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 pr	ofit	Ordinary pro	ofit	Profit attributable owners of paren	
	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	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	_	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 pr	ofit	Ordinary pro	ofit	Profit attributa owners of pa		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

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

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(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury 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				
Number of treasury shares at the end of the	e period						
As of December 31, 2018	420,631 shares	As of March 31, 2018	420,540 shares				
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				

Quarterly consolidated financial statements Consolidated balance sheets

Current assets 6,679 11,01 Cash and deposits 6,679 11,91 Notes and accounts receivable - trade 25,779 14,98 Electronically recorded monetary claims - operating 2,014 1,60 Merchandise and finished goods 9,398 13,51 Other 342 88 Allowance for doubtful accounts (1) (c Total current assets 44,213 42,01 Non-current assets 34 6 Property, plant and equipment 1,284 1,24 Investments and other assets 34 6 Investments and other assets 5,634 4,57 Claims provable in bankruptcy, claims provable in rehabilitation and other 11,405 14,08 Other 1,138 1,16 Allowance for doubtful accounts (11,842) (11,90 Total investments and other assets 8,946 7,92 Total non-current assets 9,628 7,81 Total con-current assets 9,628 7,81 Short-term loans payable - trade 9,6			(Millions of yen)
Current assets 6,679 11,01 Cash and deposits 6,679 11,91 Notes and accounts receivable - trade 25,779 14,98 Electronically recorded monetary claims - operating 2,014 1,60 Merchandise and finished goods 9,398 13,51 Other 342 88 Allowance for doubtful accounts (1) (c Total current assets 44,213 42,01 Non-current assets 34 6 Property, plant and equipment 1,284 1,24 Investments and other assets 34 6 Investments and other assets 5,634 4,57 Claims provable in bankruptcy, claims provable in rehabilitation and other 11,405 14,08 Other 1,138 1,16 Allowance for doubtful accounts (11,842) (11,90 Total investments and other assets 8,946 7,92 Total non-current assets 9,628 7,81 Total con-current assets 9,628 7,81 Short-term loans payable - trade 9,6		As of March 31, 2018	As of December 31, 2018
Cash and deposits 6,679 11,01 Notes and accounts receivable - trade 25,779 14,98 Electronically recorded monetary claims - operating 2,014 1,60 Merchandise and finished goods 9,398 13,51 Other 342 88 Allowance for doubtful accounts (1) (Total current assets 44,213 42,01 Non-current assets	Assets		
Notes and accounts receivable - trade 25,779 14,98 Electronically recorded monetarty claims - operating 2,014 1,00 Merchandise and finished goods 9,398 13,51 Other 342 88 Allowance for doubtful accounts (1) (6 Total current assets 44,213 42,01 Non-current assets 42,21 42,01 Property, plant and equipment 1,284 1,24 Investments and other assets 34 6 Investments ecurities 5,634 4,57 Claims provable in bankruptey, claims provable in rehabilitation and other 14,015 14,08 Other 1,138 1,16 Allowance for doubtful accounts (11,842) (11,90 Total investments and other assets 8,946 7,92 Total non-current assets 9,628 7,81 Total assets 9,628 7,81 Liabilities 2 13,821 14,03 Notes and accounts payable - trade 9,628 7,81 Short-term loans payable	Current assets		
Electronically recorded monetary claims - operating 2,014 1,60 Merchandise and finished goods 9,398 13,51 Other 342 88 Allowance for doubtful accounts (1) (1) Total current assets 44,213 42,01 Non-current assets Property, plant and equipment 1,284 1,24 Intangible assets 34 6 Investment securities 5,634 4,57 Claims provable in bankruptey, claims provable in rehabilitation and other 1,138 1,16 Allowance for doubtful accounts (11,842) (11,90 Total investments and other assets 8,946 7,92 Total non-current assets 8,946 7,92 Total non-current assets 10,265 9,23 Total assets 54,479 51,25 Liabilities 25,479 1,26 Provision for bonuses 13,821 14,03 Income taxes payable trade 9,628 7,81 Short-term loans payable 13,821 14,03 Income taxes payable 266 1 Provision for fonuses 20 1,26 Provision for fonuses 20 1,26 Provision for directors' bonuses 20 1,26 Allowance for early retirement program - 12 Other 2,035 2,03 Total current liabilities 25,909 24,12 Non-current liabilities 226 22 Asset retirement obligations 0 0 Other 1,092 69 Total non-current liabilities 1,320 92	Cash and deposits	6,679	11,016
Merchandise and finished goods 9,398 13,51 Other 342 88 Allowance for doubtful accounts (1) (6 Total current assets 44,213 42,01 Non-current assets	Notes and accounts receivable - trade	25,779	14,989
Other 342 88 Allowance for doubtful accounts (1) (C Total current assets 44,213 42,01 Non-current assets 44,213 42,01 Non-current assets 34 46 Property, plant and equipment 1,284 1,24 Intragible assets 34 66 Investments and other assets 35,634 4,57 Claims provable in bankruptcy, claims provable in rehabilitation and other 14,015 14,08 Other 1,138 1,16 Allowance for doubtful accounts (11,842) (11,90 Allowance for doubtful accounts (11,842) (11,90 4,22 4,22 Total investments and other assets 8,946 7,92	Electronically recorded monetary claims - operating	2,014	1,607
Allowance for doubtful accounts (1) (Control of the control of the co	Merchandise and finished goods	9,398	13,517
Total current assets	Other	342	888
Non-current assets Property, plant and equipment 1,284 1,24 Intangible assets 34 6 Investments and other assets 5,634 4,57 Claims provable in bankruptcy, claims provable in rehabilitation and other 14,015 14,08 Other 1,138 1,16 Allowance for doubtful accounts (11,842) (11,90 Total investments and other assets 8,946 7,92 Total non-current assets 10,265 9,23 Total assets 54,479 51,25 Liabilities 50,634 7,81 Current liabilities 7,81 7,81 Notes and accounts payable - trade 9,628 7,81 Short-term loans payable 13,821 14,03 Income taxes payable 266 1 Provision for bonuses 136 9 Provision for directors' bonuses 20	Allowance for doubtful accounts	(1)	(1
Property, plant and equipment 1,284 1,244 Intragible assets 34 6 Investments and other assets 5,634 4,57 Claims provable in bankruptcy, claims provable in rehabilitation and other 14,015 14,08 Other 1,138 1,16 Allowance for doubtful accounts (11,842) (11,90 Total investments and other assets 8,946 7,92 Total non-current assets 10,265 9,23 Total assets 54,479 51,25 Liabilities Short-term loans payable - trade 9,628 7,81 Notes and accounts payable - trade 9,628 7,81 Short-term loans payable 13,821 14,03 Income taxes payable 266 1 Provision for bonuses 136 9 Provision for directors' bonuses 20 - Allowance for early retirement program - 12 Other 2,035 2,03 Total current liabilities Net defined benefit liability 226 22 Asset	Total current assets	44,213	42,018
Intangible assets 34 66 Investments and other assets Investment securities 5,634 4,57 Claims provable in bankruptey, claims provable in rehabilitation and other 1,138 1,16 Allowance for doubtful accounts (11,842) (11,90 Total investments and other assets 8,946 7,92 Total non-current assets 10,265 9,23 Total assets 54,479 51,25 Liabilities	Non-current assets		
Investments and other assets Investment securities 5,634 4,57 Claims provable in bankruptcy, claims provable in rehabilitation and other 1,138 1,16 Other 1,138 1,16 Allowance for doubtful accounts (11,842) (11,90 Total investments and other assets 8,946 7,92 Total non-current assets 10,265 9,23 Total assets 54,479 51,25 Liabilities Current liabilities Notes and accounts payable - trade 9,628 7,81 Short-term loans payable 13,821 14,03 Income taxes payable 266 1 Provision for bonuses 136 9 Provision for directors' bonuses 20	Property, plant and equipment	1,284	1,24
Investment securities	Intangible assets	34	6
Claims provable in bankruptcy, claims provable in rehabilitation and other 14,015 14,08 Other 1,138 1,16 Allowance for doubtful accounts (11,842) (11,90 Total investments and other assets 8,946 7,92 Total non-current assets 10,265 9,23 Total assets 54,479 51,25 Liabilities Current liabilities Notes and accounts payable - trade 9,628 7,81 Short-term loans payable 13,821 14,03 Income taxes payable 266 1 Provision for bonuses 136 9 Provision for directors' bonuses 20 - Allowance for early retirement program - 12 Other 2,035 2,03 Total current liabilities 25,909 24,12 Non-current liabilities 226 22 Asset retirement obligations 0 - Other 1,092 69 Total non-current liabilities 1,320 92	Investments and other assets		
rehabilitation and other Other	Investment securities	5,634	4,57
rehabilitation and other Other 1,138 1,16 Allowance for doubtful accounts (11,842) (11,90 Total investments and other assets 8,946 7,92 Total non-current assets 10,265 9,23 Total assets 54,479 51,25 Liabilities Current liabilities Notes and accounts payable - trade 9,628 7,81 Short-term loans payable 13,821 14,03 Income taxes payable 266 1 Provision for bonuses 136 9 Provision for directors' bonuses 20 - Allowance for early retirement program - 12 Other 2,035 2,03 Total current liabilities 25,909 24,12 Non-current liabilities 0 226 22 Asset retirement obligations 0 0 Other 1,092 69 Total non-current liabilities 1,320 92	Claims provable in bankruptcy, claims provable in	14.015	14.00
Allowance for doubtful accounts (11,842) (11,90) Total investments and other assets 8,946 7,92 Total non-current assets 10,265 9,23 Total assets 54,479 51,25 Liabilities Current liabilities Notes and accounts payable - trade 9,628 7,81 Short-term loans payable 13,821 14,03 Income taxes payable 266 1 Provision for bonuses 20 - Allowance for early retirement program - 12 Other 2,035 2,03 Total current liabilities 25,909 24,12 Non-current liabilities 226 22 Asset retirement obligations 0 - Other 1,092 69 Total non-current liabilities 1,320 92	rehabilitation and other	14,015	14,08
Total investments and other assets 8,946 7,92 Total non-current assets 10,265 9,23 Total assets 54,479 51,25 Liabilities Current liabilities Notes and accounts payable - trade 9,628 7,81 Short-term loans payable 13,821 14,03 Income taxes payable 266 1 Provision for bonuses 136 9 Provision for directors' bonuses 20 20 Allowance for early retirement program - 12 Other 2,035 2,03 Total current liabilities 25,909 24,12 Non-current liabilities 226 22 Asset retirement obligations 0 0 Other 1,092 69 Total non-current liabilities 1,320 92	Other	1,138	1,16
Total non-current assets 10,265 9,23 Total assets 54,479 51,25 Liabilities Current liabilities Notes and accounts payable - trade 9,628 7,81 Short-term loans payable 13,821 14,03 Income taxes payable 266 1 Provision for bonuses 136 9 Provision for directors' bonuses 20 20 Allowance for early retirement program - 12 Other 2,035 2,03 Total current liabilities 25,909 24,12 Non-current liabilities 226 22 Asset retirement obligations 0 0 Other 1,092 69 Total non-current liabilities 1,320 92	Allowance for doubtful accounts	(11,842)	(11,90
Total assets 54,479 51,25 Liabilities Current liabilities Notes and accounts payable - trade 9,628 7,81 Short-term loans payable 13,821 14,03 Income taxes payable 266 1 Provision for bonuses 136 9 Provision for directors' bonuses 20 - Allowance for early retirement program - 12 Other 2,035 2,03 Total current liabilities 25,909 24,12 Non-current liabilities 226 22 Asset retirement obligations 0 - Other 1,092 69 Total non-current liabilities 1,320 92	Total investments and other assets	8,946	7,92
Liabilities Current liabilities Notes and accounts payable - trade 9,628 7,81 Short-term loans payable 13,821 14,03 Income taxes payable 266 1 Provision for bonuses 136 9 Provision for directors' bonuses 20 - Allowance for early retirement program - 12 Other 2,035 2,03 Total current liabilities 25,909 24,12 Non-current liabilities 226 22 Asset retirement obligations 0 0 Other 1,092 69 Total non-current liabilities 1,320 92	Total non-current assets	10,265	9,23
Liabilities Current liabilities 7,81 Notes and accounts payable - trade 9,628 7,81 Short-term loans payable 13,821 14,03 Income taxes payable 266 1 Provision for bonuses 136 9 Provision for directors' bonuses 20 - Allowance for early retirement program - 12 Other 2,035 2,03 Total current liabilities 25,909 24,12 Non-current liabilities 226 22 Asset retirement obligations 0 0 Other 1,092 69 Total non-current liabilities 1,320 92	Total assets	54,479	
Notes and accounts payable - trade 9,628 7,81 Short-term loans payable 13,821 14,03 Income taxes payable 266 1 Provision for bonuses 136 9 Provision for directors' bonuses 20 - Allowance for early retirement program - 12 Other 2,035 2,03 Total current liabilities 25,909 24,12 Non-current liabilities 226 22 Asset retirement obligations 0 - Other 1,092 69 Total non-current liabilities 1,320 92	Liabilities	·	·
Short-term loans payable 13,821 14,03 Income taxes payable 266 1 Provision for bonuses 136 9 Provision for directors' bonuses 20 - Allowance for early retirement program - 12 Other 2,035 2,03 Total current liabilities 25,909 24,12 Non-current liabilities 226 22 Asset retirement obligations 0 - Other 1,092 69 Total non-current liabilities 1,320 92	Current liabilities		
Short-term loans payable 13,821 14,03 Income taxes payable 266 1 Provision for bonuses 136 9 Provision for directors' bonuses 20 - Allowance for early retirement program - 12 Other 2,035 2,03 Total current liabilities 25,909 24,12 Non-current liabilities 226 22 Asset retirement obligations 0 - Other 1,092 69 Total non-current liabilities 1,320 92	Notes and accounts payable - trade	9,628	7,81
Income taxes payable 266 1 Provision for bonuses 136 9 Provision for directors' bonuses 20 - Allowance for early retirement program - 12 Other 2,035 2,03 Total current liabilities 25,909 24,12 Non-current liabilities 226 22 Asset retirement obligations 0 - Other 1,092 69 Total non-current liabilities 1,320 92	_ :	13,821	14,03
Provision for bonuses Provision for directors' bonuses Allowance for early retirement program Other Other 2,035 Total current liabilities Net defined benefit liability Asset retirement obligations Other 1,092 Total non-current liabilities 1,320 99			
Allowance for early retirement program - 12 Other 2,035 2,03 Total current liabilities 25,909 24,12 Non-current liabilities 226 22 Asset retirement obligations 0 0 Other 1,092 69 Total non-current liabilities 1,320 92	Provision for bonuses	136	9
Other 2,035 2,03 Total current liabilities 25,909 24,12 Non-current liabilities 226 22 Asset retirement obligations 0 69 Other 1,092 69 Total non-current liabilities 1,320 92	Provision for directors' bonuses	20	
Other 2,035 2,03 Total current liabilities 25,909 24,12 Non-current liabilities 226 22 Asset retirement obligations 0 0 Other 1,092 69 Total non-current liabilities 1,320 92	Allowance for early retirement program	_	12
Non-current liabilities Net defined benefit liability Asset retirement obligations Other Total non-current liabilities 226 22 Asset retirement obligations 0 1,092 69 1,320 92	Other	2,035	2,03
Non-current liabilities Net defined benefit liability Asset retirement obligations Other 1,092 69 Total non-current liabilities 1,320 92	Total current liabilities	25,909	24,12
Net defined benefit liability22622Asset retirement obligations00Other1,09269Total non-current liabilities1,32092	Non-current liabilities	-	·
Asset retirement obligations 0 Other 1,092 69 Total non-current liabilities 1,320 92		226	22
Other 1,092 69 Total non-current liabilities 1,320 92			
Total non-current liabilities 1,320 92		1,092	
· · · · · · · · · · · · · · · · · · ·		•	924
	Total liabilities	27,230	25,052

(Millions of yen)

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	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	Nine months ended
	December 31, 2017	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)
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Consolidated statements of comprehensive income (cumulative)

	,	(Millions of yen)
	Nine months ended	Nine months ended
	December 31, 2017	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)