

(English Translation)

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

April 28, 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  
Contact: Daisuke Uehara      Tel: 03-6880-3803  
Director and Manager at the Planning  
Management Department  
Scheduled date of filing of quarterly report:      May 12, 2017  
Scheduled date of commencement of dividend payment:      —  
Presentation of supplementary materials on financial results: Yes  
Holding of quarterly financial presentation meeting:      Yes (For institutional investors)

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

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

(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
Second quarter of fiscal year ending September 30, 2017	¥4,865 million (—%)	¥2,330 million (—%)	¥2,315 million (—%)	¥1,558 million (—%)
Second quarter of fiscal year ended September 30, 2016	— (—%)	— (—%)	— (—%)	— (—%)

(Note)

Comprehensive income:

Second quarter of fiscal year ending September 30, 2017: 1,558 million yen (— %)

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

	Profit per share	Profit (fully diluted) per share
Second quarter of fiscal year ending September 30, 2017	¥109.02	¥104.10
Second 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 second quarter of the fiscal year ended September 30, 2016 and changes from the same period of the previous fiscal year are not included.*

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
Second quarter of fiscal year ending September 30, 2017	¥11,857 million	¥5,954 million	49.8%
Fiscal year ended September 30, 2016	—	—	—

*(Reference)*

*Equity:*

*Second quarter of fiscal year ending September 30, 2017: 5,903 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	—	¥0.00			
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 previous fiscal year)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit per share
Annual	¥7,777 million (—%)	¥3,168 million (—%)	¥3,110 million (—%)	¥2,015 million (—%)	¥140.63

(Note) Revision of financial results forecast since the latest announcement: Yes

(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 previous fiscal year and changes from the same period of the previous fiscal 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 March 31, 2017 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 March 31, 2017 199 shares

As of September 30, 2016 154 shares

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

Second quarter of fiscal year ending September 30, 2017 14,294,686 shares

Second quarter of fiscal year ended September 30, 2016 13,822,024 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.

The company has scheduled the holding of an explanatory session on the financial results as follows.

May 9, 2017 (Tuesday): Financial presentation meeting for institutional investors

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

(1) Explanation of Operating Results

During the consolidated cumulative second 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.

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, to maximize the results of the management integration with RECOF Corporation, which is in the same business, we have drawn up several measures to product synergies in sales, and begun working on these. 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 consolidated cumulative second quarter under review, abundant inventory of proposals from the previous fiscal year helped us conclude 45 deals, marking a record high for a second quarter cumulative period. Additionally, RECOF Corporation concluded ten deals, including a major industry-reorganizing deal. Thus, our group concluded 55 deals in total in the consolidated cumulative second quarter under review.

Number of deals (consolidated)

Name of type			Previous consolidated second quarter cumulative period (From October 1, 2015 to March 31, 2016)	Consolidated second quarter cumulative period under review (From October 1, 2016 to March 31, 2017)	Year-on-year Change	
Whole Group	M&A deals closed		(number of deals)	—	55	—
	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)	—	9	—
		Number of deals among those wherein amount of processing fees for the deal was less than JPY 100 million	(number of deals)	—	46	—

Number of deals (non-consolidated)

Name of type			Previous second quarter cumulative period (From October 1, 2015 to March 31, 2016)	Second quarter cumulative period under review (From October 1, 2016 to March 31, 2017)	Year-on-year Change	
M&A Capital Partners Co., Ltd.	M&A deals closed		(number of deals)	28	45	+17
	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	8	+6
		Number of deals among those wherein amount of processing fees for the deal was less than JPY 100 million	(number of deals)	26	37	+11



Name of type			Previous second quarter cumulative period (From October 1, 2015 to March 31, 2016)	Second quarter cumulative period under review (From October 1, 2016 to March 31, 2017)	Year-on-year Change	
RECOF Corporation	M&A deals closed		(number of deals)	—	10	—
	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)	—	9	—

Furthermore, as a result of large deals being concluded at a faster pace than expected, net sales in the consolidated cumulative second quarter under review were ¥4,865.187 million, operating income was ¥2,330.445 million, ordinary income was ¥2,315.668 million, and profit attributable to owners of parent was ¥1,558.391 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

### (i) Assets, liabilities and net assets

#### (Current assets)

As of the end of the consolidated second quarter under review, current assets amounted to ¥9,052.455 million. They mainly consisted of ¥8,521.016 million in cash and deposits.

#### (Non-current assets)

As of the end of the consolidated second quarter under review, non-current assets amounted to ¥2,804.743 million. They mainly consisted of ¥1,837.871 million in goodwill, ¥313.500 million in trademark right, and ¥287.220 million in facilities attached to buildings, net.

#### (Current liabilities)

As of the end of the consolidated second quarter under review, current liabilities amounted to ¥5,580.755 million. They mainly consisted of ¥3,500.000 million in short-term loans payable, ¥794.081 million in accounts payable - other, and ¥740.994 million in income taxes payable.

#### (Non-current liabilities)

As of the end of the consolidated second quarter under review, non-current liabilities

amounted to ¥321.508 million. They mainly consisted of ¥129.414 million in net defined benefit liability.

(Net assets)

As of the end of the consolidated second quarter under review, net assets amounted to ¥5,954.934 million. They mainly consisted of ¥4,989.826 million in retained earnings brought forward.

(ii) Cash flows

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the consolidated cumulative second quarter under review totaled ¥6,021.016 million. Each of the cash flows in the consolidated cumulative second quarter under review and their respective factors are as follows.

(Cash flows from operating activities)

Funds provided by operating activities amounted to ¥2,224.334 million. This was primarily due to recording profit before income taxes totaling ¥2,332.830 million, the provision for bonuses increasing by ¥60.860 million, and consumption taxes receivable/payable increasing by ¥140.993 million, while payments of income taxes finalized in the previous fiscal year were ¥453.066 million.

(Cash flows from investing activities)

Funds used in investing activities amounted to ¥1,020.665 million. This was primarily due to a ¥2,000.000 million in proceeds from withdrawal of time deposits while ¥2,500.000 million was paid into new time deposits and there was a ¥478.118 million purchase of shares of subsidiaries.

(Cash flows from financing activities)

Funds provided by financing activities amounted to ¥1,484.676 million. This was primarily due to ¥3,500.000 million in proceeds from long-term loans payable, ¥39.515 million in proceeds from issuance of subscription rights to shares and ¥13.392 million in proceeds from issuance of shares in conjunction with exercising stock options, while there were ¥1,862.500 million decrease in short-term loans payable and ¥202.166 million in repayment of long-term loans payable.

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

In the consolidated cumulative second quarter under review, the number of deals grew strongly, and the number of large deals also steadily increased at a faster rate than expected. Furthermore, performance is expected to remain strong from the third quarter onwards, since the number of projects is growing as development of deals progresses smoothly as a result of the number of consultants increasing as planned.

Based on the above information, the forecast for the year ending September 2017 is expected to exceed the previously announced forecasts for net sales, operating income, ordinary income and profit attributable to owners of parent, and we have revised our forecast today. For details, see the “Notice on Revision of Performance Forecast” published on April 28, 2017.

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 cumulative period. 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

	<u>(Unit: thousand yen)</u>
	<u>Second quarter of fiscal year ending September 30, 2017 (as of March 31, 2017)</u>
Assets	
Current assets	
Cash and deposits	8,521,016
Accounts receivable - trade	338,730
Deferred tax assets	65,355
Other	127,351
Total current assets	<u>9,052,455</u>
Non-current assets	
Property, plant and equipment	
Facilities attached to buildings, net	287,220
Other	45,706
Total property, plant and equipment	<u>332,927</u>
Intangible assets	
Trademark right	313,500
Goodwill	1,837,871
Other	74,645
Total intangible assets	<u>2,226,016</u>
Investments and other assets, gross	
Lease and guarantee deposits	217,225
Other	28,573
Total investments and other assets	<u>245,799</u>
Total non-current assets	<u>2,804,743</u>
Total assets	<u>11,857,198</u>
Liabilities	
Current liabilities	
Advances received	179,830
Provision for bonuses	95,845
Accounts payable - other	794,081
Income taxes payable	740,994
Short-term loans payable	3,500,000
Other	270,003
Total current liabilities	<u>5,580,755</u>
Non-current liabilities	
Net defined benefit liability	129,414
Other	192,093
Total non-current liabilities	<u>321,508</u>
Total liabilities	<u>5,902,264</u>

	(Unit: thousand yen)
	<u>Second quarter of fiscal</u>
	<u>year ending September</u>
	<u>30, 2017</u>
	<u>(as of March 31, 2017)</u>
Net assets	
Shareholders' equity	
Capital stock	462,321
Capital surplus	452,071
Retained earnings	4,989,826
Treasury shares	(353)
Total shareholders' equity	<u>5,903,866</u>
Subscription rights to shares	<u>51,068</u>
Total net assets	<u>5,954,934</u>
Total liabilities and net assets	<u>11,857,198</u>

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

Quarterly Consolidated Statements of Income  
Second Quarter Consolidated Cumulative Period

	(Unit: thousand yen)
	Cumulative second quarter of current fiscal year (From October 1, 2016 to March 31, 2017)
Net sales	4,865,187
Cost of sales	1,446,518
Gross profit	3,418,669
Selling, general and administrative expenses	1,088,223
Operating income	2,330,445
Non-operating income	
Interest income	40
Miscellaneous income	1,349
Total non-operating income	1,390
Non-operating expenses	
Interest expenses	10,556
Miscellaneous loss	5,611
Total non-operating expenses	16,167
Ordinary income	2,315,668
Extraordinary income	
Gain on bargain purchase	17,162
Total extraordinary income	17,162
Income before income taxes	2,332,830
Income taxes - current	701,269
Income taxes - deferred	73,169
Total income taxes	774,439
Profit	1,558,391
Profit attributable to owners of parent	1,558,391

Quarterly Consolidated Statements of Comprehensive Income  
Second Quarter Consolidated Cumulative Period

	<u>(Unit: thousand yen)</u>
	<u>Cumulative second quarter of current fiscal year (From October 1, 2016 to March 31, 2017)</u>
Profit	<u>1,558,391</u>
Comprehensive income	<u>1,558,391</u>
(Comprehensive income attributable to:)	
Comprehensive income attributable to owners of parent	1,558,391

(3) Quarterly Consolidated Statement of Cash Flows

	(Unit: thousand yen)
	Cumulative second quarter of current fiscal year (From October 1, 2016 to March 31, 2017)
Cash flows from operating activities	
Income before income taxes	2,332,830
Depreciation	54,421
Amortization of goodwill	96,730
Increase (decrease) in allowance for doubtful accounts	(618)
Gain on bargain purchase	(17,162)
Depreciation and amortization on other	71,500
Loss on retirement of non-current assets	5,475
Interest income	(40)
Interest expenses	10,556
Decrease (increase) in notes and accounts receivable - trade	(120,841)
Decrease (increase) in inventories	101
Increase (decrease) in accounts payable - other	66,513
Increase (decrease) in provision for bonuses	60,860
Increase (decrease) in net defined benefit liability	(25,545)
Increase (decrease) in advances received	(28,274)
Decrease/increase in consumption taxes receivable/payable	140,993
Decrease (increase) in other current assets	592
Increase (decrease) in other current liabilities	33,181
Increase (decrease) in other non-current liabilities	857
Other	6,700
Subtotal	2,688,830
Interest income received	40
Interest expenses paid	(11,469)
Income taxes paid	(453,066)
Cash flows from operating activities	2,224,334
Cash flows from investing activities	
Purchase of property, plant and equipment	(12,756)
Purchase of intangible assets	(4,680)
Payments for asset retirement obligations	(19,700)
Payments into time deposits	(2,500,000)
Proceeds from withdrawal of time deposits	2,000,000
Purchase of shares of subsidiaries	(478,118)
Payments for lease and guarantee deposits	(74,102)
Proceeds from collection of lease and guarantee deposits	68,691
Cash flows from investing activities	(1,020,665)



	(Unit: thousand yen)
	Cumulative second quarter of current fiscal year (From October 1, 2016 to March 31, 2017)
Cash flows from financing activities	
Decrease in short-term loans payable	(1,862,500)
Proceeds from long-term loans payable	3,500,000
Repayments of long-term loans payable	(202,166)
Proceeds from issuance of common shares	13,392
Purchase of treasury shares	(98)
Repayments of finance lease obligations	(3,465)
Proceeds from issuance of subscription rights to shares	39,515
Cash flows from financing activities	<u>1,484,676</u>
Increase (decrease) in cash and cash equivalents	<u>2,688,346</u>
Cash and cash equivalents at beginning of period	<u>3,332,670</u>
Cash and cash equivalents at end of period	<u>6,021,016</u>

(4) 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.