

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 Nine Months Ended December 31, 2014 (Based on Japanese GAAP)

January 30, 2015

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: February 12, 2015
 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 nine months ended December 31, 2014 (from April 1, 2014 to December 31, 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	%
Nine months ended December 31, 2014	173,932	102.9	3,223	97.8	3,322	82.3	(10,570)	–
Nine months ended December 31, 2013	85,702	49.2	1,630	59.1	1,823	57.8	1,223	45.7

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2014	(1,219.69)	–
Nine months ended December 31, 2013	141.19	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2014	123,473	17,184	13.9	1,978.12
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 nine months ended December 31, 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 December 31, 2014	9,086,755 shares	As of March 31, 2014	9,086,755 shares
-------------------------	------------------	----------------------	------------------

Number of treasury shares at the end of the period

As of December 31, 2014	420,447 shares	As of March 31, 2014	420,447 shares
-------------------------	----------------	----------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2014	8,666,308 shares	Nine months ended December 31, 2013	8,666,308 shares
-------------------------------------	------------------	-------------------------------------	------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Assets		
Current assets		
Cash and deposits	10,336	32,079
Notes and accounts receivable - trade	37,249	42,925
Merchandise and finished goods	11,339	39,905
Other	942	1,548
Allowance for doubtful accounts	(11)	(11)
Total current assets	59,856	116,447
Non-current assets		
Property, plant and equipment	2,232	2,210
Intangible assets	75	56
Investments and other assets		
Claims provable in bankruptcy, claims provable in rehabilitation and other	2	14,046
Other	4,699	4,791
Allowance for doubtful accounts	(34)	(14,078)
Total investments and other assets	4,667	4,759
Total non-current assets	6,975	7,025
Total assets	66,831	123,473
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,688	49,050
Short-term loans payable	11,567	53,543
Income taxes payable	324	608
Provision for bonuses	185	103
Provision for directors' bonuses	38	–
Other	516	1,017
Total current liabilities	36,321	104,324
Non-current liabilities		
Net defined benefit liability	299	270
Asset retirement obligations	6	6
Negative goodwill	187	140
Other	1,539	1,547
Total non-current liabilities	2,033	1,964
Total liabilities	38,354	106,289

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Net assets		
Shareholders' equity		
Capital stock	3,086	3,086
Capital surplus	3,126	3,126
Retained earnings	20,367	9,502
Treasury shares	(571)	(571)
Total shareholders' equity	26,009	15,144
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,157	2,199
Deferred gains or losses on hedges	–	(25)
Foreign currency translation adjustment	278	(180)
Remeasurements of defined benefit plans	4	5
Total accumulated other comprehensive income	2,440	1,998
Minority interests	27	40
Total net assets	28,476	17,184
Total liabilities and net assets	66,831	123,473

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Net sales	85,702	173,932
Cost of sales	81,165	167,598
Gross profit	4,536	6,334
Selling, general and administrative expenses	2,906	3,110
Operating income	1,630	3,223
Non-operating income		
Interest income	5	5
Dividend income	33	43
Purchase discounts	34	30
Amortization of negative goodwill	46	46
Foreign exchange gains	80	56
Other	37	4
Total non-operating income	237	187
Non-operating expenses		
Interest expenses	33	77
Other	11	10
Total non-operating expenses	44	88
Ordinary income	1,823	3,322
Extraordinary losses		
Loss on retirement of non-current assets	3	0
Loss on valuation of membership	0	-
Loss on liquidation of subsidiaries and associates	27	-
Provision of allowance for doubtful accounts	-	13,208
Total extraordinary losses	32	13,209
Income (loss) before income taxes and minority interests	1,790	(9,886)
Income taxes - current	471	599
Income taxes - deferred	97	72
Total income taxes	569	671
Income (loss) before minority interests	1,221	(10,558)
Minority interests in income (loss)	(1)	11
Net income (loss)	1,223	(10,570)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Income (loss) before minority interests	1,221	(10,558)
Other comprehensive income		
Valuation difference on available-for-sale securities	1,403	41
Deferred gains or losses on hedges	(26)	(25)
Foreign currency translation adjustment	620	(456)
Remeasurements of defined benefit plans, net of tax	–	0
Total other comprehensive income	1,997	(439)
Comprehensive income	3,219	(10,998)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,217	(11,011)
Comprehensive income attributable to minority interests	2	13