

Translation

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

October 31, 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: November 13, 2014
 Scheduled date to commence dividend payments: December 8, 2014
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2014 (from April 1, 2014 to September 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	%
Six months ended September 30, 2014	116,037	131.5	2,186	131.2	2,281	88.0	(795)	—
Six months ended September 30, 2013	50,125	42.0	945	72.3	1,213	94.4	864	88.7

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2014	(91.80)	—
Six months ended September 30, 2013	99.71	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2014	73,922	27,126	36.6	3,125.57
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	—	17.00			
Year ending March 31, 2015 (Forecast)			—	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
Full year	230,000	77.2	4,300	115.0	4,300	90.0	(8,000)	—	(923.12)

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 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)

Six months ended September 30, 2014	8,666,308 shares	Six months ended September 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 September 30, 2014
Assets		
Current assets		
Cash and deposits	10,336	11,038
Notes and accounts receivable - trade	37,249	41,198
Merchandise and finished goods	11,339	13,954
Other	942	1,031
Allowance for doubtful accounts	(11)	(11)
Total current assets	59,856	67,212
Non-current assets		
Property, plant and equipment	2,232	2,217
Intangible assets	75	63
Investments and other assets		
Claims provable in bankruptcy, claims provable in rehabilitation and other	2	2,562
Other	4,699	4,460
Allowance for doubtful accounts	(34)	(2,594)
Total investments and other assets	4,667	4,429
Total non-current assets	6,975	6,710
Total assets	66,831	73,922
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,688	28,854
Short-term loans payable	11,567	12,514
Income taxes payable	324	528
Provision for bonuses	185	154
Provision for directors' bonuses	38	21
Other	516	2,851
Total current liabilities	36,321	44,924
Non-current liabilities		
Net defined benefit liability	299	275
Asset retirement obligations	6	6
Negative goodwill	187	156
Other	1,539	1,433
Total non-current liabilities	2,033	1,871
Total liabilities	38,354	46,795

(Millions of yen)

	As of March 31, 2014	As of September 30, 2014
Net assets		
Shareholders' equity		
Capital stock	3,086	3,086
Capital surplus	3,126	3,126
Retained earnings	20,367	19,424
Treasury shares	(571)	(571)
Total shareholders' equity	26,009	25,066
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,157	1,995
Deferred gains or losses on hedges	–	(1)
Foreign currency translation adjustment	278	21
Remeasurements of defined benefit plans	4	4
Total accumulated other comprehensive income	2,440	2,020
Minority interests	27	39
Total net assets	28,476	27,126
Total liabilities and net assets	66,831	73,922

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
Net sales	50,125	116,037
Cost of sales	47,322	111,823
Gross profit	2,802	4,213
Selling, general and administrative expenses	1,856	2,027
Operating income	945	2,186
Non-operating income		
Interest income	3	2
Dividend income	21	28
Purchase discounts	21	11
Amortization of negative goodwill	31	31
Foreign exchange gains	195	54
Other	33	3
Total non-operating income	306	132
Non-operating expenses		
Interest expenses	23	31
Other	16	5
Total non-operating expenses	39	37
Ordinary income	1,213	2,281
Extraordinary losses		
Loss on retirement of non-current assets	3	0
Loss on valuation of membership	0	–
Provision of allowance for doubtful accounts	–	2,587
Total extraordinary losses	4	2,588
Income (loss) before income taxes and minority interests	1,209	(306)
Income taxes - current	320	424
Income taxes - deferred	28	50
Total income taxes	349	475
Income (loss) before minority interests	860	(782)
Minority interests in income (loss)	(4)	13
Net income (loss)	864	(795)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
Income before minority interests	860	(782)
Other comprehensive income		
Valuation difference on available-for-sale securities	1,019	(162)
Deferred gains or losses on hedges	(0)	(1)
Foreign currency translation adjustment	668	(257)
Remeasurements of defined benefit plans, net of tax	–	0
Total other comprehensive income	1,687	(420)
Comprehensive income	2,547	(1,202)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,549	(1,215)
Comprehensive income attributable to minority interests	(1)	12