

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended June 30, 2018
(Based on Japanese GAAP)**

July 31, 2018

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, 2018
 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, 2018 (from April 1, 2018 to June 30, 2018)

(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, 2018	14,335	(41.7)	68	(86.7)	79	(84.8)	70	(85.1)
Three months ended June 30, 2017	24,603	(0.7)	514	45.0	524	213.4	474	324.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2018	8.15	–
Three months ended June 30, 2017	54.74	–

(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, 2018	50,388	27,127	51.0	2,962.62
As of March 31, 2018	54,479	27,249	47.1	2,965.60

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, 2018	–	20.00	–	55.00	75.00
Year ending March 31, 2019	–	–	–	–	–
Year ending March 31, 2019 (Forecast)	–	10.00	–	10.00	20.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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, 2018	29,000	(41.5)	50	(93.3)	50	(94.0)	65	(97.4)	7.50
Full year	73,000	(27.3)	450	(68.6)	300	(76.6)	450	(84.3)	51.93

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2018
 (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: 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, 2018	9,086,755 shares	As of March 31, 2018	9,086,755 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	420,580 shares	As of March 31, 2018	420,540 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, 2018	8,666,175 shares	Three months ended June 30, 2017	8,666,288 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	6,679	10,910
Notes and accounts receivable - trade	25,779	17,738
Electronically recorded monetary claims - operating	2,014	1,450
Merchandise and finished goods	9,398	9,068
Other	342	492
Allowance for doubtful accounts	(1)	(1)
Total current assets	44,213	39,659
Non-current assets		
Property, plant and equipment	1,284	1,269
Intangible assets	34	40
Investments and other assets		
Investment securities	5,634	6,280
Claims provable in bankruptcy, claims provable in rehabilitation and other	14,015	13,177
Other	1,138	1,097
Allowance for doubtful accounts	(11,842)	(11,135)
Total investments and other assets	8,946	9,419
Total non-current assets	10,265	10,729
Total assets	54,479	50,388
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,628	8,298
Short-term loans payable	13,821	11,487
Income taxes payable	266	85
Provision for bonuses	136	69
Provision for directors' bonuses	20	2
Other	2,035	1,936
Total current liabilities	25,909	21,878
Non-current liabilities		
Net defined benefit liability	226	226
Asset retirement obligations	0	0
Other	1,092	1,154
Total non-current liabilities	1,320	1,381
Total liabilities	27,230	23,260

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Net assets		
Shareholders' equity		
Capital stock	3,086	3,086
Capital surplus	3,120	3,120
Retained earnings	17,626	17,220
Treasury shares	(571)	(571)
Total shareholders' equity	23,261	22,855
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,687	2,786
Foreign currency translation adjustment	(245)	34
Remeasurements of defined benefit plans	(2)	(1)
Total accumulated other comprehensive income	2,439	2,819
Non-controlling interests	1,548	1,453
Total net assets	27,249	27,127
Total liabilities and net assets	54,479	50,388

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, 2017	Three months ended June 30, 2018
Net sales	24,603	14,335
Cost of sales	23,136	13,261
Gross profit	1,467	1,073
Selling, general and administrative expenses	952	1,005
Operating profit	514	68
Non-operating income		
Interest income	4	8
Dividend income	24	28
Foreign exchange gains	8	25
Other	13	11
Total non-operating income	51	74
Non-operating expenses		
Interest expenses	32	61
Share of loss of entities accounted for using equity method	6	–
Other	2	1
Total non-operating expenses	41	62
Ordinary profit	524	79
Profit before income taxes	524	79
Income taxes - current	73	17
Income taxes - deferred	(1)	(2)
Total income taxes	71	15
Profit	453	64
Loss attributable to non-controlling interests	(20)	(5)
Profit attributable to owners of parent	474	70

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	453	64
Other comprehensive income		
Valuation difference on available-for-sale securities	287	99
Deferred gains or losses on hedges	(0)	–
Foreign currency translation adjustment	10	190
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	306	290
Comprehensive income	759	355
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	789	450
Comprehensive income attributable to non-controlling interests	(29)	(95)