

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2015 (Based on Japanese GAAP)

October 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: November 13, 2015
 Scheduled date to commence dividend payments: December 7, 2015
 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, 2015 (from April 1, 2015 to September 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	%
Six months ended September 30, 2015	87,700	(24.4)	2,175	(0.5)	1,986	(12.9)	1,913	—
Six months ended September 30, 2014	116,037	131.5	2,186	131.2	2,281	88.0	(795)	—

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2015	220.86		—	
Six months ended September 30, 2014	(91.80)		—	

(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, 2015	77,785	22,653	29.0	2,604.30
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	—	17.00	—	—	—
Year ending March 31, 2016 (Forecast)	—	—	—	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
Full year	160,000	(32.0)	3,100	(31.9)	2,800	(39.8)	2,670	—	308.09

4. Notes

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

Six months ended September 30, 2015	8,666,295 shares	Six months ended September 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 September 30, 2015
Assets		
Current assets		
Cash and deposits	13,260	11,375
Notes and accounts receivable - trade	45,785	35,963
Merchandise and finished goods	37,758	19,082
Other	1,560	2,434
Allowance for doubtful accounts	(42)	(44)
Total current assets	98,322	68,811
Non-current assets		
Property, plant and equipment	2,203	2,195
Intangible assets	46	29
Investments and other assets		
Claims provable in bankruptcy, claims provable in rehabilitation and other	15,635	15,380
Other	7,408	6,781
Allowance for doubtful accounts	(15,667)	(15,412)
Total investments and other assets	7,377	6,749
Total non-current assets	9,627	8,974
Total assets	107,949	77,785
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,422	14,743
Short-term loans payable	44,101	23,983
Current portion of long-term loans payable	3,076	3,070
Income taxes payable	247	208
Provision for bonuses	138	147
Provision for directors' bonuses	–	21
Other	783	830
Total current liabilities	72,768	43,006
Non-current liabilities		
Long-term loans payable	12,305	10,316
Net defined benefit liability	215	201
Asset retirement obligations	6	6
Negative goodwill	125	93
Other	1,662	1,507
Total non-current liabilities	14,315	12,125
Total liabilities	87,084	55,132

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Net assets		
Shareholders' equity		
Capital stock	3,086	3,086
Capital surplus	3,126	3,126
Retained earnings	12,266	14,033
Treasury shares	(571)	(571)
Total shareholders' equity	17,908	19,675
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,679	2,409
Deferred gains or losses on hedges	(5)	(0)
Foreign currency translation adjustment	192	449
Remeasurements of defined benefit plans	36	35
Total accumulated other comprehensive income	2,904	2,894
Non-controlling interests	52	83
Total net assets	20,864	22,653
Total liabilities and net assets	107,949	77,785

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, 2014	Six months ended September 30, 2015
Net sales	116,037	87,700
Cost of sales	111,823	83,319
Gross profit	4,213	4,381
Selling, general and administrative expenses	2,027	2,205
Operating income	2,186	2,175
Non-operating income		
Interest income	2	4
Dividend income	28	35
Amortization of negative goodwill	31	31
Foreign exchange gains	54	–
Other	14	13
Total non-operating income	132	84
Non-operating expenses		
Interest expenses	31	200
Foreign exchange losses	–	62
Other	5	10
Total non-operating expenses	37	273
Ordinary income	2,281	1,986
Extraordinary income		
Reversal of allowance for doubtful accounts	–	493
Total extraordinary income	–	493
Extraordinary losses		
Loss on retirement of non-current assets	0	–
Provision of allowance for doubtful accounts	2,587	–
Total extraordinary losses	2,588	–
Income (loss) before income taxes and minority interests	(306)	2,479
Income taxes - current	424	298
Income taxes - deferred	50	236
Total income taxes	475	535
Profit (loss)	(782)	1,944
Profit attributable to non-controlling interests	13	30
Profit (loss) attributable to owners of parent	(795)	1,913

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Profit (loss)	(782)	1,944
Other comprehensive income		
Valuation difference on available-for-sale securities	(162)	(270)
Deferred gains or losses on hedges	(1)	4
Foreign currency translation adjustment	(257)	258
Remeasurements of defined benefit plans, net of tax	0	(0)
Total other comprehensive income	(420)	(8)
Comprehensive income	(1,202)	1,935
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,215)	1,904
Comprehensive income attributable to non-controlling interests	12	31