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News Release

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**Tohatsu Venture Support and Deloitte Tohatsu
Financial Advisory to launch M&A advisory service for
start-ups**

TVS and DTFA combines their expertise in start-ups, enterprises and M&A

TOKYO, JAPAN, 21 March, 2017 — Tohatsu Venture Support Co., Ltd. (Chiyoda-ku, Tokyo, Managing Partner Takao Yoshimura, TVS) and Deloitte Tohatsu Financial Advisory LLC (Chiyoda-ku, Tokyo, Managing Partner Hitoshi Karasuno, DTFA) will launch an M&A advisory service for start-ups in March 2017. With the aim of revitalizing the start-up ecosystem, the team will provide support to start-ups looking to sell their businesses to enterprises for further business growth. This support will encompass everything from pre-sale business expansion to post-sale secondary careers for the entrepreneurs.

The environment surrounding start-ups is becoming increasingly conducive to growth, with improvements in the fundraising environment, collaboration with enterprises, and increases in favorable governmental policies and opportunities for media coverage. However, there are few examples of Japanese start-up M&As as most start-up's exit strategy is through IPO. At the same time, demand for start-up acquisition by enterprises is gradually increasing as open innovation gains in popularity, and the number of start-ups considering capital and business alliances with or selling to enterprises as a growth strategy is increasing. It is for that reason that TVS and DTFA have created M&A support offerings for start-ups.

1. M&A support offerings for start-ups

(1) M&A execution support

TVS and DTFA have brought together their knowledge of start-ups and their M&A expertise, respectively, to form a team providing support for the optimal execution of M&As by start-up entrepreneurs.

Main content

- M&A strategy planning

- Buyer screening
- Synergy analysis and valuation
- M&A structuring advice
- Negotiation support
- Project management

(2) Post-sale support for entrepreneur's secondary career

After selling their start-ups, more and more entrepreneurs are becoming angel investors or looking to start new businesses. With that in mind, TVS provides support for angel investor activities based on its extensive global start-up network.

(3) M&A seminars for start-ups

Utilizing TVS's start-up seminar platform, TVS and DTFA will hold seminars to provide easy-to-understand explanations of basic M&A principles and joint sessions with entrepreneurs that have participated in M&A to share their experiences. Information on M&A for start-ups is scarce, so the purpose is to promote correct understanding of M&A among entrepreneurs.

2. Strengths of TVS and DTFA

TVS provides support from before the business is sold. TVS incubators provide support start-ups for market development, marketing, business expansion through fundraising and development of management systems. The collaboration between TVS, which has a track record of supporting start-ups and the creation of new businesses by enterprises, and DTFA, which specializes in M&A advisory services, allows for the creation of a team that can pool its expertise in start-ups, enterprises and M&A. Moreover, TVS and DTFA are members of the Deloitte network, which has offices in more than 150 countries and territories around the world. Leveraging this global network opens up the possibility of selling Japanese start-ups not only to Japanese companies but to foreign-based companies as well. This makes the global expansion of the start-up's business possible.

3. Increasing the number of M&A is essential for accelerating the start-up ecosystem

When start-ups consider selling their businesses to an enterprise for further business growth, they run into many challenges like the need to accelerate business growth. Start-ups also face difficulties in finding buyers, coming to terms with post M&A agreements, negotiating with enterprises experienced in M&A and making the necessary arrangements with shareholders. There are also many entrepreneurs who would like to engage in effective activities as angel investors after the sale. The increase in the number of angel investors is also expected to create serial entrepreneurs who repeatedly create businesses.

By giving a boost to start-up M&A through this service, we will continue to provide more support to accelerate the start-up ecosystem, which consists of many concerned parties including entrepreneurs, venture capital firms, media, support organizations and governments.

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