

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2015 (Based on Japanese GAAP)

January 29, 2016

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: February 12, 2016  
 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, 2015 (from April 1, 2015 to December 31, 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	%
Nine months ended December 31, 2015	118,986	(31.6)	2,792	(13.4)	2,566	(22.8)	2,330	–
Nine months ended December 31, 2014	173,932	102.9	3,223	97.8	3,322	82.3	(10,570)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2015	268.96		–	
Nine months ended December 31, 2014	(1,219.69)		–	

(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, 2015	73,883	22,592	30.4	2,590.77
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 nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2015	8,666,292 shares	Nine months ended December 31, 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 December 31, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	13,260	17,725
Notes and accounts receivable - trade	45,785	27,991
Merchandise and finished goods	37,758	17,297
Other	1,560	1,906
Allowance for doubtful accounts	(42)	(40)
Total current assets	98,322	64,880
Non-current assets		
Property, plant and equipment	2,203	2,189
Intangible assets	46	22
Investments and other assets		
Claims provable in bankruptcy, claims provable in rehabilitation and other	15,635	15,067
Other	7,408	6,822
Allowance for doubtful accounts	(15,667)	(15,099)
Total investments and other assets	7,377	6,790
Total non-current assets	9,627	9,002
Total assets	107,949	73,883
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	24,422	14,873
Short-term loans payable	44,101	21,030
Current portion of long-term loans payable	3,076	3,087
Income taxes payable	247	85
Provision for bonuses	138	104
Provision for directors' bonuses	–	31
Other	783	694
Total current liabilities	72,768	39,908
Non-current liabilities		
Long-term loans payable	12,305	9,600
Net defined benefit liability	215	198
Asset retirement obligations	6	6
Negative goodwill	125	78
Other	1,662	1,498
Total non-current liabilities	14,315	11,381
Total liabilities	87,084	51,290

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Net assets		
Shareholders' equity		
Capital stock	3,086	3,086
Capital surplus	3,126	3,126
Retained earnings	12,266	14,302
Treasury shares	(571)	(571)
Total shareholders' equity	17,908	19,944
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,679	2,484
Deferred gains or losses on hedges	(5)	(1)
Foreign currency translation adjustment	192	(11)
Remeasurements of defined benefit plans	36	35
Total accumulated other comprehensive income	2,904	2,507
Non-controlling interests	52	139
Total net assets	20,864	22,592
Total liabilities and net assets	107,949	73,883

**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, 2014	Nine months ended December 31, 2015
Net sales	173,932	118,986
Cost of sales	167,598	112,840
Gross profit	6,334	6,146
Selling, general and administrative expenses	3,110	3,354
Operating income	3,223	2,792
Non-operating income		
Interest income	5	15
Dividend income	43	54
Purchase discounts	30	9
Amortization of negative goodwill	46	46
Foreign exchange gains	56	-
Other	4	18
Total non-operating income	187	143
Non-operating expenses		
Interest expenses	77	289
Foreign exchange losses	-	67
Other	10	12
Total non-operating expenses	88	369
Ordinary income	3,322	2,566
Extraordinary income		
Reversal of allowance for doubtful accounts	-	495
Gain on sales of investment securities	-	0
Total extraordinary income	-	495
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Provision of allowance for doubtful accounts	13,208	-
Total extraordinary losses	13,209	0
Income (loss) before income taxes and minority interests	(9,886)	3,062
Income taxes - current	599	348
Income taxes - deferred	72	293
Total income taxes	671	642
Profit (loss)	(10,558)	2,419
Profit attributable to non-controlling interests	11	88
Profit (loss) attributable to owners of parent	(10,570)	2,330

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Profit (loss)	(10,558)	2,419
Other comprehensive income		
Valuation difference on available-for-sale securities	41	(195)
Deferred gains or losses on hedges	(25)	3
Foreign currency translation adjustment	(456)	(204)
Remeasurements of defined benefit plans, net of tax	0	(1)
Total other comprehensive income	(439)	(397)
Comprehensive income	(10,998)	2,022
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(11,011)	1,934
Comprehensive income attributable to non-controlling interests	13	87