

Translation

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2015  
(Based on Japanese GAAP)**

May 14, 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 of ordinary general meeting of shareholders: June 25, 2015  
 Scheduled date to file Securities Report: June 26, 2015  
 Scheduled date to commence dividend payments: June 26, 2015  
 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, 2015 (from April 1, 2014 to March 31, 2015)

(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, 2015	235,272	81.2	4,549	127.5	4,653	105.6	(7,805)	-
Year ended March 31, 2014	129,806	46.1	1,999	58.1	2,263	54.0	1,517	43.9

	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, 2015	(900.72)	-	(31.7)	5.3	1.9
Year ended March 31, 2014	175.14	-	5.7	3.8	1.5

(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, 2015	107,949	20,864	19.3	2,401.57
As of March 31, 2014	66,831	28,476	42.6	3,282.77

(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, 2015	(39,224)	(49)	41,467	12,708
Year ended March 31, 2014	(610)	(72)	2,384	9,809

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, 2014	-	15.00	-	17.00	32.00	277	18.3	1.0
Year ended March 31, 2015	-	17.00	-	17.00	34.00	294	-	1.2
Year ending March 31, 2016 (Forecast)	-	17.00	-	17.00	34.00		9.5	

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2015	103,000	(11.2)	2,100	(4.0)	1,900	(16.7)	1,500	–	173.08
Full year	210,000	(10.7)	4,200	(7.7)	3,900	(16.2)	3,100	–	357.71

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2015

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(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, 2015	∴	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 March 31, 2015	∴	420,447 shares	As of March 31, 2014	∴	420,447 shares
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Average number of shares during the period

Year ended March 31, 2015	∴	8,666,308 shares	Year ended March 31, 2014	∴	8,666,308 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	10,336	13,260
Notes and accounts receivable - trade	37,249	45,785
Merchandise and finished goods	11,339	37,758
Deferred tax assets	122	79
Other	820	1,480
Allowance for doubtful accounts	(11)	(42)
Total current assets	59,856	98,322
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,170	1,178
Accumulated depreciation	(637)	(677)
Buildings and structures, net	533	500
Land	1,677	1,677
Other	159	175
Accumulated depreciation	(137)	(149)
Other, net	22	25
Total property, plant and equipment	2,232	2,203
Intangible assets		
Other	75	46
Total intangible assets	75	46
Investments and other assets		
Investment securities	4,542	5,190
Claims provable in bankruptcy, claims provable in rehabilitation and other	2	15,635
Deferred tax assets	-	2,058
Other	156	159
Allowance for doubtful accounts	(34)	(15,667)
Total investments and other assets	4,667	7,377
Total non-current assets	6,975	9,627
Total assets	66,831	107,949

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	23,688	24,422
Short-term loans payable	11,567	44,101
Current portion of long-term loans payable	–	3,076
Income taxes payable	324	247
Provision for bonuses	185	138
Provision for directors' bonuses	38	–
Other	516	783
<b>Total current liabilities</b>	<b>36,321</b>	<b>72,768</b>
<b>Non-current liabilities</b>		
Long-term loans payable	–	12,305
Deferred tax liabilities	1,434	1,609
Net defined benefit liability	299	215
Asset retirement obligations	6	6
Negative goodwill	187	125
Other	105	53
<b>Total non-current liabilities</b>	<b>2,033</b>	<b>14,315</b>
<b>Total liabilities</b>	<b>38,354</b>	<b>87,084</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	3,086	3,086
Capital surplus	3,126	3,126
Retained earnings	20,367	12,266
Treasury shares	(571)	(571)
<b>Total shareholders' equity</b>	<b>26,009</b>	<b>17,908</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,157	2,679
Deferred gains or losses on hedges	–	(5)
Foreign currency translation adjustment	278	192
Remeasurements of defined benefit plans	4	36
<b>Total accumulated other comprehensive income</b>	<b>2,440</b>	<b>2,904</b>
<b>Minority interests</b>	<b>27</b>	<b>52</b>
<b>Total net assets</b>	<b>28,476</b>	<b>20,864</b>
<b>Total liabilities and net assets</b>	<b>66,831</b>	<b>107,949</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	129,806	235,272
Cost of sales	123,957	226,493
Gross profit	5,849	8,779
Selling, general and administrative expenses	3,849	4,229
Operating income	1,999	4,549
Non-operating income		
Interest income	7	7
Dividend income	41	57
Purchase discounts	43	28
Amortization of negative goodwill	62	62
Foreign exchange gains	137	129
Other	42	13
Total non-operating income	334	299
Non-operating expenses		
Interest expenses	44	170
Sales discounts	11	5
Other	14	19
Total non-operating expenses	71	194
Ordinary income	2,263	4,653
Extraordinary losses		
Loss on sales of non-current assets	0	–
Loss on retirement of non-current assets	3	0
Impairment loss	7	–
provision of allowance for doubtful accounts	–	13,720
Loss on valuation of membership	0	–
Loss on liquidation of subsidiaries and associates	24	–
Total extraordinary losses	37	13,720
Income (loss) before income taxes and minority interests	2,225	(9,067)
Income taxes - current	633	424
Income taxes - deferred	68	(1,704)
Total income taxes	701	(1,279)
Income (loss) before minority interests	1,524	(7,787)
Minority interests in income	6	18
Net income (loss)	1,517	(7,805)

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income (loss) before minority interests	1,524	(7,787)
Other comprehensive income		
Valuation difference on available-for-sale securities	1,168	521
Deferred gains or losses on hedges	–	(5)
Foreign currency translation adjustment	1,123	(78)
Remeasurements of defined benefit plans, net of tax	–	32
Total other comprehensive income	2,291	470
Comprehensive income	3,815	(7,317)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,803	(7,342)
Comprehensive income attributable to minority interests	12	24

## Consolidated statements of changes in net assets

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 (loss)			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 (loss)						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

Fiscal year ended March 31, 2015

(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	20,367	(571)	26,009
Changes of items during period					
Dividends of surplus			(294)		(294)
Net income (loss)			(7,805)		(7,805)
Net changes of items other than shareholders' equity					
Total changes of items during period			(8,100)		(8,100)
Balance at end of current period	3,086	3,126	12,266	(571)	17,908

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,157	–	278	4	2,440	27	28,476
Changes of items during period							
Dividends of surplus							(294)
Net income (loss)							(7,805)
Net changes of items other than shareholders' equity	521	(5)	(85)	32	463	24	488
Total changes of items during period	521	(5)	(85)	32	463	24	(7,611)
Balance at end of current period	2,679	(5)	192	36	2,904	52	20,864