

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

January 30, 2019

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: February 13, 2019
 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, 2018 (from April 1, 2018 to December 31, 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	%
Nine months ended December 31, 2018	48,580	(38.2)	86	(92.1)	(3)	–	(75)	–
Nine months ended December 31, 2017	78,607	9.3	1,085	(18.7)	1,110	8.9	2,799	218.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	(8.69)		–	
Nine months ended December 31, 2017	323.03		–	

(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, 2018	51,257	26,204	48.1	2,847.45
As of March 31, 2018	54,479	27,249	47.2	2,965.60

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, 2018	–	20.00	–	55.00	75.00
Year ending March 31, 2019	–	10.00	–		
Year ending March 31, 2019 (Forecast)				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
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 nine months ended December 31, 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 December 31, 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 December 31, 2018	420,631 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)

Nine months ended December 31, 2018	8,666,147 shares	Nine months ended December 31, 2017	8,666,268 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	6,679	11,016
Notes and accounts receivable - trade	25,779	14,989
Electronically recorded monetary claims - operating	2,014	1,607
Merchandise and finished goods	9,398	13,517
Other	342	888
Allowance for doubtful accounts	(1)	(0)
Total current assets	44,213	42,018
Non-current assets		
Property, plant and equipment	1,284	1,247
Intangible assets	34	60
Investments and other assets		
Investment securities	5,634	4,576
Claims provable in bankruptcy, claims provable in rehabilitation and other	14,015	14,086
Other	1,138	1,168
Allowance for doubtful accounts	(11,842)	(11,902)
Total investments and other assets	8,946	7,929
Total non-current assets	10,265	9,238
Total assets	54,479	51,257
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,628	7,810
Short-term loans payable	13,821	14,039
Income taxes payable	266	18
Provision for bonuses	136	99
Provision for directors' bonuses	20	–
Allowance for early retirement program	–	129
Other	2,035	2,030
Total current liabilities	25,909	24,128
Non-current liabilities		
Net defined benefit liability	226	229
Asset retirement obligations	0	0
Other	1,092	694
Total non-current liabilities	1,320	924
Total liabilities	27,230	25,052

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Net assets		
Shareholders' equity		
Capital stock	3,086	3,086
Capital surplus	3,120	3,120
Retained earnings	17,626	16,987
Treasury shares	(571)	(571)
Total shareholders' equity	23,261	22,622
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,687	1,945
Foreign currency translation adjustment	(245)	109
Remeasurements of defined benefit plans	(2)	(0)
Total accumulated other comprehensive income	2,439	2,053
Non-controlling interests	1,548	1,527
Total net assets	27,249	26,204
Total liabilities and net assets	54,479	51,257

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, 2017	Nine months ended December 31, 2018
Net sales	78,607	48,580
Cost of sales	74,450	45,495
Gross profit	4,157	3,084
Selling, general and administrative expenses	3,072	2,998
Operating profit	1,085	86
Non-operating income		
Interest income	1	18
Dividend income	69	93
Foreign exchange gains	17	-
Gain on adjustment of account payable	45	-
Other	48	47
Total non-operating income	182	158
Non-operating expenses		
Interest expenses	109	192
Foreign exchange losses	-	53
Share of loss of entities accounted for using equity method	28	-
Other	19	2
Total non-operating expenses	157	248
Ordinary profit (loss)	1,110	(3)
Extraordinary income		
Reversal of allowance for doubtful accounts	2,219	-
Other	77	-
Total extraordinary income	2,297	-
Extraordinary losses		
Early Provision for severance cost	-	135
Total extraordinary losses	-	135
Profit (loss) before income taxes	3,408	(139)
Income taxes - current	317	56
Income taxes - deferred	281	(92)
Total income taxes	598	(36)
Profit (loss)	2,809	(103)
Profit (loss) attributable to non-controlling interests	10	(27)
Profit (loss) attributable to owners of parent	2,799	(75)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit (loss)	2,809	(103)
Other comprehensive income		
Valuation difference on available-for-sale securities	866	(741)
Deferred gains or losses on hedges	(0)	–
Foreign currency translation adjustment	123	361
Remeasurements of defined benefit plans, net of tax	1	1
Total other comprehensive income	991	(378)
Comprehensive income	3,800	(481)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,756	(460)
Comprehensive income attributable to non-controlling interests	43	(21)