

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2014 (Based on Japanese GAAP)

July 30, 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 to file Quarterly Securities Report: August 11, 2014
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2014 (from April 1, 2014 to June 30, 2014)

(1) Consolidated financial results (cumulative)

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	%
Three months ended June 30, 2014	56,532	124.8	1,177	117.6	1,256	112.3	1,002	141.4
Three months ended June 30, 2013	25,149	61.0	541	214.0	592	146.6	415	218.6

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2014	115.70	–
Three months ended June 30, 2013	47.94	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2014	82,083	29,085	35.4	3,352.61
As of March 31, 2014	66,831	28,476	42.6	3,282.77

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2014	–	15.00	–	17.00	32.00
Year ending March 31, 2015	–	–	–	–	–
Year ending March 31, 2015 (Forecast)	–	17.00	–	17.00	34.00

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 three months ended June 30, 2014
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: No

(4) Number of issued shares (common shares)

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

As of June 30, 2014	9,086,755 shares	As of March 31, 2014	9,086,755 shares
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Number of treasury shares at the end of the period

As of June 30, 2014	420,447 shares	As of March 31, 2014	420,447 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2014	8,666,308 shares	Three months ended June 30, 2013	8,666,308 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Assets		
Current assets		
Cash and deposits	10,336	7,851
Notes and accounts receivable - trade	37,249	47,840
Merchandise and finished goods	11,339	18,630
Other	942	929
Allowance for doubtful accounts	(11)	(10)
Total current assets	59,856	75,242
Non-current assets		
Property, plant and equipment	2,232	2,224
Intangible assets	75	66
Investments and other assets		
Other	4,701	4,584
Allowance for doubtful accounts	(34)	(34)
Total investments and other assets	4,667	4,550
Total non-current assets	6,975	6,841
Total assets	66,831	82,083
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,688	32,797
Short-term loans payable	11,567	17,298
Income taxes payable	324	304
Provision for bonuses	185	86
Provision for directors' bonuses	38	10
Other	516	553
Total current liabilities	36,321	51,051
Non-current liabilities		
Net defined benefit liability	299	279
Asset retirement obligations	6	6
Negative goodwill	187	171
Other	1,539	1,488
Total non-current liabilities	2,033	1,946
Total liabilities	38,354	52,997

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Net assets		
Shareholders' equity		
Capital stock	3,086	3,086
Capital surplus	3,126	3,126
Retained earnings	20,367	21,222
Treasury shares	(571)	(571)
Total shareholders' equity	26,009	26,864
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,157	2,083
Deferred gains or losses on hedges	-	0
Foreign currency translation adjustment	278	101
Remeasurements of defined benefit plans	4	4
Total accumulated other comprehensive income	2,440	2,190
Minority interests	27	30
Total net assets	28,476	29,085
Total liabilities and net assets	66,831	82,083

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Net sales	25,149	56,532
Cost of sales	23,695	54,371
Gross profit	1,453	2,160
Selling, general and administrative expenses	912	982
Operating income	541	1,177
Non-operating income		
Interest income	1	1
Dividend income	14	18
Purchase discounts	12	8
Amortization of negative goodwill	15	15
Foreign exchange gains	43	50
Other	-	2
Total non-operating income	88	96
Non-operating expenses		
Interest expenses	13	14
Other	24	3
Total non-operating expenses	37	17
Ordinary income	592	1,256
Extraordinary losses		
Loss on retirement of non-current assets	2	0
Loss on valuation of membership	0	-
Total extraordinary losses	3	0
Income before income taxes and minority interests	588	1,256
Income taxes - current	133	173
Income taxes - deferred	41	75
Total income taxes	175	249
Income before minority interests	413	1,007
Minority interests in income (loss)	(2)	4
Net income	415	1,002

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Income before minority interests	413	1,007
Other comprehensive income		
Valuation difference on available-for-sale securities	439	(74)
Deferred gains or losses on hedges	-	0
Foreign currency translation adjustment	405	(177)
Remeasurements of defined benefit plans, net of tax	-	0
Total other comprehensive income	844	(250)
Comprehensive income	1,257	756
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,258	752
Comprehensive income attributable to minority interests	(0)	3