

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

**Summary of Consolidated Financial Results
for the Year Ended March 31, 2014
(Based on Japanese GAAP)**

May 15, 2014

Company name: EXCEL CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 7591 URL <http://www.excelweb.co.jp>
 Representative: PRESIDENT and CEO ISAKU TANIMURA
 DIRECTOR
 Inquiries: GENERAL MANAGER KATSUO OTA TEL 03-5733-8404
 FINANCE and ACCOUNTING DIVISION
 Scheduled date of ordinary general meeting of shareholders: June 26, 2014
 Scheduled date to file Securities Report: June 27, 2014
 Scheduled date to commence dividend payments: June 27, 2014
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(1) Consolidated financial results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2014	129,806	46.1	1,999	58.1	2,263	54.0	1,517	43.9
Year ended March 31, 2013	88,840	17.8	1,265	13.8	1,469	28.9	1,054	44.0

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2014	175.14	–	5.7	3.8	1.5
Year ended March 31, 2013	121.73	–	4.4	3.4	1.4

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2014	66,831	28,476	42.6	3,282.77
As of March 31, 2013	52,589	24,916	47.4	2,873.45

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2014	(610)	(72)	2,384	9,809
Year ended March 31, 2013	(58)	(626)	2,934	7,853

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2013	–	15.00	–	15.00	30.00	259	24.6	1.1
Year ended March 31, 2014	–	15.00	–	17.00	32.00	277	18.3	1.0
Year ending March 31, 2015 (Forecast)	–	17.00	–	17.00	34.00		10.2	

3. Forecast of consolidated financial results for the year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2014	115,000	129.4	2,200	132.6	2,100	73.0	1,600	85.2	184.62
Full year	230,000	77.2	3,900	95.0	3,800	67.9	2,900	91.1	334.63

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2014

(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements after error corrections: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2014	∴	9,086,755 shares	As of March 31, 2013	∴	9,086,755 shares
----------------------	---	------------------	----------------------	---	------------------

Number of treasury shares at the end of the period

As of March 31, 2014	∴	420,447 shares	As of March 31, 2013	∴	420,447 shares
----------------------	---	----------------	----------------------	---	----------------

Average number of shares during the period

Year ended March 31, 2014	∴	8,666,308 shares	Year ended March 31, 2013	∴	8,666,308 shares
---------------------------	---	------------------	---------------------------	---	------------------

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	8,287	10,336
Notes and accounts receivable - trade	27,848	37,249
Merchandise and finished goods	10,831	11,339
Work in process	1	-
Raw materials	18	-
Deferred tax assets	86	122
Other	151	820
Allowance for doubtful accounts	(9)	(11)
Total current assets	47,216	59,856
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,241	1,170
Accumulated depreciation	(636)	(637)
Buildings and structures, net	604	533
Land	1,680	1,677
Other	267	159
Accumulated depreciation	(235)	(137)
Other, net	31	22
Total property, plant and equipment	2,317	2,232
Intangible assets		
Other	117	75
Total intangible assets	117	75
Investments and other assets		
Investment securities	2,812	4,542
Other	160	159
Allowance for doubtful accounts	(34)	(34)
Total investments and other assets	2,938	4,667
Total non-current assets	5,372	6,975
Total assets	52,589	66,831

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,860	23,688
Short-term loans payable	7,300	11,567
Income taxes payable	296	324
Provision for bonuses	130	185
Provision for directors' bonuses	28	38
Other	581	516
Total current liabilities	26,197	36,321
Non-current liabilities		
Deferred tax liabilities	794	1,434
Provision for retirement benefits	319	-
Net defined benefit liability	-	299
Asset retirement obligations	6	6
Negative goodwill	250	187
Other	105	105
Total non-current liabilities	1,474	2,033
Total liabilities	27,672	38,354
Net assets		
Shareholders' equity		
Capital stock	3,086	3,086
Capital surplus	3,126	3,126
Retained earnings	19,109	20,367
Treasury shares	(571)	(571)
Total shareholders' equity	24,751	26,009
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	989	2,157
Foreign currency translation adjustment	(838)	278
Remeasurements of defined benefit plans	-	4
Total accumulated other comprehensive income	150	2,440
Minority interests	14	27
Total net assets	24,916	28,476
Total liabilities and net assets	52,589	66,831

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net sales	88,840	129,806
Cost of sales	84,212	123,957
Gross profit	4,628	5,849
Selling, general and administrative expenses	3,362	3,849
Operating income	1,265	1,999
Non-operating income		
Interest income	10	7
Dividend income	42	41
Purchase discounts	56	43
Amortization of negative goodwill	62	62
Foreign exchange gains	62	137
Other	34	42
Total non-operating income	268	334
Non-operating expenses		
Interest expenses	36	44
Sales discounts	9	11
Other	17	14
Total non-operating expenses	64	71
Ordinary income	1,469	2,263
Extraordinary losses		
Loss on sales of non-current assets	-	0
Loss on retirement of non-current assets	1	3
Impairment loss	-	7
Loss on valuation of membership	-	0
Loss on liquidation of subsidiaries and associates	-	24
Total extraordinary losses	1	37
Income before income taxes and minority interests	1,468	2,225
Income taxes - current	408	633
Income taxes - deferred	13	68
Total income taxes	422	701
Income before minority interests	1,045	1,524
Minority interests in income (loss)	(9)	6
Net income	1,054	1,517

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Income before minority interests	1,045	1,524
Other comprehensive income		
Valuation difference on available-for-sale securities	588	1,168
Foreign currency translation adjustment	511	1,123
Total other comprehensive income	1,099	2,291
Comprehensive income	2,145	3,815
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,153	3,803
Comprehensive income attributable to minority interests	(7)	12

Consolidated statements of changes in net assets

Fiscal year ended March 31, 2013

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,086	3,126	18,314	(571)	23,956
Changes of items during period					
Dividends of surplus			(259)		(259)
Net income			1,054		1,054
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	794	-	794
Balance at end of current period	3,086	3,126	19,109	(571)	24,751

	Accumulated other comprehensive income			Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	401	(1,350)	(949)	-	23,007
Changes of items during period					
Dividends of surplus					(259)
Net income					1,054
Net changes of items other than shareholders' equity	588	511	1,099	14	1,114
Total changes of items during period	588	511	1,099	14	1,909
Balance at end of current period	989	(838)	150	14	24,916

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,086	3,126	19,109	(571)	24,751
Changes of items during period					
Dividends of surplus			(259)		(259)
Net income			1,517		1,517
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	1,257	-	1,257
Balance at end of current period	3,086	3,126	20,367	(571)	26,009

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	989	(838)	-	150	14	24,916
Changes of items during period						
Dividends of surplus						(259)
Net income						1,517
Net changes of items other than shareholders' equity	1,168	1,116	4	2,289	12	2,301
Total changes of items during period	1,168	1,116	4	2,289	12	3,559
Balance at end of current period	2,157	278	4	2,440	27	28,476

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	1,468	2,225
Depreciation	84	120
Impairment loss	-	7
Amortization of goodwill & negative goodwill	(62)	(62)
Increase (decrease) in allowance for doubtful accounts	0	0
Increase (decrease) in provision for bonuses	14	55
Increase (decrease) in provision for directors' bonuses	(5)	10
Increase (decrease) in provision for retirement benefits	2	(319)
Increase (decrease) in net defined benefit liability	-	306
Increase (decrease) in provision for loss on office	(39)	-
Interest and dividend income	(52)	(48)
Interest expenses	36	44
Foreign exchange losses (gains)	(36)	3
Loss (gain) on sales and retirement of non-current assets	1	4
Decrease (increase) in notes and accounts receivable - trade	(9,951)	(4,619)
Decrease (increase) in inventories	(2,857)	530
Decrease (increase) in accounts receivable - other	1	258
Decrease (increase) in consumption taxes refund receivable	13	(668)
Increase (decrease) in notes and accounts payable - trade	11,180	2,278
Increase (decrease) in accounts payable - other	121	(273)
Other, net	77	154
Subtotal	(3)	7
Interest and dividend income received	52	48
Interest expenses paid	(34)	(44)
Income taxes paid	(73)	(622)
Net cash provided by (used in) operating activities	(58)	(610)

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Cash flows from investing activities		
Payments into time deposits	(64)	(52)
Purchase of property, plant and equipment	(582)	(9)
Proceeds from sales of property, plant and equipment	40	9
Purchase of intangible assets	(12)	(1)
Purchase of investment securities	(27)	(27)
Payments of loans receivable	(1)	(7)
Purchase of insurance funds	(6)	(6)
Other, net	28	23
Net cash provided by (used in) investing activities	(626)	(72)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	3,170	2,644
Proceeds from share issuance to minority shareholders	23	-
Cash dividends paid	(259)	(259)
Net cash provided by (used in) financing activities	2,934	2,384
Effect of exchange rate change on cash and cash equivalents	163	255
Net increase (decrease) in cash and cash equivalents	2,413	1,955
Cash and cash equivalents at beginning of period	5,440	7,853
Cash and cash equivalents at end of period	7,853	9,809