

# Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on Japanese GAAP)

November 1, 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: November 14, 2019  
 Scheduled date to commence dividend payments: December 6, 2019  
 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, 2019 (from April 1, 2019 to September 30, 2019)

#### (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, 2019	25,805	(10.2)	(474)	(1,018.9)	(482)	(960.1)	562	893.9
Six months ended September 30, 2018	28,722	(42.0)	51	(93.7)	56	(93.2)	56	(97.8)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2019	64.95	—
Six months ended September 30, 2018	6.53	—

#### (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, 2019	37,336	24,296	65.1	2,803.67
As of March 31, 2019	43,739	24,611	56.3	2,839.99

### 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, 2019	—	10.00	—	16.00	26.00
Year ending March 31, 2020	—	18.00			
Year ending March 31, 2020 (Forecast)			—	38.00	56.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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	57,000	(15.6)	(500)	—	(535)	—	1,230	116.0	141.93

#### 4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2019  
(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 September 30, 2019	9,086,755 shares	As of March 31, 2019	9,086,755 shares
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Number of treasury shares at the end of the period

As of September 30, 2019	420,671 shares	As of March 31, 2019	420,631 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, 2019	8,666,111 shares	Six months ended September 30, 2018	8,666,158 shares
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## Quarterly consolidated financial statements

### Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	7,009	9,400
Notes and accounts receivable - trade	15,641	10,667
Electronically recorded monetary claims - operating	1,206	2,991
Merchandise and finished goods	10,465	7,629
Other	898	489
Allowance for doubtful accounts	(0)	—
Total current assets	35,221	31,178
Non-current assets		
Property, plant and equipment	1,196	1,161
Intangible assets	57	80
Investments and other assets		
Claims provable in bankruptcy, claims provable in rehabilitation and other	13,767	11,231
Other	5,100	4,134
Allowance for doubtful accounts	(11,604)	(10,450)
Total investments and other assets	7,263	4,915
Total non-current assets	8,518	6,157
Total assets	43,739	37,336
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,025	4,232
Short-term borrowings	10,231	6,949
Income taxes payable	18	125
Provision for bonuses	122	118
Allowance for early retirement program	12	—
Other	1,671	868
Total current liabilities	18,083	12,294
Non-current liabilities		
Retirement benefit liability	234	229
Asset retirement obligations	0	0
Other	809	514
Total non-current liabilities	1,044	745
Total liabilities	19,127	13,039

	(Millions of yen)	
	As of March 31, 2019	As of September 30, 2019
Net assets		
Shareholders' equity		
Share capital	3,086	3,086
Capital surplus	2,650	2,650
Retained earnings	17,632	18,056
Treasury shares	(571)	(571)
Total shareholders' equity	22,798	23,222
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,815	1,284
Foreign currency translation adjustment	6	(201)
Remeasurements of defined benefit plans	(8)	(8)
Total accumulated other comprehensive income	1,813	1,074
Total net assets	24,611	24,296
Total liabilities and net assets	43,739	37,336

**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, 2018	Six months ended September 30, 2019
Net sales	28,722	25,805
Cost of sales	26,697	24,519
Gross profit	2,024	1,285
Selling, general and administrative expenses	1,973	1,760
Operating profit (loss)	51	(474)
Non-operating income		
Interest income	14	9
Dividend income	64	45
Purchase discounts	11	19
Foreign exchange gains	22	5
Other	18	18
Total non-operating income	131	98
Non-operating expenses		
Interest expenses	125	101
Other	2	5
Total non-operating expenses	127	106
Ordinary profit (loss)	56	(482)
Extraordinary income		
Reversal of allowance for doubtful accounts	–	818
Gain on sales of investment securities	–	468
Late charges income	–	24
Total extraordinary income	–	1,311
Extraordinary losses		
Impairment loss	–	19
Total extraordinary losses	–	19
Profit before income taxes	56	810
Income taxes - current	41	127
Income taxes - deferred	(15)	119
Total income taxes	25	247
Profit	30	562
Loss attributable to non-controlling interests	(26)	–
Profit attributable to owners of parent	56	562

# Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit	30	562
Other comprehensive income		
Valuation difference on available-for-sale securities	(52)	(530)
Foreign currency translation adjustment	338	(208)
Remeasurements of defined benefit plans, net of tax	1	0
Total other comprehensive income	287	(738)
Comprehensive income	317	(176)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	377	(176)
Comprehensive income attributable to non-controlling interests	(59)	—