

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

January 31, 2020

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 12, 2020
 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, 2019 (from April 1, 2019 to December 31, 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	%
Nine months ended December 31, 2019	37,378	(23.1)	(640)	–	(697)	–	1,107	–
Nine months ended December 31, 2018	48,580	(38.2)	86	(92.1)	(3)	–	(75)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2019	127.85	–
Nine months ended December 31, 2018	(8.69)	–

(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, 2019	36,062	24,085	66.8	2,779.12
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)				–	18.00

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 nine months ended December 31, 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 December 31, 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 December 31, 2019	420,710 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)

Nine months ended December 31, 2019	8,666,097 shares	Nine months ended December 31, 2018	8,666,147 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	7,009	11,695
Notes and accounts receivable - trade	15,641	10,368
Electronically recorded monetary claims - operating	1,206	1,343
Merchandise and finished goods	10,465	7,217
Other	898	494
Allowance for doubtful accounts	(0)	(73)
Total current assets	35,221	31,045
Non-current assets		
Property, plant and equipment	1,196	1,125
Intangible assets	57	86
Investments and other assets		
Claims provable in bankruptcy, claims provable in rehabilitation and other	13,767	11,240
Other	5,100	3,023
Allowance for doubtful accounts	(11,604)	(10,458)
Total investments and other assets	7,263	3,804
Total non-current assets	8,518	5,016
Total assets	43,739	36,062
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,025	5,194
Short-term borrowings	10,231	5,245
Income taxes payable	18	307
Provision for bonuses	122	86
Allowance for early retirement program	12	—
Other	1,671	611
Total current liabilities	18,083	11,445
Non-current liabilities		
Retirement benefit liability	234	228
Asset retirement obligations	0	0
Other	809	302
Total non-current liabilities	1,044	531
Total liabilities	19,127	11,976

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Net assets		
Shareholders' equity		
Share capital	3,086	3,086
Capital surplus	2,650	2,650
Retained earnings	17,632	18,446
Treasury shares	(571)	(571)
Total shareholders' equity	22,798	23,611
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,815	660
Foreign currency translation adjustment	6	(179)
Remeasurements of defined benefit plans	(8)	(8)
Total accumulated other comprehensive income	1,813	472
Non-controlling interests	—	1
Total net assets	24,611	24,085
Total liabilities and net assets	43,739	36,062

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, 2018	Nine months ended December 31, 2019
Net sales	48,580	37,378
Cost of sales	45,495	35,396
Gross profit	3,084	1,982
Selling, general and administrative expenses	2,998	2,623
Operating profit (loss)	86	(640)
Non-operating income		
Interest income	18	16
Dividend income	93	65
Purchase discounts	18	22
Other	28	23
Total non-operating income	158	128
Non-operating expenses		
Interest expenses	192	142
Foreign exchange losses	53	36
Other	2	5
Total non-operating expenses	248	184
Ordinary loss	(3)	(697)
Extraordinary income		
Reversal of allowance for doubtful accounts	–	811
Gain on sales of investment securities	–	1,666
Late charges income	–	24
Total extraordinary income	–	2,502
Extraordinary losses		
Impairment loss	–	19
Loss on valuation of investment securities	–	13
Management integration related expenses	–	152
Early Provision for severance cost	135	–
Total extraordinary losses	135	185
Profit (loss) before income taxes	(139)	1,619
Income taxes - current	56	351
Income taxes - deferred	(92)	160
Total income taxes	(36)	512
Profit (loss)	(103)	1,107
Loss attributable to non-controlling interests	(27)	–
Profit (loss) attributable to owners of parent	(75)	1,107

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit (loss)	(103)	1,107
Other comprehensive income		
Valuation difference on available-for-sale securities	(741)	(1,155)
Foreign currency translation adjustment	361	(185)
Remeasurements of defined benefit plans, net of tax	1	0
Total other comprehensive income	(378)	(1,340)
Comprehensive income	(481)	(233)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(460)	(233)
Comprehensive income attributable to non-controlling interests	(21)	—