

(English Translation)

**Financial Results for the Third Quarter**  
**of the Fiscal Year Ending September 30, 2018 (under Japan GAAP) (Consolidated)**

July 27, 2018

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  
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Management Department  
Scheduled date of filing of quarterly report: August 10, 2018  
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 Third Quarter of the Fiscal Year Ending September 30, 2018 (From October 1, 2017 to June 30, 2018)**

(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
Third quarter of fiscal year ending September 30, 2018	¥6,367 million (-4.2%)	¥2,742 million (-10.8%)	¥2,736 million (-9.7%)	¥1,878 million (-10.5%)
Third quarter of fiscal year ended September 30, 2017	¥6,644 million (—%)	¥3,074 million (—%)	¥3,031 million (—%)	¥2,099 million (—%)

(Note)

*Comprehensive income:*

*Third quarter of fiscal year ending September 30, 2018: 1,878 million yen (-10.5 %)*

*Third quarter of fiscal year ended September 30, 2017: 2,099 million yen (— %)*

	Profit per share	Profit (fully diluted) per share
Third quarter of fiscal year ending September 30, 2018	¥121.03	¥118.66
Third quarter of fiscal year ended September 30, 2017	¥146.13	¥139.65

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

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
Third quarter of fiscal year ending September 30, 2018	¥14,530 million	¥12,961 million	88.8%
Fiscal year ended September 30, 2017	¥13,425 million	¥11,057 million	82.0%

*(Reference)*

*Equity: Third quarter of fiscal year ending September 30, 2018: 12,910 million yen*

*Fiscal year ended September 30, 2017: 11,006 million yen*

## 2. Dividends

	Annual dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Total
Fiscal year ended September 30, 2017	—	¥0.00	—	¥0.00	¥0.00
Fiscal year ending September 30, 2018	—	¥0.00	—		
Fiscal year ending September 30, 2018 (Forecast)				¥0.00	¥0.00

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

## 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending September 30, 2018 (From October 1, 2017 to September 30, 2018)

(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	¥8,667 million (4.0%)	¥3,875 million (6.0%)	¥3,876 million (7.3%)	¥2,576 million (-1.0%)	¥165.76

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

\* Notes

- (1) Significant changes in subsidiaries during the consolidated cumulative quarter under review (Changes in specified subsidiaries affecting the scope of consolidation): No
- (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 June 30, 2018      | 15,605,000 shares |
| As of September 30, 2017 | 15,173,000 shares |
- (ii) Number of treasury shares as of the end of the period:
- |                          |            |
|--------------------------|------------|
| As of June 30, 2018      | 199 shares |
| As of September 30, 2017 | 199 shares |
- (iii) Average number of shares during the period (cumulative total for the quarter):
- |  |                   |
|--|-------------------|
| Third quarter of fiscal year ending September 30, 2018 | 15,524,098 shares |
| Third quarter of fiscal year ended September 30, 2017  | 14,365,212 shares |

**\* The quarterly financial results are not subject to the quarterly review.**

**\* 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 assumptions resulting from information currently obtainable by the Company. The possibility exists that due to the intrinsic uncertainty of those decisions and assumptions 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 the 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 (Overview of Economic Conditions)

During the consolidated cumulative third quarter under review, the Japanese economy continued its gentle recovery backed by continually strong corporate earnings and consumer spending, along with the recovery of overseas economies. Meanwhile, there are still concerns about uncertainty in the international economy such as heightened tension surrounding trade issues, and attention to a downturn in the economy continues to be required.

#### (Industry Trends)

The M&A market related to domestic companies that are the Group's main targets continues a trend of expansion.

Although it is estimated that there are many unannounced M&As, according to the statistical data independently collected by the Group company RECOF DATA Corporation, the number of announced M&A deals involving domestic companies has been recovering since the slump to 1,687 in 2011 (January to December) caused by the Lehman Shock and the Great East Japan Earthquake, and in 2017 (January to December) reached 3,050, which is the highest level since statistics began to be recorded. Moreover, most recently in 2018 (January to June), the number has continued to rise, reaching 1,798 deals, a 32.7% increase year on year.

Furthermore, it has been determined that opportunities to provide M&A advisory services will continue to increase due to the presence of players with a strong desire to make acquisitions centered primarily on operating companies, funds and corporate venture capital (CVC), along with the existence of increasingly high needs to transfer businesses in the context of the issue of business succession becoming a social problem.

#### (Condition of the Group)

During the consolidated cumulative third quarter under review, the Group as a whole actively promoted hiring activities focused on securing consultants in response to the favorable trend in the M&A market that has continued since the previous year.

Additionally, group companies continue to promote measures aimed at enhancing promotions, including holding seminars and updating their websites. Efforts are also being made to strengthen the Group overall, including cooperation within the Group, in order to address the needs of the M&A market, which are expected to increase exponentially.

Based on these activities, the Group as a whole closed 94 deals to set a new record number of deals closed within the consolidated cumulative third quarter. The

Company closed 77 deals, marking a record high for a cumulative third quarter, thanks in part to the abundant inventory of proposals from the previous fiscal year. There has also been a growing inventory of proposals at RECOF Corporation since the previous fiscal year, and in the cumulative third quarter under review things continued to go well with 17 deals closed, surpassing the number from same period of the previous fiscal year, which was already favorable.

#### Number of deals (consolidated)

Name of type			Previous consolidated cumulative third quarter (From October 1, 2016 to June 30, 2017)	Consolidated cumulative third quarter under review (From October 1, 2017 to June 30, 2018)	Year-on-year Change	
Whole Group	M&A deals closed		(number of deals)	81	94	+13
	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)	13	14	+1
		Number of deals among those wherein amount of processing fees for the deal was less than JPY 100 million	(number of deals)	68	80	+12

#### Number of deals (non-consolidated)

Name of type			Previous cumulative third quarter (From October 1, 2016 to June 30, 2017)	Cumulative third quarter under review (From October 1, 2017 to June 30, 2018)	Year-on-year Change	
M&A Capital Partners Co., Ltd.	M&A deals closed		(number of deals)	66	77	+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)	11	10	-1
		Number of deals among those wherein amount of processing fees for the deal was less than JPY 100 million	(number of deals)	55	67	+12

Name of type			Previous cumulative third quarter (From October 1, 2016 to June 30, 2017)	Cumulative third quarter under review (From October 1, 2017 to June 30, 2018)	Year-on-year Change	
RECOF Corporation	M&A deals closed		(number of deals)	15	17	+2
	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	13	±0

The Company's sales were favorable, surpassing those of the same period of the previous fiscal year, but at RECOF Corporation, sales fell short of the previous fiscal year due to major industry-reorganizing deals in the same period of the previous fiscal year.

Furthermore, there have been numerous inquiries from throughout the country, and the number of deals handled is increasing, with the cost of sales increasing year on year.

As a result, net sales in the consolidated cumulative third quarter under review were ¥6,367.134 million (a decrease of 4.2% year on year), operating income was ¥2,742.730 million (a decrease of 10.8% year on year), ordinary income was ¥2,736.932 million (a decrease of 9.7% year on year), and profit attributable to owners of parent was ¥1,878.816 million (a decrease of 10.5% year on year).

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

(2) Explanation of Financial Position  
(Current assets)

As of the end of the consolidated third quarter under review, current assets amounted to ¥12,107.925 million, an increase of ¥1,310.747 million year on year. This was primarily due to a ¥1,322.262 million increase in cash and deposits.

(Non-current assets)

As of the end of the consolidated third quarter under review, non-current assets amounted to ¥2,423.059 million, a decrease of ¥205.518 million year on year. This was primarily due to a decrease of ¥145.095 million in goodwill resulting from amortization of goodwill, a decrease of ¥25.744 million in lease and guarantee deposits associated with amortization of asset retirement obligations, and a decrease of ¥29.314 million in facilities attached to buildings, net, associated with progression of depreciation.

(Current liabilities)

As of the end of the consolidated third quarter under review, current assets

amounted to ¥1,280.135 million, a decrease of ¥792.050 million year on year. This was primarily due to a ¥470.895 million decrease in accounts payable - other due to bonus payments and a ¥340.079 million decrease in income taxes payable.

(Non-current liabilities)

As of the end of the consolidated third quarter under review, non-current liabilities amounted to ¥289.508 million, a decrease of ¥6.281 million year on year. This was primarily due to a ¥2.862 million decrease in net defined benefit liability.

(Net assets)

As of the end of the consolidated third quarter under review, net assets amounted to ¥12,961.341 million, an increase of ¥1,903.560 million year on year. This was primarily due to increases in capital stock and legal capital surplus of ¥12.372 million each resulting from the exercise of stock options and a ¥1,878.816 million increase in retained earnings.

(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 27, 2017.

During the consolidated cumulative third quarter under review, although the Company's performance exceeded the forecast for consolidated financial results, the Group as a whole fell slightly short of the forecast for consolidated financial results because net sales were lower than budgeted for due to the impact of major deals that were closed by RECOF Corporation during the same period of the previous fiscal year. In this way, 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, and subject to 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 of the forecast at this time.

2. Quarterly Consolidated Financial Statements and Notes  
(1) Quarterly Consolidated Balance Sheet

	(Unit: thousand yen)	
	Previous consolidated fiscal year (as of September 30, 2017)	Third quarter of fiscal year ending September 30, 2018 (as of June 30, 2018)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	10,369,086	11,691,349
Accounts receivable - trade	206,093	98,457
Deferred tax assets	147,532	199,372
Other	74,464	118,746
<b>Total current assets</b>	<b>10,797,178</b>	<b>12,107,925</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Facilities attached to buildings, net	264,817	235,503
Other	51,293	55,842
<b>Total property, plant and equipment</b>	<b>316,111</b>	<b>291,345</b>
<b>Intangible assets</b>		
Trademark right	297,000	272,250
Goodwill	1,741,141	1,596,046
Other	21,106	32,984
<b>Total intangible assets</b>	<b>2,059,248</b>	<b>1,901,280</b>
<b>Investments and other assets, gross</b>		
Lease and guarantee deposits	232,407	206,663
Other	20,811	23,769
<b>Total investments and other assets</b>	<b>253,219</b>	<b>230,433</b>
<b>Total non-current assets</b>	<b>2,628,578</b>	<b>2,423,059</b>
<b>Total assets</b>	<b>13,425,756</b>	<b>14,530,985</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Advances received	236,593	281,245
Provision for bonuses	8,705	188,139
Accounts payable - other	695,440	224,545
Income taxes payable	744,631	404,552
Accrued consumption taxes	285,204	103,713
Other	101,609	77,938
<b>Total current liabilities</b>	<b>2,072,185</b>	<b>1,280,135</b>
<b>Non-current liabilities</b>		
Net defined benefit liability	125,410	122,547
Other	170,379	166,961
<b>Total non-current liabilities</b>	<b>295,789</b>	<b>289,508</b>
<b>Total liabilities</b>	<b>2,367,975</b>	<b>1,569,643</b>

	(Unit: thousand yen)	
	Previous consolidated fiscal year (as of September 30, 2017)	Third quarter of fiscal year ending September 30, 2018 (as of June 30, 2018)
Net assets		
Shareholders' equity		
Capital stock	2,491,243	2,503,615
Capital surplus	2,480,993	2,493,365
Retained earnings	6,034,829	7,913,645
Treasury shares	(353)	(353)
Total shareholders' equity	11,006,713	12,910,273
Subscription rights to shares	51,068	51,068
Total net assets	11,057,781	12,961,341
Total liabilities and net assets	13,425,756	14,530,985

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

Quarterly Consolidated Statements of Income  
Consolidated Cumulative Third Quarter

	(Unit: thousand yen)	
	Cumulative third quarter of previous fiscal year (From October 1, 2016 to June 30, 2017)	Cumulative third quarter of current fiscal year (From October 1, 2017 to June 30, 2018)
Net sales	6,644,211	6,367,134
Cost of sales	2,019,186	2,287,732
Gross profit	4,625,024	4,079,402
Selling, general and administrative expenses	1,550,102	1,336,672
Operating income	3,074,921	2,742,730
Non-operating income		
Interest income	50	625
Miscellaneous income	2,083	108
Total non-operating income	2,134	734
Non-operating expenses		
Interest expenses	14,344	93
Share issuance cost	20,818	-
Loss on retirement of non-current assets	5,475	6,015
Miscellaneous loss	5,006	422
Total non-operating expenses	45,645	6,532
Ordinary income	3,031,410	2,736,932
Extraordinary income		
Gain on bargain purchase	17,162	-
Total extraordinary income	17,162	-
Income before income taxes	3,048,573	2,736,932
Income taxes - current	960,474	920,526
Income taxes - deferred	(11,087)	(62,410)
Total income taxes	949,387	858,116
Profit	2,099,185	1,878,816
Profit attributable to owners of parent	2,099,185	1,878,816

Quarterly Consolidated Statements of Comprehensive Income  
 Consolidated Cumulative Third Quarter

	(Unit: thousand yen)	
	Cumulative third quarter of previous fiscal year (From October 1, 2016 to June 30, 2017)	Cumulative third quarter of current fiscal year (From October 1, 2017 to June 30, 2018)
Profit	2,099,185	1,878,816
Comprehensive income	2,099,185	1,878,816
(Comprehensive income attributable to:)		
Comprehensive income attributable to owners of parent	2,099,185	1,878,816

(3) Notes to Quarterly Consolidated Financial Statements

(Segment information, etc.)

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