

Financial Results and Future Measures

Through Q3 of FYE08/18



Strike Co., Ltd.

(The First Section of Tokyo Stock Exchange: 6196)

June 28, 2018



Operating Performance through Q3 of FYE08/18... 3

Operating performance reached record highs, with net sales up 39.9% and the number of agreements closed at 63.



Forecast for FYE08/18... 12

We expect performance to be in line with initial forecasts.



Medium- to Long-Term Management Policy... 19

While increasing the number of business succession M&A agreements, we will also address growing M&A needs for other purposes. Over the long term, we aim to become the leader in the number of M&A projects.



Company Overview... 24

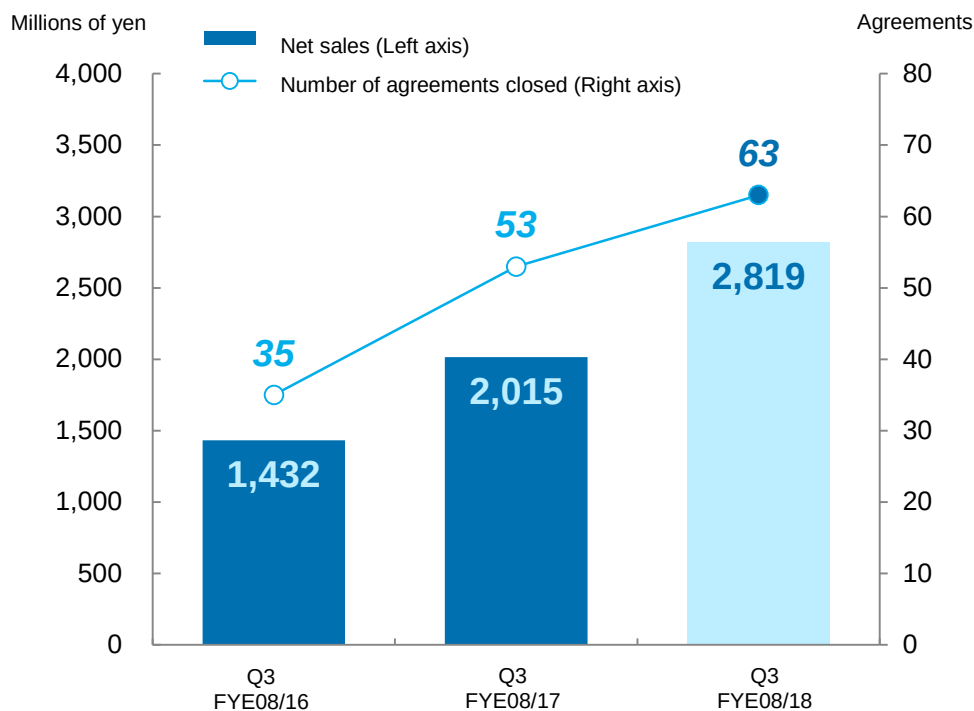
We are a group of M&A professionals, mainly certified public accountants, with “the direct path to creating value through M&A” as our company credo.

**OPERATING PERFORMANCE
THROUGH Q3 OF FYE08/18**

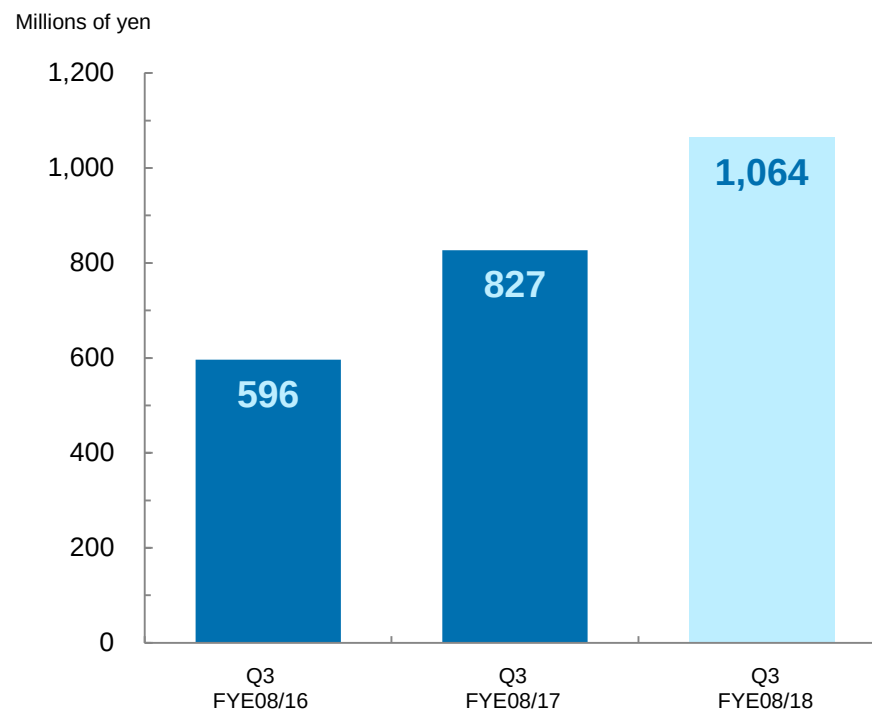
Operating Performance Through Q3 FYE08/18

Through Q3, the Company posted historic highs in the number of agreements closed, net sales and ordinary profit.

Net Sales and Number of Agreements Closed through Q3



Ordinary Profits through Q3



Year-on-Year Comparison

Cost of sales grew ¥339 million, due to a rise in the number of personnel and an increase in the number of introductions that resulted in agreements. Selling, general and administrative expenses also increased ¥227 million, owing to the expansion of personnel, an increase in the number of seminars held, and relocation of the Fukuoka and Nagoya sales offices.

Millions of yen

	Through Q3 FYE08/17		Through Q3 FYE08/18		
		% of net sales		% of net sales	YoY
Net Sales	2,015	100.0%	2,819	100.0%	+39.9%
Cost of sales	691	34.3%	1,031	36.6%	+49.1%
Gross profit	1,323	65.7%	1,788	63.4%	+35.1%
Selling, general and administrative expenses	497	24.7%	725	25.7%	+45.8%
Operating profit	825	41.0%	1,063	37.7%	+28.7%
Non-operating income	1	0.0%	1	0.1%	+51.5%
Non-operating expenses	-	-	-	-	-
Ordinary profit	827	41.0%	1,064	37.8%	+28.7%
Profit before income taxes	827	41.0%	1,064	37.8%	+28.7%
Total income taxes	265	13.2%	347	12.3%	+30.6%
Profit	561	27.8%	717	25.4%	+27.8%

	Through Q3 FYE08/17	Through Q3 FYE08/18
Introduction fees	158	262
Personnel expenses	479	697
Others	53	71
Cost of sales	691	1,031

	Through Q3 FYE08/17	Through Q3 FYE08/18
Personnel expenses	149	291
Advertising expenses	82	116
Rent and consumables	79	110
Others	185	206
Selling, general and administrative expenses	497	725

Performance Highlights through Q3 of FYE08/18

Through Q3 of FYE08/18, net sales increased 39.9% to ¥2,819 million, and ordinary profits rose 28.7% to ¥1,064 million.

Financial Results through Q3 of FYE08/18

- Net sales of ¥2,819 million, up 39.9% YoY
- Ordinary Profits of ¥1,064 million, up 28.7% YoY
- Profit of ¥717 million, up 27.8% YoY
- Ordinary profit margin of 37.8%, down 3.2% YoY, but largely in line with forecasts

Progress toward Annual Targets

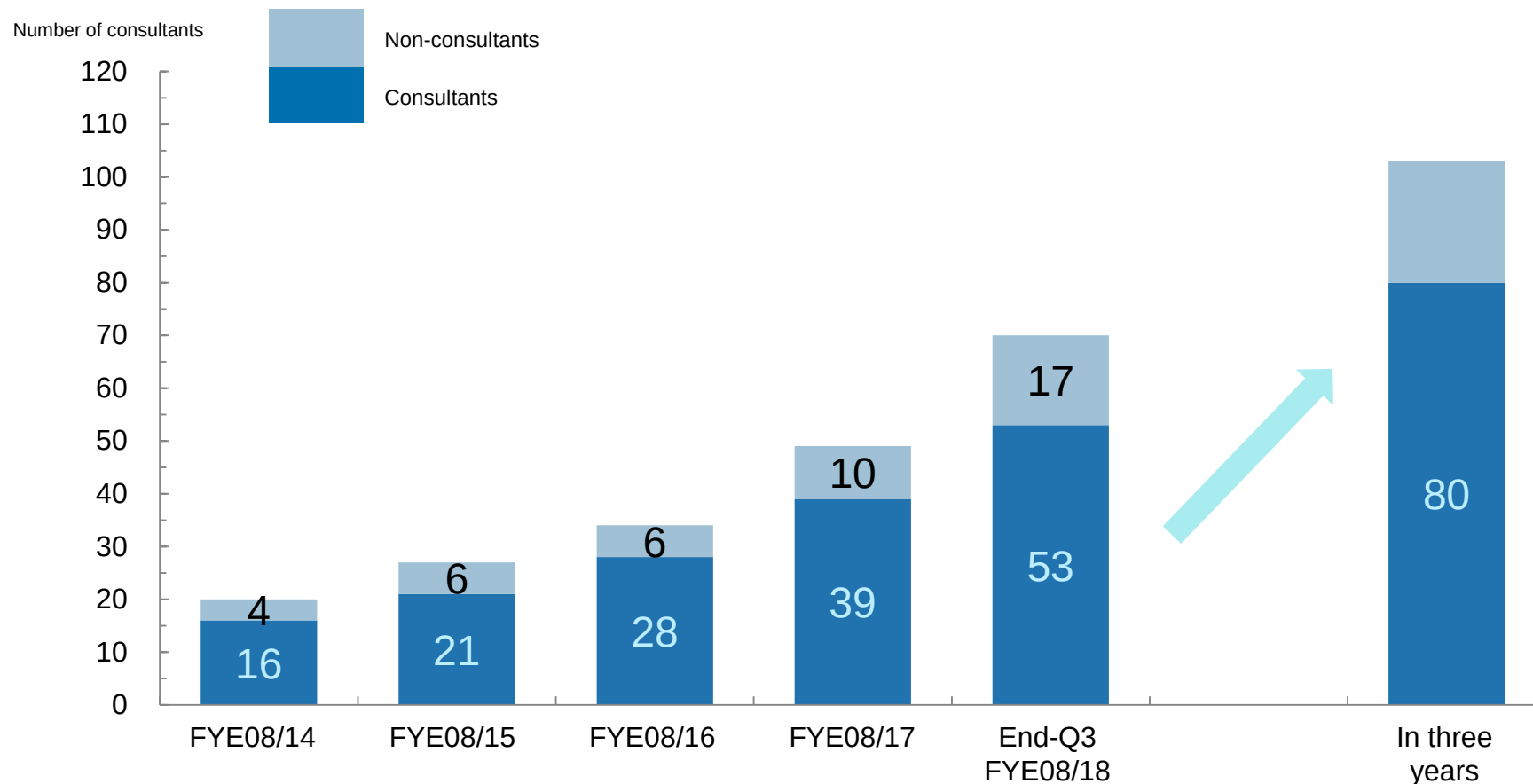
- Our full-year target for the number of agreements closed is 92 (+25 YoY). The number of agreements closed through Q3 was 63.
- For the full year, our target number of new projects is 192 (+49 YoY). Through Q3, we received 169.

Performance through Q3

- Through Q3, the Company closed 63 agreements (+10 YoY), and net sales were ¥2,819 million (+39.9% YoY), reaching record highs.
- We concluded three large agreements (generating ¥100 million or more in sales per project); +1 YoY.
- The number of new projects was favorable through Q3 at 169 (+64 YoY).
- We increased the number of M&A consultants by 14. We aim to enhance our business structure by revising the organization.
- We strengthened regional sales by relocating the Fukuoka and Nagoya sales offices.

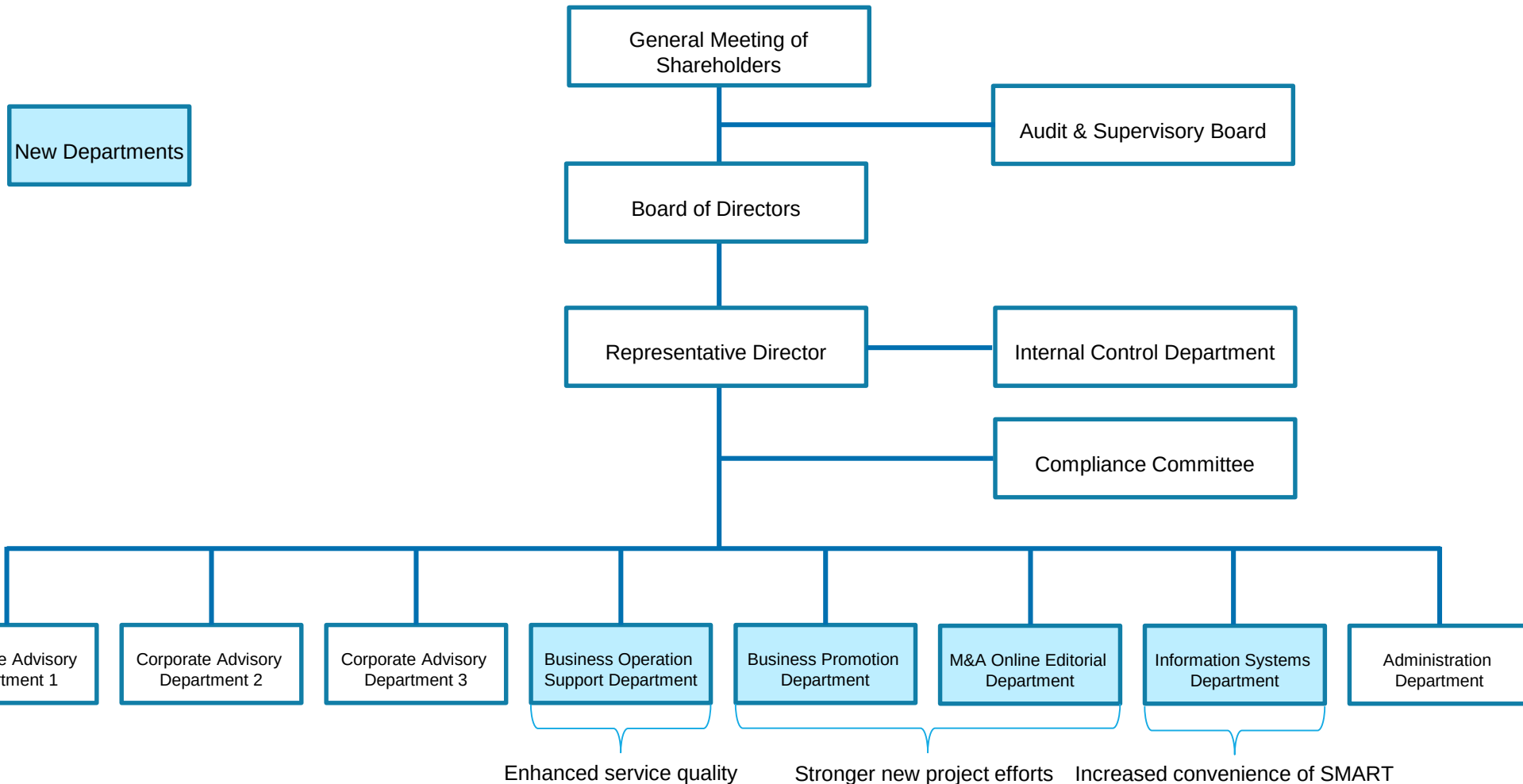
Increasing the Number of Consultants

Our initial plans called for us to increase the number of consultants to 50 by end-FYE08/18, and to expand the non-consultants to 14. As of end-Q3, we had in place 53 consultants and 17 non-consultants.



Organizational Structure (Revised as of Dec. 1, 2017)

We achieved the support system focused on M&A projects and enhanced in-house training programs through Business Operation Support Department. With our newly established Business Promotion Department, which specializes in new project operations, we have received more new contracts than planned. Page views of the portal site, M&A Online, increased dramatically, owing to the work of our M&A Online Editorial Department.



Projects Closed-1

Status of projects closed: A growing number of projects outside the Kanto region

NO	Date closed	Assignor Company Business Category	Assignor Company Location	Assignee Company Business Category	Assignee Company Location
1	September 2017	Manufacturing	Greater Osaka Area	Construction	Greater Osaka Area
2	September 2017	Leisure	Greater Tokyo Area	IT	Greater Tokyo Area
3	September 2017	Manufacturing	Greater Tokyo Area	Manufacturing	Greater Tokyo Area
4	September 2017	Manufacturing	Greater Tokyo Area	Wholesale and agency sales	Greater Osaka Area
5	September 2017	Transportation and logistics	Greater Tokyo Area	Transportation and logistics	Greater Tokyo Area
6	October 2017	Others	Greater Osaka Area	Others	Greater Tokyo Area
7	October 2017	Manufacturing	Hokkaido/Tohoku	Others	Greater Tokyo Area
8	October 2017	Healthcare and nursing care	Hokkaido/Tohoku	Healthcare and nursing care	Central Japan Area
9	October 2017	Transportation and logistics	Hokkaido/Tohoku	Transportation and logistics	Greater Tokyo Area
10	October 2017	Wholesale and agency sales	Hokkaido/Tohoku	Leisure	Greater Tokyo Area
11	October 2017	Healthcare and nursing care	Greater Tokyo Area	Healthcare and nursing care	Greater Tokyo Area
12	October 2017	Manufacturing	Central Japan Area	Wholesale and agency sales	Central Japan Area
13	October 2017	Services	Hokkaido/Tohoku	Services	Hokkaido/Tohoku
14	November 2017	Restaurants and food services	Hokkaido/Tohoku	Restaurants and food services	Greater Osaka Area
15	November 2017	IT	Greater Tokyo Area	IT	Central Japan Area
16	November 2017	Dispensing pharmacies	Hokkaido/Tohoku	Dispensing pharmacies	Hokkaido/Tohoku
17	November 2017	Dispensing pharmacies	Greater Tokyo Area	Dispensing pharmacies	Greater Tokyo Area
18	November 2017	Recruiting	Greater Tokyo Area	Recruiting	Greater Tokyo Area
19	November 2017	Dispensing pharmacies	Greater Tokyo Area	Dispensing pharmacies	Greater Tokyo Area
20	November 2017	Transportation and logistics	Hokkaido/Tohoku	Transportation and logistics	Hokkaido/Tohoku

Projects Closed-2

NO	Date closed	Assignor Company Business Category	Assignor Company Location	Assignee Company Business Category	Assignee Company Location
21	November 2017	Education	Greater Tokyo Area	Construction	Greater Tokyo Area
22	November 2017	Wholesale and agency sales	Central Japan Area	Wholesale and agency sales	Greater Osaka Area
23	November 2017	Wholesale and agency sales	Hokkaido/Tohoku	Restaurants and food services	Greater Osaka Area
24	November 2017	Restaurants and food services	Greater Tokyo Area	Restaurants and food services	Kyushu/Okinawa
25	December 2017	Leisure	Central Japan Area	Leisure	Greater Osaka Area
26	December 2017	Manufacturing	Central Japan Area	Manufacturing	Greater Tokyo Area
27	January 2018	Retail and distribution	Central Japan Area	Others	Greater Tokyo Area
28	January 2018	Manufacturing	Greater Osaka Area	Others	Greater Osaka Area
29	January 2018	Construction	Greater Tokyo Area	Manufacturing	Greater Tokyo Area
30	January 2018	Construction	Greater Tokyo Area	Manufacturing	Greater Tokyo Area
31	January 2018	Retail and distribution	Greater Tokyo Area	Restaurants and food services	Greater Tokyo Area
32	February 2018	Real estate	Greater Tokyo Area	Real estate	Greater Tokyo Area
33	February 2018	Construction	Central Japan Area	Construction	Central Japan Area
34	February 2018	Construction	Kyushu/Okinawa	Construction	Greater Tokyo Area
35	February 2018	Manufacturing	Central Japan Area	Manufacturing	Central Japan Area
36	February 2018	Retail and distribution	Greater Tokyo Area	Others	Greater Tokyo Area
37	February 2018	Services	Greater Tokyo Area	Restaurants and food services	Hokkaido/Tohoku
38	February 2018	Leisure	Greater Osaka Area	Real estate	Greater Osaka Area
39	February 2018	Retail and distribution	Greater Tokyo Area	Real estate	Greater Osaka Area
40	February 2018	Manufacturing	Central Japan Area	Manufacturing	Central Japan Area

Projects Closed-3

NO	Date closed	Assignor Company Business Category	Assignor Company Location	Assignee Company Business Category	Assignee Company Location
41	February 2018	Transportation and logistics	Greater Tokyo Area	Others	Greater Tokyo Area
42	February 2018	Healthcare and nursing care	Kyushu/Okinawa	Healthcare and nursing care	Chugoku/Shikoku
43	February 2018	Wholesale and agency sales	Greater Tokyo Area	Wholesale and agency sales	Greater Tokyo Area
44	March 2018	Transportation and logistics	Greater Tokyo Area	Transportation and logistics	Greater Tokyo Area
45	March 2018	IT	Greater Tokyo Area	Others	Overseas
46	March 2018	Retail and distribution	Greater Tokyo Area	Others	Greater Tokyo Area
47	March 2018	Restaurants and food services	Greater Tokyo Area	Restaurants and food services	Greater Tokyo Area
48	March 2018	Recruiting	Greater Tokyo Area	Recruiting	Greater Tokyo Area
49	April 2018	Dispensing pharmacies	Central Japan Area	Dispensing pharmacies	Central Japan Area
50	April 2018	Building maintenance	Central Japan Area	Recruiting	Greater Tokyo Area
51	April 2018	Others	Greater Osaka Area	Others	Greater Tokyo Area
52	April 2018	Leisure	Greater Tokyo Area	Construction	Kyushu/Okinawa
53	April 2018	Manufacturing	Central Japan Area	Manufacturing	Central Japan Area
54	April 2018	IT	Greater Osaka Area	Services	Chugoku/Shikoku
55	April 2018	Services	Greater Tokyo Area	Services	Greater Tokyo Area
56	April 2018	Printing and media	Chugoku/Shikoku	Printing and media	Greater Tokyo Area
57	May 2018	Wholesale and agency sales	Greater Tokyo Area	Wholesale and agency sales	Greater Tokyo Area
58	May 2018	Manufacturing	Central Japan Area	Manufacturing	Greater Osaka Area
59	May 2018	Manufacturing	Greater Tokyo Area	Manufacturing	Greater Osaka Area
60	May 2018	Manufacturing	Greater Osaka Area	Manufacturing	Central Japan Area
61	May 2018	Construction	Central Japan Area	Healthcare and nursing care	Greater Tokyo Area
62	May 2018	Manufacturing	Tohoku	Manufacturing	Greater Tokyo Area
63	May 2018	Construction	Chugoku/Shikoku	Construction	Chugoku/Shikoku

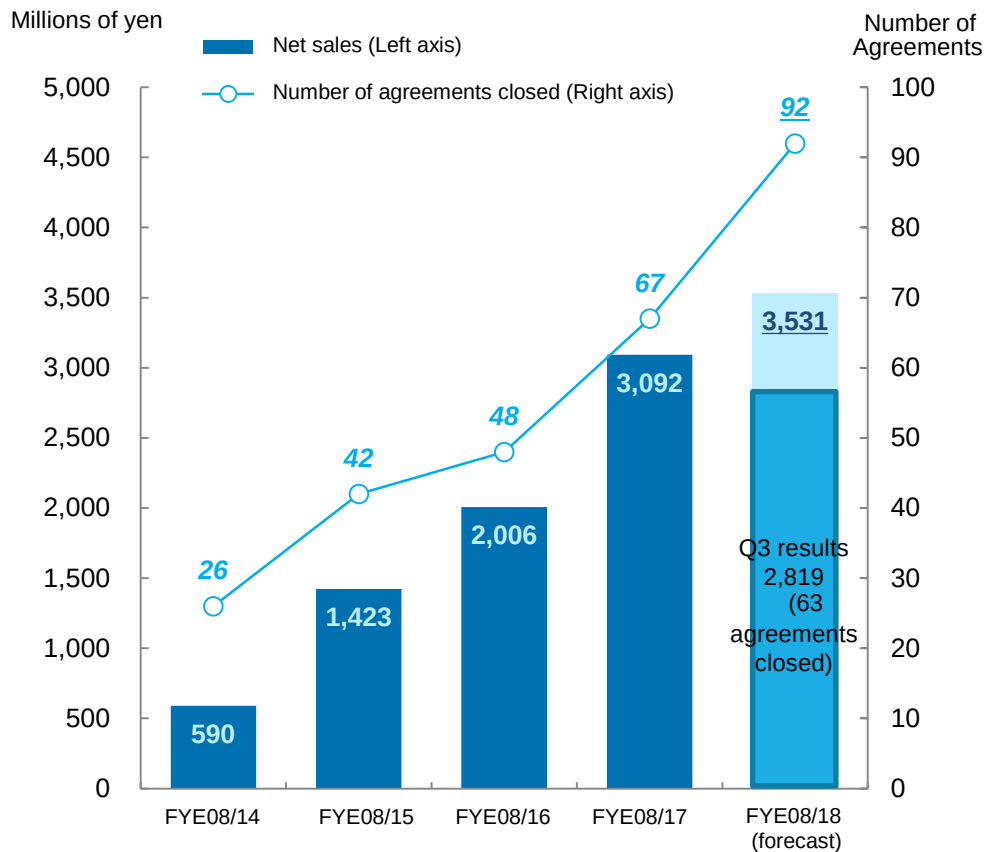


FORECAST FOR FYE08/18

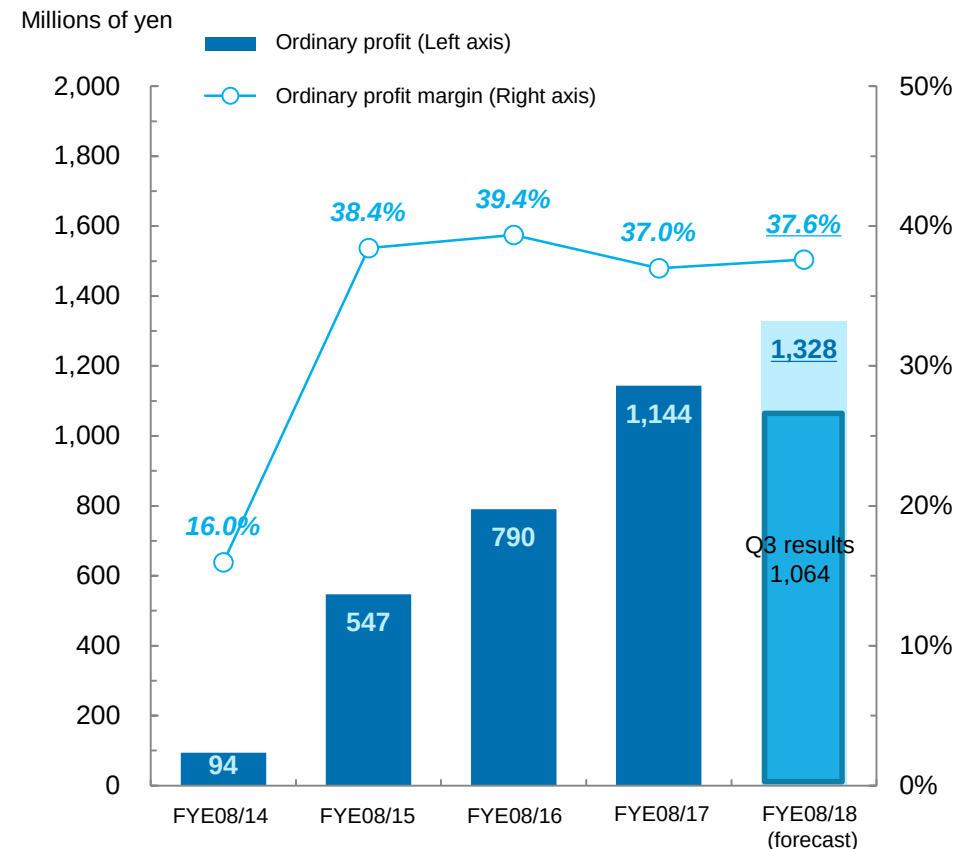
Forecast for FYE08/18

Large agreements, which had been delayed in Q2, have closed. Progress toward FYE08/18 forecasts for net sales of ¥3,531 million (progression rate of 79.8% as of end-Q3) and ordinary profit of ¥1,328 million (80.2%) is proceeding smoothly.

Net Sales and Number of Agreements Closed



Ordinary Profit and Ordinary Profit Margin



FYE08/18 Forecasts, Measures for Q4

We maintain our initial full-year forecasts for FYE08/18: net sales of ¥3,531 million and ordinary profit of ¥1,328 million.

FYE08/18 Forecasts Unchanged

- Net sales of ¥3,531 million, up 14.2% YoY
- Ordinary profit of ¥1,328 million, up 16.0% YoY
- Profit of ¥909 million, up 13.2% YoY
- EPS of ¥47.00* (¥43.39* in FYE08/17)
- Forecast dividend of ¥9.00*, dividend payout ratio of 19.2%

*These figures reflect the stock split as of June 1, 2018.

Business Forecast: Forecasts Unchanged for Number of Agreements Closed and Received

- Target number of agreements closed at 92, up 25 YoY
- Initial forecast of 192 new projects, up 49
- Expect to be slightly above our initial target of 50 M&A consultants (an increase of 11)

Management Measures, etc.

- In June and July, we conducted a “Smart Exit Strategy through M&A Seminar” at 16 venues throughout Japan.
- We will continue M&A proliferation activities through M&A Online.
- We plan to expand our head office to respond to increases in deals and personnel.
- We will conduct recruitment activities focused on the next fiscal year and beyond.

Encouraging the Proliferation of M&A through “M&A Online” Portal Site

M&A Online

A free portal site providing one-stop access to a variety of M&A-related information, from the latest news to the law



(<https://maonline.jp/>)

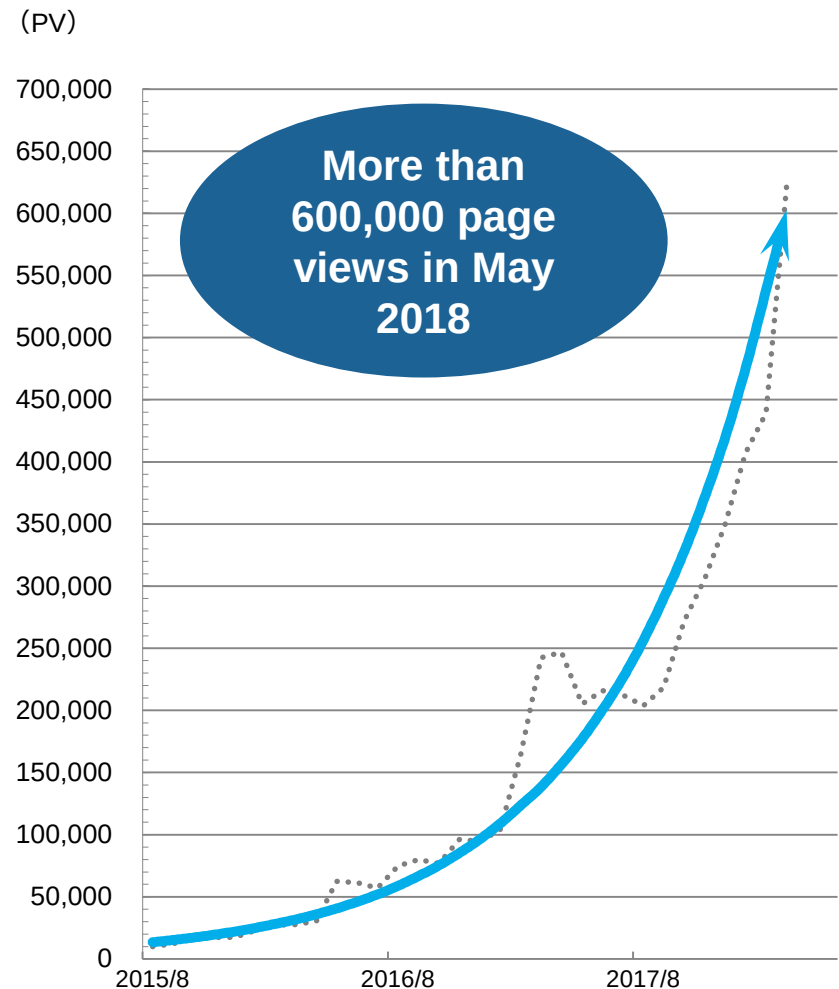
(Principal Content)

M&A News: Distribution of public M&A news

Database of Large Shareholding Reports: A database containing a collection of previously submitted reports

M&A Archives: Allows verification of corporate M&A history

Monthly Page Views for M&A Online



Utilizing Paid Stock Options

In December 2017, Strike issued paid stock options to its executives and employees.

By setting certain operating performance levels as exercise conditions, we intend to build profit awareness among all members of the Company and encourage everyone in the Company to commit to achieving our performance targets.

Allocated to

2 executives, 38 employees

	Target Period	Performance Conditions
Exercise condition (1)	FYE08/2018	Operating profit of ¥1,300 million
Exercise condition (2)	FYE08/2019	Operating profit of ¥2,000 million in one of these periods
	FYE08/2020	

Note: The options cannot be exercised unless conditions (1) and (2) are both satisfied.



Based on operating profit of ¥1,150 million achieved in the previous fiscal year (FYE08/17), the options cannot be exercised unless operating profit continues to grow by an annual average of 20% or more.

Policy for Return to Shareholders 1: Shareholder Benefits

Shareholder benefits system (introduced from FYE08/18)

We present a QUO card worth ¥1,000 to each shareholder with at least one share unit (100 shares) at the fiscal year-end (on August 31 every year).

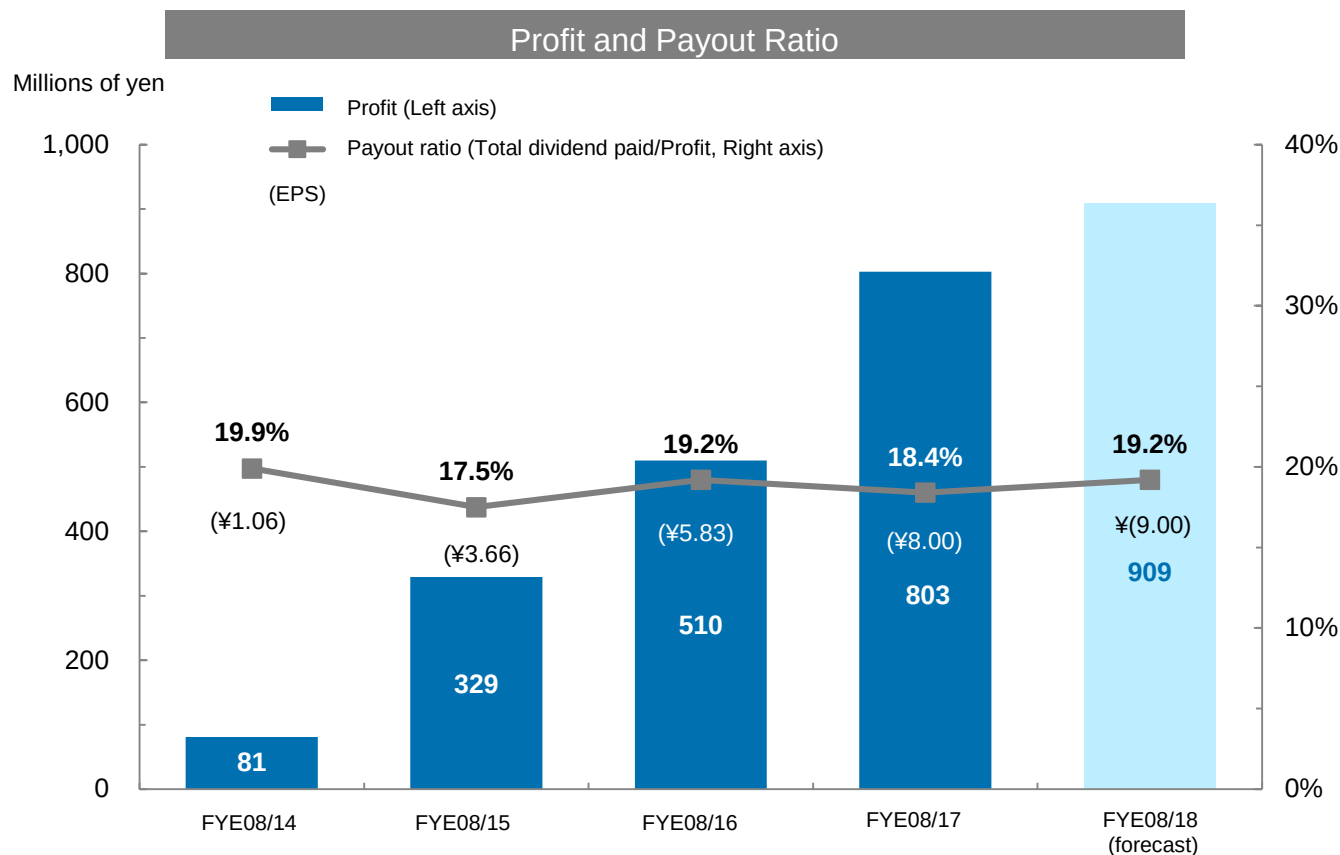
We will enclose complimentary cards to shareholders along with the resolution notification sent out after the conclusion of our general shareholders' meeting scheduled for November.



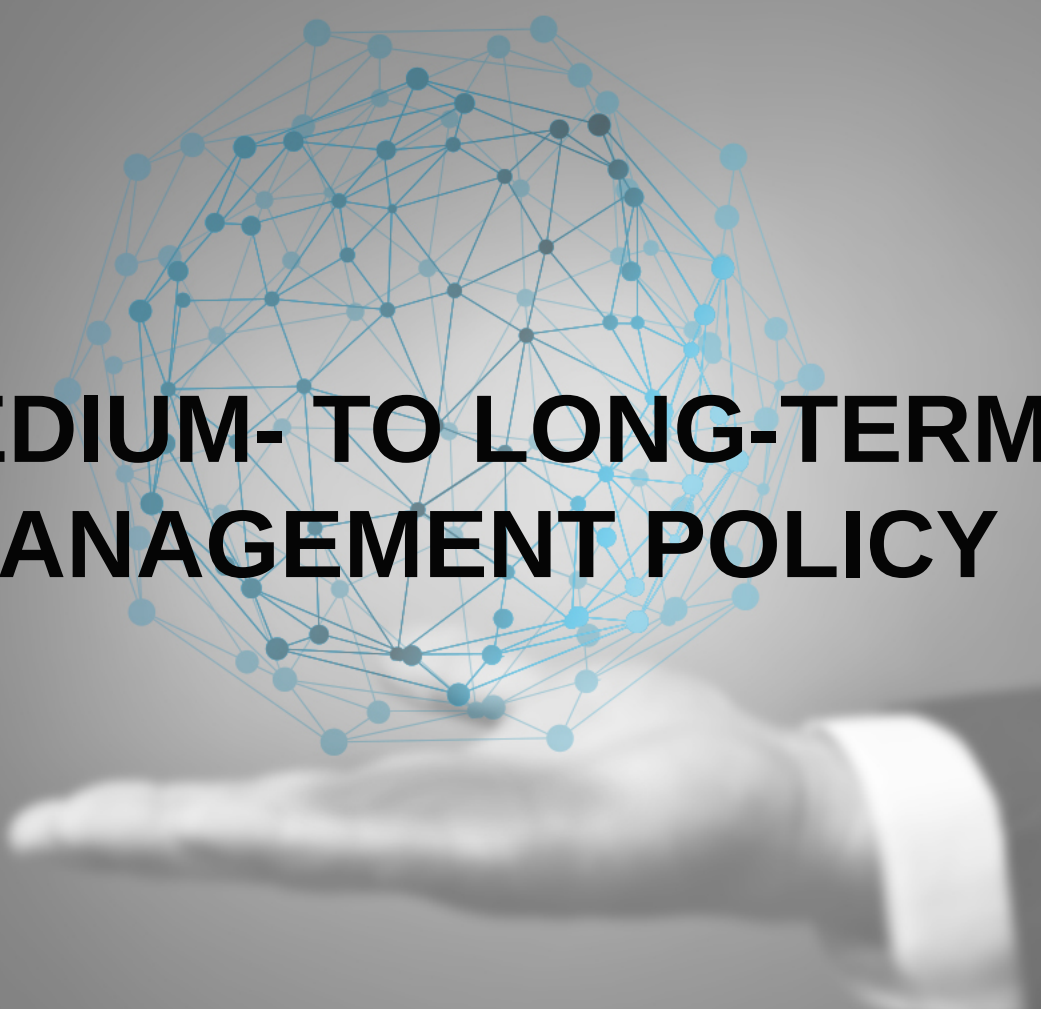
Policy for Return to Shareholders 2: Dividends

We target a dividend payout ratio of 20%.

We plan to increase dividends to ¥9 per share, from ¥8 per share in FYE08/17.



Note: Dividends per share reflect stock splits conducted on February 29, 2016, December 1, 2016 and June 1, 2018.

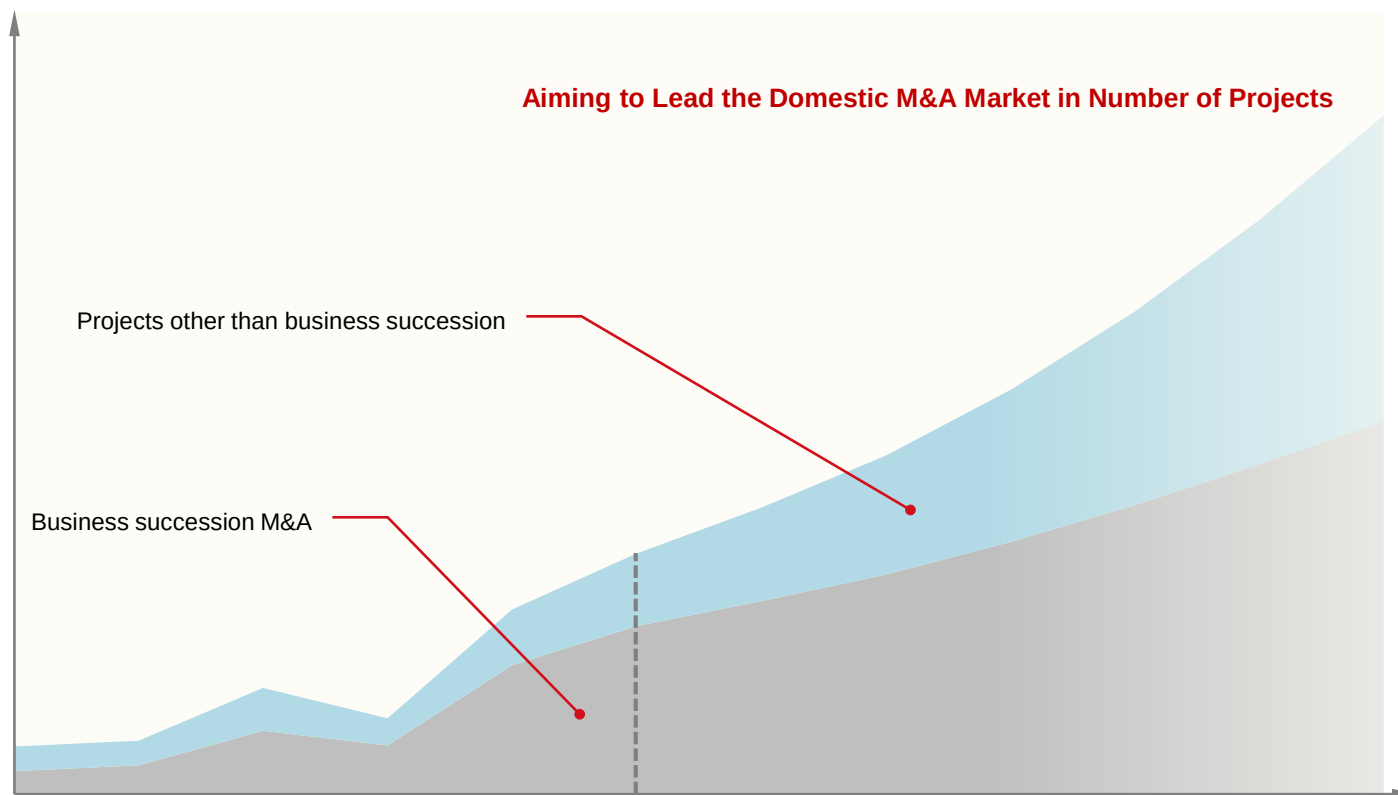
A hand in a suit sleeve is shown from the wrist up, palm facing up, holding a glowing blue sphere. The sphere is composed of numerous interconnected dots and lines, resembling a complex network or a molecular structure. The background is a solid grey.

MEDIUM- TO LONG-TERM MANAGEMENT POLICY

Aiming to Top the Japanese M&A Market in Number of Contracts

We aim to increase our share of the market for business succession M&A and aggressively cultivate projects in new fields, becoming the leader in the market for M&A introduction. Over the medium term, we intend to increase sales at 20% per year.

Target Sales Composition



- Medium- to long-term focus on becoming the leader in the Japanese M&A market in number of projects
- **Projects other than business succession:** Cultivate the M&A business as an exit method for startup companies
- **Business succession M&A:** Market is forecasted to expand, but dependence on business succession projects is expected to decline due to an increase in the types of projects indicated above

Increase Number of Agreements Per Consultant

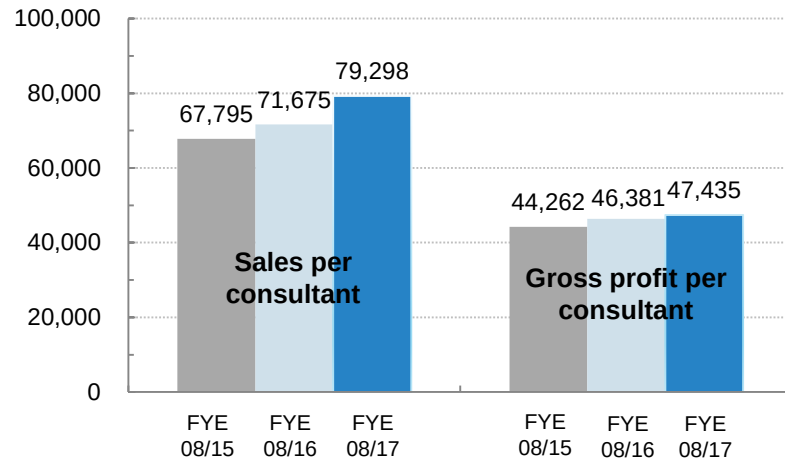
Due to a rapid increase in personnel, the number of agreements closed per salesperson is flat. However, we plan to **gradually raise this number** through **system investment**.

We aim to increase sales and profit per person.

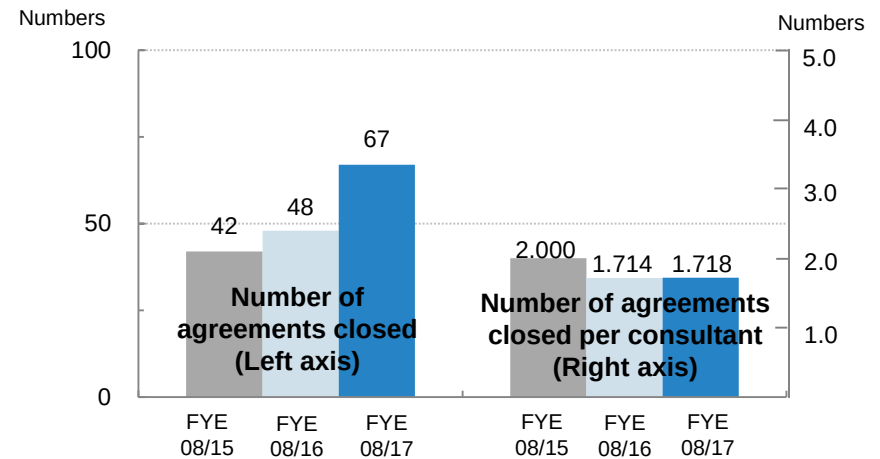
**Number of agreements closed =
Number of consultants × productivity**

Management Indexes per Sales Consultant

Thousands of yen



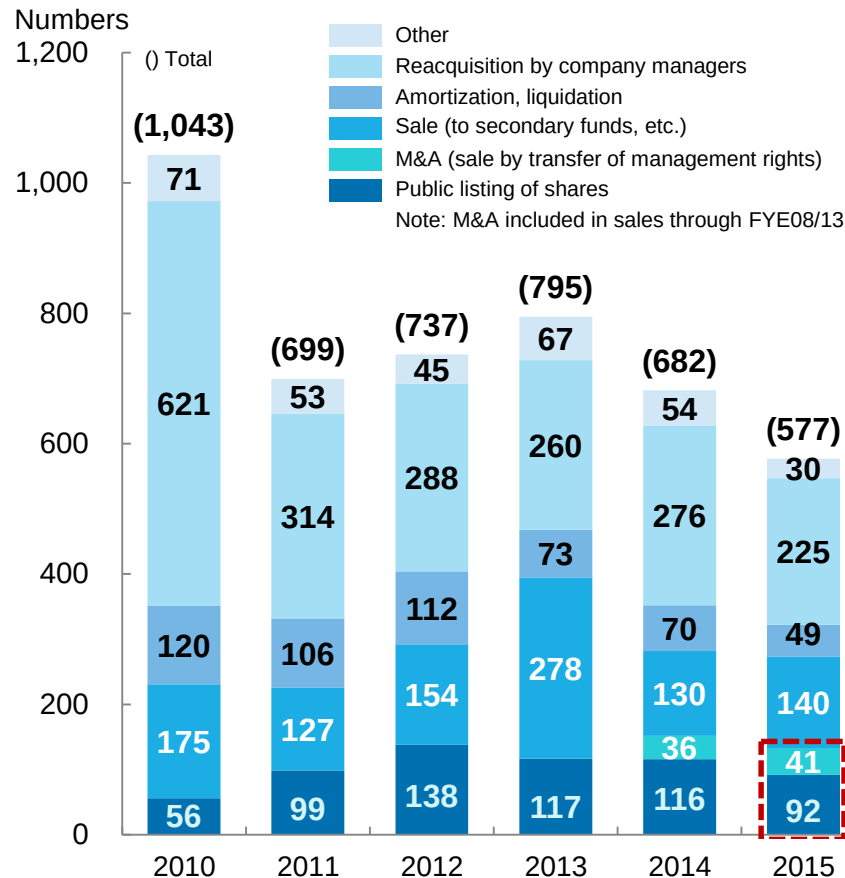
Note: Figures are based on the number of consultants as of fiscal year-end



Growing Needs for M&A as a Startup Exit Strategy

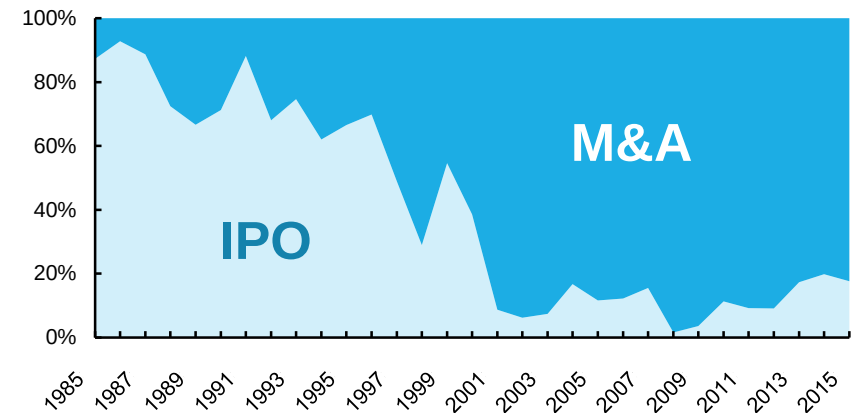
For Japanese startup companies, exits tend to be skewed toward IPOs, whereas M&A are mainstream in the United States. This was not always the case. It took time before M&A became mainstream in the United States. Going forward, a similar scenario is highly likely to develop in Japan over time.

Venture Capital Exits in Japan

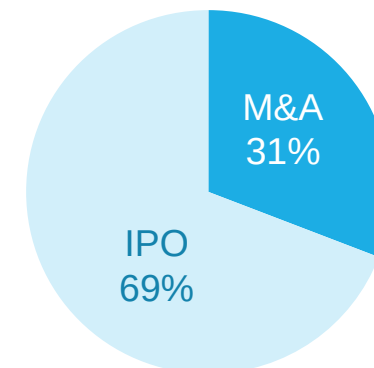


Source: NVCA YEARBOOK 2015 & 2016, 2016 Venture enterprises center

Exit of VC-Supported Companies in the United States

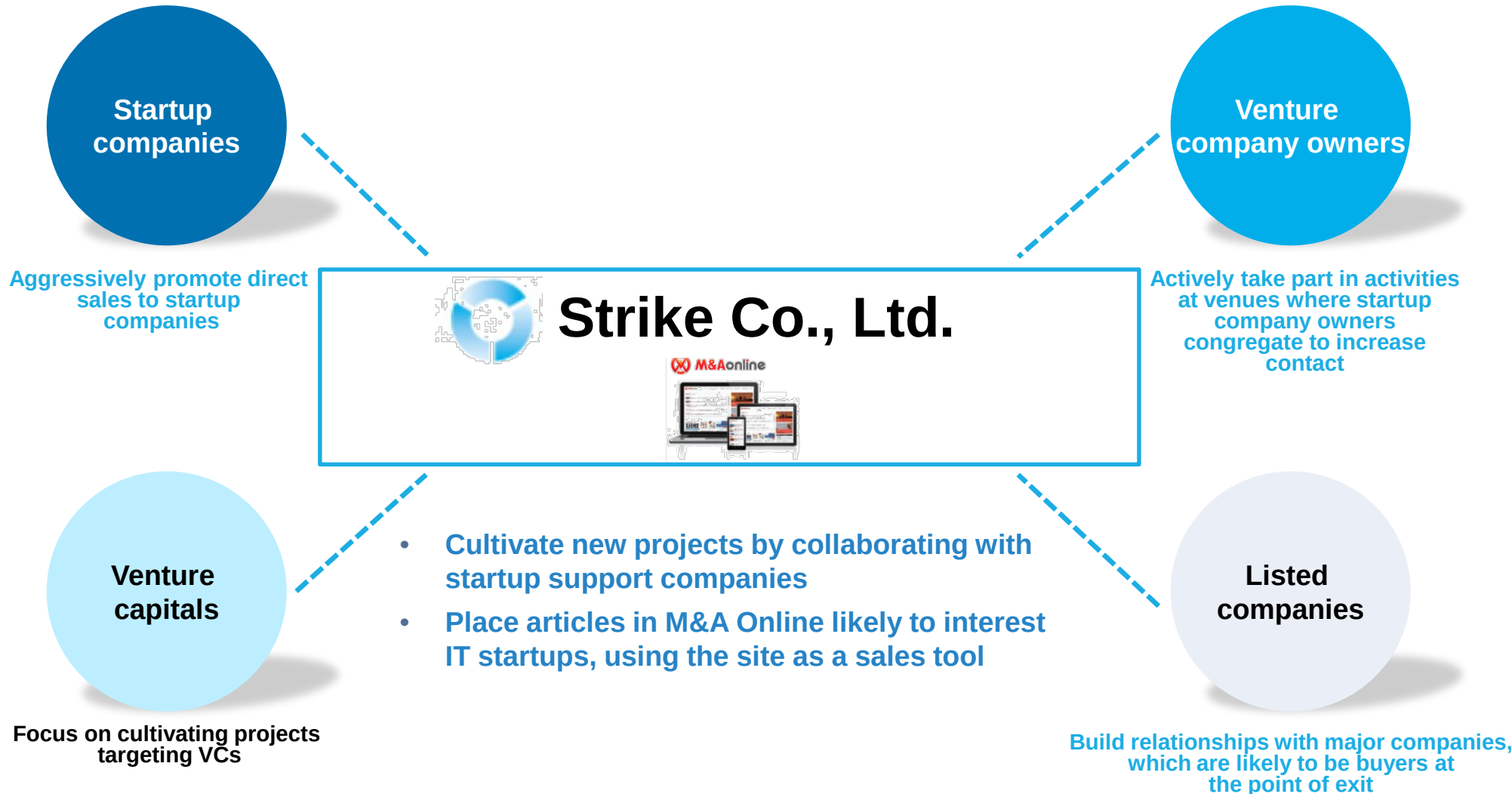


M&A: IPO ratio of VC exits



Cultivate Startup Company Exit Projects

By building up our network of entrepreneurs and startup companies, focus on cultivating the M&A market targeting startup company exits





Company Overview

We are a group of professionals, chiefly certified public accountants, with “the direct path to creating value through M&A” as our corporate credo. We were established as the first company in Japan to leverage the internet for the M&A market. We are currently developing our business by focusing on one of the serious issues facing Japan, the succession for small and medium enterprises, through our efforts in M&A.

Company name	Strike Co., Ltd.
Established	July 1997
Capital stock	¥823 million (May 31, 2018)
Representative	Kunihiko Arai, President and CEO
Head office	18th floor of Otemachi Financial City Grand Cube, 1-9-2 Otemachi, Chiyoda-ku, Tokyo 100-0004, Japan
Number of employees	70 (Excluding temporary staff, May 31, 2018)
Net sales, Operating profit	Net sales ¥3,092 million, operating profit ¥1,150 million (operating profit margin 37.2%) in FYE08/17
Businesses	M&A brokerage business
Management philosophy	With “the direct path to creating value through M&A” as our corporate credo, we propose M&A as a sincere response to client needs. Our management philosophy is to contribute to society at large through M&A, providing corporate management structures to respond to fluctuations in the business environment and changes in the times.

- These materials contain forward-looking statements with respect to Strike Co., Ltd.'s business trends and business content, and are based on the company's expectations, estimates, projections, and forecasts as of the time of publication.
- Expressions related to the company's future outlook contain a variety of risks and uncertainties. Actual results may differ from those anticipated in expressions related to the future outlook due to known and unknown risks, uncertainties, and other factors.
- The actual content and results of Strike Co., Ltd.'s future business may differ from the future outlook contained in these materials.
- Expressions in these materials in relation to the future outlook are based on material available to Strike Co., Ltd., as of the date these materials were released (June 28, 2018). Expressions regarding the future outlook will not be updated or revised to reflect future events and conditions.