



PRESS RELEASE

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(Revisions and Numerical Data Revisions): Partial Revisions to the Summary of Financial Statements (Non-consolidated) for the Third Quarter Ended December 31, 2018 (Japanese GAAP)

Please be informed that the Summary of Financial Statements (Non-consolidated) for the Third Quarter Ended December 31, 2018 (Japanese GAAP), announced on January 25, 2019, has been partially revised as follows. In addition, revisions have also been made to numerical data; therefore, the revised numerical data are released. Revisions are underlined.

1. Reason for the Revisions

The released Summary of Financial Statements for the Third Quarter Ended December 31, 2018 has been revised due to partial revisions arising from matters indicated by the Accounting Auditor during the preparation of the Quarterly Report.

2. Details of the Revisions

(1) Summary Information

1. Business Results for the Third Quarter of Fiscal Year 2018 (April 1, 2018 to December 31, 2018)

[Pre-revisions]

(1) Operating results (cumulative)

	Net sales		Operating profit		Ordinary profit		Profit	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Q3 FY 2018	3,618	(21.6)	(1,488)	—	(1,477)	—	<u>(1,805)</u>	—
Q3 FY 2017	4,613	(31.4)	(446)	—	(432)	—	(145)	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Q3 FY 2018	<u>(161.36)</u>	—
Q3 FY 2017	(12.96)	—

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	Yen
Q3 FY 2018	<u>10,048</u>	<u>9,486</u>	94.4	<u>847.90</u>
FY 2017	13,035	11,418	87.6	1,020.67

(Reference) Equity capital Q3 FY 2018: 9,486 million yen FY 2017: 11,418 million yen

[Post-revisions]

(1) Operating results (cumulative)

	Net sales		Operating profit		Ordinary profit		Profit	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Q3 FY 2018	3,618	(21.6)	(1,488)	—	(1,477)	—	<u>(1,829)</u>	—
Q3 FY 2017	4,613	(31.4)	(446)	—	(432)	—	(145)	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Q3 FY 2018	<u>(163.51)</u>	—
Q3 FY 2017	(12.96)	—

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	Yen
Q3 FY 2018	<u>10,026</u>	<u>9,461</u>	94.4	<u>845.75</u>
FY 2017	13,035	11,418	87.6	1,020.67

(Reference) Equity capital Q3 FY 2018: 9,461 million yen FY 2017: 11,418 million yen

(2) Appendix P. 2

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of business results Paragraph 7

[Pre-revisions]

Consequently, for the nine months ended December 31, 2018, the Company recorded an operating loss of 1,488 million yen (operating loss of 446 million yen for the previous corresponding period) and an ordinary loss of 1,477 million yen (ordinary loss of 432 million yen for the previous corresponding period). In addition, as a result of conducting conservative valuation of investment securities owned by the Company, loss on valuation of investment securities of 234 million yen was posted as an extraordinary loss, and estimated income taxes were added due to reversal of deferred tax assets. Accordingly, the Company recorded a loss of 1,805 million yen (loss of 145 million yen for the previous corresponding period).

[Post-revisions]

Consequently, for the nine months ended December 31, 2018, the Company recorded an operating loss of 1,488 million yen (operating loss of 446 million yen for the previous corresponding period) and an ordinary loss of 1,477 million yen (ordinary loss of 432 million yen for the previous corresponding period). In addition, as a result of conducting conservative valuation of investment securities owned by the Company, loss on valuation of investment securities of 234 million yen was posted as an extraordinary loss, and estimated income taxes were added due to reversal of deferred tax assets. Accordingly, the Company recorded a loss of 1,829 million yen (loss of 145 million yen for the previous corresponding period).

(2) Explanation of financial position

[Pre-revisions]

Total assets as of the end of the third quarter of fiscal 2018 decreased 2,987 million yen from the end of the previous fiscal year to 10,048 million yen (down 22.9% from the end of the previous fiscal year). This was due mainly to factors such as the increase of 826 million yen in merchandise and finished goods, offset by the decrease of 366 million yen in cash and deposits, the decrease of 2,545 million yen in accounts receivable – trade and the decrease of 397 million yen in investments and other assets.

Total liabilities as of the end of the third quarter of fiscal 2018 decreased 1,054 million yen from the end of the previous fiscal year to 562 million yen (down 65.2% from the end of the previous fiscal year). This was due mainly to factors such as the decrease of 927 million yen in accounts payable - trade.

Total net assets as of the end of the third quarter of fiscal 2018 decreased 1,932 million yen from the end of the previous fiscal year to 9,486 million yen (down 16.9% from the end of the previous fiscal year). This was due mainly to factors such as the decrease of 1,861 million yen in retained earnings.

[Post-revisions]

Total assets as of the end of the third quarter of fiscal 2018 decreased 3,008 million yen from the end of the previous fiscal year to 10,026 million yen (down 23.1% from the end of the previous fiscal year). This was due mainly to factors such as the increase of 826 million yen in merchandise and finished goods, offset by the decrease of 366 million yen in cash and deposits, the decrease of 2,545 million yen in accounts receivable – trade and the decrease of 419 million yen in investments and other assets.

Total liabilities as of the end of the third quarter of fiscal 2018 decreased 1,051 million yen from the end of the previous fiscal year to 564 million yen (down 65.1% from the end of the previous fiscal year). This was due mainly to factors such as the decrease of 927 million yen in accounts payable - trade.

Total net assets as of the end of the third quarter of fiscal 2018 decreased 1,956 million yen from the end of the previous fiscal year to 9,461 million yen (down 17.1% from the end of the previous fiscal year). This was due mainly to factors such as the decrease of 1,885 million yen in retained earnings.

(3) Appendix P.3

2. Quarterly Financial Statements and Primary Notes

(1) Quarterly Balance Sheets

[Pre-revisions]

(In millions of yen)

	FY 2017 (As of March 31, 2018)	Q3 FY 2018 (As of December 31, 2018)
Assets		
Current assets		
Cash and deposits	6,868	6,501
Accounts receivable - trade	3,304	759
Merchandise and finished goods	480	1,306
Raw materials and supplies	0	0
Other	825	405
Total current assets	11,479	8,973
Non-current assets		
Property, plant and equipment	266	186
Intangible assets	32	29
Investments and other assets	1,256	858
Total non-current assets	1,556	1,074
Total assets	13,035	10,048
Liabilities		
Current liabilities		
Accounts payable - trade	1,344	416
Income taxes payable	43	—
Other	193	107
Total current liabilities	1,580	524
Non-current liabilities		
Asset retirement obligations	35	37
Total non-current liabilities	35	37
Total liabilities	1,616	562
Net assets		
Shareholders' equity		
Capital stock	1,018	1,018
Capital surplus	861	861
Retained earnings	9,398	7,536
Treasury shares	(0)	(0)
Total shareholders' equity	11,278	9,417
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	140	69
Deferred gains or losses on hedges	—	(0)
Total valuation and translation adjustments	140	68
Total net assets	11,418	9,486
Total liabilities and net assets	13,035	10,048

[Post-revisions]

(In millions of yen)

	FY 2017 (As of March 31, 2018)	Q3 FY 2018 (As of December 31, 2018)
Assets		
Current assets		
Cash and deposits	6,868	6,501
Accounts receivable - trade	3,304	759
Merchandise and finished goods	480	1,306
Raw materials and supplies	0	0
Other	825	405
Total current assets	<u>11,479</u>	<u>8,973</u>
Non-current assets		
Property, plant and equipment	266	186
Intangible assets	32	29
Investments and other assets	1,256	<u>837</u>
Total non-current assets	<u>1,556</u>	<u>1,052</u>
Total assets	<u>13,035</u>	<u>10,026</u>
Liabilities		
Current liabilities		
Accounts payable - trade	1,344	416
Income taxes payable	43	—
Other	193	107
Total current liabilities	<u>1,580</u>	<u>524</u>
Non-current liabilities		
Asset retirement obligations	35	37
Other	<u>—</u>	<u>2</u>
Total non-current liabilities	<u>35</u>	<u>40</u>
Total liabilities	<u>1,616</u>	<u>564</u>
Net assets		
Shareholders' equity		
Capital stock	1,018	1,018
Capital surplus	861	861
Retained earnings	9,398	<u>7,512</u>
Treasury shares	(0)	(0)
Total shareholders' equity	<u>11,278</u>	<u>9,393</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	140	69
Deferred gains or losses on hedges	—	(0)
Total valuation and translation adjustments	<u>140</u>	<u>68</u>
Total net assets	<u>11,418</u>	<u>9,461</u>
Total liabilities and net assets	<u>13,035</u>	<u>10,026</u>

(4) Appendix P.4

2. Quarterly Financial Statements and Primary Notes

(2) Quarterly Statements of Income

(Third quarter)

[Pre-revisions]

	(In millions of yen)	
	Q3 FY 2017	Q3 FY 2018
	(From April 1, 2017 to December 31, 2017)	(From April 1, 2018 to December 31, 2018)
(Omitted)		
Loss before income taxes	(506)	(1,711)
Income taxes	(361)	<u>93</u>
Loss	(145)	<u>(1,805)</u>

[Post-revisions]

	(In millions of yen)	
	Q3 FY 2017	Q3 FY 2018
	(From April 1, 2017 to December 31, 2017)	(From April 1, 2018 to December 31, 2018)
(Omitted)		
Loss before income taxes	(506)	(1,711)
Income taxes	(361)	<u>117</u>
Loss	(145)	<u>(1,829)</u>

(5) Appendix P.5

2. Quarterly Financial Statements and Primary Notes

(3) Notes to Quarterly Financial Statements

(Application of special accounting processes for the preparation of Quarterly Financial Statements)

[Pre-revisions]

(Calculation of tax expenses)

Tax expenses have been calculated by multiplying profit before income taxes by an effective tax rate reasonably estimated after the application of tax effect accounting to profit before income taxes for the fiscal year including the third quarter of fiscal 2018.

[Post-revisions]

(Calculation of tax expenses)

Tax expenses have been calculated by multiplying profit before income taxes by an effective tax rate reasonably estimated after the application of tax effect accounting to profit before income taxes for the fiscal year including the third quarter of fiscal 2018.

However, in the event that the calculation of tax expenses using an estimated effective tax rate results in a significant loss of rationality, the recoverability of deferred tax assets will be considered based on the figure obtained by multiplying profit before income taxes or loss before income taxes by the statutory effective tax rate.

(6) Appendix P.7

3. Others

(2) Recent trends in quarterly business results

[Pre-revisions]

Year ending March 31, 2019

(In millions of yen)

	Q1 FY 2018 From April 2018 to June 2018	Q2 FY 2018 From July 2018 to September 2018	Q3 FY 2018 From October 2018 to December 2018	Q4 FY 2018 From January 2019 to March 2019
Net sales	724	1,466	1,427	—
Gross profit	257	477	554	—
Operating income (loss)	(1,258)	(152)	(77)	—
Ordinary income (loss)	(1,247)	(156)	(73)	—
Profit (loss) before income taxes	(1,247)	(166)	(298)	—
Profit (loss)	(871)	(117)	<u>(816)</u>	—
Basic earnings (loss) per share	(77.88) yen	(10.50) yen	<u>(72.96)</u> yen	—
	As of end of Q1	As of end of Q2	As of end of Q3	As of end of Q4
Total assets	10,995	10,893	<u>10,048</u>	—
Net assets	10,455	10,347	<u>9,486</u>	—
Net assets per share	934.60 yen	924.92 yen	<u>847.90</u> yen	—

[Post-revisions]

Year ending March 31, 2019

(In millions of yen)

	Q1 FY 2018 From April 2018 to June 2018	Q2 FY 2018 From July 2018 to September 2018	Q3 FY 2018 From October 2018 to December 2018	Q4 FY 2018 From January 2019 to March 2019
Net sales	724	1,466	1,427	—
Gross profit	257	477	554	—
Operating income (loss)	(1,258)	(152)	(77)	—
Ordinary income (loss)	(1,247)	(156)	(73)	—
Profit (loss) before income taxes	(1,247)	(166)	(298)	—
Profit (loss)	(871)	(117)	<u>(840)</u>	—
Basic earnings (loss) per share	(77.88) yen	(10.50) yen	<u>(75.12)</u> yen	—
	As of end of Q1	As of end of Q2	As of end of Q3	As of end of Q4
Total assets	10,995	10,893	<u>10,026</u>	—
Net assets	10,455	10,347	<u>9,461</u>	—
Net assets per share	934.60 yen	924.92 yen	<u>845.75</u> yen	—