

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended June 30, 2015
(Based on Japanese GAAP)**

July 30, 2015

Company name: EXCEL CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 7591 URL <http://www.excelweb.co.jp>
 Representative: PRESIDENT and CEO NOBUAKI OTAKI
 DIRECTOR
 Inquiries: GENERAL MANAGER KATSUO OTA TEL 03-5733-8404
 FINANCE and ACCOUNTING DIVISION
 Scheduled date to file Quarterly Securities Report: August 11, 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 three months ended June 30, 2015 (from April 1, 2015 to June 30, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2015	45,281	(19.9)	1,342	14.0	1,239	(1.4)	964	(3.8)
Three months ended June 30, 2014	56,532	124.8	1,177	117.6	1,256	112.3	1,002	141.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2015	111.33		–	
Three months ended June 30, 2014	115.70		–	

(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, 2015	87,561	21,312	24.3	2,450.47
As of March 31, 2015	107,949	20,864	19.3	2,401.57

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2015	–	17.00	–	17.00	34.00
Year ending March 31, 2016	–	–	–	–	–
Year ending March 31, 2016 (Forecast)	–	17.00	–	17.00	34.00

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		Earnings 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 three months ended June 30, 2015
 (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, 2015	9,086,755 shares	As of March 31, 2015	9,086,755 shares
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Number of treasury shares at the end of the period

As of June 30, 2015	420,467 shares	As of March 31, 2015	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, 2015	8,666,301 shares	Three months ended June 30, 2014	8,666,308 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
Assets		
Current assets		
Cash and deposits	13,260	10,696
Notes and accounts receivable - trade	45,785	40,130
Merchandise and finished goods	37,758	26,541
Other	1,560	756
Allowance for doubtful accounts	(42)	(43)
Total current assets	98,322	78,082
Non-current assets		
Property, plant and equipment	2,203	2,193
Intangible assets	46	37
Investments and other assets		
Claims provable in bankruptcy, claims provable in rehabilitation and other	15,635	15,586
Other	7,408	7,279
Allowance for doubtful accounts	(15,667)	(15,618)
Total investments and other assets	7,377	7,247
Total non-current assets	9,627	9,478
Total assets	107,949	87,561
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,422	10,848
Short-term loans payable	44,101	22,722
Current portion of long-term loans payable	3,076	3,134
Income taxes payable	247	252
Provision for bonuses	138	86
Provision for directors' bonuses	–	12
Other	783	15,946
Total current liabilities	72,768	53,003
Non-current liabilities		
Long-term loans payable	12,305	11,314
Net defined benefit liability	215	203
Asset retirement obligations	6	6
Negative goodwill	125	109
Other	1,662	1,611
Total non-current liabilities	14,315	13,245
Total liabilities	87,084	66,249

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
Net assets		
Shareholders' equity		
Capital stock	3,086	3,086
Capital surplus	3,126	3,126
Retained earnings	12,266	13,084
Treasury shares	(571)	(571)
Total shareholders' equity	17,908	18,726
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,679	2,648
Deferred gains or losses on hedges	(5)	(41)
Foreign currency translation adjustment	192	(132)
Remeasurements of defined benefit plans	36	36
Total accumulated other comprehensive income	2,904	2,510
Non-controlling interests	52	75
Total net assets	20,864	21,312
Total liabilities and net assets	107,949	87,561

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, 2014	Three months ended June 30, 2015
Net sales	56,532	45,281
Cost of sales	54,371	42,830
Gross profit	2,160	2,451
Selling, general and administrative expenses	982	1,108
Operating income	1,177	1,342
Non-operating income		
Interest income	1	1
Dividend income	18	20
Amortization of negative goodwill	15	15
Foreign exchange gains	50	–
Other	11	0
Total non-operating income	96	38
Non-operating expenses		
Interest expenses	14	109
Foreign exchange losses	–	27
Other	3	4
Total non-operating expenses	17	141
Ordinary income	1,256	1,239
Extraordinary losses		
Loss on retirement of non-current assets	0	–
Loss on sales of non-current assets	–	0
Total extraordinary losses	0	0
Income before income taxes and minority interests	1,256	1,239
Income taxes - current	173	178
Income taxes - deferred	75	72
Total income taxes	249	251
Profit	1,007	988
Profit attributable to non-controlling interests	4	23
Profit attributable to owners of parent	1,002	964

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Profit	1,007	988
Other comprehensive income		
Valuation difference on available-for-sale securities	(74)	(31)
Deferred gains or losses on hedges	0	(36)
Foreign currency translation adjustment	(177)	(324)
Remeasurements of defined benefit plans, net of tax	0	0
Total other comprehensive income	(250)	(393)
Comprehensive income	756	594
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	752	571
Comprehensive income attributable to non-controlling interests	3	23