

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017 (Based on Japanese GAAP)

July 31, 2017

Company name: EXCEL CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 7591 URL <http://www.excelweb.co.jp>
 Representative: President and CEO Nobuaki Ohtaki
 Director and Senior Executive Officer
 Inquiries: Isaku Tanimura TEL 03-5733-8404
 Group Chief Financial Officer
 Scheduled date to file Quarterly Securities Report: August 10, 2017
 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, 2017 (from April 1, 2017 to June 30, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2017	24,603	(0.7)	514	45.0	524	213.4	474	324.2
Three months ended June 30, 2016	24,774	(45.3)	354	(73.6)	167	(86.5)	111	(88.4)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2017	54.74	–
Three months ended June 30, 2016	12.90	–

(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, 2017	49,601	25,303	48.1	2,750.70
As of March 31, 2017	49,057	23,440	47.3	2,676.65

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, 2017	–	17.00	–	17.00	34.00
Year ending March 31, 2018	–				
Year ending March 31, 2018 (Forecast)		20.00	–	25.00	45.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		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, 2017	53,000	11.8	720	(21.0)	680	2.6	550	(14.3)	63.46
Full year	110,000	11.4	1,800	2.2	1,600	10.5	1,300	22.0	150.01

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2017
 (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: No
 - Changes in accounting policies due to other reasons: Yes
 - 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, 2017	9,086,755 shares	As of March 31, 2017	9,086,755 shares
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Number of treasury shares at the end of the period

As of June 30, 2017	420,467 shares	As of March 31, 2017	420,467 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, 2017	8,666,288 shares	Three months ended June 30, 2016	8,666,288 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	9,228	12,692
Notes and accounts receivable - trade	20,551	16,778
Electronically recorded monetary claims - operating	2,077	2,405
Merchandise and finished goods	8,345	8,737
Other	497	325
Allowance for doubtful accounts	(1)	(0)
Total current assets	40,699	40,939
Non-current assets		
Property, plant and equipment	1,963	1,962
Intangible assets	21	24
Investments and other assets		
Claims provable in bankruptcy, claims provable in rehabilitation and other	14,448	13,915
Other	6,393	6,695
Allowance for doubtful accounts	(14,469)	(13,936)
Total investments and other assets	6,372	6,674
Total non-current assets	8,358	8,661
Total assets	49,057	49,601
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,567	9,949
Short-term loans payable	9,820	10,012
Income taxes payable	180	96
Provision for bonuses	126	83
Provision for directors' bonuses	16	6
Other	3,349	2,576
Total current liabilities	24,061	22,723
Non-current liabilities		
Net defined benefit liability	220	218
Asset retirement obligations	6	6
Other	1,328	1,349
Total non-current liabilities	1,555	1,574
Total liabilities	25,616	24,297

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Net assets		
Shareholders' equity		
Capital stock	3,086	3,086
Capital surplus	3,120	3,120
Retained earnings	15,072	15,399
Treasury shares	(571)	(571)
Total shareholders' equity	20,707	21,035
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,452	2,740
Deferred gains or losses on hedges	0	–
Foreign currency translation adjustment	32	59
Remeasurements of defined benefit plans	3	3
Total accumulated other comprehensive income	2,488	2,803
Non-controlling interests	244	1,464
Total net assets	23,440	25,303
Total liabilities and net assets	49,057	49,601

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, 2016	Three months ended June 30, 2017
Net sales	24,774	24,603
Cost of sales	23,472	23,136
Gross profit	1,302	1,467
Selling, general and administrative expenses	947	952
Operating profit	354	514
Non-operating income		
Interest income	13	4
Dividend income	23	24
Amortization of negative goodwill	15	–
Foreign exchange gains	–	8
Other	27	13
Total non-operating income	80	51
Non-operating expenses		
Interest expenses	89	32
Share of loss of entities accounted for using equity method	–	6
Foreign exchange losses	175	–
Other	2	2
Total non-operating expenses	267	41
Ordinary profit	167	524
Profit before income taxes	167	524
Income taxes - current	76	73
Income taxes - deferred	(22)	(1)
Total income taxes	53	71
Profit	113	453
Profit (loss) attributable to non-controlling interests	1	(20)
Profit attributable to owners of parent	111	474

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	113	453
Other comprehensive income		
Valuation difference on available-for-sale securities	(66)	287
Deferred gains or losses on hedges	34	(0)
Foreign currency translation adjustment	99	10
Remeasurements of defined benefit plans, net of tax	0	0
Share of other comprehensive income of entities accounted for using equity method	–	8
Total other comprehensive income	67	306
Comprehensive income	180	759
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	188	789
Comprehensive income attributable to non-controlling interests	(7)	(29)