

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2017 (Based on Japanese GAAP)

October 30, 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: November 14, 2017  
 Scheduled date to commence dividend payments: December 4, 2017  
 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, 2017 (from April 1, 2017 to September 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	%
Six months ended September 30, 2017	49,530	4.5	818	(10.2)	827	24.8	2,537	295.3
Six months ended September 30, 2016	47,391	(46.0)	910	(58.1)	662	(66.6)	642	(66.5)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2017	292.85	–
Six months ended September 30, 2016	74.09	–

(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, 2017	54,532	27,452	47.6	2,992.63
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	–	20.00	–	–	–
Year ending March 31, 2018 (Forecast)	–	–	–	55.00	75.00

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
Full year	110,000	11.4	1,800	2.2	1,600	10.5	3,180	198.5	366.94

4. Notes

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

Six months ended September 30, 2017	8,666,288 shares	Six months ended September 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 September 30, 2017
Assets		
Current assets		
Cash and deposits	9,228	7,755
Notes and accounts receivable - trade	20,551	22,571
Electronically recorded monetary claims - operating	2,077	1,456
Merchandise and finished goods	8,345	11,643
Other	497	394
Allowance for doubtful accounts	(1)	(1)
Total current assets	40,699	43,818
Non-current assets		
Property, plant and equipment	1,963	1,990
Intangible assets	21	23
Investments and other assets		
Claims provable in bankruptcy, claims provable in rehabilitation and other	14,448	13,891
Other	6,393	6,498
Allowance for doubtful accounts	(14,469)	(11,690)
Total investments and other assets	6,372	8,699
Total non-current assets	8,358	10,713
Total assets	49,057	54,532
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,567	14,219
Short-term loans payable	9,820	8,854
Income taxes payable	180	119
Provision for bonuses	126	150
Provision for directors' bonuses	16	13
Other	3,349	2,162
Total current liabilities	24,061	25,519
Non-current liabilities		
Net defined benefit liability	220	218
Asset retirement obligations	6	6
Other	1,328	1,334
Total non-current liabilities	1,555	1,559
Total liabilities	25,616	27,079

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Net assets		
Shareholders' equity		
Capital stock	3,086	3,086
Capital surplus	3,120	3,120
Retained earnings	15,072	17,463
Treasury shares	(571)	(571)
Total shareholders' equity	20,707	23,098
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,452	2,751
Deferred gains or losses on hedges	0	–
Foreign currency translation adjustment	32	80
Remeasurements of defined benefit plans	3	4
Total accumulated other comprehensive income	2,488	2,836
Non-controlling interests	244	1,517
Total net assets	23,440	27,452
Total liabilities and net assets	49,057	54,532

**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, 2016	Six months ended September 30, 2017
Net sales	47,391	49,530
Cost of sales	44,602	46,747
Gross profit	2,789	2,782
Selling, general and administrative expenses	1,878	1,964
Operating profit	910	818
Non-operating income		
Interest income	33	11
Dividend income	42	44
Amortization of negative goodwill	31	–
Gain on adjustment of account payable	–	45
Other	37	30
Total non-operating income	144	132
Non-operating expenses		
Interest expenses	178	71
Foreign exchange losses	209	5
Share of loss of entities accounted for using equity method	–	28
Other	4	17
Total non-operating expenses	392	122
Ordinary profit	662	827
Extraordinary income		
Reversal of allowance for doubtful accounts	179	2,228
Total extraordinary income	179	2,228
Extraordinary losses		
Loss on valuation of membership	7	–
Total extraordinary losses	7	–
Profit before income taxes	835	3,056
Income taxes - current	130	142
Income taxes - deferred	61	376
Total income taxes	191	519
Profit	644	2,537
Profit (loss) attributable to non-controlling interests	2	(0)
Profit attributable to owners of parent	642	2,537

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

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit	644	2,537
Other comprehensive income		
Valuation difference on available-for-sale securities	76	298
Deferred gains or losses on hedges	18	(0)
Foreign currency translation adjustment	(739)	68
Remeasurements of defined benefit plans, net of tax	0	0
Share of other comprehensive income of entities accounted for using equity method	–	3
Total other comprehensive income	(644)	371
Comprehensive income	0	2,908
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18	2,885
Comprehensive income attributable to non-controlling interests	(18)	23