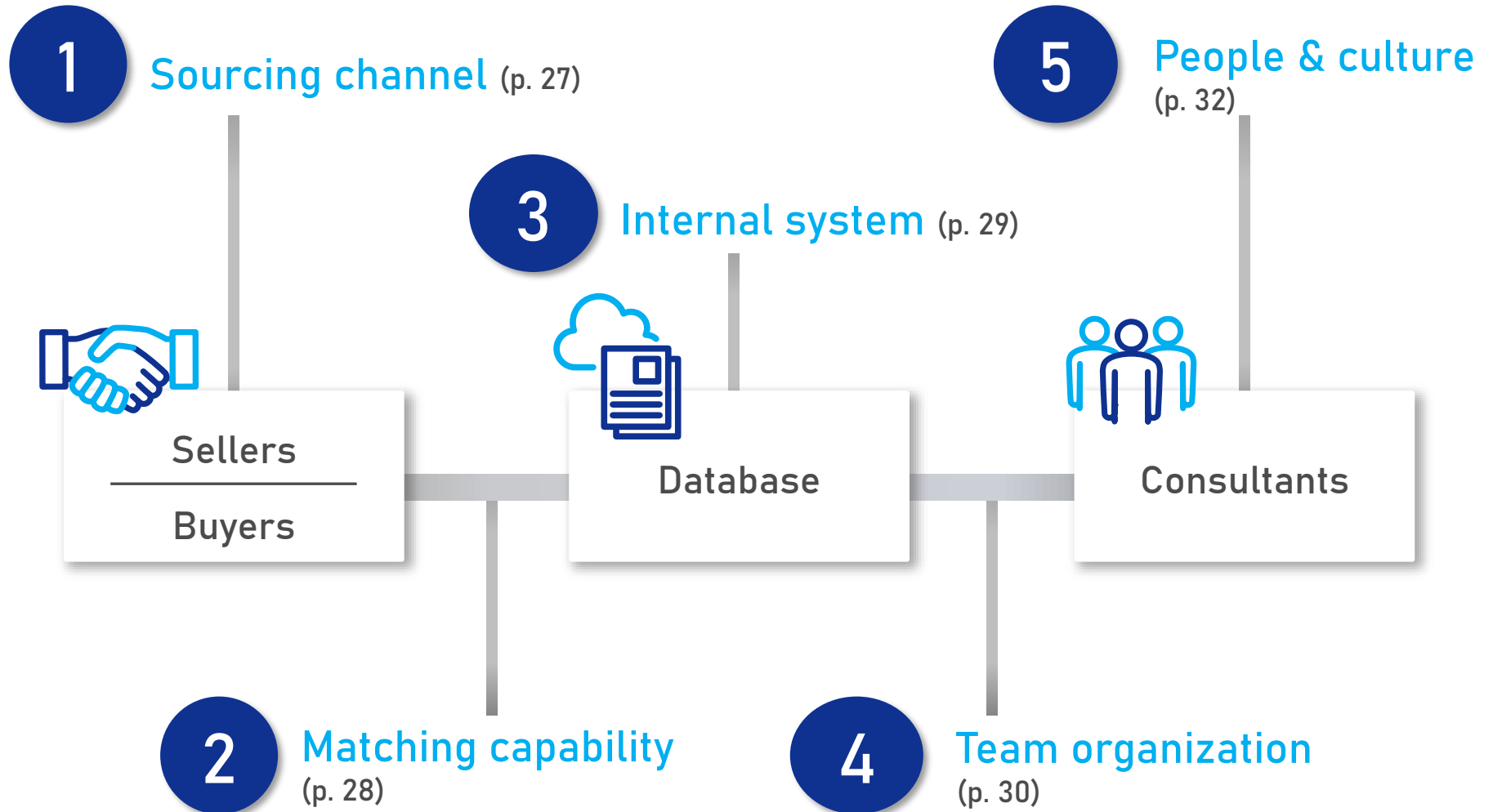
- ☑ Consistently grow our team while maintaining service quality.
- ☑ Plan to raise the percentage of new graduate employees.

Employees (Fiscal Year-End)



Our Competitive Advantages

- ✓ Five strengths supporting our growth

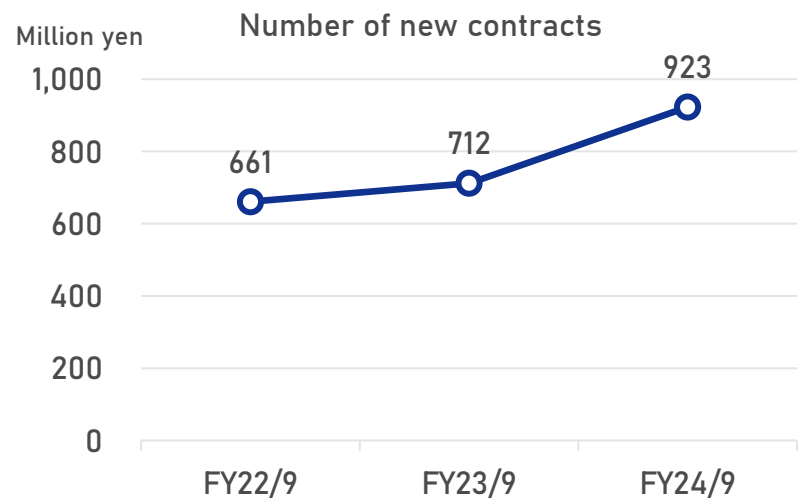


1) Sourcing Channel

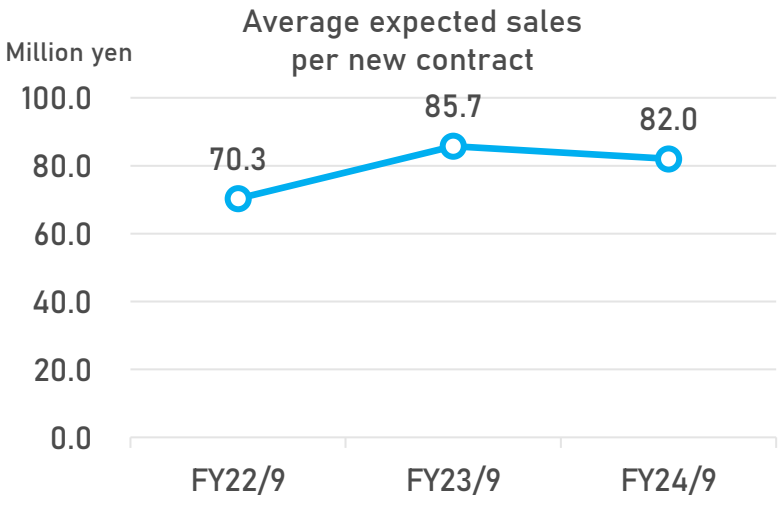
- ✔ Increase the number of new contracts and average sales per deal closed by maintaining a good balance between direct sourcing and referrals.



Strengthened relationships with business partners has led to an increase in the number of referrals.



Increased focus on direct sales to larger companies has resulted in higher average sales per deal.



2) Matching Capability

1

Acquisition needs of +17,000 companies

Our consultants use Strike's internal database of M&A needs for over 17,000 companies to make direct proposals to potential sellers.



3

M&A brokerage site SMART

Our M&A brokerage site SMART garners over 4,500 annual inquiries from potential buyers about anonymously listed deals.



2

All-hands deal meeting

All consultants can propose potential acquisition targets for all projects. Approx. 26,000 potential acquisition targets are proposed annually.



4

Extensive network of partners

We receive referrals of companies that wish to acquire other companies from partner financial institutions, accounting firms, and others.



Enhance client satisfaction by offering sellers a broad range of buyer options

3) Sales Management System

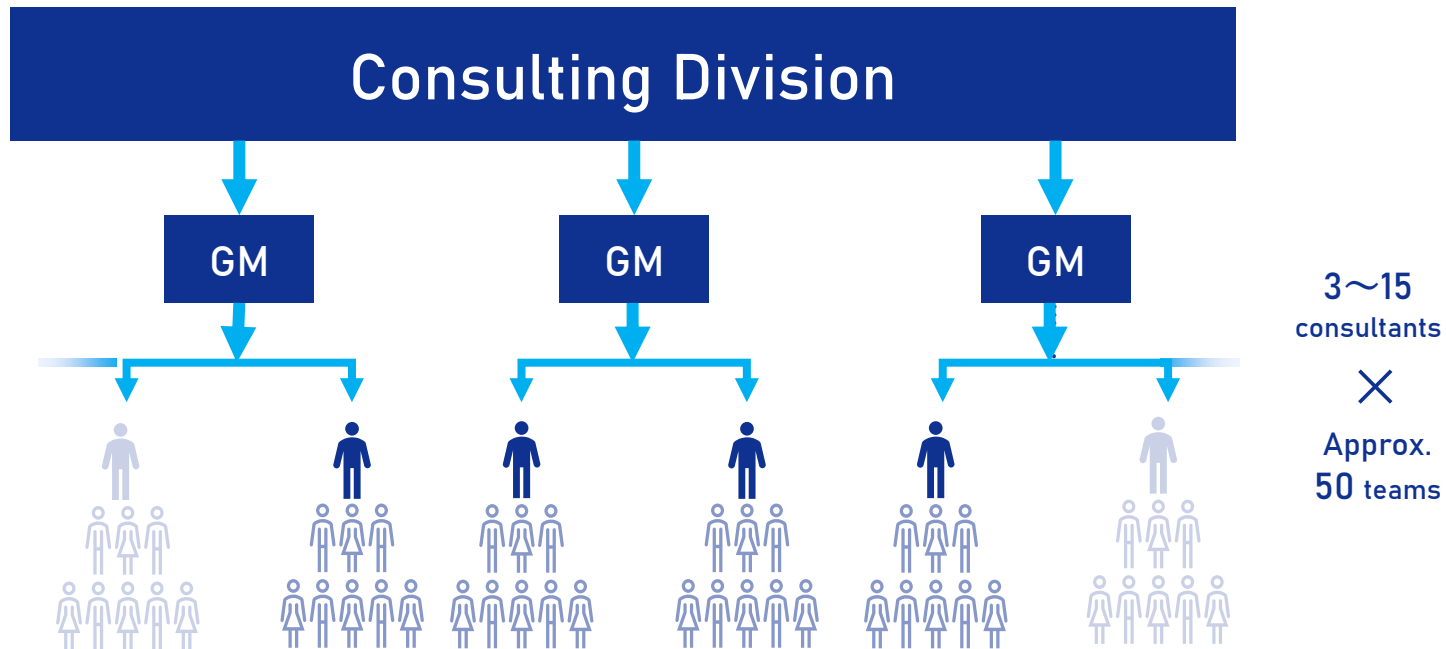
- ✓ Enhance operational efficiency and optimize matching by incorporating a wealth of corporate data into our internal sales management system.

Increase operational efficiency
and optimize matching



4) Team Organization - 1

- ✓ Team System: A collaborative approach where a team of multiple consultants works together to manage the entire deal process from sourcing to execution, instead of relying on a single consultant.
- ✓ By working as a team and leveraging each other's knowledge and experience, we strengthen the development of new employees and future leaders, avoid conflicts of interest, and enhance proposal and matching qualities.



4) Team Organization - 2

☑ Advantages of the Team System

Enhancing Proposal Quality

We leverage a diverse team of consultants to conduct in-depth analyses of specific industries. By sharing insights, we refine our proposals to address the unique challenges of each sector, resulting in more sophisticated and targeted proposals.

Enhancing Matching Quality

By specializing in specific industries, our team improves the quality of potential buyer selection within those sectors. Through detailed project sharing and collaborative efforts, we are able to present a broader selection of potential buyers to our seller clients.

Preventing Conflicts of Interest and Misconduct

Our team is highly vigilant in identifying and preventing conflicts of interest between buyers and sellers as well as misconduct within the company. This proactive approach ensures a secure and transparent environment for all transactions.

Accelerating New Employee Training

We provide new employees with ample opportunities to engage in various tasks and learn from experienced leaders and team members. This hands-on approach speeds up their growth, helping them to start contributing effectively much sooner than if they were working alone.

Developing Next-Generation Leaders

Consultants can gain valuable experience by mentoring and supervising their team members. This helps team members develop and enhance the management skills needed for leadership roles, supporting the growth of the next generation of leaders.

Streamlining Operations

By distributing and sharing tasks within the team, we enhance the efficiency of our deal processes. Involving multiple team members in each project not only reduces imbalances between deal-making activity and MoU signing activity, but also allows us to handle multiple projects concurrently and effectively.



Enables us to provide quality services sustainably and stably

(Reference) Net sales per consultant at the beginning of the year

FY23/9: ¥78 million → FY24/9: ¥80 million

5) People & Culture - 1

- ✓ Our goal is to secure sustainable and reliable growth by fostering ongoing professional advancement and reinforcing our consultants' teamwork, anchored in our commitment to people & culture, the bedrock of our corporate value growth.

Mission

Create partnerships
that change the world.



Extensive training programs

Continuous professional development
of consultants

Compliance awareness

Thorough awareness
of legal compliance

Network of business partners

Providing services that earn
the trust of our partners

Teamwork

Mutual reinforcement of knowledge
and capabilities across departments

5) People & Culture - 2

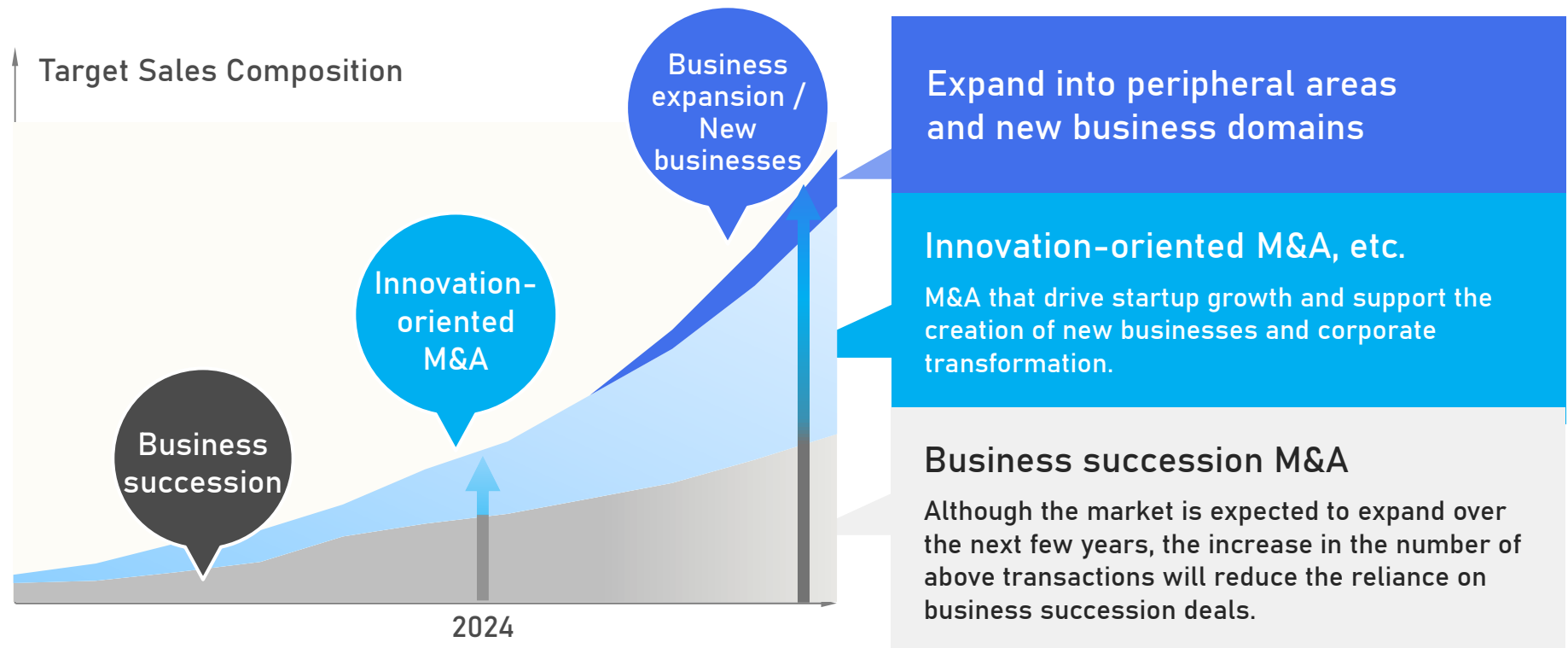
- ✓ We provide a wealth of training content tailored to each position to develop consultants capable of achieving sales of ¥100 million or more in three years. Training is provided on an ongoing basis to continuously enhance the expertise of our consultants.

Example of position-specific training



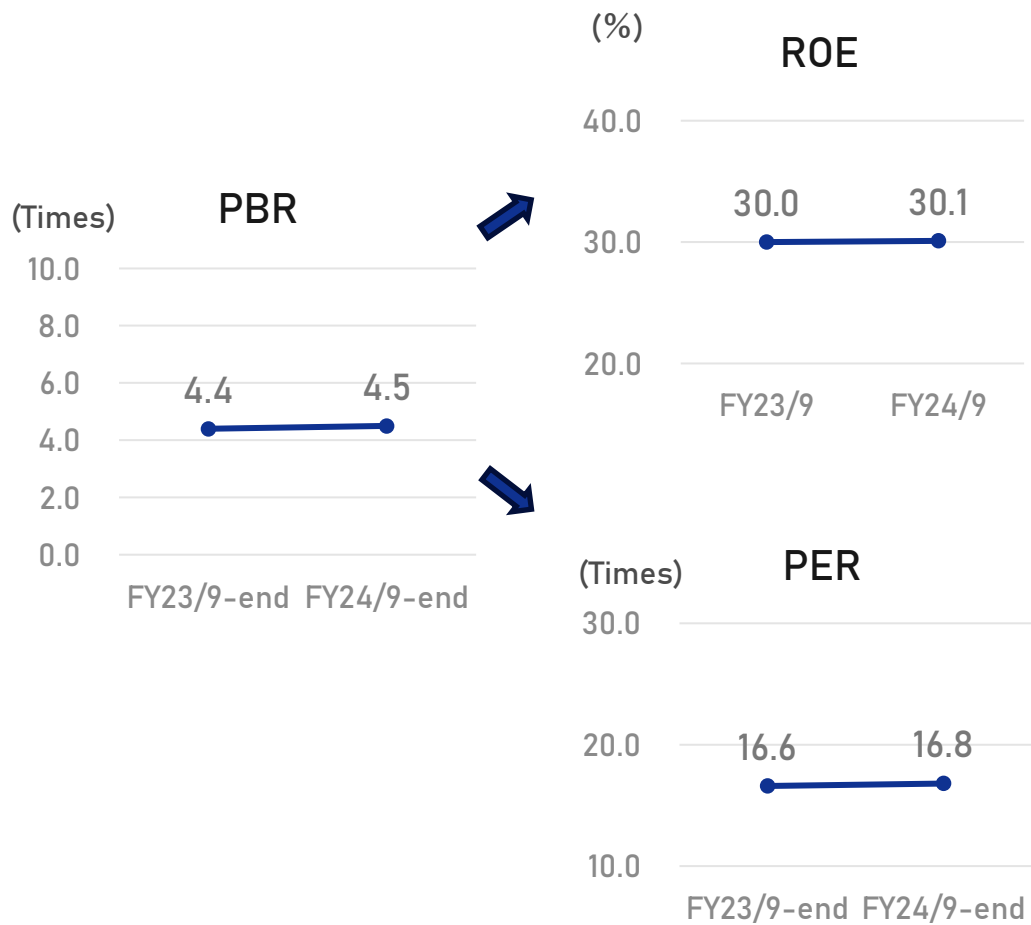
Future Growth Strategy

- ☑ Positively impact a greater number of people through our M&A services as we strive to increase the number of M&A contracts and the deal size.
- ☑ Focus on market cultivation aimed at facilitating innovation-oriented M&A.
- ☑ Expand into peripheral areas and new business domains to achieve sustainable growth. Actively pursue acquisitions to realize this goal.



Initiatives to Enhance Corporate Value

☑ We recognize enhancing corporate value as a critical priority, while maintaining a high ROE.



ROE improvement measures

- Increasing the dividend payout ratio and improving capital efficiency through share buybacks.
- Enhancing profitability through steady organic growth and accelerating growth by expanding business domains and pursuing M&A opportunities.

PER improvement measures

- Enhancing investor relations (establishing a dedicated IR department and increasing IR personnel).
- Achieving sustainable growth through strategic investments and expansion into new business domains.
- Stabilizing quarterly financial performance.
- Providing appropriate shareholder returns.

Initiatives to Enhance Corporate Value

- ✓ We aim to maintain and improve capital efficiency. Our ROE for FY24/9 was 30.1%, and we anticipate a slight decline in ROE in FY25/9 under our initial plan. While aiming to expand profits through steady growth in existing businesses and new business initiatives, we also seek to enhance capital efficiency and maintain an ROE within the 25–30% range.

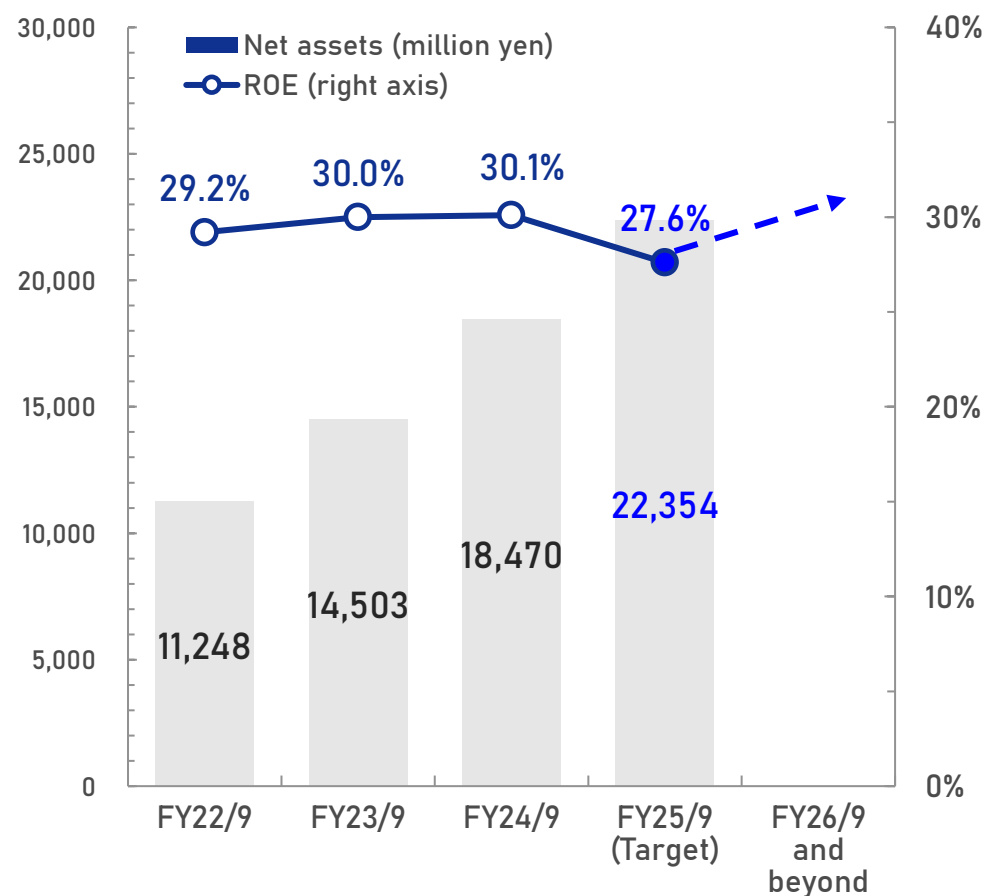
Measures to maintain and improve ROE

- (1) Target an appropriate level of shareholders' equity
 - Raise the dividend payout ratio from 35% to 50%
 - Flexibly consider share buybacks
- (2) Raise the earnings level

While focusing on our core M&A brokerage business, expand into other business areas to increase profits.
- (3) Utilize debt

Utilize borrowings to enhance capital efficiency when large investments are necessary.

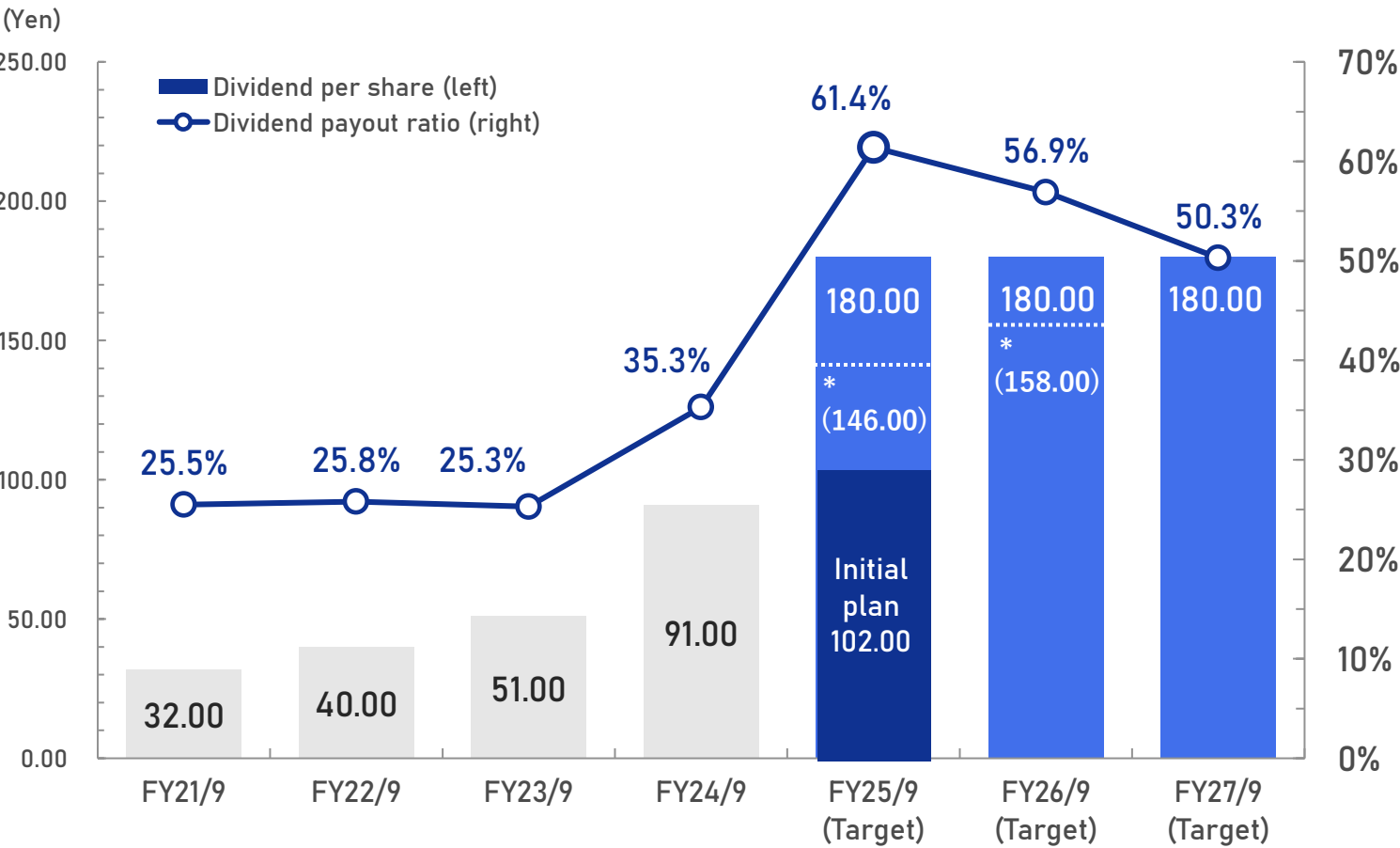
Net assets and ROE



Shareholder Return

- ✓ Revised the dividend policy to enhance ROE, increasing the dividend payout ratio from 35% to 50%.
- ✓ To further return surplus funds to shareholders, dividends per share will be fixed at ¥180 for the next three fiscal years. However, further dividend increases will be implemented if the dividend payout ratio falls below 50%.
- ✓ The dividend amount for FY25/9 will be raised from the initially planned ¥102 to ¥180 per share.

Dividends and Dividend Payout Ratio



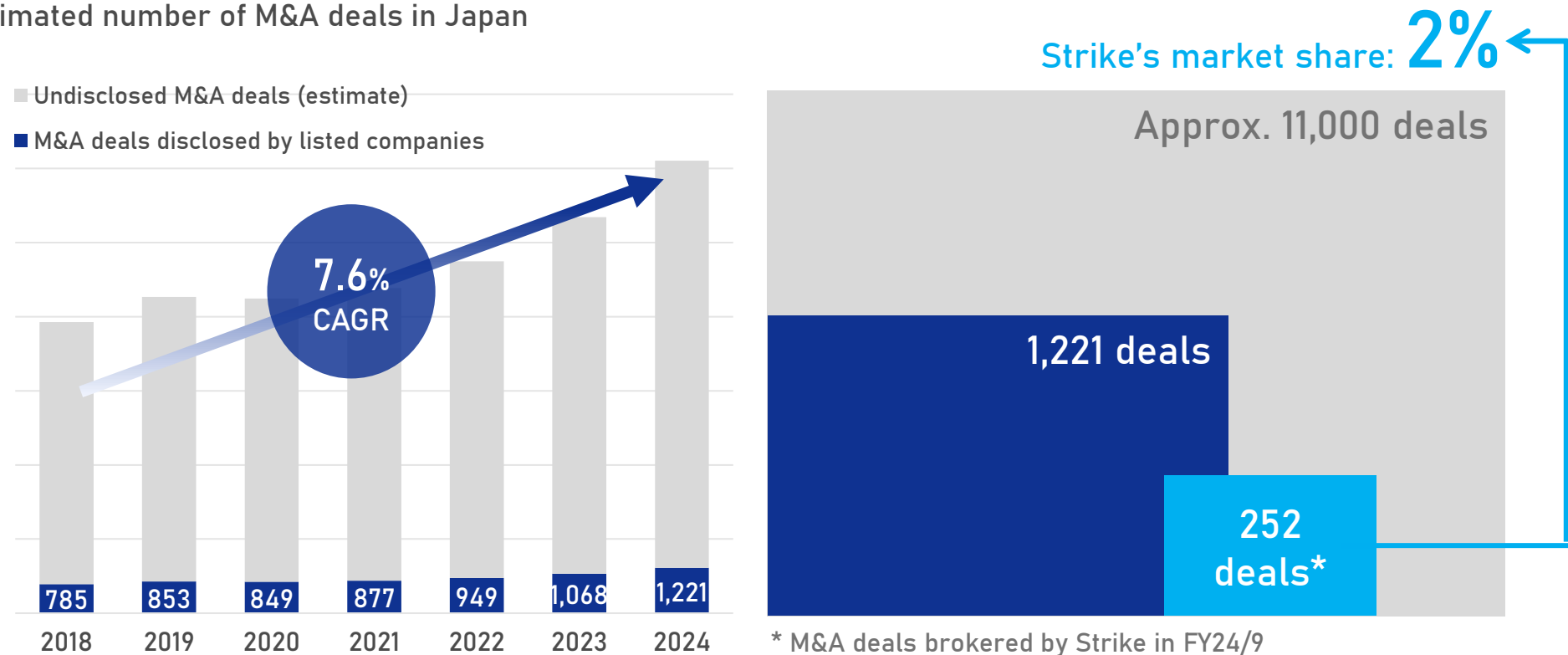
*() Dividends per share assuming a payout ratio of 50%

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Market Environment: Estimated Market Size in Japan

- ✓ Approximately 10% of our deals closed in 2024 were publicly disclosed through timely disclosures. By reverse calculating from the 1,221 M&A deals disclosed by listed companies in 2024, we estimate that the total number of M&A deals in Japan for 2024 was around 11,000.

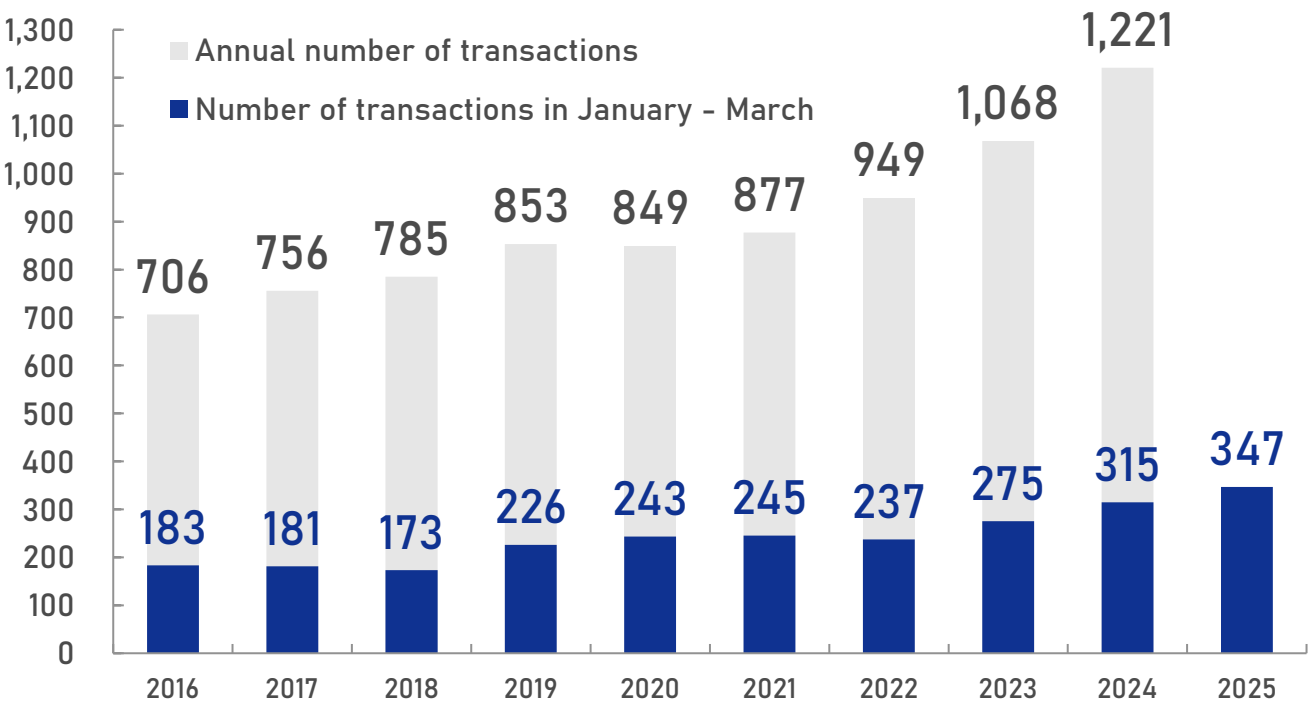
Estimated number of M&A deals in Japan



Market Environment: Number of M&A Transactions in Japan

- ☑ The number of M&A transactions from January to March 2025 increased by 10% YoY to 347 (based on timely disclosures of listed companies).
- ☑ Of this, 286 deals were M&A between Japanese companies (+31 YoY), while 61 of the deals involved overseas companies (+1 YoY).

Number of M&A transactions in Japan
(based on timely disclosures of listed companies)



Breakdown of M&A deals
(domestic and cross-border deals)

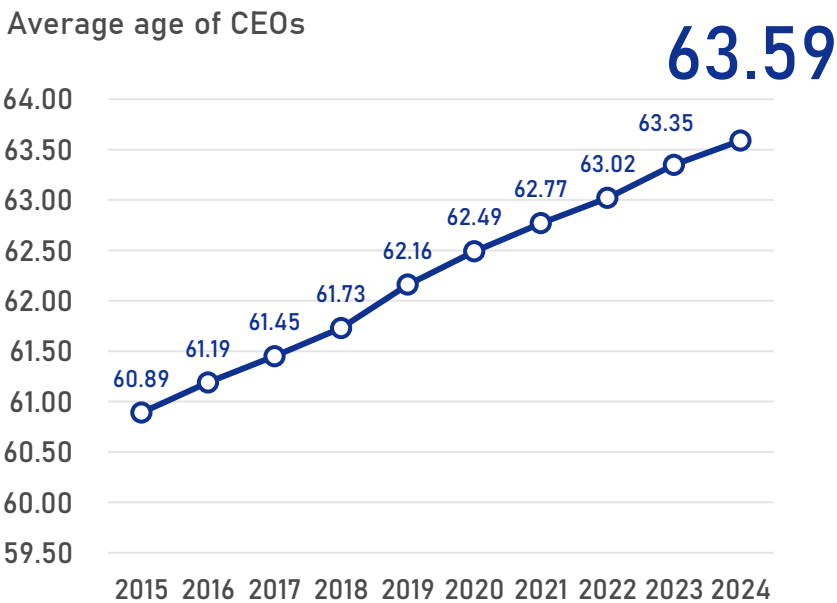
	Jan.-Mar. 2024	Jan. -Mar. 2025
Total M&As	315	347
M&As between Japanese companies	255	286
Outbound M&As	38	35
Inbound M&As	22	26

Source: M&A Online

Market Environment: Aging CEOs, Increase of Business Closure and Dissolution

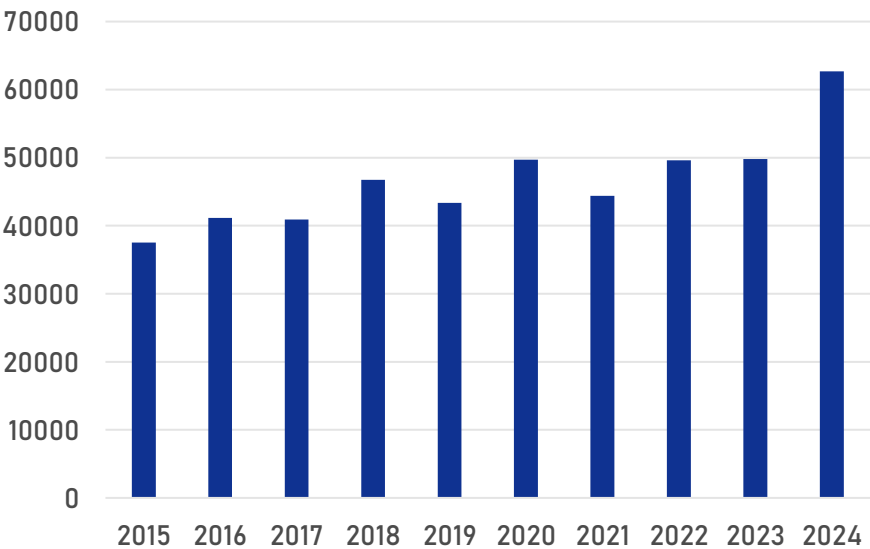
- ✔ With CEOs aging, there are many companies without successors, even among companies with elderly CEOs.
- ✔ The number of closed and dissolved businesses also remain at a high level.
- ✔ The market for business succession M&A is expected to continue expanding.

Aging CEOs



Source: "Nationwide Survey of Company Presidents' Ages," Tokyo Shoko Research, Ltd.

Number of Businesses Closed or Dissolved



Source: "2024 Survey of Trends in Closed and Dissolved Businesses," Tokyo Shoko Research, Ltd.

Market Environment: Boosting Productivity is Crucial to the Survival of SMEs

Boosting productivity* is essential for SMEs in Japan to achieve both wage increases and profit growth.

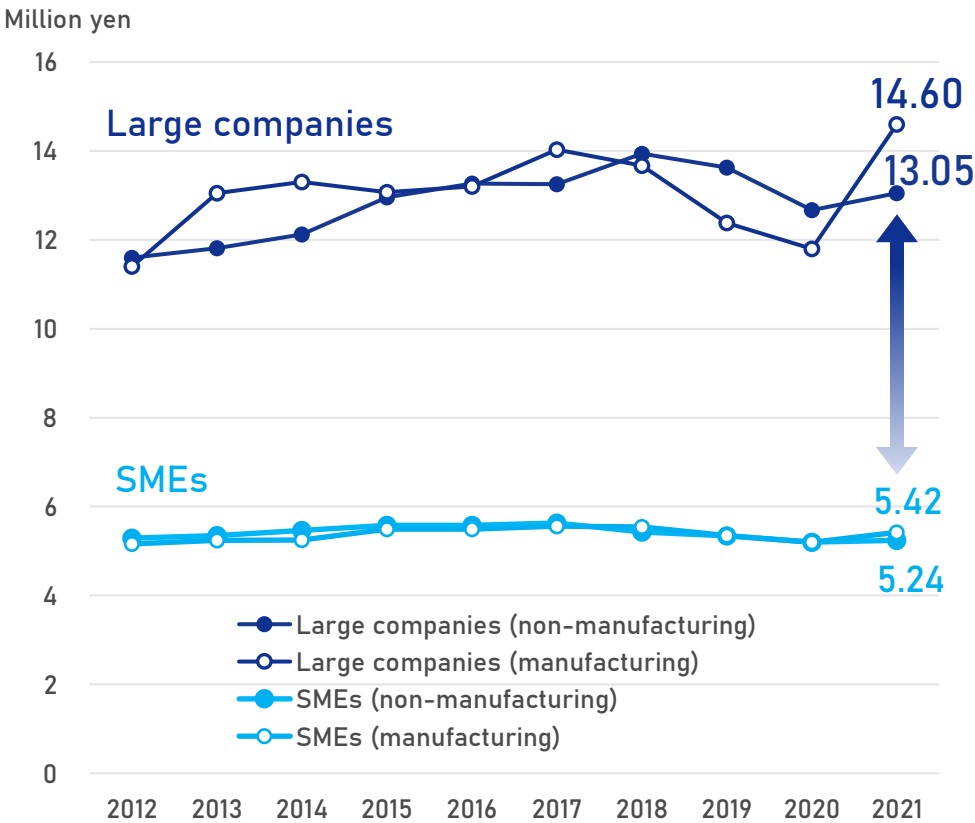
*Increase of added value

Creating new value through new businesses and exploring opportunities through cross-sector partnerships are becoming increasingly essential. M&A is a powerful strategy to achieve these goals.

Source: Financial Statements Statistics of Corporations by Industry, Annually by the Ministry of Finance, included in the 2023 White Paper on Small and Medium Enterprises in Japan

Widening Disparity in Added Value between Large Companies and SMEs

Added value per employee (labor productivity) by company size



Market Environment: M&A of Startups

- ✓ The Japanese government has designated 2022 as the “first year of startup creation” and announced the “Startup Development Five-year Plan” in November 2022.
- ✓ As part of its efforts to create a startup ecosystem, the government is developing various measures to facilitate startup M&A activity.

Japanese government's five-year target and three pillars



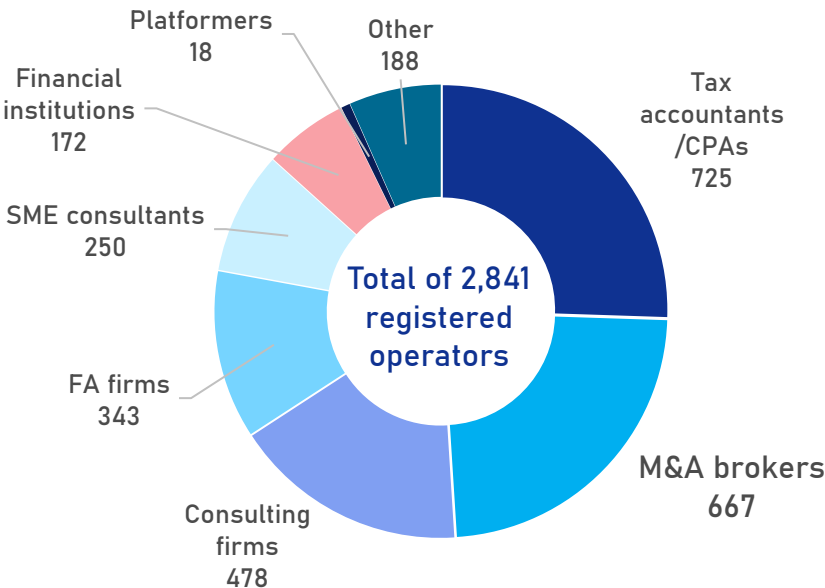
Essential to develop the exit market

Startup M&A market expected to expand

Market Environment: Status of M&A Service Providers

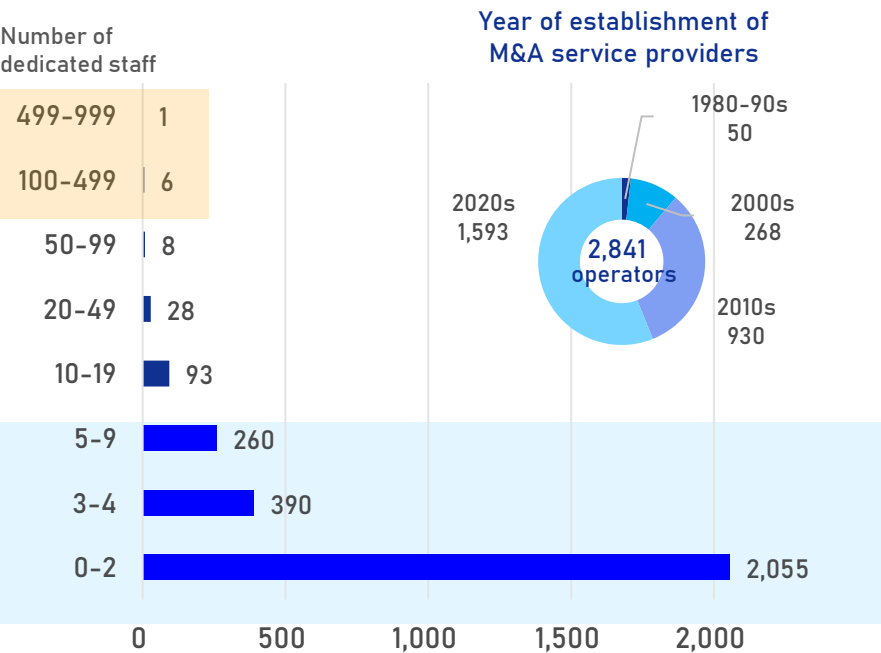
- ☑ The Small and Medium Enterprise Agency launched a registration system for M&A service providers in 2021 (although not mandatory, most providers are registered).
- ☑ Most registered M&A service providers are small in size.

Number of Registered M&A Service Providers



Source: Current Registration Status (as of Feb. 18, 2025) by the Small and Medium Enterprise Agency

Number of Staff Dedicated to M&A Services at Registered Operators



Source: Current Registration Status (as of Feb. 18, 2025) by the Small and Medium Enterprise Agency

Market Environment: Initiatives by SMEA and M&A Advisors Association

Background

- ✔ M&A service providers in Japan do not need any permits or licenses to operate, and there are no overarching laws or regulations governing the industry.
- ✔ As the SME M&A market in Japan expands, more and more new entrants are entering the market. However, some of these entrants lack sufficient experience and knowledge in M&A support, resulting in inconsistent service quality and unclear fee structures.

Initiatives by the Small and Medium Enterprise Agency (SMEA) and the M&A Advisors Association

- ✔ The Small and Medium Enterprise Agency is implementing measures to promote M&A among SMEs, including budget allocations for subsidy schemes to facilitate the use of M&A service providers, along with a comprehensive revision of its guidelines.
- ✔ To enhance overall service quality in the industry, the government expects the M&A Advisors Association, an industry organization, to establish uniform self-regulatory rules and ensure that M&A service providers adhere to these standards.

Measure		Organizations subject to guidelines/rules	Overview
SMEA	Published the M&A Guidelines for SME (3rd Edition in August 2024)	Companies, etc. registered as M&A service providers (*)	The Guidelines include points to be noted by M&A service providers, as well as key considerations for SMEs when they are considering M&A.
M&A Advisors Association	Established the industry's first Code of Ethics and three self-regulatory rules: Advertising and Sales Rules, Compliance Rules, and Rules for Explaining Important Contract Matters	Members of the M&A Advisors Association	The content is mainly aimed at M&A service providers, defining more specific and detailed regulatory content compared to the M&A Guidelines for SME.

*SMEA's registration system for M&A service providers. Registered institutions are eligible for government subsidies.

Market Environment: M&A Guidelines for SME

Key Points of Revisions to M&A Guidelines for SME (3rd Edition)

Main revisions

1. Enhanced transparency of fees and services provided

- Clarifying criteria for calculating fees
- Clarifying payment terms for success fees



2. Enhanced conflicts of interest prevention measures

- Prohibiting preferential treatment for repeat clients (e.g., selecting a buyer who does not meet the seller's needs or pushing for unfairly low sale prices).



3. Ensuring reliability and safety

- Requiring verification of potential clients and creating a system for sharing information to eliminate inappropriate operators.
- Providing clients with information on the consultant's qualifications, experience, and track record.



Strike's response

Transparent fee structure and robust verification system

- We provide full transparency on our fee structure and ensure thorough explanations of key terms.
- A department independent of sales teams verifies the reasonableness of fees before deals are finalized.

Measures to mitigate conflict of interest risks

- All consultants are able to propose buyer candidates, ensuring that we do not rely on specific buyers.
- An independent department reviews the appropriateness of fee amounts.

Advanced client screening and training system

- Inappropriate businesses are managed in an internal database to prevent any contact from occurring.
- Financial details of potential sellers and buyers are verified at the time of concluding brokerage contracts.
- Both new employee training and deal facilitation are carried out effectively through a team-based approach.

M&A brokers' service quality is becoming more crucial than ever.

Market Environment: M&A Intermediaries Association



Based on the "SME M&A Promotion Plan" by the Small and Medium Enterprise Agency, this self-regulatory organization was established to advance fair and smooth M&A transactions and to contribute to the sound development of the M&A brokerage industry. As of April 1, 2025, the organization has 181 member companies.

On January 1, 2025, the organization has changed its name and welcomed three new board members. Membership will expand beyond M&A brokerage firms to include financial advisors (FAs), M&A platform operators, financial institutions, and professional service providers, aiming to become an inclusive industry organization.

Recent developments

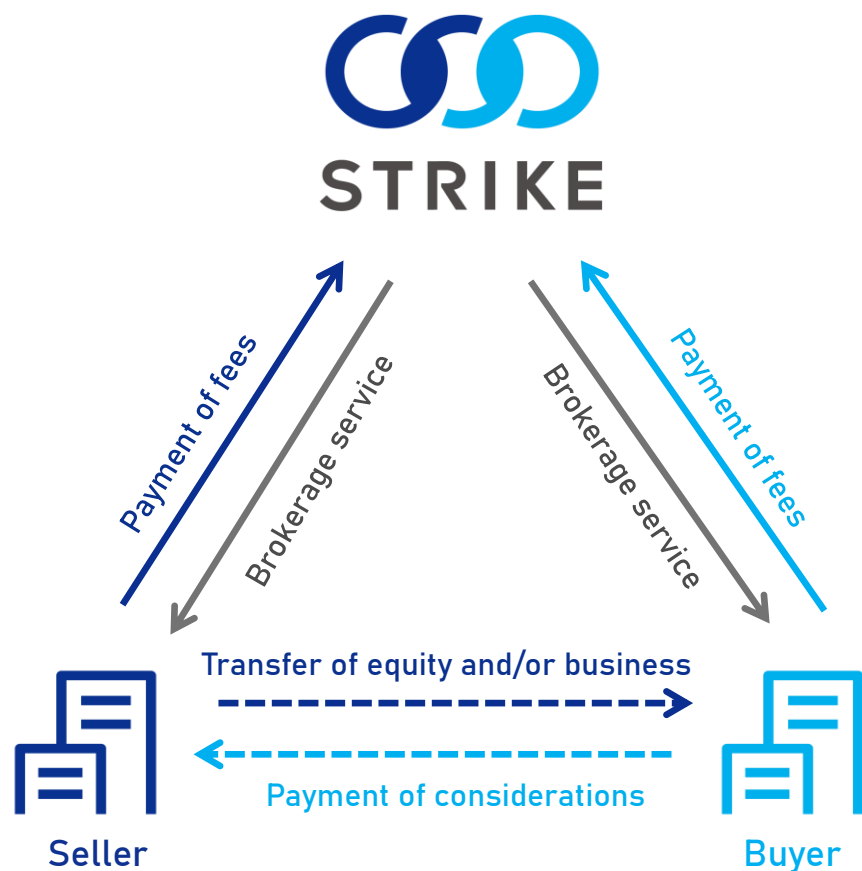
September 2024	Commenced reciprocal disclosure of fee structures
October 2024	Commenced operation of the Specified Business Operator List
January 2025	Established Qualification System Review Committee Established Self-regulatory Rules Review Committee
April 2025	Revised the provisions for the Specified Business Operator List and strengthened its operation

Name	M&A Advisors Association (MAAA)	
Established	October 1, 2021	
Representative director	Kunihiko Arai	President and CEO, Strike Co., Ltd.
Directors (*) indicate new members	Nobuo Onodera (*)	Representative Director, Managing Executive Officer, The Bank of Yokohama, Ltd. / Regional Banks Association of Japan
	Ryosuke Kubo	President, Ondeck Co., Ltd.
	Shunsaku Sagami	CEO, M&A Research Institute Inc.
	Yasuhito Shinoda	President, Meinan M&A Co., Ltd.
	Toshihiko Shibusa (*)	President, Toranomom Audit LLC Executive Board Member, The Japanese Institute of Certified Public Accountants
	Satoru Nakamura	President and CEO, M&A Capital Partners Co., Ltd.
	Suguru Miyake	President and Representative Director, Nihon M&A Center Inc.
Auditor	Akihiro Watanabe (*)	Certified Public Accountant
	Yutaro Kikuchi (Attorney-at-law, Kikuchi Sogo Law Office)	

- 01 Operating Performance in Q2 FY25/9
- 02 Forecast for FY25/9
- 03 Initiatives to Enhance Corporate Value
- 04 Market Environment
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Company Overview

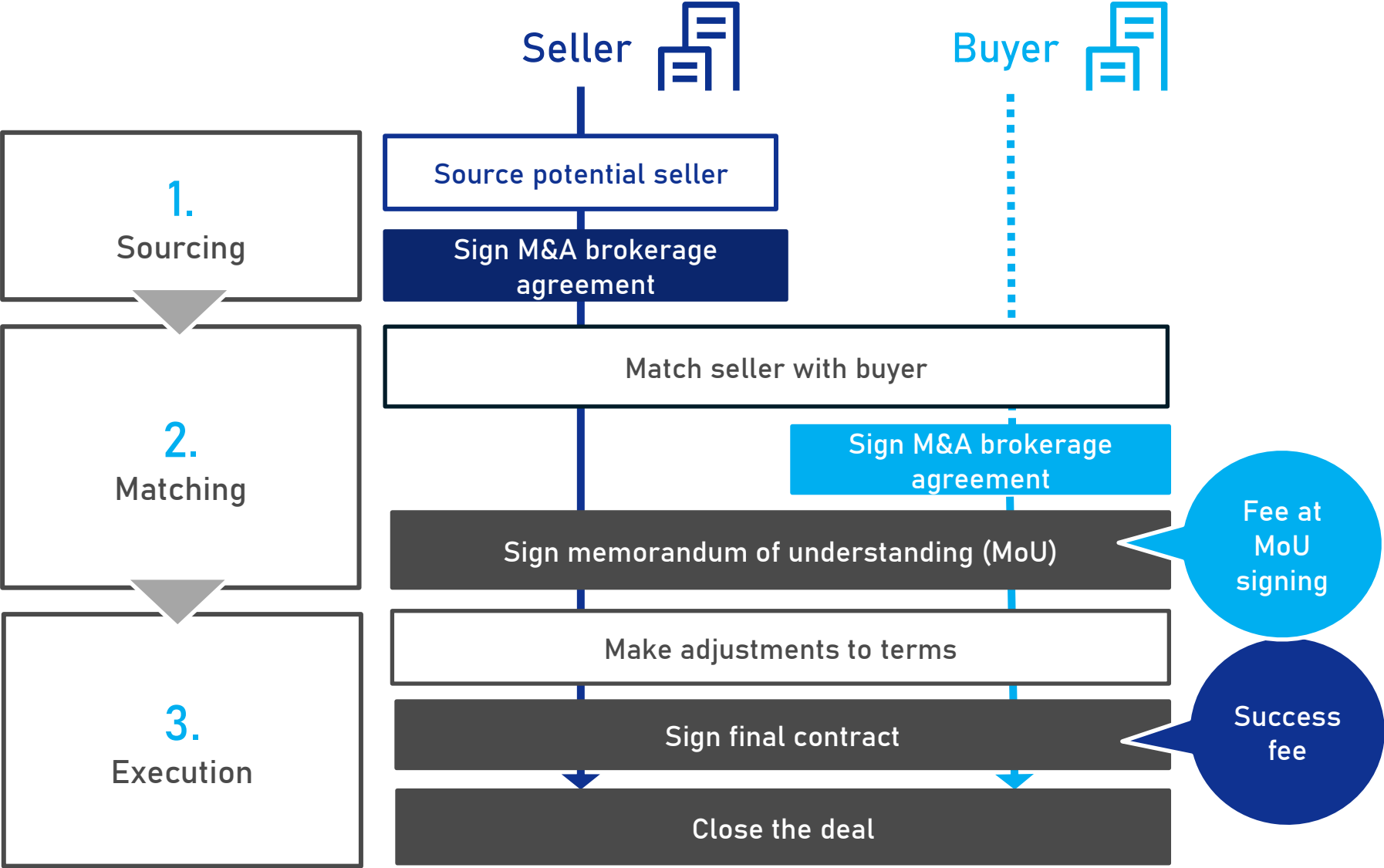
Company name	Strike Co., Ltd.
Established	July 1997
Share capital	¥823 million (as of March 31, 2025)
Representative	Kunihiko Arai, President & CEO
Headquarters	15th floor of Mitsui & Co. Building 1-2-1 Otemachi, Chiyoda-ku, Tokyo, Japan
Employees	400 (excluding temporary staff; as of March 31, 2025)
Net sales, operating profit	Net sales of ¥18,138 million and operating profit of ¥6,772 million (operating profit margin of 37.3%) in FY24/9
Business	M&A brokerage business
Mission	Create partnerships that change the world.



Overview

- ✓ We match sellers with buyers and receive brokerage fees from both parties.
- ✓ We also act as financial advisors in some cases, representing either the seller or the buyer.

Flow of M&A Brokerage Business



Fee Structure

- ✓ No start-up fee and low intermediary fee upon MoU signing.

	Seller	Buyer
Start-up fee	Free	Free
Fee at MoU signing	¥1–3mn when MoU is signed	¥1–3mn when MoU is signed
Success fee (Lehman formula)	Value of seller's equity and assets, etc. ^{Note 1}	Value of seller's total assets ^{Note 2}
	Portion below ¥500mn 5%	Portion below ¥500mn 5%
	Portion from ¥500mn to ¥1bn 4%	Portion from ¥500mn to ¥1bn 4%
	Portion from ¥1bn to ¥5bn 3%	Portion from ¥1bn to ¥5bn 3%
	Portion from ¥5bn to ¥10bn 2%	Portion from ¥5bn to ¥10bn 2%
	Portion above ¥10bn 1%	Portion above ¥10bn 1%

1. Since sellers pay their brokerage fees from their sale proceeds, the calculation baseline is set as the seller's sales value excluding the debt portion, in order to reduce their financial burden.
2. Value of seller's total assets represents the sum of a company's market capitalization and its debt.

M&A Track Record in Various Industries

Thanks to a vast referral network, we have a diverse M&A portfolio spanning multiple industries, which positions us to adeptly manage unique, specialized projects.



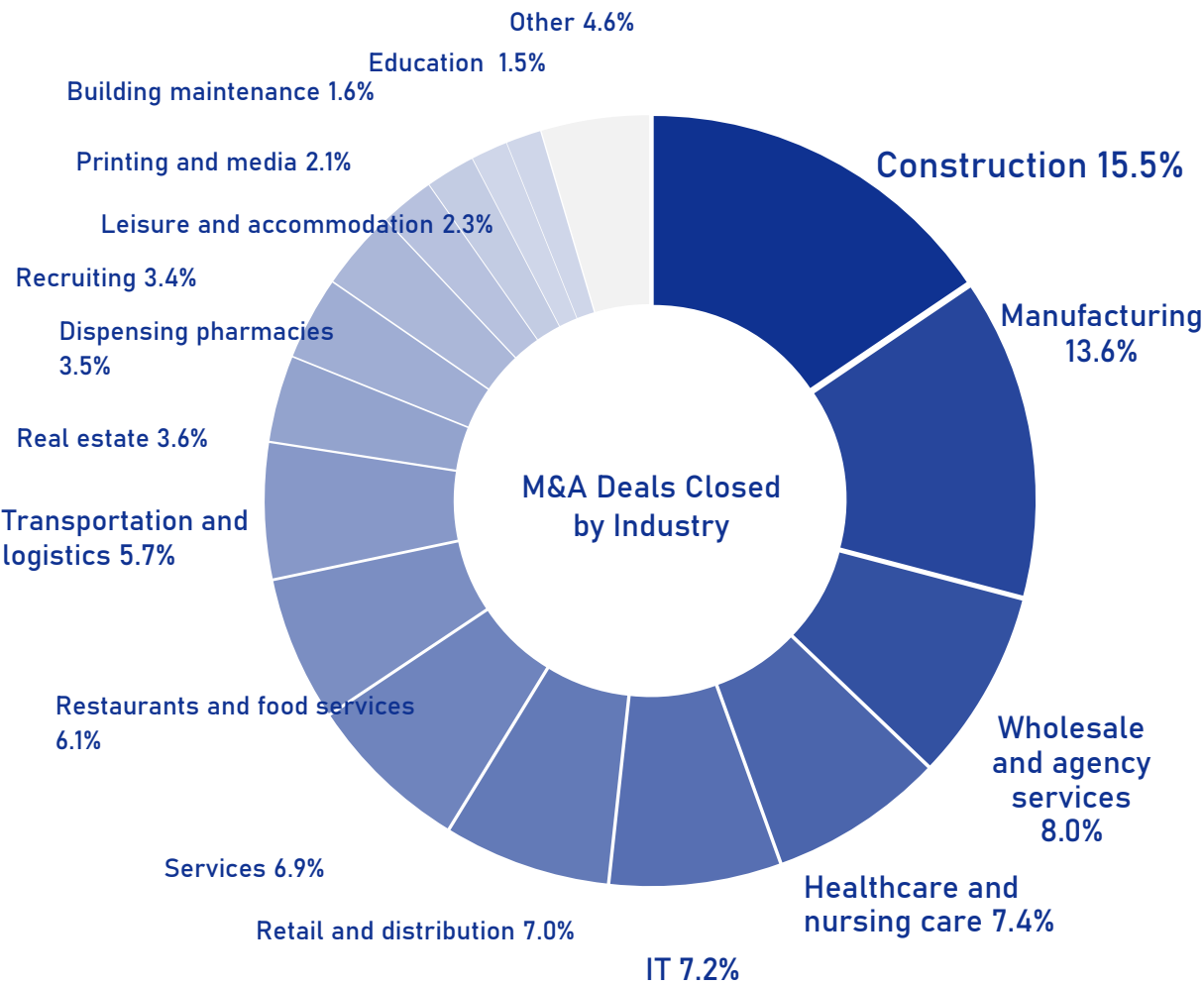
Capable of flexibly responding to changes in the external environment and M&A needs.

Top 5 industries in the recent two years

FY23/9	FY24/9
Construction (20.8%)	Construction (18.3%)
Services (13.0%)	Services (13.9%)
Manufacturing (12.1%)	Manufacturing (11.5%)
Wholesale and agency services (9.2%)	Healthcare and nursing care (11.5%)
Healthcare and nursing care (8.2%)	Wholesale and agency services (10.3%)

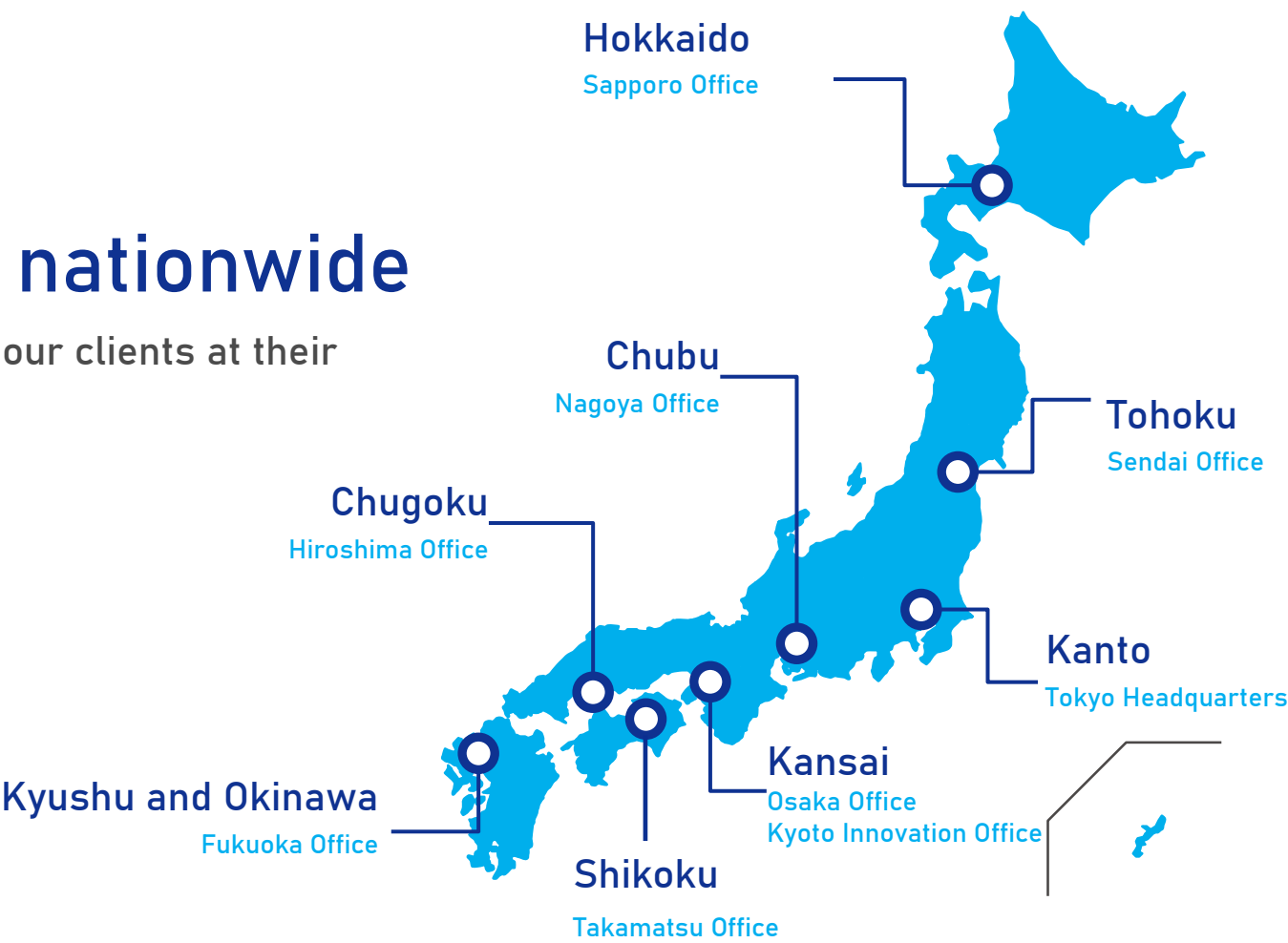
Total number of M&A deals closed since the Company's founding to FY24/9

Note: Breakdown of the number of businesses sold by industry



Nine offices nationwide

Providing quality support to our clients at their closest location.



Operation of M&A Portal Site

- ✓ Gather and leverage M&A insights
- ✓ Offer information free of charge to foster M&A opportunities

M&AOnline

M&A Database

Our M&A database contains timely disclosures on M&A deals that can be searched by company name, securities code, scheme, and industry.

Large Shareholding Report Database

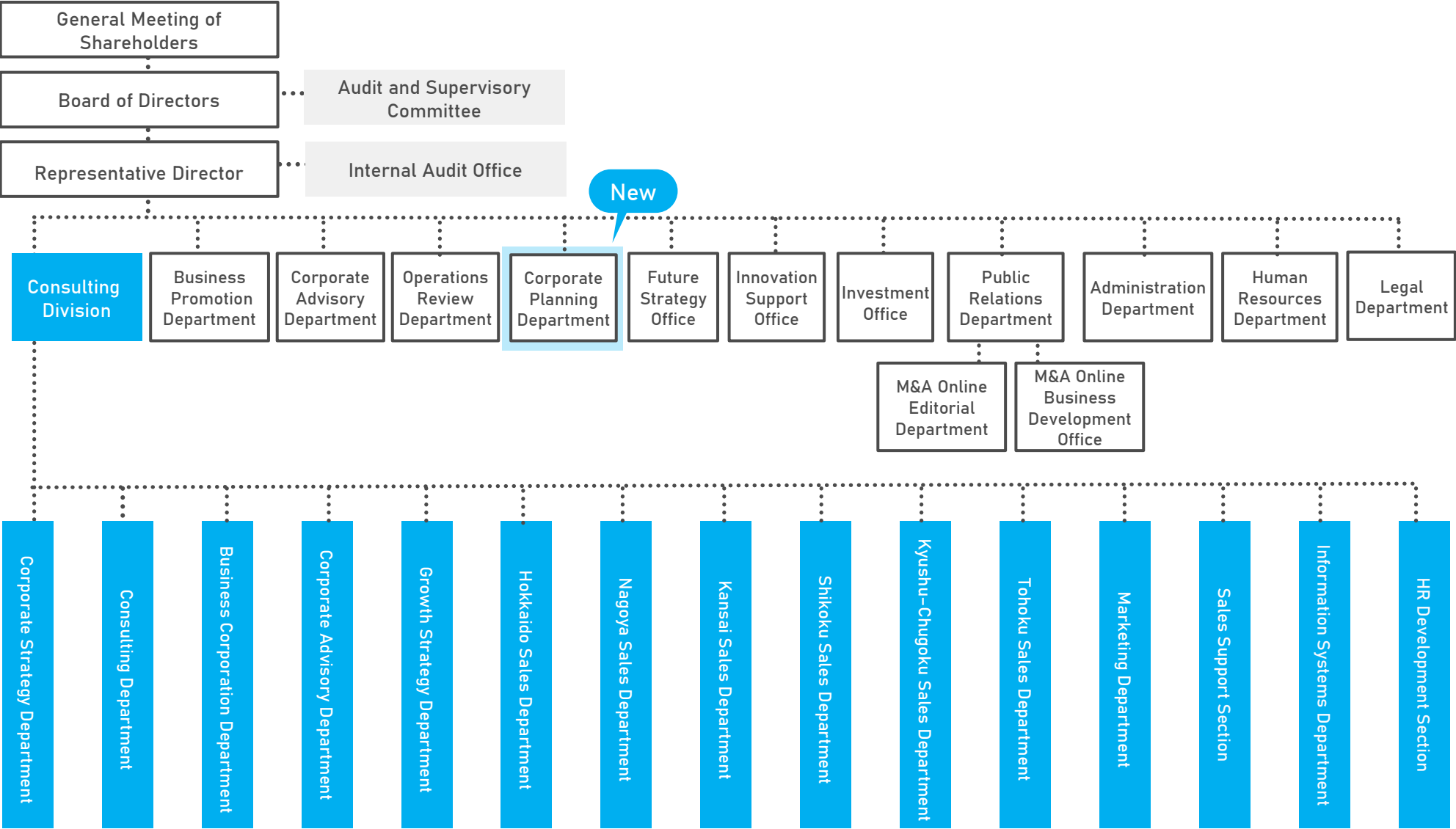
We update and disclose the Large Shareholding Report Database, which provides insight into indicators of M&A activity and trading trends among major investors. We provide all large shareholding report data submitted to EDINET.

Publication of *M&A Yearbook*

The M&A Yearbook is a magazine-book covering data for all M&A deals carried out by listed companies in a year, examining the deals from various angles, including monetary value and industry type.



Organization (as of April 1, 2025)





STRIKE

Create partnerships that change the world

Together, we can overcome the reality.
Together, we can find the right answer.
Together, we can enrich the world.
Together, we can exceed expectations.

Individually, possibilities are limited, but by joining together we become a great force.

The process of coming together can be challenging, but a new world awaits in the future if we overcome those difficulties.

We rise as one to overcome any challenge.

We listen, put our heads together, and dedicate our all to everyone involved in M&A.

We take every step with you to achieve a bright and positive future.

Together, we can create partnerships that change the world.

We are Strike.