

Spirit Advisors

Bridging Japanese Companies & Investors With The World

Japanese US IPO Symposium



December 2023

About Spirit Advisors

Company Name	Spirit Advisors LLC
Establishment	2017
Core Business	Financial advisory, Investments
Capital (Paid-In)	359,427,500 (Yen)
President	President
Staff Count (Including Contractors)	16
Main Office (HQ)	477 Madison Ave, Floor 6, New NY 10022
Satellite Office	111 North Orange Avenue, Suite 800 Orlando, FL 32801
Japan Branch	Roppongi Hills Mori Tower, 6-10-1 Roppongi, Minato-ku Tokyo (Opening)



Robert (Bobby) Yu, Founder / President

ロバートユー
リュウ

Harvard B.A. Economics (2010)
FINRA Licenses 7, 63, 66, 86, 87
CFA (inactive)

Career History

- Wells Fargo Principal Investing (PM)
- ESW Capital LLC, SaaS PE (PM)
- KeyBanc Securities (Equity Research)
- Riverrock Associates (Analyst)

Land of Rising Small Caps...

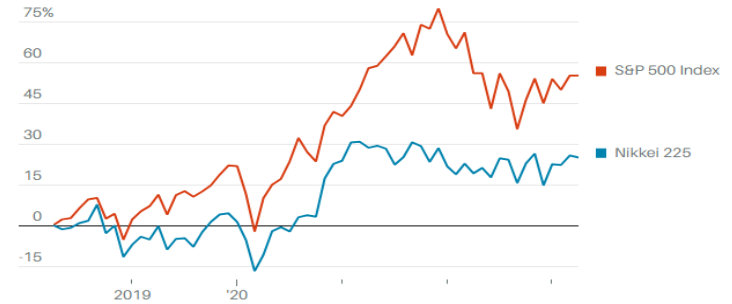
Consensus / Attention
“Deep Value”



“Japan will always be a value market,” says Ashish Chugh, a global equities portfolio manager at Loomis Sayles.

Left Behind

Japan's stock market has lagged developed-market peers for years.



Source: FactSet

Microcaps
“Undermarketed/
Under commercialized
Growth/Value”

4400 public traded JP
companies
3800 microcaps
(87%)
* Source: SumiTrust

Step 1

IPO in US
[Venue,
Venue, Venue]

Step 2

Increase
Liquidity
[Follow-ons]

Step 3

Anchor / US
Institutional
Pools
[Index, Algo]

We are HERE Now →

Spirit Advisors JP Nasdaq Leadership

Completed JP IPOs –
Spirit Advisors /
Partners

Publicly Filed JP IPOs –
Spirit Advisors /
Partners

Completed JP IPOs –
Other

Testing Waters /
Delisted



HW ELECTRO

Pixie Dust Technologies, Inc.



MEDIROM
HEALTHCARE TECHNOLOGIES INC.



ZEROSPO

Publicly Filed - Other



Estimated 12
companies in
confidential
submission

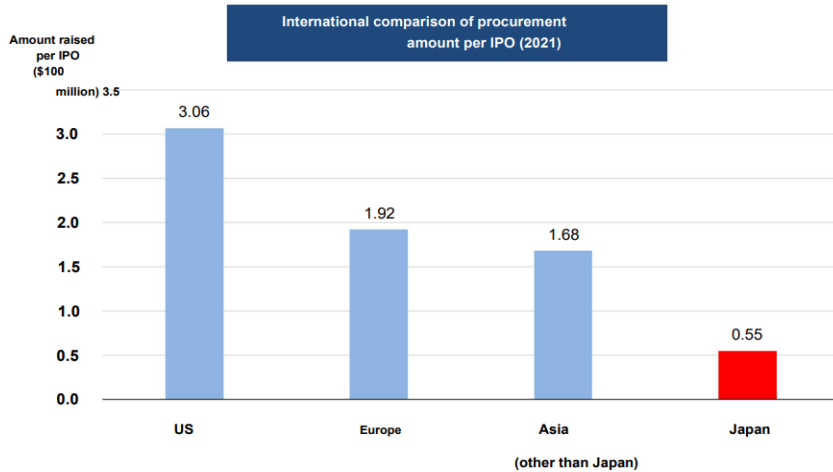
7 deals

4 deals

3 deals

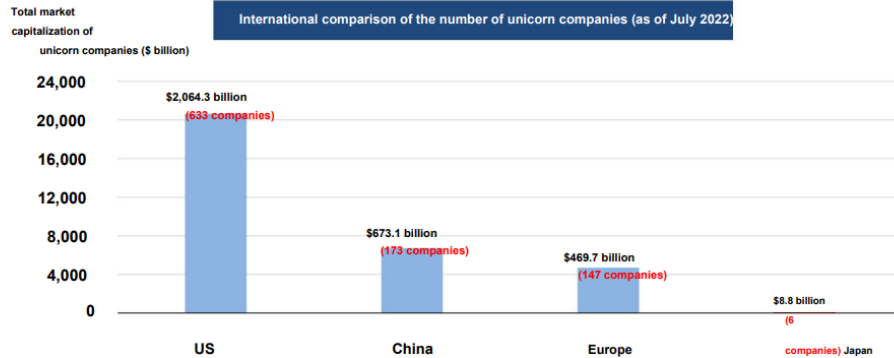
Unicorn Maker, Starts With Baby Steps...

• The amount raised per IPO in Japan is small at \$60 million, compared to \$300 million in the United States and \$200 million in Europe.



• According to an international comparison by a US research company, there are 633 unicorn companies (unlisted companies with a market capitalization of over \$1 billion) in the US; 173 companies in China and 147 companies in Europe.

• On the other hand, Japan has six companies: Preferred Networks (deep learning), Smart News (news app), Smart HR (human resources and labor management software), Spiver (biomaterials), Liquid (virtual currency), and Playco (mobile game development). Stay at the company.



“Land of rising small caps... to Unicorns & Pegasus”

2020 – 2023



2023 - 2025



Our Core Services

Curation of Best Team

US PCAOB Auditor, SEC Attorney, Local Attorney, Underwriter, Exchange and other supporting vendors. Effectively communicate across parties to drive working group towards successful listing.

Financial Advisory

Institutionalize operations, messaging, and positioning to present the best equity story to maximize valuations and funds raised. Opportunistic pre-IPO and growth capital fundraising.

Project Management

Oversee entire IPO project and navigate team across key risks and hurdles related to the listing process. Enforce timelines to achieve discrete milestones to ensure efficiency.

Stakeholders Buy-In

Managing diverse stakeholders - from Board of directors to shareholders, to creditors, employees and external vendors. We help balance different priorities, align incentives to drive consensus action.

Fundraising Execution

Bridge global investors and sources of capital with Japanese small cap clients. Preemptively, navigate, and solve complex challenges in cross border funding.

Prospectus Support

Assist in accounting, legal, and financial due diligence during the IPO process, supporting correspondences and information exchange.

Strategy

We help connect tactical details to the bigger picture and clearly communicate, through data-driven decision making, key decisions and actions to align with management's long term goals.

USGAAP Conversion

Hands-on support for accounting translation (Japanese tax/JGAAP basis => USGAAP or IFRS). Recommend adjusting journal entries, reconciliations, pre-audits, and book cleanups for audit readiness.

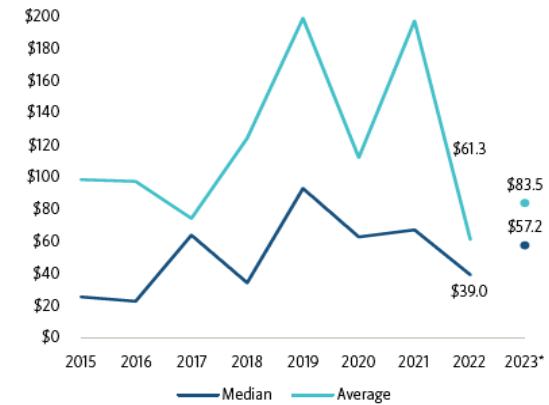
The Issues (TSE IPO)

Nikkei 225 Average PR USD index

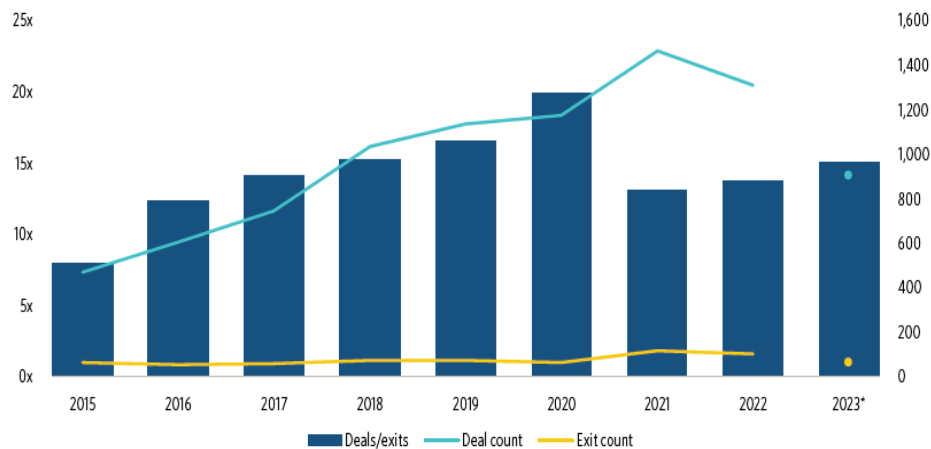


Source: Morningstar • Geography: Japan
*As of November 9, 2023

Median and average VC exit value (\$M)

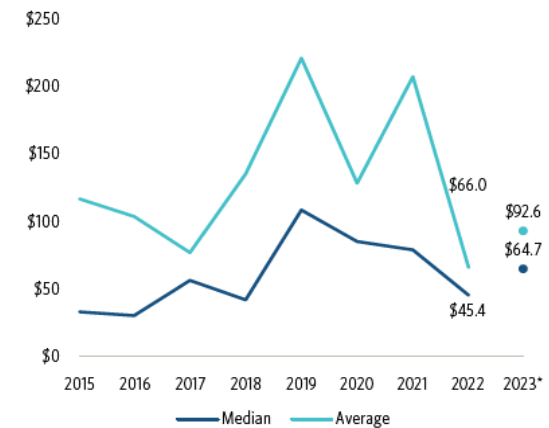


VC deal and exit counts



Source: PitchBook • Geography: Japan
*As of September 30, 2023

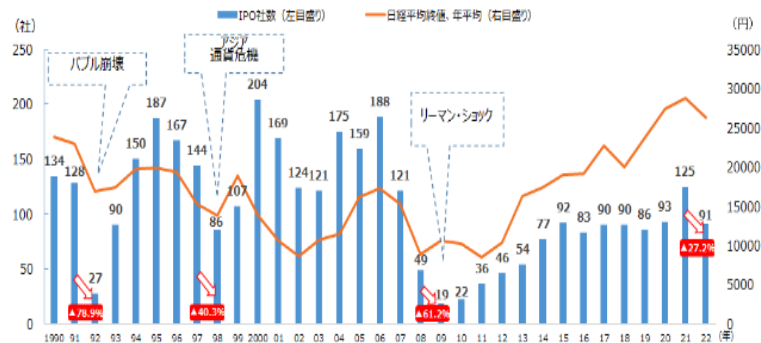
Median and average VC post-money valuation (\$M)



Source: PitchBook • Geography: Japan
*As of September 30, 2023

The Issues (cont.)

Number of IPOs and Stock Prices (1990-2022)



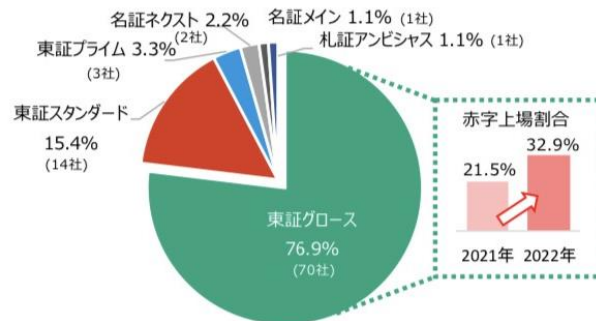
注：TOKYO PRO Market 上場企業を除く
出所：COSSMOS2（帝国データバンク）および各証券取引所の発表資料をもとに帝国データバンク作成

“The probability of a startup going public is extremely low”
新興企業が株式公開する確率は極めて低い。

~0.097%

- ~136 new listings / 144,622 registered companies

Percentage of IPO Companies by Market in 2022



注：東京証券取引所の市場再編以前に新規上場した企業は上場日に公表された市場再編後の新市場区分で集計
出所：各証券取引所の発表資料をもとに帝国データバンク作成

Gating Factors

- Qualitative/ Bureaucratic Factors
- Audit (no retroactive)
- Lack of buy-in for growth/forward looking
- Limited capital pools

The Issues (cont.)

新興市場上場後の時価総額推移

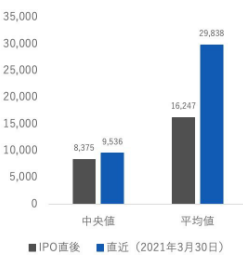


- ・約半数の企業（中央値）の時価総額がほぼ成長していない
- ・ただし平均値では一部の高成長企業によりプラスになっている

2013年~2019年に日本の新興市場へ上場した企業の時価総額と成長率

新興市場	全サンプル			
	株式時価総額		時価総額成長率	
	IPO直後期	直近	1期間	3期間
	2021/03/30	2021/03/30	(%)	(%)
単位 (百万円)	(百万円)	(百万円)	(%)	(%)
最小値	974	933	-86.5%	-86.8%
p10	2,816	2,755	-57.0%	-62.2%
p25	4,807	4,570	-36.3%	-43.5%
中央値	8,375	9,536	-2.1%	3.0%
p75	17,584	26,415	54.8%	101.1%
p90	33,289	73,072	128.4%	249.9%
最大値	613,726	789,741	710.0%	1528.8%
平均値	16,247	29,838	23.7%	66.3%
N	447	439	446	293

時価総額比較 (百万円)



2013年~2019年の各市場へ上場した企業の時価総額データを使用

注) p〇〇はパーセンタイル〇〇%のことで下位から〇〇%に位置するデータを示す

ナスダック高時価総額企業一覧



ナスダックでは上場時の時価総額が日本の新興市場よりも大きいという違いはあるものの、IPO直後期末で時価総額1,000億円未満だった会社で直近5,000億円を超える会社が9社、1兆円を超える会社も2社生まれており、上場後の成長も日本と比べ大きい

社名	業種	最近時価総額 (百万円)	IPO直後期末時価総額 (百万円)	上場日	社名	業種	最近時価総額 (百万円)	IPO直後期末時価総額 (百万円)	上場日
1 Zoom Video Communications	ソフトウェア (遠隔支店)	8,069,788	11,348,872	2019/04/18	29 Paycoity Holding Corp.	アクトソリューションサービス	843,849	222,233	2014/03/19
2 Moderna	バイオテクノロジー	5,218,908	17,435	2018/07/27	30 New Fortress Energy	電力 (再生可能エネルギー)	838,671	198,332	2016/01/31
3 Roku	動画配信サービス	4,981,882	371,273	2017/09/08	31 Ultragenyx Pharmaceutical	バイオテクノロジー	825,297	525,189	2016/01/31
4 DocuSign	ソフトウェア開発	4,041,454	1,338,549	2018/04/27	32 Fate Therapeutics	バイオテクノロジー	714,335	12,473	2013/10/01
5 Roku (米国)	ソフトウェア	3,946,862	1,696,790	2015/11/19	33 FireEye	セキュリティ	715,764	34,518	2014/11/07
6 CrowdStrike Holdings	セキュリティ	3,784,522	4,588,786	2019/02/14	34 Redfin Corp.	不動産仲介	700,295	141,708	2017/02/28
7 Peloton Interactive	スポーツ用品	3,107,940	1,762,877	2019/02/28	35 Denali Therapeutics	バイオテクノロジー	701,489	217,761	2017/12/08
8 The Trade Desk	ネット広告 (アドテクノロジー)	2,982,798	712,252	2018/09/21	36 HealthEquity	医療健康サービス	672,075	100,103	2016/07/31
9 Roku	セキュリティ	2,899,579	901,813	2017/04/27	37 10x BioTechnology	バイオテクノロジー	671,364	93,937	2019/01/31
10 Day	専門ITサービス (B to C)	2,787,418	158,590	2018/04/18	38 BlackLine	ソフトウェア (会計)	647,659	196,205	2018/10/28
11 CDW Corp	ITサービス	2,686,108	730,134	2013/09/28	39 Alkermes	バイオテクノロジー	641,143	508,442	2016/07/19
12 Accel	セキュリティ	2,479,129	1,356,487	2018/01/16	40 Onepace Holdings	施設管理	638,603	145,189	2018/08/31
13 Lyft	タクシー	2,220,248	1,614,590	2019/03/29	41 Sillix's Bargain Outlet Holdings	総合・食品小売	634,248	210,736	2019/07/16
14 Coupa Software	ソフトウェア (経営支援)	1,912,488	378,941	2018/03/08	42 Kodiak Sciences	バイオテクノロジー	621,598	348,515	2018/10/04
15 Intuitive Surgical	ソフトウェア (医療)	1,869,893	3,107,760	2019/09/19	43 Blueprint Medicines Corp	バイオテクノロジー	594,028	108,081	2018/04/30
16 MongoDB	ソフトウェア (インフラ系)	1,747,845	538,442	2017/10/19	44 Fate Therapeutics	バイオテクノロジー	587,071	188,884	2016/01/31
17 Guardant Health	遺伝子検査・診断機器	1,621,583	803,590	2018/10/04	45 Fox Factory Holding Corp	サスペンション	586,560	72,505	2018/08/27
18 Freedom Markets	食品卸売	1,471,977	1,471,977	2018/06/04	46 Tandem Diabetes Care	医療用電子機器	584,282	30,438	2013/11/14
19 Sunrun	太陽電池	1,290,700	64,217	2015/08/05	47 Uvex	Eコマース (自動車)	582,862	102,352	2018/02/03
20 Hailu Health Sciences	臨床試験管理	1,136,385	52,994	2018/04/04	48 Adaptive Biotechnologies	遺伝子検査・診断機器	575,556	837,041	2016/02/25
21 Pihl Health Sciences	臨床試験管理	1,069,872	278,476	2014/11/13	49 Veritas Systems	情報セキュリティ	558,335	58,406	2014/02/28
22 Aeon Enterprise	卸売・販売	977,219	167,642	2013/06/01	50 Nutanix	ソフトウェア (インフラ系)	550,473	928,325	2010/09/30
23 BridgeBio Pharma	医薬品開発	948,692	903,077	2019/02/27	51 Aspin Corp	ソフトウェア (インフラ系)	546,179	188,717	2017/05/25
24 Inhibitor	ソフトウェア (一般消費者向け)	946,570	814,665	2018/03/21	52 Inifint Therapeutics	バイオテクノロジー	538,181	78,373	2016/06/06
25 OnUsOne	サーバーサービス	903,583	128,419	2013/01/31	53 Sabre Corp	旅行予約	526,046	938,299	2014/04/17
26 Accolten Pharma	バイオテクノロジー	885,911	151,481	2019/09/18	54 Allergan Therapeutics	バイオテクノロジー	517,254	348,678	2018/01/31
27 Natera	バイオテクノロジー	878,331	774,688	2018/10/22	55 FireEye	情報セキュリティ	506,248	572,844	2013/09/19
28 Beyond Meat	食品加工品	873,183	810,408	2019/05/02	56 Virtu Financial	証券会社	504,028	257,848	2018/04/16

→ 最近時価総額1兆円以上の企業
→ IPO直後期末時価総額1,000億円未満の企業

上場ベンチャーの比較 (米/ナスダック vs 日/新興市場)



- ・ナスダックの方が中央値・平均値ともに成長率が高い
- ・ナスダックは急成長と急落の差が大きいという特徴も有す

ナスダック

単位	株式時価総額		時価総額成長率	
	IPO直後期	直近	1期間	3期間
	2021/03/30	2021/03/30	(%)	(%)
最小値	1,282	721	-92.2%	-97.7%
p10	7,156	8,642	-57.4%	-74.7%
p25	17,528	21,116	-29.7%	-39.0%
中央値	46,471	67,346	7.1%	13.2%
p75	97,937	249,768	62.5%	146.1%
p90	244,497	585,421	145.4%	337.9%
最大値	2,300,016	8,069,786	1408.1%	3509.0%
平均値	110,738	277,678	39.5%	116.4%
N	450	450	438	271

日本の新興市場

単位	株式時価総額		時価総額成長率	
	IPO直後期	直近	1期間	3期間
	2021/03/30	2021/03/30	(%)	(%)
最小値	974	933	-86.5%	-86.8%
p10	2,816	2,755	-57.0%	-62.2%
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平均値	16,247	29,838	23.7%	66.3%
N	447	439	446	293

時価総額成長率 (全サンプル)



2013年~2019年の各市場へ上場した企業の時価総額データを使用

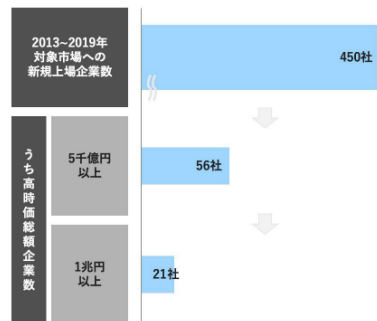
注) p〇〇はパーセンタイル〇〇%のことで下位から〇〇%に位置するデータを示す

上場ベンチャーの比較 (米/ナスダック vs 日/新興市場)

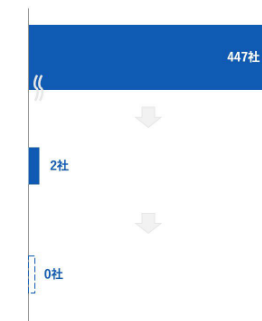


IPO数はほぼ同じであるにも関わらず高時価総額到達企業数は大差がある

ナスダック



日本の新興市場

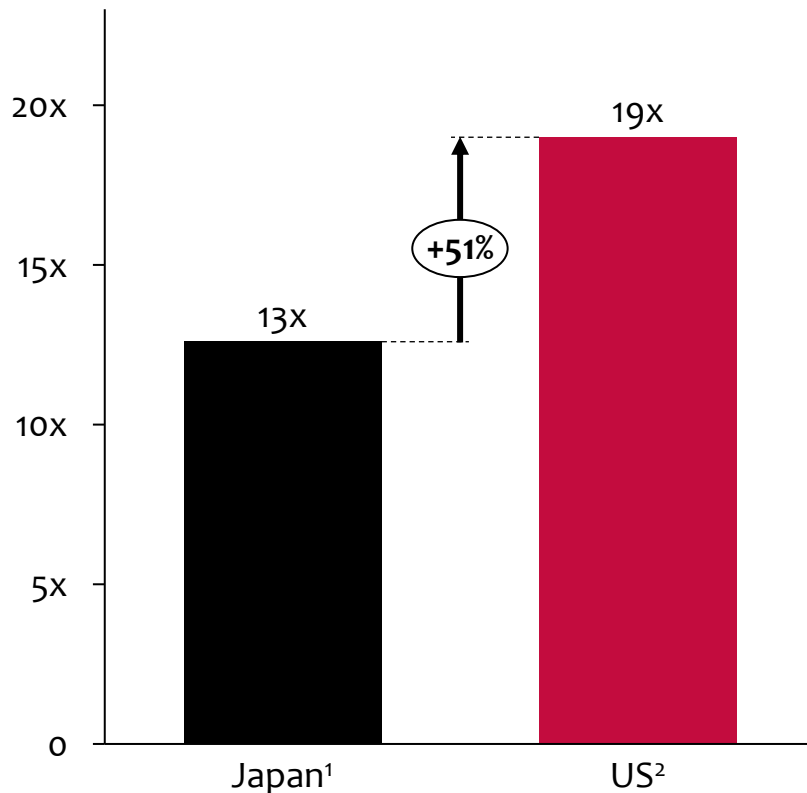


2013年~2019年の各市場へ上場した企業の2021年3月30日時点の時価総額を使用

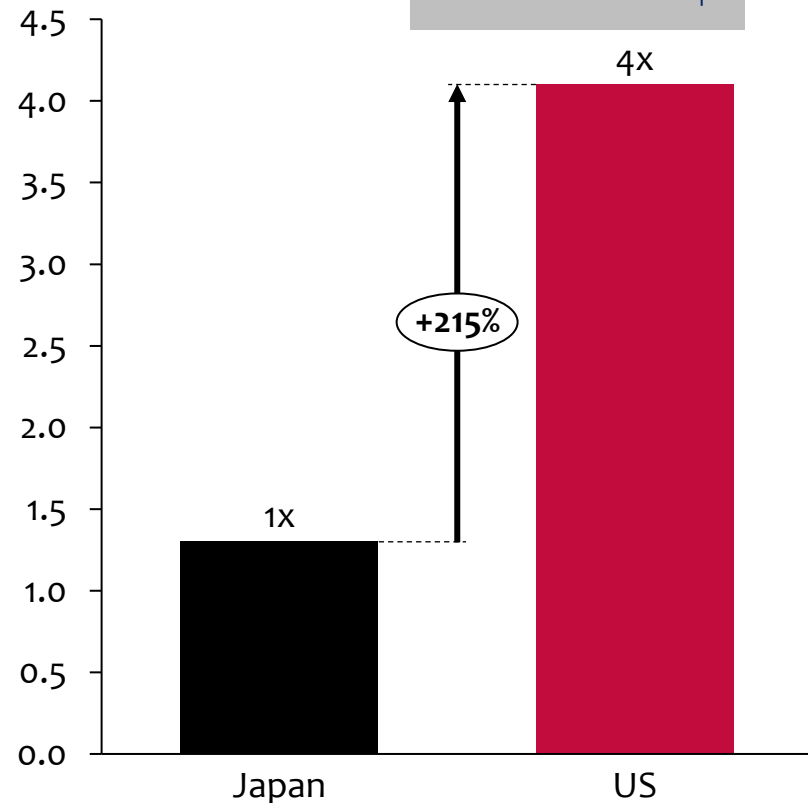
The Opportunity

US IPO Listing Advantage

Small Cap P/E ratios



Small Cap P/B ratios



Valuation ↑
Time to List ↓
Future Growth ↑

¹TOPIX Small-Cap. ²Russell 2000 Index
Source: Bloomberg as of 09/30/2023

IPO Preparation Snapshot

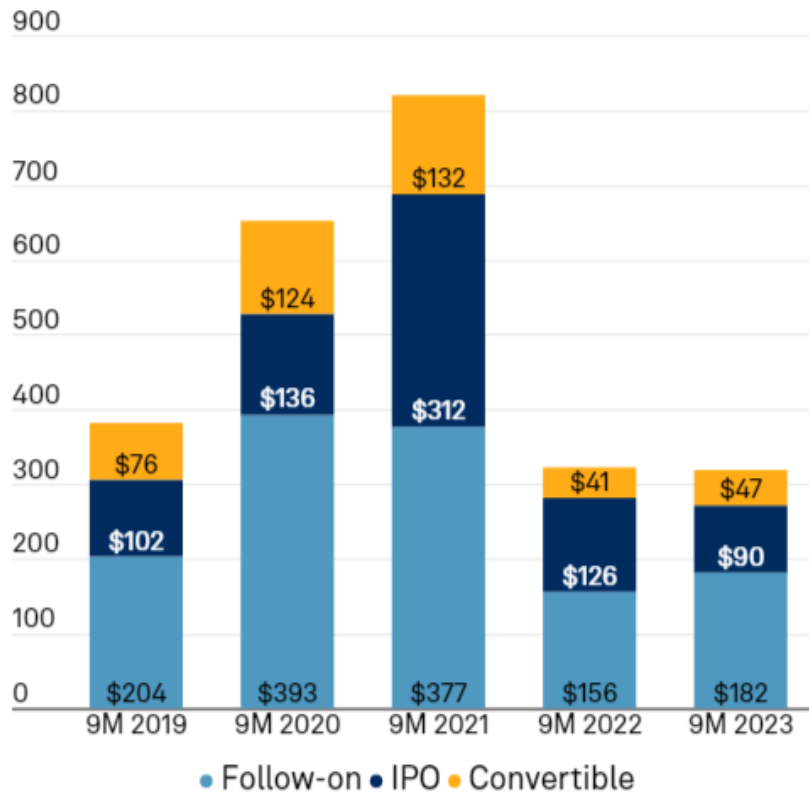
Responsible Parties	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	
Company / FA	<ul style="list-style-type: none"> Kick off-Curate, IPO team Internal Governance / IPO work flow 	<ul style="list-style-type: none"> Business/MD&A (prospectus) Internal team/hiring 	<ul style="list-style-type: none"> Complete submission prospectus 	<ul style="list-style-type: none"> *Prepare responses to SEC/Nasdaq 	<ul style="list-style-type: none"> Prepare fundraising plan 	<ul style="list-style-type: none"> Arrange capital initiatives, prepare team for marketing and roadshow Close IPO 	
Underwriter	<ul style="list-style-type: none"> Pre-deal / TTW 	<ul style="list-style-type: none"> *Complete UWC diligence 	<ul style="list-style-type: none"> Sign off / filing 	<ul style="list-style-type: none"> Begin TTW 	<ul style="list-style-type: none"> Continue TTW 	<ul style="list-style-type: none"> Roadshow/Pending comments Market /Clear securities 	
Auditor / Accounting	<ul style="list-style-type: none"> Begin FS preparation (2-year audited, interims as necessary) 	<ul style="list-style-type: none"> Completed USGAAP translation / bridge sheets Confirms / wrap up 	<ul style="list-style-type: none"> Audit opinion letter 	<ul style="list-style-type: none"> Begin interim review (optionally) Prepare for responses 	<ul style="list-style-type: none"> Continue addressing comments/submissions 	<ul style="list-style-type: none"> Prepare for following fiscal year audits *Confirmatory sign offs (cooldowns) 	
Legal	<ul style="list-style-type: none"> Begin Legal DD Confirm Structure 	<ul style="list-style-type: none"> Complete Legal DD Complete prospectus shell 	<ul style="list-style-type: none"> Review and finalize exhibits, governance, prospectus 	<ul style="list-style-type: none"> Continue regulatory responses 	<ul style="list-style-type: none"> Continue regulatory responses 	<ul style="list-style-type: none"> Continue regulatory responses Prepare for close. And post-IPO guidelines 	
Key Deliverables	<ul style="list-style-type: none"> Preliminary Fundraising Plan Prospectus shell 	<ul style="list-style-type: none"> Completion of USGAAP Completion of Prospectus Contents 	<ul style="list-style-type: none"> Audit OL delivery, Confidential Submission 	<ul style="list-style-type: none"> TTW Meetings, Prepare for regulatory responses 	<ul style="list-style-type: none"> Flip Public (Public Submission of Prospectus) 	<ul style="list-style-type: none"> Roadshow materials, rehearsals/1 on 1s Prepare contingencies 	<ul style="list-style-type: none"> Registration deemed effective, Nasdaq8a cert Price IPO, Trade, Settlement

Defense

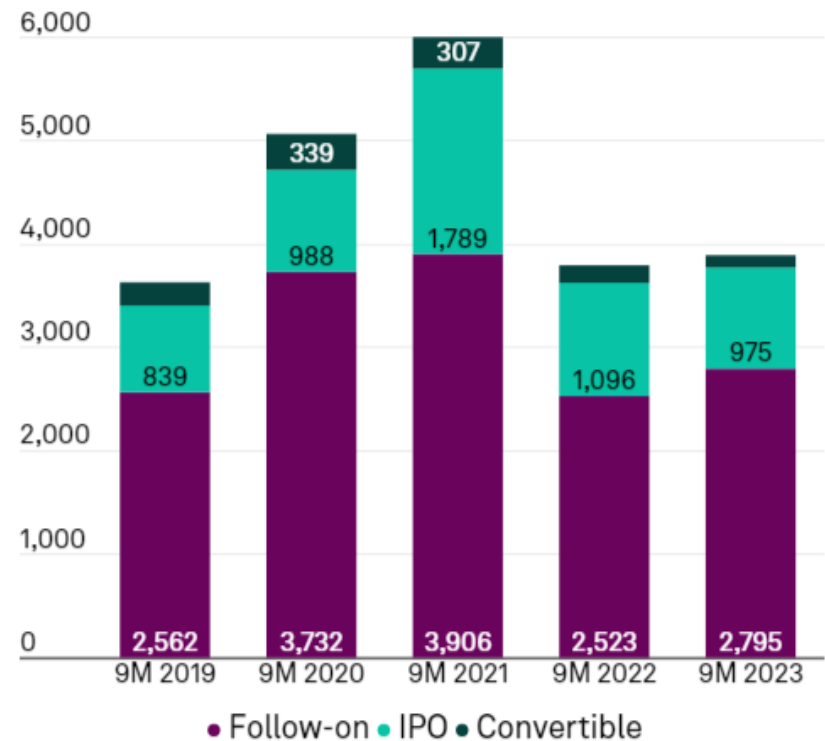
Offense

Headwinds exist but larger depth/breadth vs. JPX

Gross Proceeds Raised (\$B)



Number of Offerings



Depth & Liquidity Of Capital Markets

← JUN 2022 JUL 2022 AUG 2022 **SEP 2022** OCT 2022 NOV 2022 DEC 2022 →

SELECT DATE

Priced

Symbol	Company Name	Exchange/ Market	Price	Shares	Date ▼	Offer Amount	Actions
RVPH	REVIVA PHARMACEUTICALS HOLDINGS, INC.	NASDAQ Capital	2.53	1,976,285	09/07/2022	\$5,000,001	Priced
BNTC	Benitec Biopharma Inc.	NASDAQ Capital	0.60	17,637,843	09/14/2022	\$10,582,706	Priced
INTZ	INTRUSION INC	NASDAQ Capital	4.29	1,378,677	09/14/2022	\$5,914,524.33	Priced
EWTX	Edgewise Therapeutics, Inc.	NASDAQ Global Select	10.32	11,627,907	09/14/2022	\$120,000,000	Priced
CDAK	Codiak BioSciences, Inc.	NASDAQ Global	1.50	13,333,333	09/14/2022	\$19,999,999.50	Priced
PNT	POINT Biopharma Global Inc.	NASDAQ Capital	9.00	13,900,000	09/14/2022	\$125,100,000	Priced
LRMR	Larimar Therapeutics, Inc.	NASDAQ Global	3.15	22,225,000	09/14/2022	\$70,008,750	Priced
RYTM	RHYTHM PHARMACEUTICALS, INC.	NASDAQ Global	26.00	4,800,000	09/15/2022	\$124,800,000	Priced
KNW	KNOW LABS, INC.	NYSE MKT	2.00	3,600,000	09/16/2022	\$7,200,000	Priced
CCNE	CNB FINANCIAL CORP/PA	NASDAQ Global Select	23.50	3,702,127	09/19/2022	\$86,999,985	Priced
ALLK	Allakos Inc.	NASDAQ Global Select	5.02	29,882,000	09/19/2022	\$150,007,640	Priced
ADTX	Aditxt, Inc.	NASDAQ Capital	6.00	3,333,333	09/20/2022	\$19,999,998	Priced
ALPN	ALPINE IMMUNE SCIENCES, INC.	NASDAQ Global	7.35	13,606,000	09/21/2022	\$100,004,100	Priced
VIRI	Virios Therapeutics, Inc.	NASDAQ Capital	0.50	10,000,000	09/21/2022	\$5,000,000	Priced
LPTV	Loop Media, Inc.	NYSE MKT	5.00	2,400,000	09/22/2022	\$12,000,000	Priced
TRVI	Trevi Therapeutics, Inc.	NASDAQ Global	1.93	14,252,670	09/23/2022	\$27,507,653	Priced
SILO	Silo Pharma, Inc.	NASDAQ Capital	5.00	1,000,000	09/27/2022	\$5,000,000	Priced

Follow On / Deal Structures

- Secondary public offering [Another F1]
 - Shelf registrations [F3]
 - PIPEs / Private Placements
- Equity “Drip” Facilities (ELOC)
 - Convertible Bond

Typical Impacts

- * Dilution [if primary issuance]
- Share price dip (Discount)
 - Pros / Cons
- **Goal to repeatedly tap US markets [Issue Shares (Dilution) -> Grow FCF and buyback (offset) -> Repeat

Follow-ons compose majority of public market raises, allowing issuers to REPEATEDLY ACCESS capital...versus TSE Growth “one-shot” done

Japan IPO vs. US IPO

Factors	US (Nasdaq / NYSE)	Japan (TSE)	Scorecard
Probability of Success (Listing)	High – Spirit Advisors Clientele 80%+ meet initial project/timeline goal	Low – 1 in 20 (< 5% successfully list in any year) *Source: Public data, Jisedai-Kansa research Including registered companies, <0.094%	US
Valuation / Post Listing Performance	Microcaps / Structure based (10x+ Sales possible)	Trades at 20%-50%+ Discount on P/S, P/E, P/B vs. US	US
Fundraising Amount	\$8m-\$20m [small caps] \$40m-\$100m [mid cap] \$100m+ [large cap]	<\$5m, TSE growth (formerly mothers) \$60m median [large cap]	US
Speed to Listing / Cost	<6 months from start to listing \$1m-\$2m	2-3years+ No retroactive audits Gatekeepers, exchange patriarchal/subjective Cumulative cost \$2m+	US
Follow-On Opportunities	High	Low	US
Liquidity	Most Liquid Global capital flow	Illiquid (for small caps) Foreign capital primarily TSE 1 st exchange	US
Global Growth/Prestige	High #1 in world, Expands Revenue/Partnership opportunities	Limited to Japan Perception of “local” vs. “global”	US
Difficulty / Resources	Language Requirement “Offense” & “defense” capabilities	Selective, procedure / decision making haphazard Local / language advantage	JP

Introducing EFH



ALL UNDERWRITER ACTIVITY

Lead Underwriter: All
Time Frame: 12/11/2022 to 12/11/2023

Underwriter	IPOs	Proceeds (\$M)	First 3 Month Return	IPO Return
EF Hutton	14	\$626	-36.6%	-32.6%
Goldman Sachs	10	\$8,132	-5.6%	-6.7%
J.P. Morgan	9	\$2,762	15.3%	13.0%
Boustead Securities	9	\$76	-51.5%	-68.9%
Maxim Group LLC	7	\$146	-28.6%	-36.2%
Prime Number Capital	7	\$91	49.4%	62.3%
Cantor Fitzgerald	5	\$678	-51.0%	-51.0%
Citi	5	\$1,478	-1.1%	-32.3%
Uinvest Securities	5	\$53	-24.3%	5.5%
The Benchmark Company	4	\$52	49.2%	11.3%
Spartan Capital Securities	4	\$96	-63.1%	-77.7%
Revere Securities	4	\$40	-5.5%	-31.5%
Barclays	3	\$5,230	25.7%	51.2%
Chardan Capital Markets	3	\$180	*	*
Morgan Stanley	3	\$776	-21.3%	-55.9%
Network 1 Financial Securities	3	\$72	-83.7%	-81.0%

EF Hutton Leads in Equity Issuance

EF Hutton is a league-leader in equity issuance since its inception in 2020

2022 – 2023 SPAC IPO League Table ⁽¹⁾			2022 -2023 IPO Issuances League Table ⁽²⁾			2022-2023 Total Equity League Table ⁽²⁾		
Underwriter		Vol (\$M)	Underwriter		Vol (\$M)	Underwriter		Vol (\$M)
Hutton	28	\$2,559	Hutton	45	\$1,180	JP Morgan	95	\$8,946
Cantor Fitzgerald	10	2,387	BofA Securities	28	1,380	Goldman	73	7,928
Chardan	9	730	Goldman Sachs	25	1,690	BofA Securities	72	5,491
Maxim Group	9	911	Stifel	25	880	Morgan Stanley	68	6,608
Citigroup	9	3107	JP Morgan	22	1,490	Jefferies	56	3,118
EarlybirdCapitalInc	7	684	Jefferies	19	857	Citi	43	4,679
BTIG	6	626	Maxim Group	19	107	SVB Financial	41	2,186
Ladenburg	5	237	ThinkEquity	18	111	Cowen	40	1,803
Brookline Capital Markets	5	261	Piper Sandler	17	578	Stifel	40	1,327
AGP	5	391	Boustead Securities	16	50	Wells Fargo	35	2,041
I-Bankers	5	518	Citi	14	1,620	RBC	33	2,166
BofA Securities	3	581	Barclays	13	395	Evercore	33	2,022
JP Morgan	3	719	Joseph Gunnar	13	6	Barclays	31	2,137
Network 1	2	138	RBC Capital Markets	13	580	Hutton	31	1,390
UBS	2	460	Raymond James	13	182	Piper Sandler	30	1,091

Select EF Hutton SPAC IPOs⁽³⁾

<p>Quetta Acquisition Corporation (Nasdaq: QETAU)</p> <p>Quetta Acquisition Corporation</p> <p>\$69,000,000 SPAC IPO Sole Bookrunner October 2023</p>	<p>99 Acquisition Group Inc. (Nasdaq: NNAGU)</p> <p>99 ACQUISITION GROUP</p> <p>\$75,000,000 SPAC IPO Sole Bookrunner August 2023</p>	<p>Keen Vision Acquisition Corporation (Nasdaq: KVAC)</p> <p>KVAC Keen Vision Acquisition Corporation</p> <p>\$149,500,000 SPAC IPO Sole Bookrunner July 2023</p>
<p>Four Leaf Acquisition Corporation (Nasdaq: FORLU)</p> <p>FOUR LEAF ACQUISITION CORPORATION</p> <p>\$52,210,000 SPAC IPO Sole Bookrunner March 2023</p>	<p>Oak Woods Acquisition Corporation (Nasdaq: OAKU)</p> <p>OAK WOODS</p> <p>\$54,210,000 SPAC IPO Sole Bookrunner March 2023</p>	<p>Cetus Capital Acquisition Corp. (Nasdaq: CETUU)</p> <p>CETUS CAPITAL ACQUISITION CORP.</p> <p>\$57,500,000 SPAC IPO Sole Bookrunner January 2023</p>

Select EF Hutton Traditional IPOs⁽³⁾

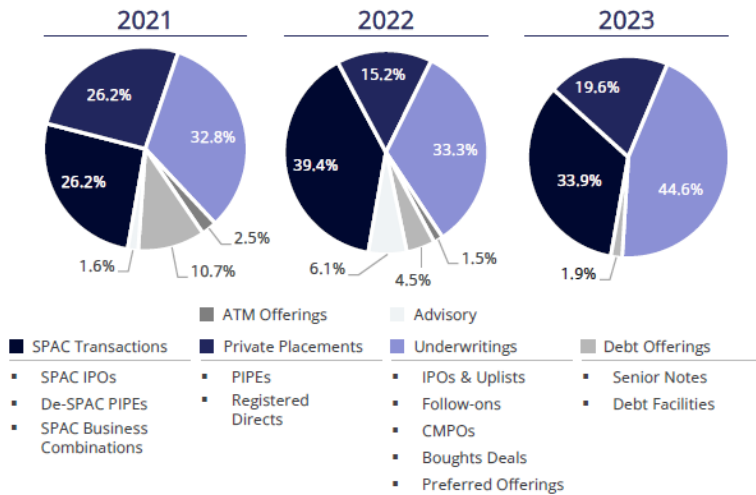
<p>WEBUY GLOBAL LTD (Nasdaq: WBUY)</p> <p>WEBUY</p> <p>\$15,200,000 Initial Public Offering Sole Bookrunner October 2023</p>	<p>Lead Real Estate Co., Ltd (Nasdaq: LRE)</p> <p>LEAD-REAL ESTATE CO., LTD.</p> <p>\$8,001,000 Initial Public Offering Sole Bookrunner September 2023</p>	<p>Solowin Holdings (Nasdaq: SWIN)</p> <p>SOLOWIN</p> <p>\$8,000,000 Initial Public Offering Sole Bookrunner September 2023</p>
<p>SRM Entertainment Inc. (Nasdaq: SRM)</p> <p>SRM</p> <p>\$6,250,000 Initial Public Offering Sole Bookrunner August 2023</p>	<p>Chanson International Holding (Nasdaq: CHSN)</p> <p>CHANSON</p> <p>\$13,560,000 Initial Public Offering Sole Bookrunner March 2023</p>	<p>Hongli Group Inc. (Nasdaq: HLP)</p> <p>宏力型钢 SUBSIDIARY PROFILE</p> <p>\$9,487,500 Initial Public Offering Sole Bookrunner March 2023</p>

Other Select EF Hutton Offerings⁽³⁾

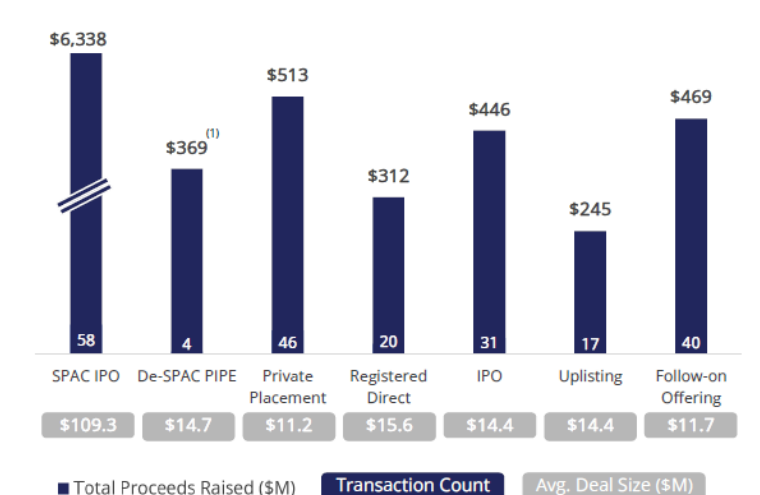
<p>Treasure Global Inc (Nasdaq: TGL)</p> <p>TREASURE GLOBAL INC.</p> <p>\$4,000,000 Underwritten Public Offering Sole Bookrunner November 2023</p>	<p>LQR House Inc. (Nasdaq: LQR)</p> <p>LQR HOUSE</p> <p>\$1,100,000 Underwritten Public Offering Sole Bookrunner November 2023</p>	<p>Bruush Oral Care Inc. (Nasdaq: BRSH)</p> <p>BRÜUSH</p> <p>\$5,000,000 Private Placement Exclusive Placement Agent October 2023</p>
<p>Grom Social Enterprises, Inc. (Nasdaq: GROM)</p> <p>GROM SOCIAL</p> <p>\$3,002,949 Underwritten Public Offering Sole Bookrunner September 2023</p>	<p>SMX (Security Matters) Public Limited Company (Nasdaq: SMX)</p> <p>SMX</p> <p>\$4,250,000 Private Placement Exclusive Placement Agent September 2023</p>	<p>Biocept, Inc. (Nasdaq: BIOC)</p> <p>Biocept</p> <p>\$5,000,000 Follow-On Offering Sole Bookrunner May 2023</p>

Product Mix & Historical Performance

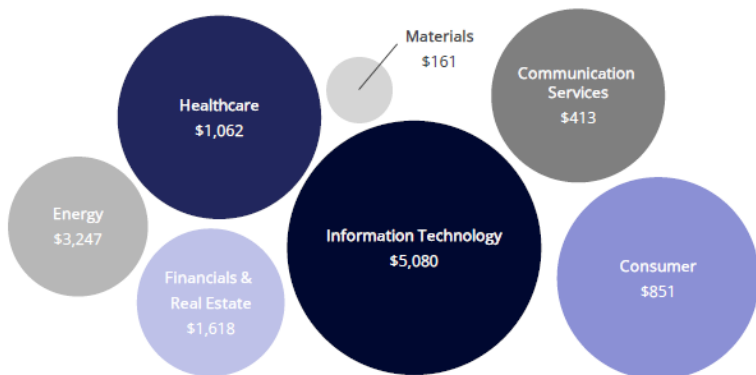
Product Mix by Year



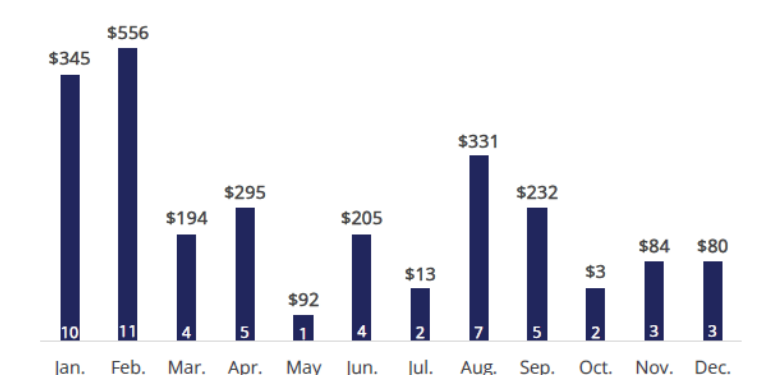
Equity Transaction Analysis by Product Type



Sector Mix by Transaction Count⁽²⁾



2022 Transaction Volume by Month



Integrated Platform: Bespoke Approach, Proven Results

EF Hutton is an Integrated Investment Bank with professionals who have a high degree of technical & industry expertise to assist our clients in achieving their strategic objectives

Investment Banking

Our Investment Banking platform is comprised of a team of industry veterans well-versed in successful execution processes

268+ Transactions⁽¹⁾
completed since inception across all product types

\$15.8B+ Aggregate Value⁽¹⁾
represented across all completed transactions

Sector Experts
with execution experience across all major verticals

Capabilities

Underwritten Public Offerings

Placement Agency

Financial Advisory

Fairness Opinions

Capital Markets & Institutional Sales

Developed a market leading capital raising franchise which is consistently amongst the top of the league tables

1,000+ Institutions⁽¹⁾
covered, providing direct access to a breadth of strategic & fundamental investors

16,000+ Retail Accounts⁽¹⁾
within EF Hutton's retail investor network

Key Functions

Investor Targeting

Transaction Structuring

Market Dynamics

Equity Research

Burgeoning sell side platform with seasoned analysts, focused on identifying key trends/tailwinds for emerging growth and middle market companies



Tim Moore
Senior Equity Research Analyst & Director

15+ Years Experience



Michael Albanese
Vice President

9+ Years Experience

Capabilities:

- ✓ Decades of combined experience across both the sell side and buy side
- ✓ A bottoms-up process with a focus on capitalizing on analytical and behavioral insights in order to deliver alpha
- ✓ The depth of expertise and fundamental process are key differentiators to the team's success

Corporate Access

Global distribution with offices in all major American cities, ensuring smooth logistics for conferences and client meetings to maximize value



Coordinate Roadshows

Business Development

Investor Relations

Marketing

EF Hutton's Dedicated Team

Senior Leadership



Joseph T. Rallo
Chief Executive Officer

16+ Years Experience



David W. Boral
President

16+ Years Experience

Investment Banking Coverage Team



Gaurav Verma
Head of SPACs

15+ Years Experience



Stephanie Hu
Head of Asia

10+ Years Experience



Kale Fein
Managing Director

10+ Years Experience



David Lee
Vice President

10+ Years Experience

Responsibilities:

- ✓ Transaction oversight and execution
- ✓ Advise on positioning and messaging
- ✓ Participate in negotiations with prospective investors or targets
- ✓ Propose financial and strategic alternatives
- ✓ Evaluate potential acquisition targets
- ✓ Day-to-day execution

Capital Markets Team



Phil Weiderlight
Chief Operating Officer
Head of Syndicate

10+ Years Experience



Nicole Briley
Vice President

9+ Years Experience



Mark Iorio
Vice President

4+ Years Experience

Responsibilities:

- ✓ Manage institutional relationships
- ✓ Investor targeting
- ✓ Transaction structuring
- ✓ Understand market dynamics

EF Hutton Junior Support



Ryan Zhang
Sr. Analyst, Investment Banking



Jack Schultz
Analyst, Capital Markets



Stephen Wafalosky
Analyst, Investment Banking

EF Hutton Structured Products Team



Duncan Swanson
Sr. Managing Director
Head of Structured Products

16+ Years Experience



Andrew McLaughlin
Managing Director

12+ Years Experience



Sneha Upadhyay
Vice President

3+ Years Experience

- ✓ Experienced team specializing in financing and capital raising for infrastructure projects
- ✓ With a proven track record and extensive knowledge of the financial landscape
- ✓ Offering tailored solutions, leveraging our network of investors and financiers, to optimize resources and accelerate projects

Recent EF Hutton Transactions

<p>Fenbo Holdings Limited (Nasdaq: FEBO)</p> <p>\$5,000,000 Initial Public Offering Sole Bookrunner November 2023</p>	<p>Treasure Global Inc (Nasdaq: TGL)</p> <p>\$4,000,000 Underwritten Public Offering Sole Bookrunner November 2023</p>	<p>LQR House Inc. (Nasdaq: LQR)</p> <p>\$11,000,000 Underwritten Public Offering Sole Bookrunner November 2023</p>	<p>AI Transportation Acquisition Corp AITRU</p> <p>\$60,000,000 SPAC IPO Sole Bookrunner November 2023</p>	<p>Pineapple Financial Inc. (NYSE: PAPL)</p> <p>\$3,500,000 Initial Public Offering Sole Bookrunner October 2023</p>	<p>WEBUY GLOBAL LTD (Nasdaq: WBUY)</p> <p>\$15,800,000 Initial Public Offering Sole Bookrunner October 2023</p>	<p>LQR House Inc. (Nasdaq: LQR)</p> <p>\$5,400,000 Underwritten Public Offering Sole Bookrunner October 2023</p>
<p>Quetta Acquisition Corporation (Nasdaq: QETAU)</p> <p>\$69,000,000 SPAC IPO Sole Bookrunner October 2023</p>	<p>Bruush Oral Care Inc. (Nasdaq: BRSH)</p> <p>\$5,000,000 Private Placement Exclusive Placement Agent October 2023</p>	<p>Lead Real Estate Co., Ltd (Nasdaq: LRE)</p> <p>\$8,001,000 Initial Public Offering Lead Bookrunner September 2023</p>	<p>Datasea Inc. (Nasdaq: DTSS)</p> <p>\$2,000,000 Underwritten Public Offering Sole Bookrunner September 2023</p>	<p>American Rebel Holdings, Inc. (Nasdaq: AREB)</p> <p>\$3,287,555 Private Placement Exclusive Placement Agent September 2023</p>	<p>Grom Social Enterprises, Inc. (Nasdaq: GROM)</p> <p>\$3,002,946 Underwritten Public Offering Sole Bookrunner September 2023</p>	<p>Solowin Holdings (Nasdaq: SWIN)</p> <p>\$8,000,000 Initial Public Offering Sole Bookrunner September 2023</p>
<p>SMX (Security Matters) Public Limited Company (Nasdaq: SMX)</p> <p>\$4,290,000 Private Placement Exclusive Placement Agent September 2023</p>	<p>99 Acquisition Group Inc. (Nasdaq: NNAGU)</p> <p>\$75,000,000 SPAC IPO Sole Bookrunner August 2023</p>	<p>SRM Entertainment Inc. (Nasdaq: SRM)</p> <p>\$6,250,000 Initial Public Offering Lead Bookrunner August 2023</p>	<p>LQR House Inc. (Nasdaq: LQR)</p> <p>\$5,750,000 Initial Public Offering Sole Bookrunner August 2023</p>	<p>Keen Vision Acquisition Corporation (Nasdaq: KVAC)</p> <p>\$149,500,000 SPAC IPO Lead Bookrunner July 2023</p>	<p>American Rebel Holdings, Inc. (Nasdaq: AREB)</p> <p>\$3,000,000 Private Placement Placement Agent June 2023</p>	<p>SMX (Security Matters) Public Limited Company (Nasdaq: SMX)</p> <p>\$3,200,000 Underwritten Public Sole Bookrunner June 2023</p>
<p>Clene Inc. (Nasdaq: CLNN)</p> <p>\$40,000,000 Follow-On Offering Co-Manager June 2023</p>	<p>Bone Biologics Corporation (Nasdaq: BBLG)</p> <p>\$5,000,000 Follow-On Offering Sole Bookrunner June 2023</p>	<p>Biocept, Inc. (Nasdaq: BIOC)</p> <p>\$5,000,000 Follow-On Offering Sole Bookrunner May 2023</p>	<p>Bright Green Corporation (Nasdaq: BGXX)</p> <p>\$3,500,000 Private Placement Exclusive Placement Agent May 2023</p>	<p>Guardforce AI Co., Limited (Nasdaq: GFAI)</p> <p>\$13,799,759 Underwritten Public Offering Lead Bookrunner May 2023</p>	<p>Guardforce AI Co., Limited (Nasdaq: GFAI)</p> <p>\$9,199,997 Underwritten Public Offering Lead Bookrunner May 2023</p>	<p>Sidus Space, Inc. (Nasdaq: SIDU)</p> <p>\$10,000,000 Underwritten Public Offering Joint Bookrunner April 2023</p>

Recent EF Hutton Transactions (cont.)

<p>Enovix Corporation (Nasdaq: ENVX)</p> <p>\$140,000,000 Senior Notes Offering Co-Manager April 2023</p>	<p>Chanson International Holding (Nasdaq: CHSN)</p> <p>\$13,560,000 Initial Public Offering Sole Bookrunner March 2023</p>	<p>Hongli Group Inc. (Nasdaq: HLP)</p> <p>\$9,487,500 Initial Public Offering Sole Bookrunner March 2023</p>	<p>YanGuFang International Group Co., Ltd. (Nasdaq: YGF)</p> <p>\$8,000,000 Initial Public Offering Sole Bookrunner March 2023</p>	<p>Oak Woods Acquisition Corporation (Nasdaq: OAKUU)</p> <p>\$57,500,000 SPAC IPO Sole Bookrunner March 2023</p>	<p>Four Leaf Acquisition Corporation (Nasdaq: FORLU)</p> <p>\$54,210,000 SPAC IPO Sole Bookrunner March 2023</p>	<p>Treasure Global Inc (Nasdaq: TGL)</p> <p>\$5,500,000 Private Placement Exclusive Placement Agent March 2023</p>
<p>Hempacco Co., Ltd. (Nasdaq: HPCO)</p> <p>\$7,245,000 Follow-On Offering Joint Bookrunner February 2023</p>	<p>Pono Capital Three, Inc. (Nasdaq: PTHRU)</p> <p>\$115,000,000 SPAC IPO Sole Bookrunner February 2023</p>	<p>Sonnet BioTherapeutics Holdings, Inc. (Nasdaq: SONN)</p> <p>\$14,999,776 Follow-On Offering Joint Bookrunner February 2023</p>	<p>Sidus Space, Inc. (Nasdaq: SIDU)</p> <p>\$5,167,330 Follow-On Offering Joint Bookrunner January 2023</p>	<p>AppTech Payments Corp. (Nasdaq: APCX)</p> <p>\$5,000,001 Registered Direct Exclusive Placement Agent January 2023</p>	<p>Cetus Capital Acquisition Corp. (Nasdaq: CETUU)</p> <p>\$57,500,000 SPAC IPO Sole Bookrunner January 2023</p>	<p>Grom Social Enterprises, Inc. (Nasdaq: GROM)</p> <p>\$3,000,000 Private Placement Placement Agent January 2023</p>
<p>Atlas Lithium Corp. (Nasdaq: AT LX)</p> <p>\$5,167,330 Underwritten Public Offering and Uplisting Sole Bookrunner January 2023</p>	<p>Harrow Health, Inc. (Nasdaq: HROW)</p> <p>\$35,000,000 Senior Notes Lead Manager December 2022</p>	<p>Grom Social Enterprises, Inc. (Nasdaq: GROM)</p> <p>\$5,004,642 Underwritten Public Offering Sole Bookrunner December 2022</p>	<p>CTO Realty Growth, Inc. (NYSE: CTO)</p> <p>\$65,600,000 Underwritten Public Offering Co-Manager December 2022</p>	<p>Snail, Inc. (Nasdaq: SNAL)</p> <p>\$15,000,000 Initial Public Offering Joint Bookrunner November 2022</p>	<p>Plutonian Acquisition Corp. (Nasdaq: PLTN)</p> <p>\$57,500,000 SPAC IPO Sole Bookrunner November 2022</p>	<p>Subsea Environmental Services B.V.</p> <p>\$31,000,000 Senior Credit Facility Financial Advisor November 2022</p>
<p>Guardforce AI Co., Limited (Nasdaq: GFAI)</p> <p>\$1,707,500 Private Placement Executive Placement Agent October 2022</p>	<p>Castellum, Inc. (NYSE: CTM)</p> <p>\$3,000,000 Underwritten Public Offering and Uplisting Sole Bookrunner October 2022</p>	<p>Splash Beverage Group, Inc. (NYSE: SBEV)</p> <p>\$3,558,999 Underwritten Public Offering Sole Bookrunner September 2022</p>	<p>Global Star Acquisition, Inc. (Nasdaq: GLSTU)</p> <p>\$92,000,000 SPAC IPO Sole Bookrunner September 2022</p>	<p>Yoshiharu Global Co. (Nasdaq: YOSH)</p> <p>\$11,760,000 Initial Public Offering Sole Bookrunner September 2022</p>	<p>EF Hutton Acquisition Corporation I (Nasdaq: EFHTU)</p> <p>\$115,000,000 SPAC IPO Sole Bookrunner September 2022</p>	<p>Bright Green Corporation (Nasdaq: BGXX)</p> <p>\$10,000,000 Private Placement Exclusive Placement Agent September 2022</p>

Repeat Transactions / Follow-Ons

Case Study: AFC Gamma, Inc.

AFC Gamma, Inc. (NASDAQ: AFCG) Follow-On

\$67,482,556

3,291,832 Common Shares

Joint Bookrunner
January 2022

Business Overview

- AFC Gamma is a leading provider of institutional loans to high-quality cannabis companies nationwide in all aspects of production: cultivation, processing, and distribution
- The Company offers loans and related facilities, generally secured by substantial assets such as real estate, licenses and cashflow
- With years of combined lending expertise and real-estate experience, AFC Gamma's principals are now focused on the exponential growth of the cannabis industry
- Since the Company's IPO in March 2021, AFCG has grown book value and increased the dividend on the heels of continued growth in the loan portfolio
- Chairman & CEO Len Tannenbaum previously founded Fifth Street Asset Management, a multi-billion dollar business development company manager, whose assets were acquired by Oaktree Capital in October 2017

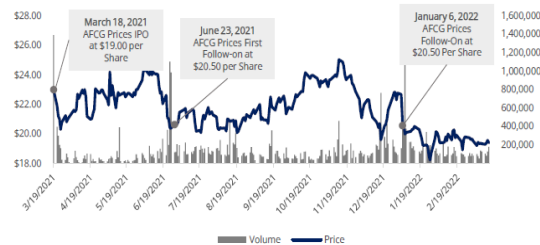
Transaction Highlights

- 3-day virtual roadshow with mutual fund and hedge fund institutional accounts, with sales force presentation to EF Hutton and JBRs upon launch
- 37 institutional accounts ultimately participated in the offering
- Over-subscribed offering based on significant retail demand, with EF Hutton indicating for over **\$35 million of allocable demand** from our retail platform
- EF Hutton was **allocated only half of our indicated demand** as the Company chose to fill institutional orders and allow for retail buying in the aftermarket. EFH received **23% of the offering** for our retail allocation
- EF Hutton supported the other bookrunners by selling 25% of the offering, **far outpunching our weight and fixed pot economics**
- EF Hutton further delivered several anchor institutional orders totaling approximately \$10 million
- Final deal allocation ratio was 47% retail / 53% institutional, with EF Hutton and Jefferies delivering the retail book, allowing AFCG to execute a partial greenshoe post-transaction
- AFCG traded in-line with the market post-pricing, ending down 2.4% from last close, with volume receding to normalized 30-day ADTV within 1 trading session

EF Hutton's Firm-Wide Commitment

- Long-standing banking and sales relationships with AFCG founders led to EF Hutton being included as a Joint Bookrunner alongside Jefferies, Cowen, JMP and Seaport
- Differentiated equity research coverage by Gaurav Mehta, CFA, who initiated with a Buy rating and \$23.00 price target

AFC Gamma Stock Performance from IPO through Follow-On



EF Hutton's distribution platform adapts to clients' financing needs, opportunistically accessing capital markets

AgriFORCE Growing Systems Ltd. (Nasdaq: AGRI) \$14,025,000 Convertible Debt Facility Exclusive Placement Agent July 2022	AgriFORCE Growing Systems Ltd. (Nasdaq: AGRI) \$15,639,994 Initial Public Offering Sole Bookrunner July 2021	AgriFORCE Growing Systems Ltd. (Nasdaq: AGRI) \$3,287,555 Private Placement Placement Agent March 2021	AMERICAN REBEL Holdings, Inc. (Nasdaq: AREB) \$3,287,555 Private Placement Exclusive Placement Agent September 2023	AMERICAN REBEL Holdings, Inc. (Nasdaq: AREB) \$3,000,000 Private Placement Placement Agent June 2023	AMERICAN REBEL Holdings, Inc. (Nasdaq: AREB) \$12,887,976 Private Placement Exclusive Placement Agent July 2022	AMERICAN REBEL Holdings, Inc. (Nasdaq: AREB) \$10,500,000 Underwritten Public Offering and UpListing Sole Bookrunner February 2022
AMERICAN REBEL Holdings, Inc. (Nasdaq: AREB) with Champion Safe Company \$9,897,420 Acquisition Financial Advisor August 2022	CEL·SCI Corporation (NYSE: CVM) \$36,418,200 Bought Underwritten Public Offering Sole Bookrunner June 2021	CEL·SCI Corporation (NYSE: CVM) \$14,650,000 Bought Underwritten Public Offering Joint Bookrunner December 2020	CEL·SCI Corporation (NYSE: CVM) \$8,860,416 Bought Underwritten Public Offering Sole Bookrunner March 2020	CEL·SCI Corporation (NYSE: CVM) \$5,500,002 Follow-On Offering Sole Bookrunner December 2019	GREENBOX POS (Nasdaq: GBOX) \$100,000,000 Private Placement Exclusive Placement Agent November 2021	GREENBOX POS (Nasdaq: GBOX) \$50,111,250 Underwritten Public Offering and UpListing Sole Bookrunner February 2021
GREENBOX POS (Nasdaq: GBOX) \$3,200,000 Private Placement Exclusive Placement Agent December 2020	GREENBOX POS (Nasdaq: GBOX) \$3,850,000 Private Placement Exclusive Placement Agent October 2020	GROM SOCIAL Enterprises, Inc. (Nasdaq: GROM) \$3,002,946 Underwritten Public Offering Sole Bookrunner September 2023	GROM SOCIAL Enterprises, Inc. (Nasdaq: GROM) \$3,000,000 Private Placement Placement Agent January 2023	GROM SOCIAL Enterprises, Inc. (Nasdaq: GROM) \$5,004,642 Underwritten Public Offering Sole Bookrunner December 2022	GROM SOCIAL Enterprises, Inc. (Nasdaq: GROM) \$11,496,384 Underwritten Public Offering and UpListing Sole Bookrunner June 2021	GROM SOCIAL Enterprises, Inc. (Nasdaq: GROM) Private Placement Placement Agent March 2021
Guardforce AI Co., Limited (Nasdaq: GFAI) \$13,799,759 Underwritten Public Offering Lead Bookrunner May 2023	Guardforce AI Co., Limited (Nasdaq: GFAI) \$9,199,997 Underwritten Public Offering Lead Bookrunner May 2023	Guardforce AI Co., Limited (Nasdaq: GFAI) \$1,707,500 Private Placement Executive Placement Agent October 2022	Guardforce AI Co., Limited (Nasdaq: GFAI) \$10,295,996 Private Placement Exclusive Placement Agent January 2022	Guardforce AI Co., Limited (Nasdaq: GFAI) \$10,360,263 Registered Direct Offering Exclusive Placement Agent April 2022	Guardforce AI Co., Limited (Nasdaq: GFAI) \$15,005,422 Underwritten Public Offering and UpListing Sole Bookrunner September 2021	

Core Discussion Topics (Submitted Q's)

1. Post-IPO share price performance has been down for almost all microcaps. Is this market factor, structure (i.e. small caps underperform given lack of institutional / anchors), or story (company). How can our clients potentially right- size expectations for valuations going in to an IPO (or acceptance of likely performance afterwards)?

IPO後の株価パフォーマンスは、ほぼすべてのマイクロキャップで低下しています。

これは市場要因なのか、構造的要因なのか（つまり、機関投資家やアンカーがないため、小型株はパフォーマンスが低い）、それともストーリー（企業）なのか。当社の顧客は、IPOに向けたバリュエーションへの期待（またはIPO後に予想されるパフォーマンスの受容）をどのように権利化できる可能性がありますか？

2. What is the demand from institutional investors for microcap Japanese stock? Do they take on a geography first, top down followed by bottom up evaluation of the story? Does it matter if their growth plans are limited domestically (to japan only)? and what other considerations might the US capital market have for Japanese small cap stocks in particular (relative to small cap issuers from other countries)?

マイクロキャップの日本株に対する機関投資家の需要は？機関投資家は、まず地理的条件、トップダウン、次にボトムアップでストーリーを評価するのでしょうか？また、米国市場は特に日本の小型株に対して（他の国の小型株発行体と比較して）どのような考慮をしているのでしょうか。

3. The Japanese IPO market experiences thousands of applicants a year to go public and <5% of these complete their IPOs. Our hit rate (implying SA & EFH) is north of 50% (we are 8 for 8 at the moment) despite overall challenging market. What is your read on the ease or acceptance of US capital markets for Japanese paper (equity), while local markets continue to

What do you see as the trend for future listings from Japan into the US?

日本のIPO市場では、年間数千の上場申請者があり、そのうちの5%未満がIPOを完了しています。

私たちのヒット率（SAとEFHを意味する）は、全体的に厳しい市場にもかかわらず、50%以上です（私たちは現在8対8です）。米国資本市場が日本の株式を受け入れやすくなっている一方で、日本の株式が米国資本市場に受け入れられにくくなっていることについてどう思われますか？

今後の日本から米国への上場のトレンドはどのようになると思われますか？

4. Many issuers feel that they deserve unicorn valuations and should raise hundreds of millions of dollars in an IPO. There are some local bulge bracket firms in Japan that are luring small cap issuers with the "dream" of doing a mega cap IPO. We should have an honest discussion about what deals actually can get US bulge brackets to mobilize institutional accounts into a foreign private issuer (Japanese) IPO. And in lieu of this, the practical benefits of raising a small IPO (\$8m-\$15m) as a microcap, followed by multiple subsequent follow-ons to uptier etc.

多くの発行体は、自分たちのユニコーン企業のバリュエーションに値し、IPOで数億ドルを調達するべきだと感じています。

日本には、メガキャップのIPOという「夢」を持って小型株発行者を誘致しているBulgeBracket投資銀行があります。我々は、実際にどのような案件が米国のBulgeBracket投資銀行に機関投資家口座を海外の未公開発行体（日本）のIPOに動員させることができるのかについて、率直な議論をすべきであると考えています。

そしてその代わりに、マイクロキャップとして小さなIPO（800万ドルから1500万ドル）を調達し、その後、低株式から高株式などに複数回追随することの実際的な利点について。

Hot Topics

Structure

ADR



+'s: track record, proxy voting, FPI status

-'s: Cost, custodian/transfer agent lock

Redomicile (Cayman)



+'s: Transfer agent efficiency, FPI status

-'s: Perception, tax/regulation


Redomicile (US)



+'s: Marketability, flexibility, FPI status

-'s: Added disclosures, lower trading flexibility

Direct KK Listing



3 confidential

+'s: Speed/efficiency

-'s: Local filing, regulatory leap of faith

Industry Preference (?)

All Sectors
Attractive
Arbitrage of
Valuations
(US-JP)



**Information
Technology**

**Healthcare /
Life Sciences
/ Therapeutic**

Deep Tech / Robotics

**Consumer / Services
(Uniquely Japanese)**

Industrials

**Education /
Entertainment**

Real Estate

Common Concerns: Fact or Fiction?

Common Concerns	Belief	Reality
Corporate Governance	Microcap company must undergo rigorous corporate governance (sox 404, exchange/SEC reviews) 厳シ!	FPI rely on local exemptions Microcap preparations expedited. Investors will not care until certain stage / size
Accounting (USGAAP or IFRS) Too Difficult!	It is difficult to convert financials to USGAAP and pass PCAOB audits	Some truth to this. Find right partner. Find right auditor.
Securities Clearing / Transfer Agent Issues	Local gatekeepers (registrar, custodian, securities firms) are preventing security transfers for US IPOs	Explore alternative structure. Find right local JP Partner. Rely on foreign vendors
Perception – Nasdaq IPOs are only small companies with no alternatives	Current listed companies mostly are startups/small or were not able to list in Japan.	Pragmatism sells. More importantly, current large cap IPOs in pipeline. Requires existing stakeholder buy-in for “new normal”
Language/Resource Requirement	Must speak English. Must dedicate large IPO team to handle work flow	90% of the listed companies so far have management with limited English. Rely on us/bridge.
Regulatory body sanctions	SEC will enforce gun jumping rules, disclosure and press release materials and	Part truth, mostly legal scare. Deals are done based off need/pragmatism. Lawyers should help advise JP clients and creative solve problems, not list boilerplate SEC rules (less applicable to Japan)
Investor Demand	There is no demand for Japanese microcaps. (completed deals so far are just from local Japanese money/backings)	Local anchors are welcome. Half the deals we have done involved ZERO Japanese money in the IPO.
Local Japan support	Local money transfer limitations. Securities firms and brokerage houses do not support	Practical solutions / offshoring + select JP partners (SBI, Monex, Rakuten)

Key Marketability Issues: Fact or Fiction?

	Fiction	Fact
Valuation	<ul style="list-style-type: none"> • Revenue / earnings / book multiples will drive my pricing (conservative) • My last funding round(s) in Japan should set my IPO valuation (possibly aggressive) 	<ul style="list-style-type: none"> • Multiples / short-hand DCFs apply for large IPOs (still, marking paper) <ul style="list-style-type: none"> • Microcaps follow 10/20 rule • Valuations / pricing / trading range bound (Predictability is good!) • For unicorns => right size valuation expectations or rely on local
Sources of Capital	<ul style="list-style-type: none"> • US IPO means US investors right? • Japanese IPOs so far with brand names or famous CEOs must be attracting non-japanese capital? 	<ul style="list-style-type: none"> • More asia based or Asian sourced investor pools support JP IPOs • Current JP brand names have 80%+ local Japanese funding • New alternative retail, and small institutional pools of capital
Post Listing Price Support / Liquidity	<ul style="list-style-type: none"> • US IPO is bad, look at the recent trading performance! • No real investors care => these Japanese microcaps are getting orphaned! 	<ul style="list-style-type: none"> • Relative game => compared to Japan, performance still better • TSE growth (JP retail, “Watanabe-san”) offer limited up-tier • Broadening US institutional appeal takes time (Steps 1-2-3), see SYT *Blackrock

US IPO Alternatives: Fact vs Fiction

Fiction

Fact

SPACs/De-SPACs?

- De-SPACs offer me higher valuation, easier exit
- Benefit from an aligned sponsor team with gravitas/experience

- Sponsors are desperate to merge
- Japanese issuers catch falling knife, paper valuations dematerialize prior to liquidity
- Low cash in, fundraising block
- Sponsors/intermediaries hit/run

Other Exchanges?

- SGX / LSE / ASX / Dubai can offer me local anchor investors
- We have local operations in these countries





































- Exchange is just venue (US is best)
- Local investors can fund on US (best liquidity/trading)
 - Regional initiatives hit or miss (“exchange subsidies”)

Dual Listing (Future)?

- Keep listing optionality (reverse list on Tokyo Stock exchange)
 - Use Nasdaq/NYSE IPO to benchmark valuation and generate credibility locally

- Mostly non-fiction (true!)
Caveat: dual listing cost > benefits

Scorecard – What Really Matters (FA)

KPIs	Spirit Advisors	Competitor 1	Competitor 2	Competitor 3	Spirit Advisors	Competitors
JP-Nasdaq Listings Track Record					8	<1
Speed to Market					<6 months	6 months- 2 years
Cost & Adaptability					<\$350,000 Fixed	>\$500,000 Fixed + Free Equity
Vendor Relationships					Broad	Limited
Financial Advisory					Internal steward	Limited
Prospectus/USGAAP					All PCAOB FPI friendly	Limited
Investor Relationships					Funding Support Post Listing IR	N/A
Strategic / Operating Partnerships					Bluechip + Growth	N/A
Incentives Alignment					Pre-IPO/IPO/Post	Pre-IPO



= Full Capabilities



= Partial Capabilities



= Limited / Non-Existent

**Proprietary and public data*

Scorecard – What Really Matters (Vendors)

KPIs	Underwriter	Auditor/Accounting	US Securities Attorney	Local Counsel
Track record (JP-US IPOs)	Japan, rest of Asia, # of deals / amount raised, performance and client testimonials	# of Japan public filings, estimated confidential submissions, Japanese client testimonials	Client testimonials	Client testimonials
Pricing Model	% spread, corporate financing/unaccountable, accountable, warrants, fixed retainer	Pre-audit costs, monthly billings, pricing caps, milestones, extension fees	Monthly billings versus milestone based	Monthly billings versus milestone based
Total Fees	Market	Market	*Market relative to size?	Market
Mandate (Size) Match	Micro/Small cap clients => small cap underwriters. Aspirational large cap ("unicorn") JP issuers => be wary of bulge bracket promises (local JP securities firm).	Big 4 does not fit well with small cap issuers. Big 4 necessary for large cap deals. Japan auditor leverages big 4 branding to stifle small-cap goals	Two dichotomies => Major (bulge bracket) bank will look for top 4 law firms (Latham Watkins, Kirkland Ellis, etc.) Small cap underwritings are agnostic => balance cost / pragmatism and be aware of "blue chip" law firms working with microcap issuers (does not mix well)	Scrappy, creative lawyers can be instrumental for fundraising/closing procedures. Look for pragmatism - lawyers that solve problems, understand the realities of what can/cannot be done
Incentives Alignment	Ultimate client - buy-side accounts (investors) Can they balance issuer needs and prioritize deadlines / capital reserve allotment (deal calendar)	Many PCAOB auditors lack track record. Smaller auditors are "pay to play". Understand auditor motivations - timeline/Fees drag versus client delivery	Larger law firms rely on a sensei/senpai - junior (client) model. Incorrectly advising on "real" risks, over-complicating procedures. Lacking practical solutions for small cap fundraising needs	Seek accommodative counsel that move toward solution. Be wary of "legal blocks" (irrelevant to deal)
Regulatory	In Ascending order of priority: (1) SEC penalties / FINRA sanctions, (2) Nasdaq exchange [current approval rates, shareholder list scrutiny]	Check PCAOB sanctions, latest annual reports. QC/Engagement Partner	Look for senior partners with SEC / Nasdaq exchange relationships. Key deadlines/timelines will come down to responsiveness	US side 10b5 opinion, exhibits. Japan side - ability to work ("side-step") local authorities
Marketability	(1) Institutional investor relationships / preferences, (2) Distribution capabilities, (3) Syndicate management	Big 4 required for large cap deals. If small cap, go with practical & supportive of client.	Most investors do not care. As a matter of gatekeeping, large cap underwriters generally require white-shoed law firms	Investors do not care

When costs go out of control

<i>JP Nasdaq Prep Cost Comparison</i>	<u>SEC</u> <u>registrati</u> <u>on fee</u>	<u>FINRA</u> <u>filing</u> <u>Fee</u>	<u>Nasdaq</u> <u>Entry fee</u>	<u>Accounting</u> <u>Fee (Including</u> <u>Audit)</u>	<u>Legal</u>	<u>Roadshow</u>	<u>Printing</u>	<u>Non-</u> <u>accountabl</u> <u>e</u>	<u>Misc</u>	<u>Transfer</u> <u>Agent</u> <u>Fee</u>	<u>Total</u> <u>Disclosed</u>	<u>IPO Consultant</u> <u>Fee/Other</u> <u>[Estimated]</u>	<u>Total IPO</u> <u>Project Cost</u>	<u>IPO Amount</u> <u>Raised (Excluding</u> <u>Greenshoe)</u>	<u>Net Cash</u>
Medirom	2,728	3,605	54,973	1,411,828	1,719,774	49,536	253,149		92		\$ 3,495,685	2,500,000	\$ 5,995,685	\$ 12,000,000	\$ 6,004,315
Syla Technologies	2,068	3,314	75,000	500,000	525,000	15,000	5,000	175,000	110,000		\$ 1,410,382	500,000	\$ 1,910,382	\$ 15,000,000	\$ 13,089,618
Warrantee	1,700	3,125	55,000	300,000	1,500,000		75,000	275,000	15,175		\$ 2,225,000		\$ 2,225,000	\$ 20,000,000	\$ 17,775,000
Lead Real Estate	3,582	6,296	150,000	1,703,263	561,307		200,000	204,500	77		\$ 2,829,025	675,000	\$ 3,504,025	\$ 15,000,000	\$ 11,495,975
ARWINs											\$ -		\$ 1,200,000	\$ 2,200,000	\$ 1,000,000
ZeroSpo	2,068	3,314	50,000	350,000	300,000	15,000	5,000	175,000	110,000	10,000	\$ 1,020,382	500,000	\$ 1,520,382	\$ 15,000,000	\$ 13,479,618
Pixie Dust	2,619	4,064	75,000	233,983	1,700,000		275,000		67		\$ 2,290,733		\$ 2,290,733	\$ 19,000,000	\$ 16,709,267
Metros	2,035	3,269	50,000	350,000	362,000	158,000	5,000	150,000	178,000		\$ 1,258,304	800,000	\$ 2,058,304	\$ 16,000,000	\$ 13,941,696
Linkage Global	1,200	650	75,000	516,996	611,233	-	30,000		62,651	6,600	\$ 1,304,330	350,000	\$ 1,654,330	\$ 8,000,000	\$ 6,345,670
Early works	2,087	3,088	70,000	350,000	450,000	-	183,890	60,000	439,920		\$ 1,558,985	300,000	\$ 1,858,985	\$ 6,000,000	\$ 4,141,015
	1,391	2,750	55,000	450,000	600,000	20,000	50,000	100,000			\$ 1,279,141	320,000	\$ 1,599,141	\$ 40,000,000	\$ 38,400,860
**Confidential Client A	1,200	3,000	55,000	180,000	550,000	20,000	35,000	100,000			\$ 944,200	350,000	\$ 1,294,200	\$ 12,000,000	\$ 10,705,800
**Confidential Client B	2,000	3,000	55,000	125,000	500,000	3,500	15,000	75,000			\$ 778,500	500,000	\$ 1,278,500	\$ 15,000,000	\$ 13,721,500
**Confidential Client C	2,000	3,000	55,000	500,000	650,000	6,000	20,000	75,000			\$ 1,311,000	420,000	\$ 1,731,000	\$ 20,000,000	\$ 18,269,000
**Confidential Client D	2,200	3,000	55,000	206,000	500,000	6,000	20,000	75,000			\$ 867,200	200,000	\$ 1,067,200	\$ 12,000,000	\$ 10,932,800
Min	1,200	650	50,000	125,000	300,000	-	5,000	60,000	67	6,600	-	200,000	1,067,200	2,200,000	1,000,000
Median	\$2,052	\$3,107	\$55,000	\$350,000	\$555,654	\$15,000	\$32,500	\$100,000	\$62,651	\$8,300	\$1,304,330	\$460,000	\$1,731,000	\$15,000,000	\$13,089,618
Max	3,582	6,296	150,000	1,703,263	1,719,774	158,000	275,000	275,000	439,920	10,000	3,495,685	2,500,000	5,995,685	40,000,000	38,400,860

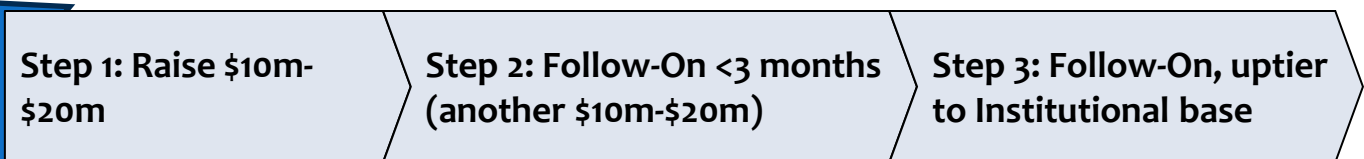
“Don’t let lawyers drive the deal!”

3 Paths – Pragmatic to Aspirational

Tiering	Valuation (At IPO)	Fundraising Range (IPO)	Underwriter Characteristics	Current Appetite / Dynamic	Investor / Share Price Dynamic	Probability of Success
Micro / Small Cap	\$50m-\$300m \$300m-\$2bn “Small cap”	\$5m-\$40m	>10 (EFH Leads)	High, reliable capital sources	Mostly retail / sub scale institutions. Local anchor needed	High – established capital pools and playbooks
Mid Cap	\$2bn - \$10bn	\$40-m- \$100m+	Mid Market / Banks	Low / nonexistent, unless locally backed	Local anchor needed. No appetite from US institution for low liquidity / FPI	Low, lack of defined capital pools.
Large Cap	\$10bn+	\$100m+	Bulge Brackets (GS, JPM, MS)	Low, requires dual listing or global IPO	Anchor/Institutional required	Selling the dream

2024 Targets

Opportunity Zone



Not all fundamentals are created equally...

Metros Development ☆

Set Terms, Nasdaq: MTRS

Purchases and resells underdeveloped properties in Japan.



Offering Data

[IPO Prospectus](#)

Price Range	\$8-\$9
Offer Shares	1,875,000
Total Shares	58,322,460
Deal Size (\$M)	\$16
Market Cap at IPO (\$M)	\$496
Enterprise Value at IPO (\$M)	\$533

Underwriters

Boustead	Bookrunner
EF Hutton	Bookrunner

Quick Take

Underwriter	Boustead has led 9 IPOs (LTM), first 3 month return -52% .
Industry Strength	Real Estate IPOs in the past year

Business Overview

We are a real estate consulting company that identifies and purchases what we believe to be underdeveloped real estate properties (land and/or buildings) and re-sell such properties to real estate developers so that they can redevelop those properties. We do [...more](#)

Analyst Commentary and News

- [Japanese property reseller Metros Development sets terms for \\$16 million US IPO](#) 10/19/23
- [Japanese property reseller Metros Development files for a \\$17 million US IPO](#) 9/26/23

Financial Ratios

	12/13/23
LTM Sales (\$M)	\$489
YoY Growth	52.8%
Gross Margin	27.5%
EBITDA %	13.9%
Net Income (\$M)	\$42

Valuation Ratios

	12/13/23
Market Cap (\$M)	\$496
Enterprise Value (\$M)	\$533
EV/Sales	1.1x
EV/EBITDA	7.8x
P/E	11.9x

Case for US IPO Summary [Small Cap]

\$1m-\$2m out

¥143,870,000 - ¥287,740,000

6 months

\$8m-\$20m in

¥1,150,960,000 - ¥2,877,400,000

Vendor Key Risks

- Lack of JP IPO Track record
- Non milestone based pricing
- Mismatched size/mandates

Execution Key Risks

- Lack of Advisor
 - Undefined incentives
- Accounting/Audit Drag
- Legal counsel obfuscation

Fundraising Key Risks

- Underwriter mismatch
- Misunderstanding of microcap fundraising
- Sources of Capital

Case for US IPO Summary [Large Cap]

\$2m-\$5m+ out

1-2years+

\$50m-\$100m+in

Vendor Key Risks

- Big 4 Audit
- Top 5 Law Firm
- Bulge Bracket Underwriter

Execution Key Risks

- Market Conditions / Capital Flow
- Larger Syndicate, greater uncertainty
- Pulled deals / sunk costs

Fundraising Key Risks

- Underwriter mismatch
- LIQUIDITY
LIQUIDITY
LIQUIDITY

Q & A

Logistical Tasks

Corporate Governance Requirements

- Audit committee only (Choose: A. 3+ Independent BOD [form committee] or B. Existing board of auditors [“external auditors”])
- Not necessary to have majority independent board
- No need for nominating or corporate governance / compensation committee
- Internal controls (SEC Section 404) – FPI application
- Generally, home (Japan) country law application

Equity Housekeeping

- Authorized shares
- Stock Split
- Class A / Golden Share
- Equity option pool – employee / advisors
- Internal company loans – receivables

Local (Japanese) Companies Act / FIEA

- Confirm with JP counsel

Financials

- US GAAP (IFRS) 2023/2022
- Quarterly / Semi annual review
- Cannot show forecasts
- Non-GAAP financial measures / KPIs
- Current Debt covenants (bank provisions)

Service Providers

- Custodian / Transfer Agent (** / **)
- Printer, D&O, press release (IR) firm etc

Reporting / Disclosures

- 20F annuals only [within 3 months of fiscal year]
- 6k periodic reports (material)
 - Any info made public under JP law
 - Changes in management/control
 - Material acquisition / divestitures
 - Changes in Auditors
 - Financial results (semi annual/quarterly)
- Class A / Golden Share

Offering Comparisons

	SPAC	Bank-led IPO	Corporate M&A	PE buyout	Direct listing
Startup timeline	4-6 months	12-18 months	5-9 months	6 months	12-18 months
Fees	High	Highest	Low	Low	High
Existing shareholder upside	High	High	Moderate	Low	High
Founder control	High	High	Low	Low	High
Deal structure (earnouts, conditional fees)	Flexible	Rigid	Moderate	Flexible	Rigid
Diligence period	Flexible	15 days	Flexible	Flexible	15 days
# prospective investors	Low	High	Medium	Medium	High
Execution risk	Low	Medium	Low	Low	Low
Pricing accuracy	High	Low	Moderate	High	Perfect
Universe of eligible startups	Wide	Narrow	Moderate	Moderate	Very narrow