

(English Translation)

**Financial Results for the First Quarter  
of the Fiscal Year Ending September 30, 2017 (under Japan GAAP) (Consolidated)**

January 27, 2017

Company name: M&A Capital Partners Co., Ltd.      Stock exchange listings:  
Tokyo Stock Exchange  
Securities code: 6080      (URL <http://www.ma-cp.com>)  
Representative: Satoru Nakamura  
President and Representative Director  
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Director and Manager at the Planning  
Management Department  
Scheduled date of filing of quarterly report: February 14, 2017  
Scheduled date of commencement of dividend payment: —  
Presentation of supplementary materials on financial results: Yes  
Holding of quarterly financial presentation meeting: No

(Note that all amounts have been rounded down to the nearest one million yen.)

**1. Financial Results for the First Quarter of the Fiscal Year Ending September 30, 2017  
(From October 1, 2016 to December 31, 2016)**

(1) Consolidated Operating Results (Cumulative)

(Percentage figures represent changes from the same period of the previous fiscal year)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
First quarter of fiscal year ending September 30, 2017	¥2,556 million (—%)	¥1,284 million (—%)	¥1,272 million (—%)	¥899 million (—%)
First quarter of fiscal year ended September 30, 2016	— (—%)	— (—%)	— (—%)	— (—%)

(Note)

*Comprehensive income:*

*First quarter of fiscal year ending September 30, 2017: 899 million yen (— %)*

*First quarter of fiscal year ended September 30, 2016: — million yen (— %)*

	Profit per share	Profit (fully diluted) per share
First quarter of fiscal year ending September 30, 2017	¥63.26	¥60.20
First quarter of fiscal year ended September 30, 2016	—	—

*(Note) The Company has begun preparing quarterly consolidated financial statements from the first quarter of the fiscal year ending September 30, 2017, so figures from the first quarter of the fiscal year ended September 30, 2016 and changes from the same period of the previous year are not included.*

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
First quarter of fiscal year ending September 30, 2017	¥10,510 million	¥5,296 million	49.9%
Fiscal year ended September 30, 2016	—	—	—

*(Reference)*

*Equity:*

*First quarter of fiscal year ending September 30, 2017: 5,245 million yen*

*Fiscal year ended September 30, 2016: — million yen*

*(Note) The Company has begun preparing quarterly consolidated financial statements from the first quarter of the fiscal year ending September 30, 2017, so figures from the fiscal year ended September 30, 2016 are not included.*

## 2. Dividends

	Annual dividends per share				
	First quarter	Second quarter	Third quarter	Year- end	Total
Fiscal year ended September 30, 2016	—	¥0.00	—	¥0.00	¥0.00
Fiscal year ending September 30, 2017	—				
Fiscal year ending September 30, 2017 (Forecast)		—	—	—	—

(Note) Revision of dividend forecast since the latest announcement: No

## 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending September 30, 2017 (From October 1, 2016 to September 30, 2017)

(Percentage figures represent changes from the same period of the previous fiscal year)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit per share
Second quarter (cumulative total)	¥3,009 million (—%)	¥1,090 million (—%)	¥1,039 million (—%)	¥713 million (—%)	¥49.94
Annual	¥5,941 million (—%)	¥2,177 million (—%)	¥2,123 million (—%)	¥1,506 million (—%)	¥105.10

(Note) Revision of financial results forecast since the latest announcement: No

(Note) The Company has begun preparing quarterly consolidated financial statements from the first quarter of the fiscal year ending September 30, 2017, so changes from the same period of the previous year are not included.

\* Notes

- (1) Significant changes in subsidiaries during the consolidated cumulative quarter under review: Yes

(Changes in specified subsidiaries affecting the scope of consolidation)

New: 1 company (RECOF Corporation)

Exclusion: - company

(Note) For details, refer to “2. Matters Related to Summary Information (Notes) (1) Significant Changes in Subsidiaries during the Consolidated Cumulative Quarter under Review” on page six of the attachment.

- (2) Application of accounting treatment specific to preparation of quarterly consolidated financial statements: No

- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

(i) Changes in accounting policies due to revisions to accounting standards and other regulations, etc.: No

(ii) Changes in accounting policies due to reasons other than (i): No

(iii) Changes in accounting estimates: No

(iv) Restatements of prior period financial statements after error corrections: No

- (4) Total number of issued shares (common shares)

- (i) Total number of issued shares as of the end of the period (including treasury shares):

As of December 31, 2016 14,368,000 shares

As of September 30, 2016 14,104,000 shares

- (ii) Number of treasury shares as of the end of the period:

As of December 31, 2016 199 shares

As of September 30, 2016 154 shares

- (iii) Average number of shares during the period (cumulative total for the quarter):

First quarter of fiscal year ending September 30, 2017 14,223,161 shares

First quarter of fiscal year ended September 30, 2016 13,576,918 shares

**\* Presentation regarding execution of quarterly review procedures**

These quarterly financial results are not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results report, the review of financial statements is in progress.

**\* Proper usage of the forecast of financial results, and other special matters**

Descriptions or statements concerning projected figures and future outlooks contained within these materials are based on the decisions and hypotheses resulting from information currently obtainable by the company. The possibility exists that due to the intrinsic uncertainty of those decisions and hypotheses and/or changes in terms of business operations as well as situational changes occurring internally/externally, the actual results may substantially differ from the content of projections. These materials do not constitute a guarantee on the part of our company as to the certainty of any and all content concerning forecasts for the future.

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## 1. Qualitative Information on Financial Results for the Quarter under Review

### (1) Explanation of Operating Results

During the consolidated cumulative first quarter under review, expectations of a mild recovery in the Japanese economy continued against a backdrop of improvements in the employment and income environment. On the other hand, there is concern that increased economic uncertainty overseas, including government policies in the United States following the change in administration, economic prospects and government policies in China, other Asian emerging countries, and others, and the British exit from the EU, as well as fluctuations in the financial and capital markets may impact the economy at home.

During the first quarter under review, we concluded a business integration with RECOF Corporation and RECOF DATA Corporation on October 27, 2016 in the aim of putting together an M&A boutique capable of responding flexibly to various domestic M&A needs.

Established in 1987, RECOF Corporation is a pioneer among independent M&A boutiques like M&A Capital Partners. It provides a wide range of advisory services, from industry-reorganizing M&As in the distribution and other industries to business integrations between listed companies' groups, organizational restructuring, and cross-border M&As primarily in the ASEAN region. RECOF DATA Corporation has independently compiled a database of domestic M&As that have taken place since 1985, and through its own publications, primarily M&A journal *MARR*, it offers services to many users, including M&A staff of business companies, industry professionals, media companies, government agencies, and educational institutions.

We will promote M&As to solve management challenges like business succession which is faced primarily by unlisted companies, growth strategies, and industry reorganization, and will strive to become a diversified M&A group that caters to various needs. We will also continue working to expand our operations to build a solid market share within the industry.

In particular, we have begun hammering out several measures to create operational synergy with RECOF Corporation in order to maximize the results of our business integration. Additionally, we have started putting together various internal management systems with the purpose of strengthening our management structure before the end of the fiscal year.

As for the status of activities in the first quarter under review, the abundant inventory of proposals from the previous fiscal year helped us conclude 26 deals, marking a record high for a quarterly accounting period. Additionally, RECOF Corporation concluded seven deals, including a major industry-reorganizing deal. Thus, our group concluded 33 deals in total in the first quarter under review.

Number of deals (consolidated)

Name of type			Previous consolidated first quarter cumulative period (From October 1, 2015 to December 31, 2015)	Consolidated first quarter cumulative period under review (From October 1, 2016 to December 31, 2016)	Year-on-year Change	
Whole Group	M&A deals closed		(number of deals)	—	33	—
	By amount of processing fees	Number of deals among those wherein amount of processing fees for the deal was JPY 100 million or more	(number of deals)	—	5	—
		Number of deals among those wherein amount of processing fees for the deal was less than JPY 100 million	(number of deals)	—	28	—

Number of deals (non-consolidated)

Name of type			Previous first quarter cumulative period (From October 1, 2015 to December 31, 2015)	First quarter cumulative period under review (From October 1, 2016 to December 31, 2016)	Year-on-year Change	
M&A Capital Partners Co., Ltd.	M&A deals closed		(number of deals)	15	26	+11
	By amount of processing fees	Number of deals among those wherein amount of processing fees for the deal was JPY 100 million or more	(number of deals)	2	4	+2
		Number of deals among those wherein amount of processing fees for the deal was less than JPY 100 million	(number of deals)	13	22	+9



Name of type			Previous first quarter cumulative period (From October 1, 2015 to December 31, 2015)	First quarter cumulative period under review (From October 1, 2016 to December 31, 2016)	Year-on-year Change	
RECOF Corporation	M&A deals closed		(number of deals)	—	7	—
	By amount of processing fees	Number of deals among those wherein amount of processing fees for the deal was JPY 100 million or more	(number of deals)	—	1	—
		Number of deals among those wherein amount of processing fees for the deal was less than JPY 100 million	(number of deals)	—	6	—

As a result, net sales in the consolidated first quarter cumulative period under review were ¥2,556.740 million, operating income was ¥1,284.367 million, ordinary income was ¥1,272.351 million, and profit attributable to owners of parent was ¥899.784 million.

Our Group's reporting segment is only the M&A-related services business, and it is immaterial as disclosure information, so segment information is omitted.

## (2) Explanation of Financial Position

### (Current assets)

As of the end of the consolidated first quarter under review, current assets amounted to ¥7,618.107 million. They mainly consisted of ¥7,219.841 million in cash and deposits.

### (Non-current assets)

As of the end of the consolidated first quarter under review, non-current assets amounted to ¥2,891.93 million. They mainly consisted of ¥1,886.236 million in goodwill, ¥321.75 million in trademark right, and ¥290.792 million in facilities attached to buildings.

### (Current liabilities)

As of the end of the consolidated first quarter under review, current liabilities amounted to ¥4,869.909 million. They mainly consisted of ¥3,500 million in current portion of long-term loans payable and ¥352.303 million in income taxes payable.

### (Non-current liabilities)

As of the end of the consolidated first quarter under review, non-current liabilities amounted to ¥343.8 million. They mainly consisted of ¥134.762 million in net defined benefit liability.

(Net assets)

As of the end of the consolidated first quarter under review, net assets amounted to ¥5,296.327 million. They mainly consisted of ¥4,331.219 million in retained earnings brought forward.

(3) Explanation of Forecast of Consolidated Financial Results and Other Forward-looking Statements

No changes have been made to the forecast for consolidated financial results announced on October 28, 2016.

During the consolidated first quarter cumulative period under review, there were several major deals, showing steady progress on the forecast for consolidated financial results. However, the M&A-related services business, which is our business, is affected by various factors, including the economic environment and the business environment of the parties, so there are many uncertainties. Because significant uncertainty accompanies forecasts depending on the timing of the deal and the amount of fees, we are not changing the figures from the forecast at this time.

2. Matters Related to Summary Information (Notes)

(1) Significant Changes in Subsidiaries during the Consolidated Cumulative Quarter under Review

We have acquired all shares of RECOF Corporation and RECOF DATA Corporation, so the companies have been included in the scope of consolidation from the consolidated first quarter under review. RECOF Corporation falls under the category of specified subsidiaries.

(2) Application of Accounting Treatment Specific to Preparation of Quarterly Consolidated Financial Statements

Not applicable.

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Prior Period Financial Statements after Error Corrections

Not applicable.

3. Quarterly Consolidated Financial Statements  
(1) Quarterly Consolidated Balance Sheet

	(Unit: thousand yen)
	First quarter of fiscal year ending September 30, 2017 (as of December 31, 2016)
Assets	
Current assets	
Cash and deposits	7,219,841
Accounts receivable - trade	182,060
Deferred tax assets	97,364
Other	118,840
Total current assets	<u>7,618,107</u>
Non-current assets	
Property, plant and equipment	
Facilities attached to buildings	290,792
Other	48,852
Total property, plant and equipment	<u>339,644</u>
Intangible assets	
Trademark right	321,750
Goodwill	1,886,236
Other	99,921
Total intangible assets	<u>2,307,908</u>
Investments and other assets, gross	
Lease and guarantee deposits	218,168
Other	26,208
Total investments and other assets	<u>244,377</u>
Total non-current assets	<u>2,891,930</u>
Total assets	<u>10,510,037</u>
Liabilities	
Current liabilities	
Advances received	207,323
Provision for bonuses	306,584
Accounts payable - other	312,057
Income taxes payable	352,303
Current portion of long-term loans payable	3,500,000
Other	191,640
Total current liabilities	<u>4,869,909</u>
Non-current liabilities	
Net defined benefit liability	134,762
Other	209,037
Total non-current liabilities	<u>343,800</u>
Total liabilities	<u>5,213,709</u>

	(Unit: thousand yen)
	First quarter of fiscal year ending September 30, 2017
	(as of December 31, 2016)
	<hr/>
Net assets	
Shareholders' equity	
Capital stock	462,321
Capital surplus	
Legal capital surplus	452,071
Total capital surpluses	<hr/> 452,071 <hr/>
Retained earnings	
Retained earnings brought forward	4,331,219
Total retained earnings	<hr/> 4,331,219 <hr/>
Treasury shares	(353)
Total shareholders' equity	<hr/> 5,245,259 <hr/>
Subscription rights to shares	51,068
Total net assets	<hr/> 5,296,327 <hr/>
Total liabilities and net assets	<hr/> 10,510,037 <hr/>

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income  
First Quarter Consolidated Cumulative Period

	(Unit: thousand yen)
	First quarter of current fiscal year (From October 1, 2016 to December 31, 2016)
Net sales	2,556,740
Cost of sales	730,883
Gross profit	1,825,856
Selling, general and administrative expenses	541,489
Operating income	1,284,367
Non-operating income	
Interest income	16
Miscellaneous income	485
Total non-operating income	502
Non-operating expenses	
Interest expenses	7,034
Miscellaneous loss	5,482
Total non-operating expenses	12,517
Ordinary income	1,272,351
Extraordinary income	
Gain on bargain purchase	17,162
Total extraordinary income	17,162
Income before income taxes	1,289,514
Income taxes - current	335,154
Income taxes - deferred	54,575
Total income taxes	389,729
Profit	899,784
Profit attributable to owners of parent	899,784

Quarterly Consolidated Statements of Comprehensive Income  
First Quarter Consolidated Cumulative Period

	<u>(Unit: thousand yen)</u>
	<u>First quarter of current fiscal year (From October 1, 2016 to December 31, 2016)</u>
Profit	<u>899,784</u>
Comprehensive income	<u>899,784</u>
(Comprehensive income attributable to:)	
Comprehensive income attributable to owners of parent	899,784

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on premise of going concern)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Segment information, etc.)

Our business is comprised of a singular segment made up of M&A-related services and auxiliary businesses. Thus, segment information has been omitted.