Disclaimer
This is an English translation of the captioned release. This translation is prepared and provided for the purpose of the reader's convenience. All readers are recommended to refer to the original version in Japanese of the release for complete information

News Release dated: December 14, 2012

To whom it may concern:

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(Code No.: 2678, Tokyo Stock Exchange First Section)
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FY5/2013 1st Half Performance

(Consolidated financial summary for first half of fiscal year ending May 2013)

ASKUL Corporation (hereinafter referred to as the "Company") herewith attach the "FY5/2013 1st Half Performance" (Consolidated financial summary for first half of fiscal year ending May 2013) to provide supplementary information with respect to the "Summary of Consolidated Financial Results for First Half of Fiscal Year Ending May 2013 (Japanese GAAP)."

These supplementary materials include forward-looking statements concerning current plans and the outlook for operating results. These statements are based on plans and forecasts that use currently available information. Forward-looking statements are not promises or guarantees about the future because actual operating results may differ from the Company's outlook for a variety of reasons.

These supplementary materials are unaudited and have not been reviewed by certified public accountants or auditors.

FY5/2013 1st Half Performance

Sales and Profit Increase, 77% Rise in Net Income

—B-to-B Business Continues to Grow Steadily on the Back of Widened Product Range; LOHACO to Finally Hit the Pedal—

December 14, 2012

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Notes:
This material contains ASKUL Group's current plans and performance outlook. These plans, forecasts, and other forward-looking statements represent ASKUL's plans and forecasts based on information currently available. Actual performance may differ from these plans and forecasts due to a variety of conditions and factors that could occur in the future. This material does not represent promises or guarantees regarding the achievement of these plans and forecasts.
The terms such as Largest, Lowest, Fastest, Best are used for illustrative purposes and do not guarantee such achievement.
This material has not been audited by certified public accountants or auditing firms.

For the purposes of this material, the term "new businesses" refers to ASMARU, Shanghai ASKUL, and SOLOEL Enterprise. LOHACO refers to the online mail-order business for general consumers to be launched in alliance with Yahoo Japan Corporation. The term "existing businesses" refers to the rest of ASKUL's businesses.

B-to-B refers to business-to-business transactions, while B-to-C refers to business-to-consumer transactions.

I. Where ASKUL Currently Stands

II. 1H Results

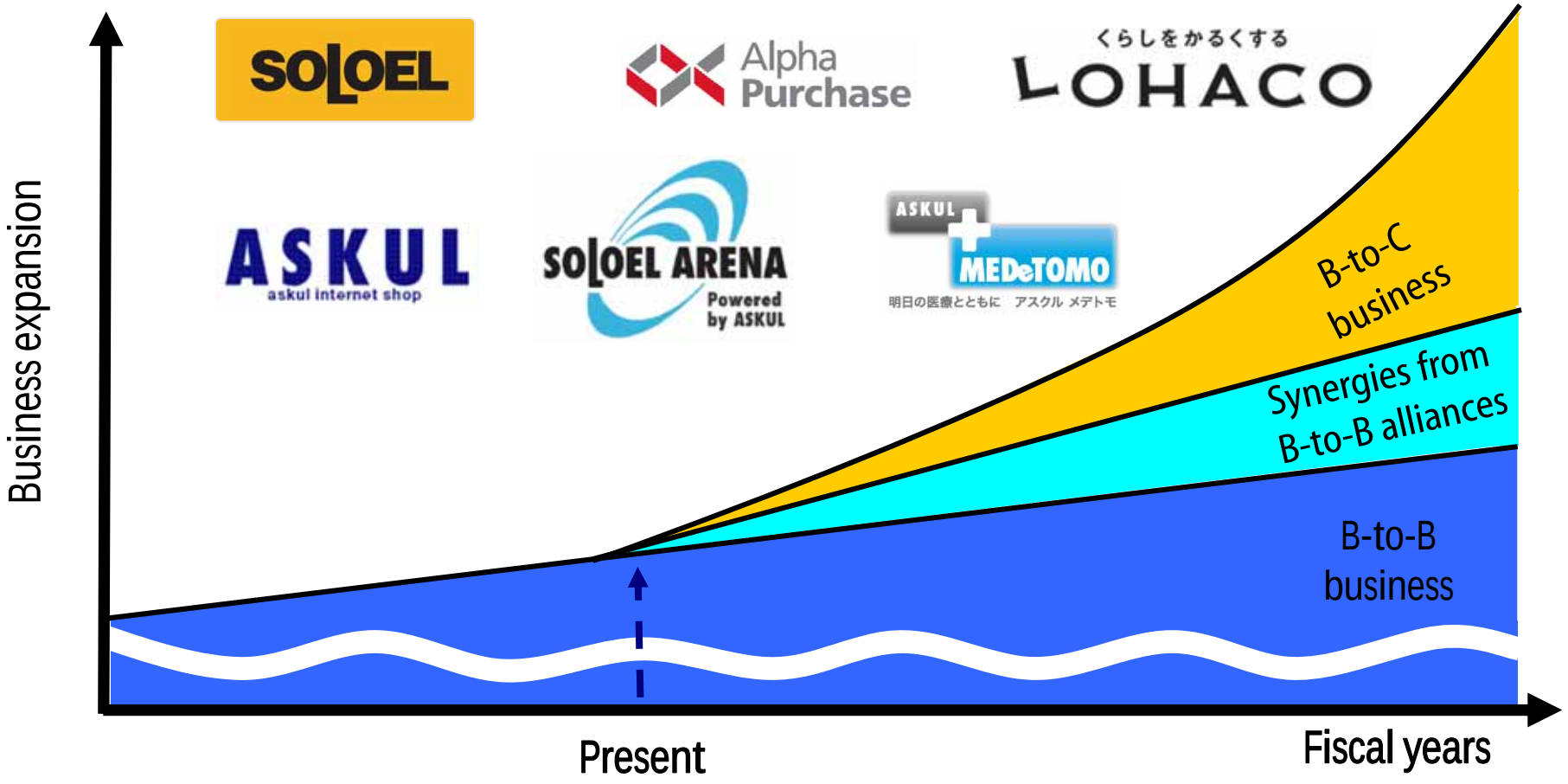
III. Full-Year Outlook

IV. Progress in Various Businesses

Change from Office Product Mail Order No.1* to e-Commerce No.1 Gathering Pace

* Office product mail order net sales for FY2011 from Yano Research Institute Ltd. study (as of July 2012)

To Become e-Commerce No. 1



Aim to achieve it through synergies between B-to-B and B-to-C

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FY5/2013 1H Consolidated Performance Summary

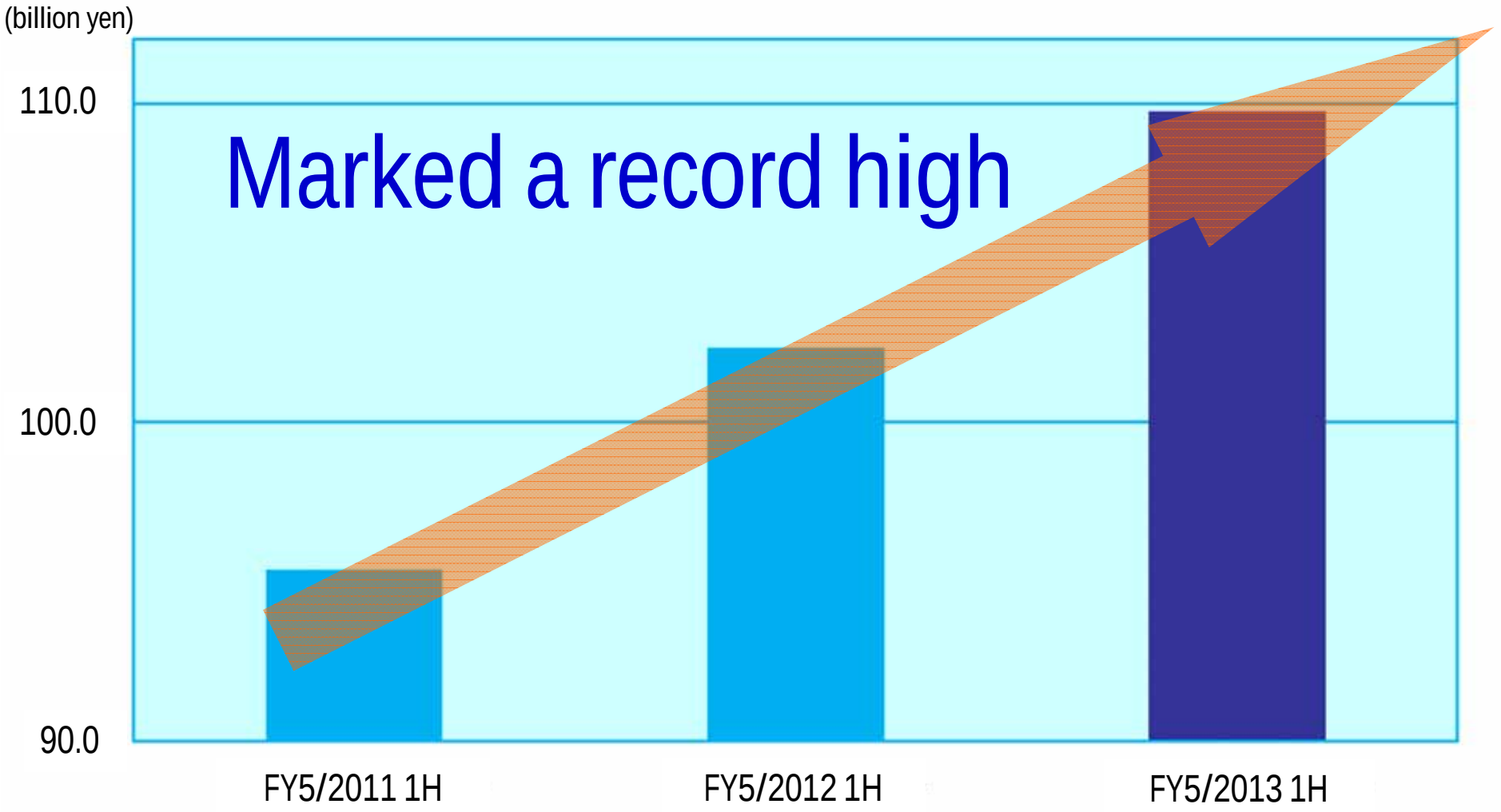
Five straight quarters of sales and operating income increase

- **Net sales mark a record high**
  Net sales rose 7% on the back of widened product range in B-to-B business. LOHACO launched.
- **Gross profit rises to the highest ever**
  Profit has been steadily accumulating reflecting sales increase
- **Ratio of SG&A expenses to net sales also improved**
  Low-cost operation has been promoted to improve competitiveness
- **Significant increases in operating, ordinary and net income**
  Improved profitability of new businesses also contributed

FY5/2013 1H Consolidated Performance Overview

	FY5/2012		FY5/2013				
	1H		1H				
	Amount (¥ million)	% of sales	Amount (¥ million)	% of sales	YoY change (%)	Initial forecast (¥ million)	Vs. forecast (%)
Net Sales	102,349	100	109,736	100	+ 7.2	111,000	-1.1
Gross Profit	22,907	22.4	24,426	22.3	+ 6.6	25,400	-3.8
Selling, General and Administrative Expenses	19,896	19.4	20,845	19.0	+ 4.8	22,200	-6.1
Operating Income	3,011	2.9	3,581	3.3	+ 18.9	3,200	+ 11.9
Ordinary Income	2,974	2.9	3,563	3.2	+ 19.8	3,200	+ 11.3
Net Income	1,052	1.0	1,866	1.7	+ 77.4	1,400	+ 33.3

Trend in Consolidated Net Sales



A 7% growth on the back of widened B-to-B product range

Net Sales by Product Category Non-consolidated

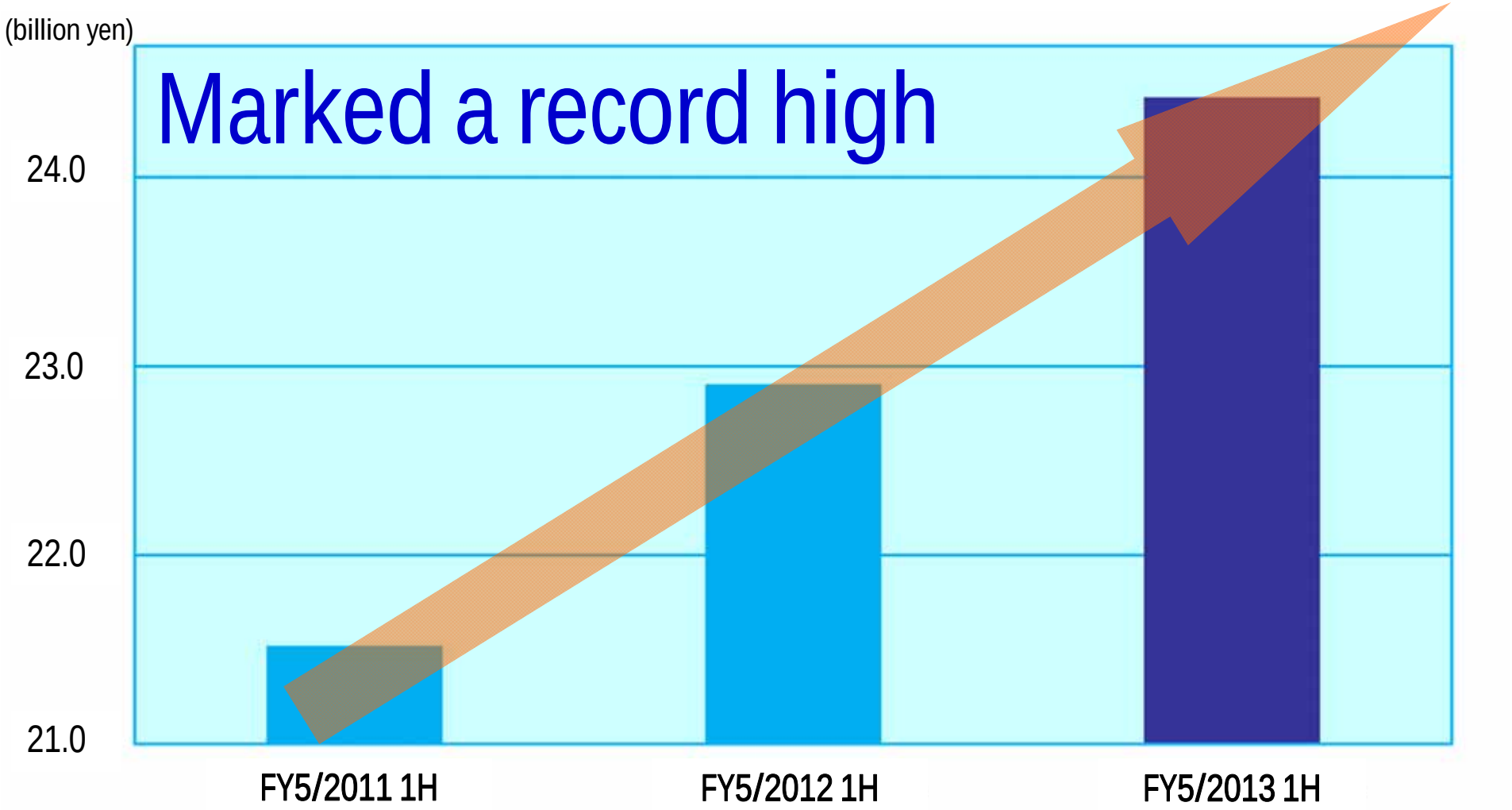
ASKUL

Non-consolidated sales also marked a record high

	FY5/2012 1H		FY5/2013 1H	
	Amount (¥ million)	YoY change (%)	Amount (¥ million)	YoY change (%)
OA&PC	38,705	-1.8	39,930	+3.2
Stationery	21,877	+2.5	23,701	+8.3
Living Supplies	20,408	+3.3	22,589	+10.7
Furniture	7,868	+6.6	8,506	+8.1
Others (medical, etc.)	6,229	+5.0	7,238	+16.2
Total	95,090	+1.3	101,963	+7.2

Growth in all categories

Trend in Consolidated Gross Profit

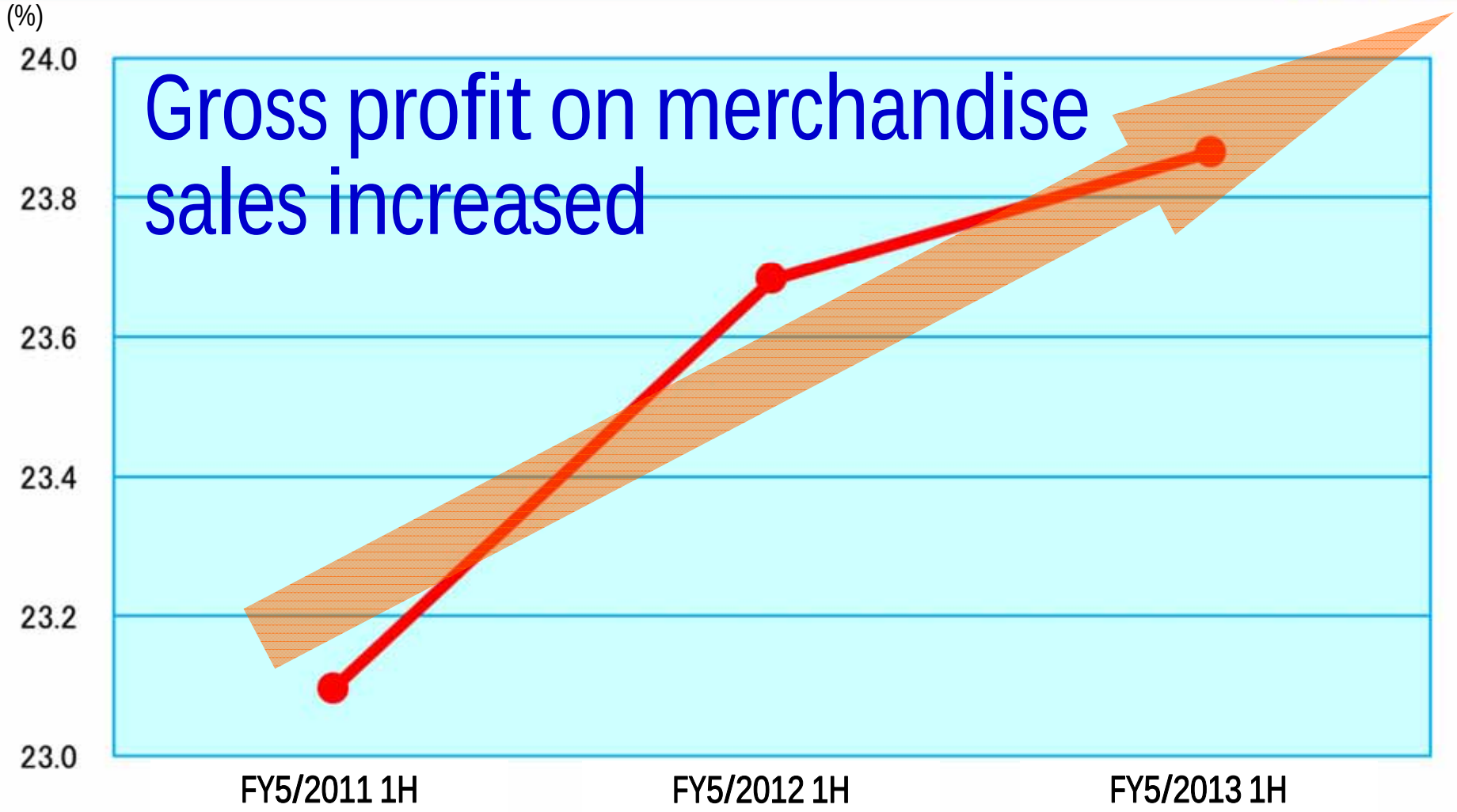


Profit has been steadily accumulating reflecting sales increase

Trend in Gross Profit on Merchandise Sales

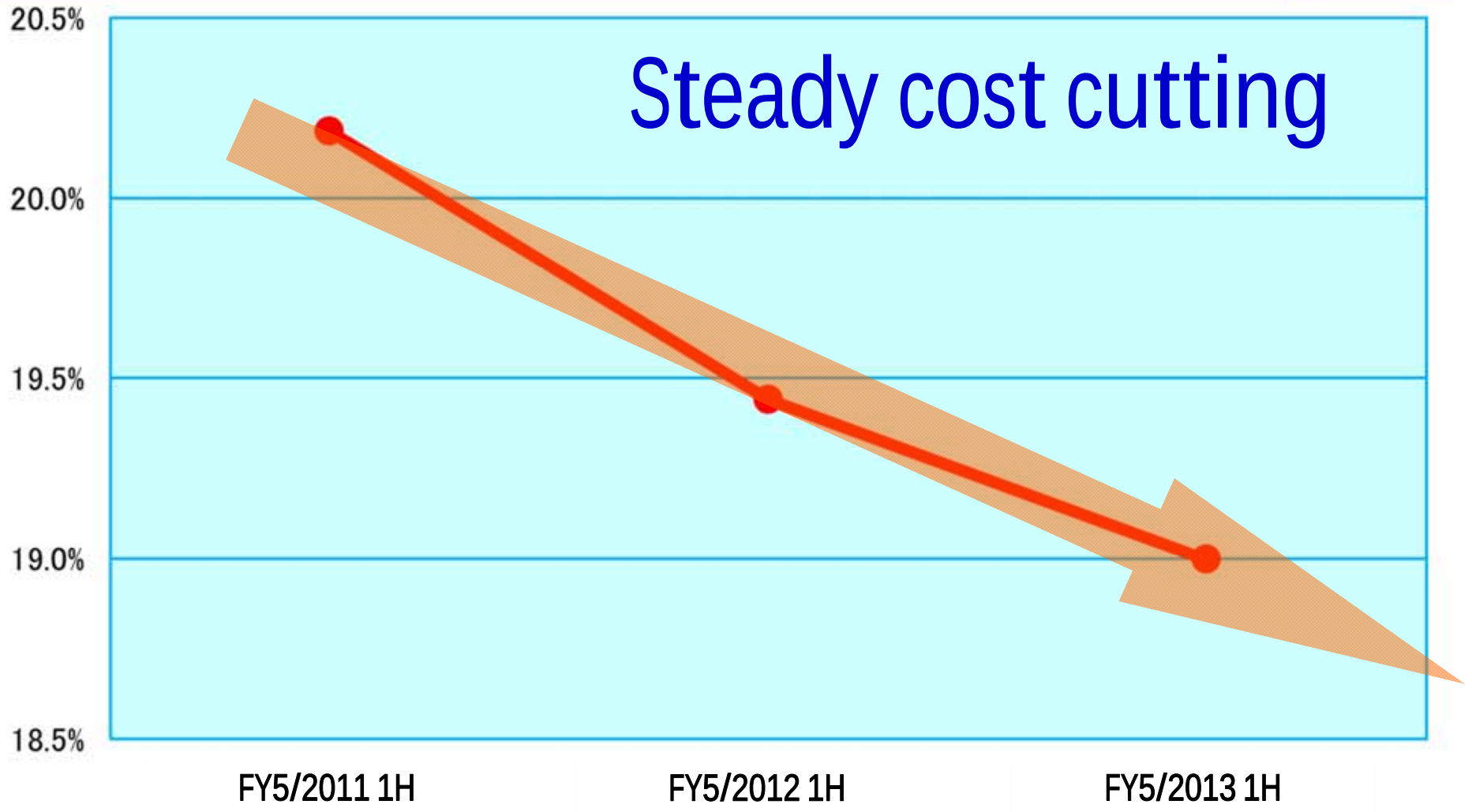
Non-consolidated

ASKUL



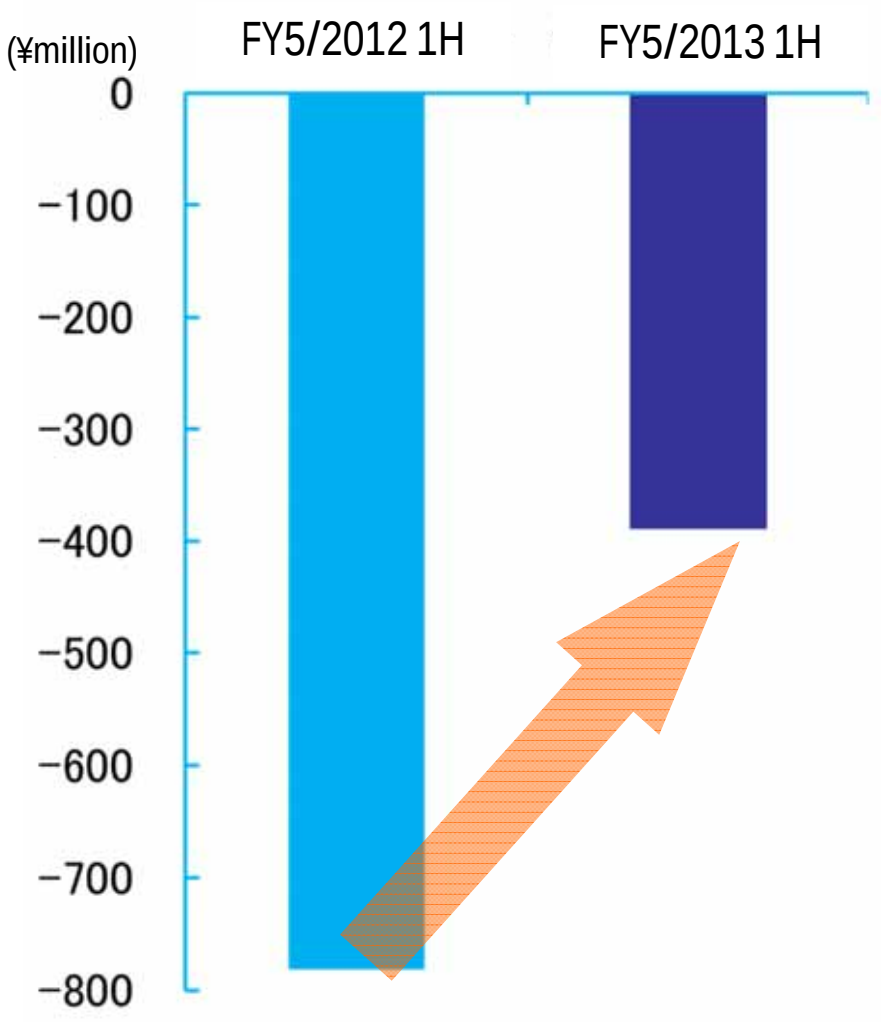
Utilized by sales agents as resource for sales activities

Trend of Ratio of SG&A Expenses to Net Sales



Promoting low-cost operation

Operating Income/Loss of New Businesses



ASMARU

- Integrated into LOHACO (to end sales on December 20, 2012)
- To be merged into ASKUL (planned on February 21, 2013)

Shanghai ASKUL

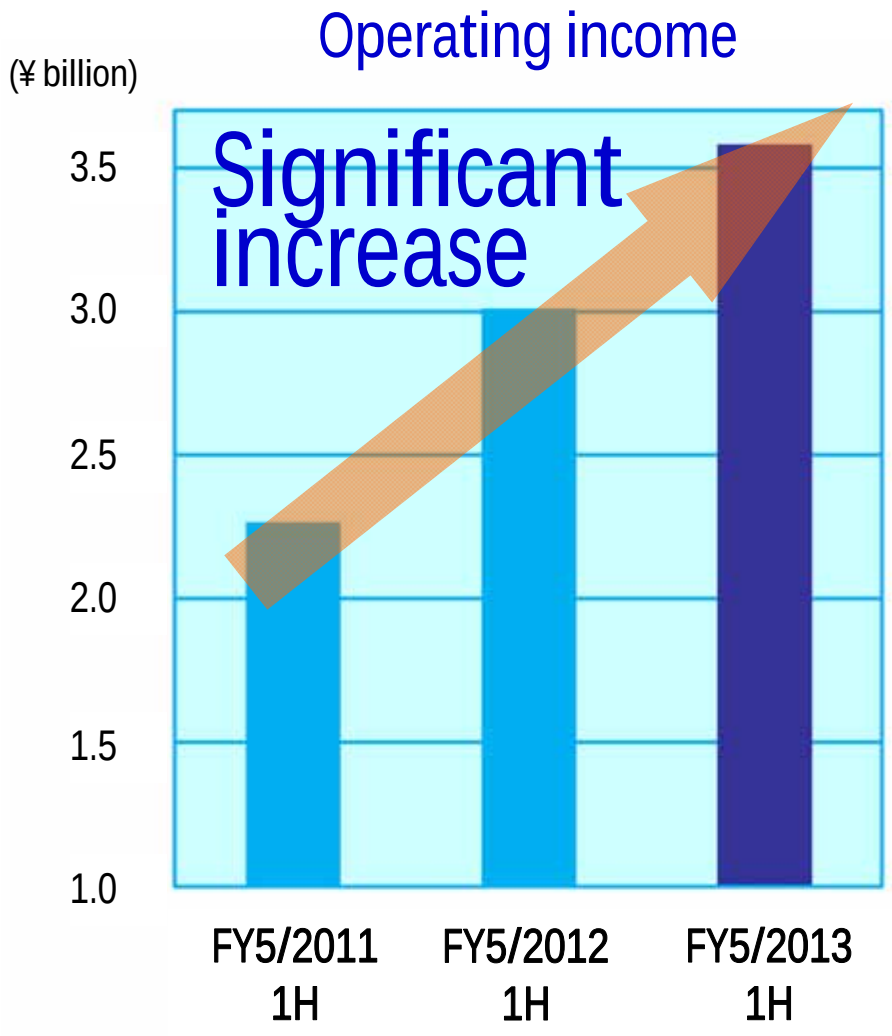
- Drastic business reconstruction under consideration

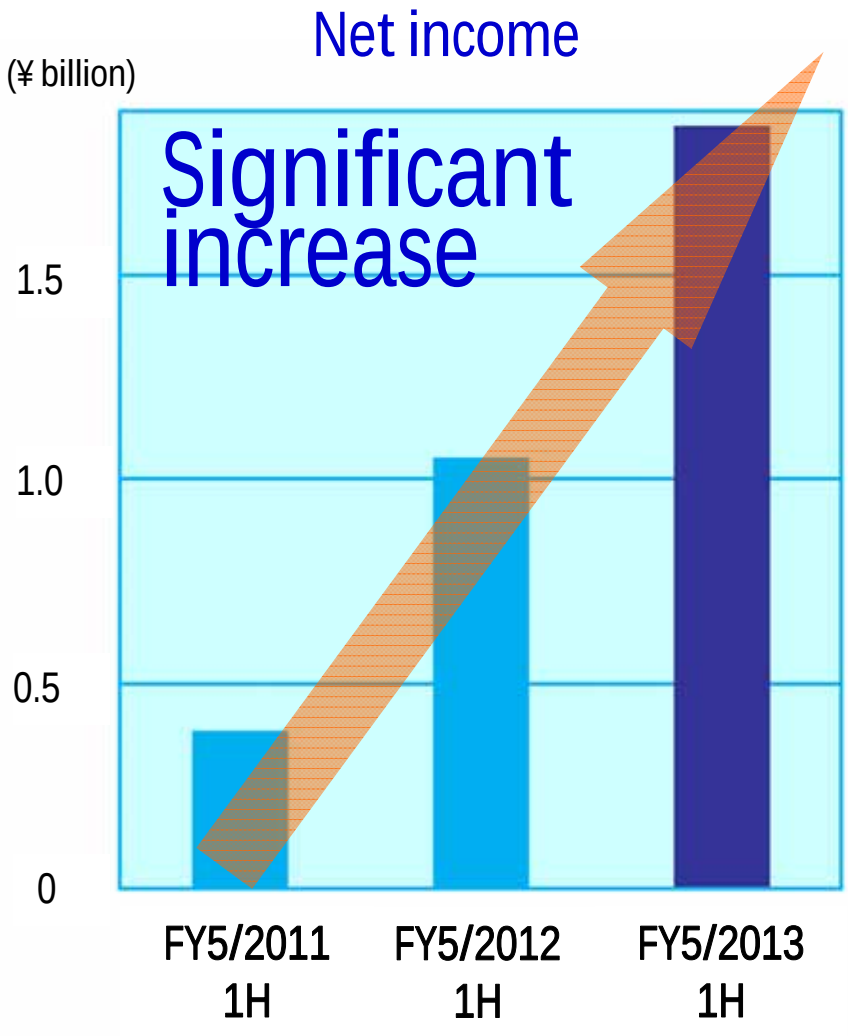
SOLOEL Enterprise

- Expected to post single month profit within FY5/2013 by strengthening joint purchase efforts
- Spin-off into a separate company in FY5/2013 is being considered to accelerate business expansion by ensuring neutrality

New businesses' operating income/loss has significantly improved

Operating Income/Net Income





Operating income increased 18%
Net income increased 77%

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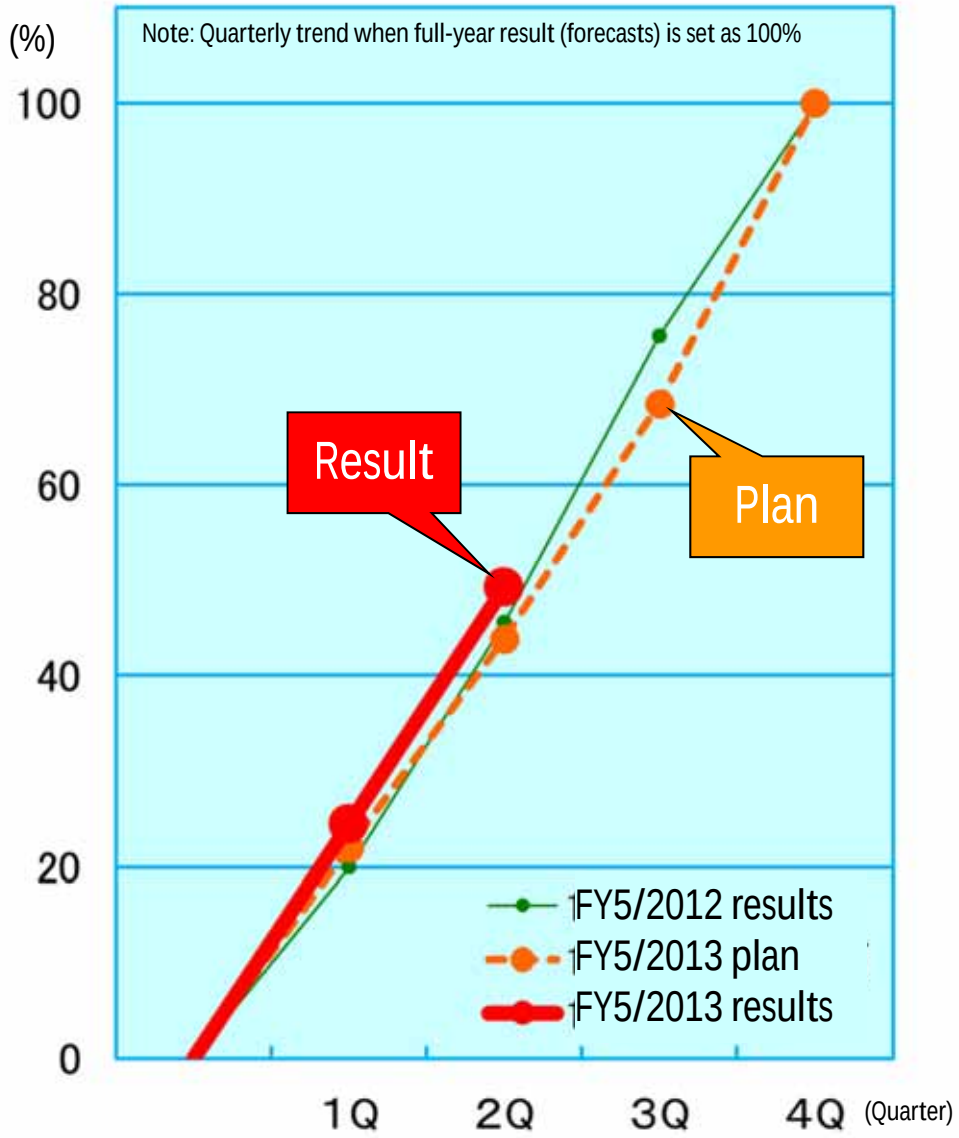
Progress in Operating Income Outperforming the Plan

- Following 1Q, operating income again outperformed the plan in 2Q
- High progress rate in YoY comparison

Firm progress towards achieving full-year plan

Comparison of operating income progress rate



*The plan denotes the initial forecasts

FY5/2013 Consolidated Performance Outlook

	FY5/2012 full year (actual)		FY5/2013 full year (plan)		
	Amount (¥ million)	% of net sales	Amount (¥ million)	% of net sales	YoY change %
Net Sales	212,932	100	239,000	100	+ 12.2
Gross Profit	47,490	22.3	56,000	23.4	+ 17.9
Selling, General and Administrative Expenses	40,873	19.2	48,700	20.4	+ 19.1
Operating Income	6,617	3.1	7,300	3.1	+ 10.3
Ordinary Income	6,504	3.1	7,200	3.0	+ 10.7
Net Income	2,301	1.1	4,300	1.8	+ 86.8

Leaving the initial full-year forecasts unchanged

I. Where ASKUL Currently Stands

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To Become e-Commerce No. 1

B-to-B business

Stable growth foundation

Widening of customer base

- Large-sized companies
- Medium-sized companies
- Small- to medium-sized offices
- Individual industries
- Overseas business

SOLOEL

SOLOEL ARENA Powered by ASKUL

ASKUL askul internet shop

ASKUL MEDeTOMO

ASKUL 爱速客乐

×

Widening of product range

- All MRO supplies
- Over all office products
- Office supplies



B-to-C business

Significant growth

くらしをかるくする LOHACO

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Largest Product Range
Lowest Prices
Fastest Distribution System
Best Customer Support

×

YAHOO! JAPAN

Best Customer Appeal
Best Settlement

Customer Appeal → Product Range → Price → Settlement → Distribution → Customer Support

= Establishment of new **Japan's No.1** smart commerce

Fulfillment

New revenue source

Procurement, logistics/delivery, customer support

Pursuit of efficiency

Why we can be the winner in e-Commerce market

What we became convinced of following the launch

Winning Structure 1: Customer Appeal

The link is listed on the top page of Yahoo! JAPAN website

LOHACO is the third on the list of main services

⇒ Overwhelming customer appeal

Winning Structure 2: Logistics

Same-day and next-day delivery is a basic function

B-to-B deliveries concentrated on daytime of weekdays
+ B-to-C concentrated on holidays and nighttime of weekdays
= 24-hour and 365-day operation

⇒ Full-capacity operation of logistic facilities

Winning Structure 3: Price

Direct transactions based on relationship of trust with about 800 manufacturers built through B-to-B business

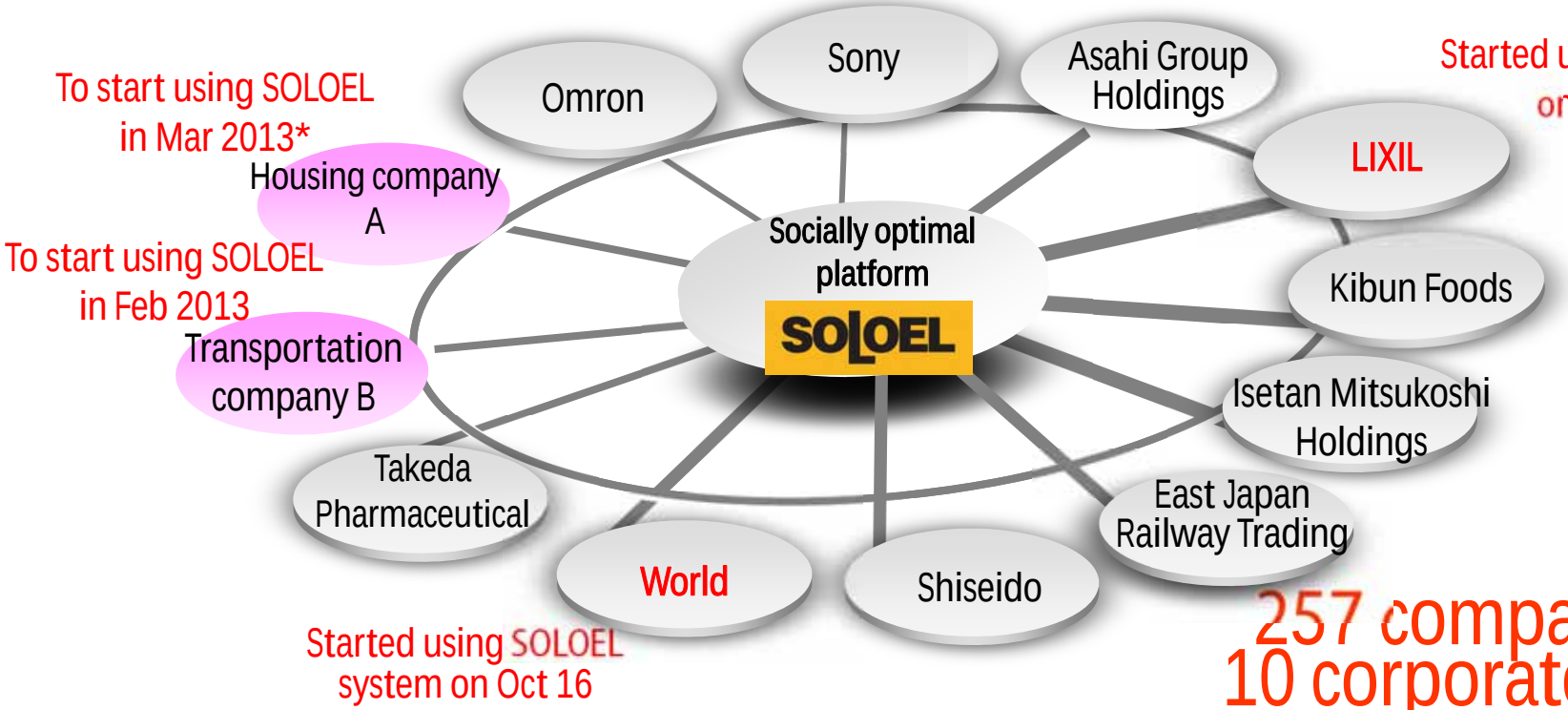
$\Rightarrow$ Offering overwhelming value and prices

B-to-B Business: Stable Growth Foundation

SOLOEL Enterprise

ASKUL

Build a socially optimal MRO (maintenance, repair, and operations) supplies purchasing platform



257 companies in 10 corporate groups

(Excluding the companies that have yet to start using the service)

*The timing for housing company A to start using SOLOEL has been changed from November 2012 to March 2013

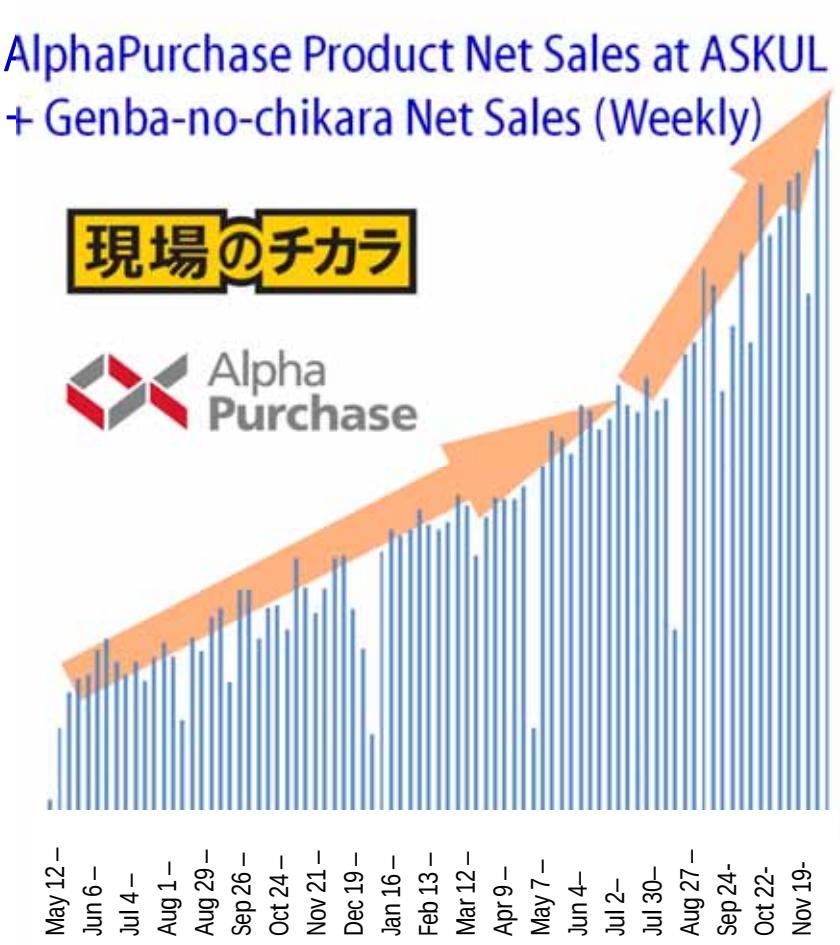
Sharing
Sharing of system and implementation expertise

Joint creation
Standardization/ joint operation

Symbiosis
Socially optimal

Very large corporations have been showing strong interest in offering of service supplies

Sales Expansion of MRO Products

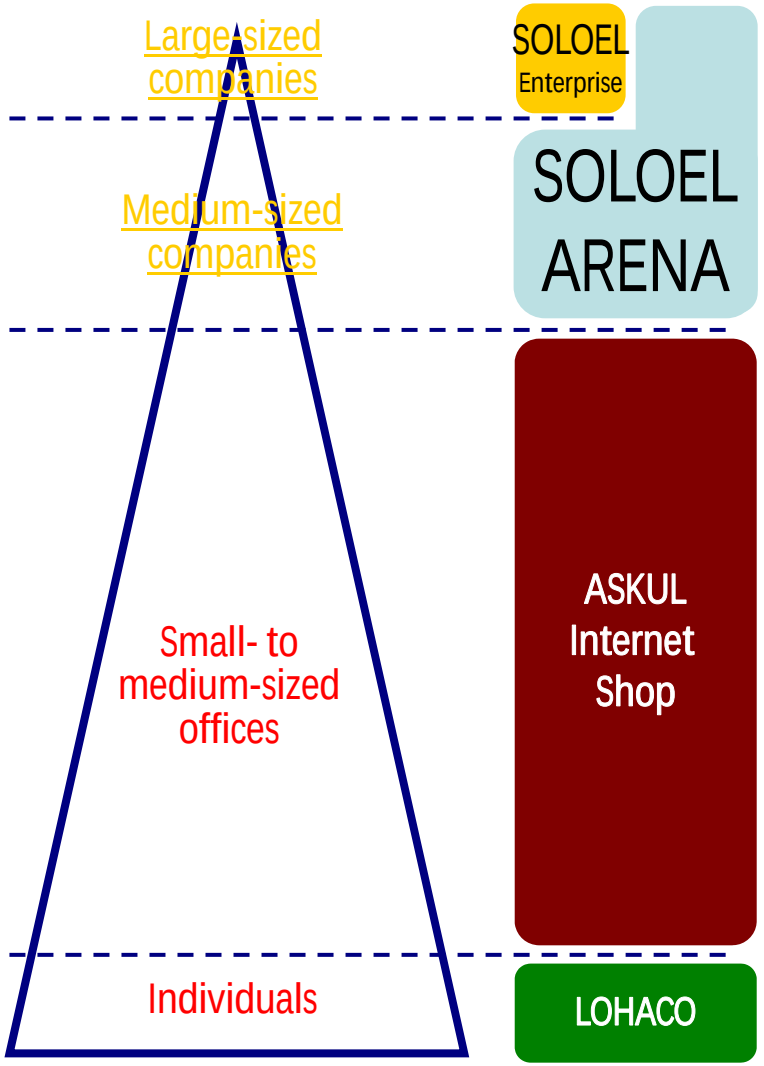




ASKUL Catalog Autumn/Winter 2012
cover/opening pages released in August 2012

Growth rate of MRO products' sales has gathered pace with the introduction of powerful own-brand products Genba-no-chikara

SOLOEL ARENA Progressing Faster Than Plan

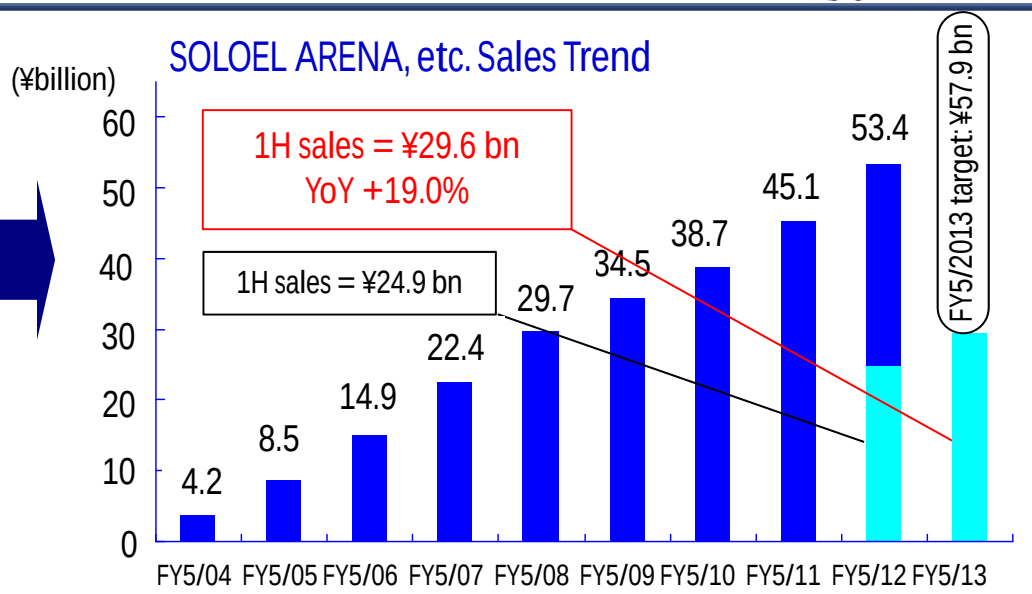


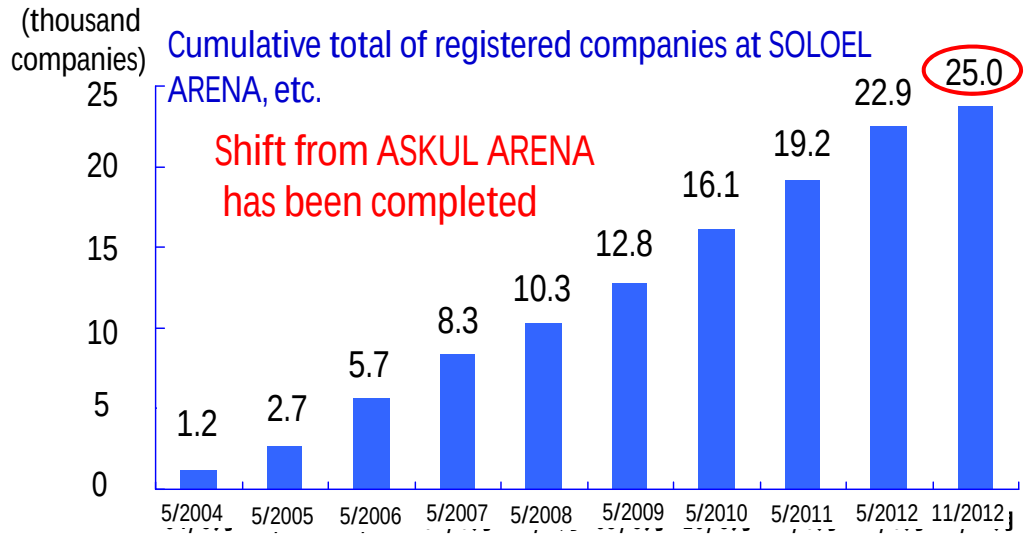
SOLOEL Enterprise

SOLOEL ARENA

ASKUL Internet Shop

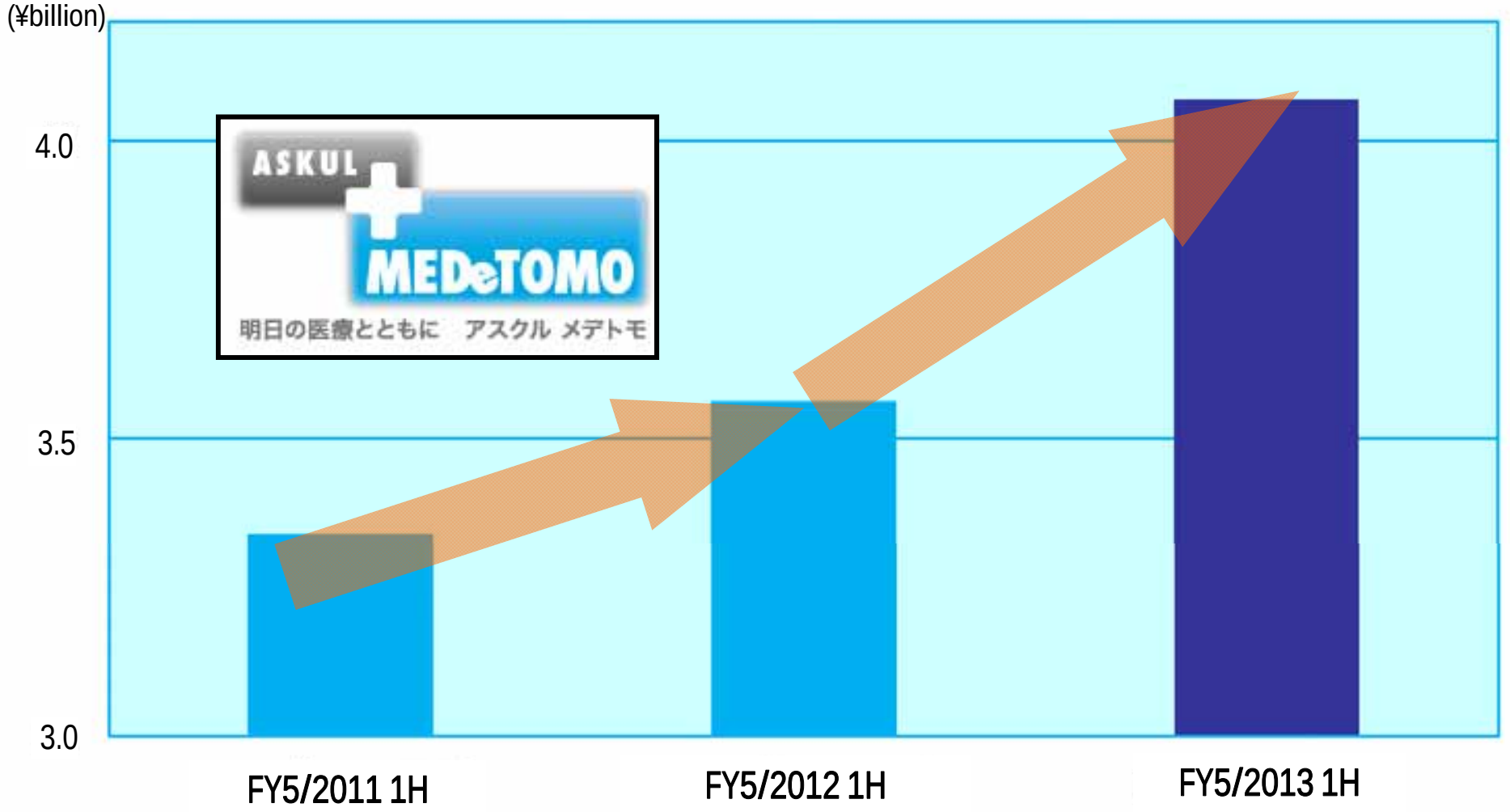
LOHACO





Sales increased 19.0% on year, exceeding full-year target of 8.4%

Growth in Net Sales of Medical Business



Growth has gained pace with the introduction of the website

Widening of Product Range

All MRO supplies

Overall office products

Office supplies



Growing beyond the framework of office product mail order

Widening of Product Range

All MRO supplies





Scientific supplies

Office work



Number of products offered by the Internet shop has expanded to more than **360,000 items** (as of December 2012)

Expanding product range with the aim of achieving the current fiscal year's target of **500,000 items**

supplies



Office supplies

Growing beyond the framework of office product mail order

Development of Own-brand Products



Reconstruction assistance donation project
Kodomo Art Project









Original design products

End of FY5/2012		Target for end of FY5/2014
Number of own-brand items		
3,602	⇒	5,000
Share of own-brand products (excl. original copier paper)		
14%	⇒	20%

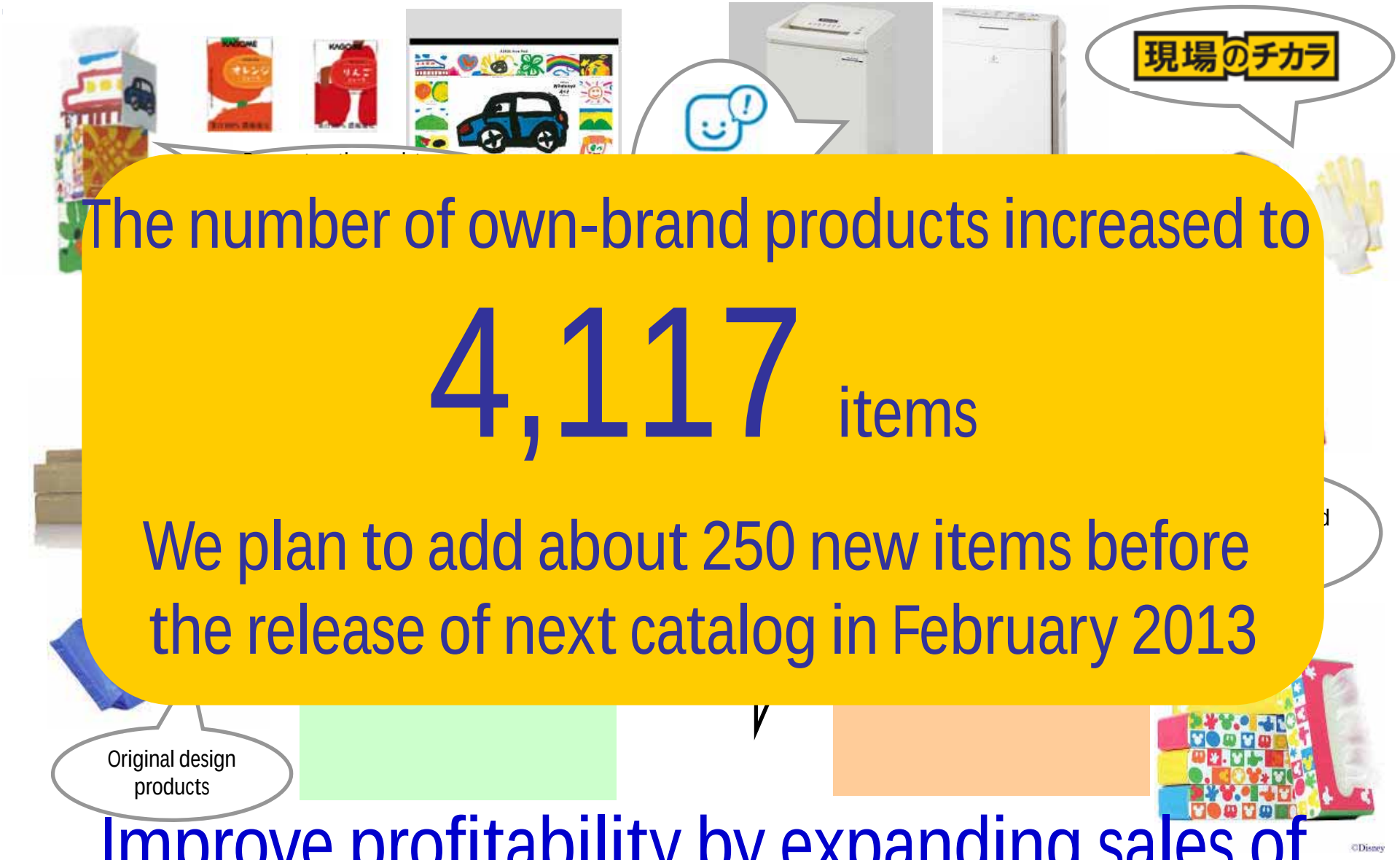
Collaboration with Disney and a Swedish designer



©Disney

Improve profitability by expanding sales of own-brand products

Development of Own-brand Products



The number of own-brand products increased to

4,117 items

We plan to add about 250 new items before the release of next catalog in February 2013

Improve profitability by expanding sales of own-brand products

B-to-C Business: Significant Growth

LOHACO video shown at earnings briefing

http://lohaco.jp/feature/about/

LOHACO Websites Opened in Succession with Priority on Smartphones

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LOHACO

Oct 15　Smartphone website launched

Nov 20　PC website launched

Dec 3　Yahoo! JAPAN
Top page link





Smartphone applications are also available

Took off at an ultimate speed in six months from tie-up

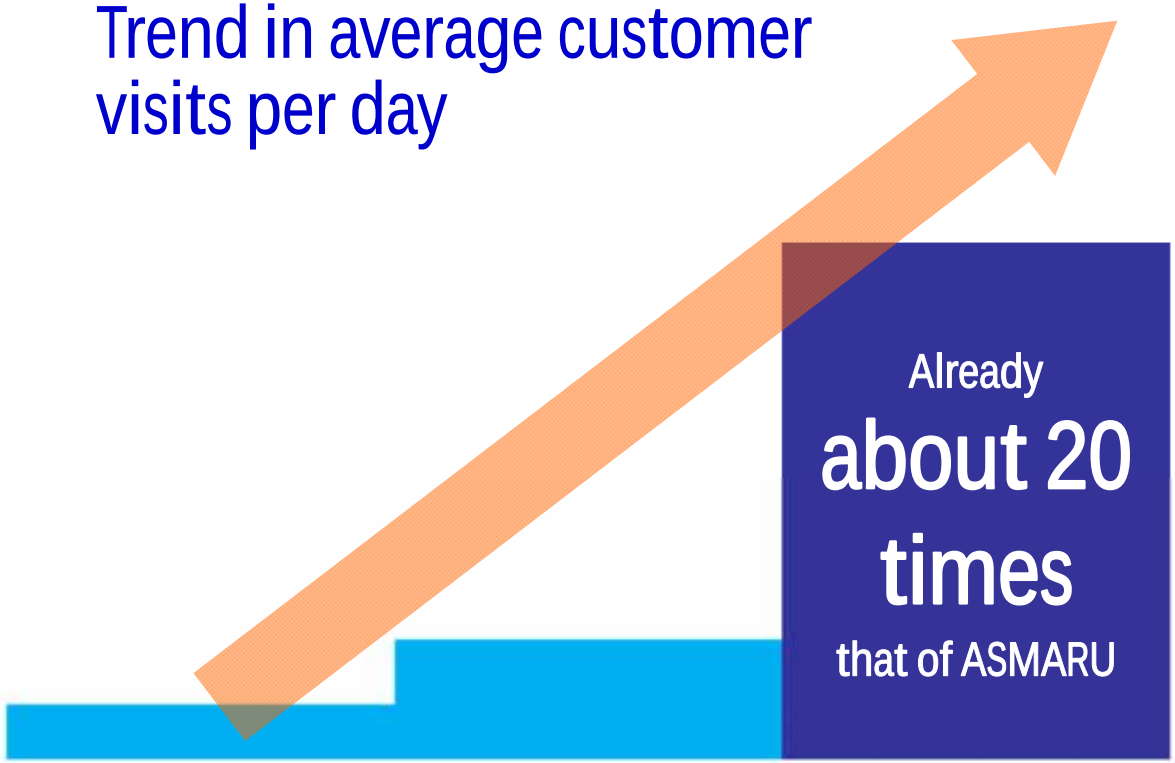
LOHACO: Collaboration with Yahoo! JAPAN



Overwhelming customer appeal as expected

LOHACO: Attracting More Customers

Trend in average customer visits per day



Oct 15–
▲ Smartphone website opened

Nov 20–
▲ PC website opened

Dec 3–
▲ Yahoo! JAPAN Top page link

Main Future Measures

(1) Full-fledged web sales promotion

(2) Price strategy

(3) Sales promotion aimed at company employees
(collaboration with ASKUL Sweet Point)

(4) Cooperation with agents
(collaboration with affiliates)

(5) Various events

To implement sales promotion measures to improve recognition

LOHACO: Database of Quality Products



Demonstrate strength based on direct trading with manufacturers

LOHACO: A High Quality Logistics/Delivery Service



Free same-day, specific time delivery

* For purchases worth ¥1,900 and above

LOHACO: Hands-On Event Held at Toyosu



About 800 people, primarily housewives from Toyosu area visited the venue



Toyosu to be the base station for information dissemination
Increased awareness through word-of-mouth communication

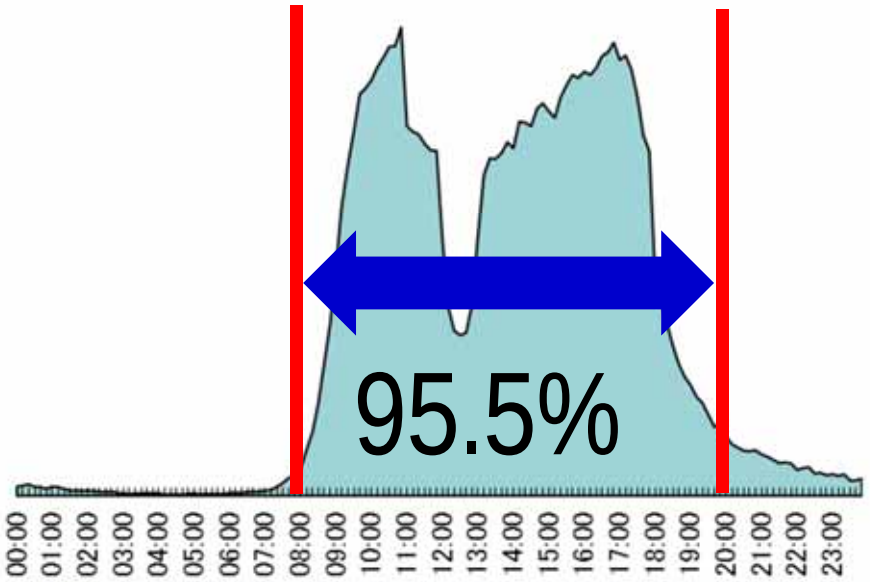
Direct communication with customers

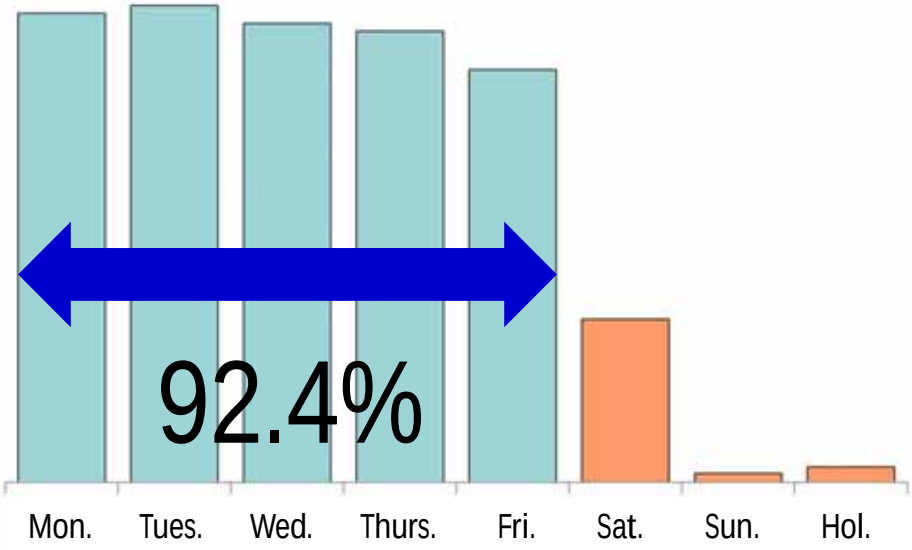
Platform: Pursuit of Efficiency

Evolution of Logistics and Delivery

ASKUL

Number of orders from B-to-B customers (by time/date)



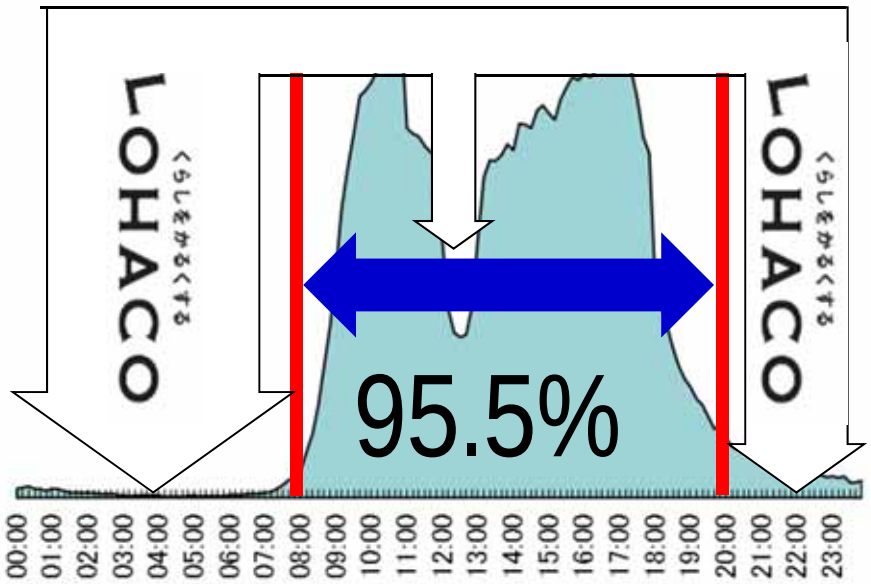


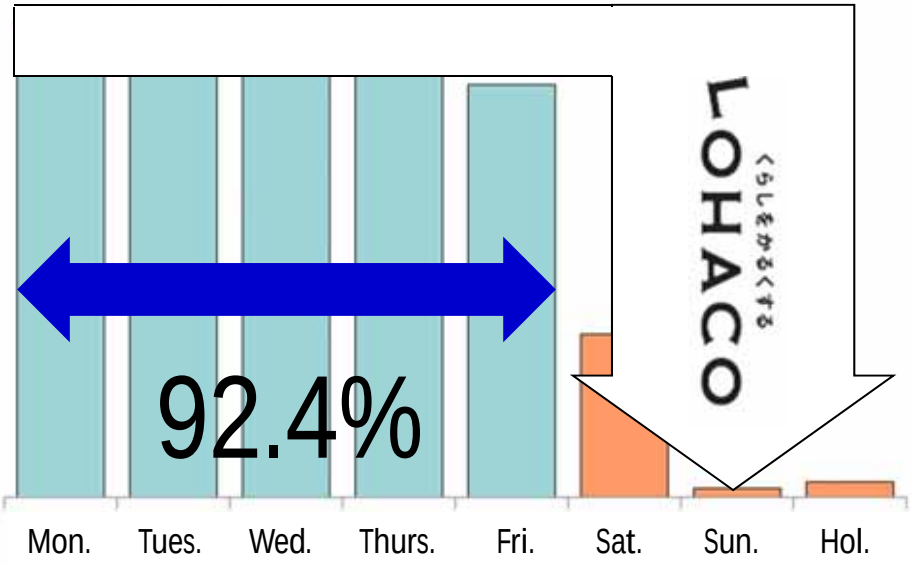
B-to-C (LOHACO) orders tend to concentrate during nighttime and holidays, which can pick up the slack from B-to-B

Achieve efficient utilization of distribution centers

Evolution of Logistics and Delivery

Number of orders from B-to-B customers (by time/date)





B-to-C (LOHACO) orders tend to concentrate during nighttime and holidays, which can pick up the slack from B-to-B

Achieve efficient utilization of distribution centers

Evolution of Logistics and Delivery



Saitama Distribution Center

To start operation in May 2013
About 20,900 tsubo





Osaka DMC

Expanded case center floor area
in the vicinity in November 2012
About 22,000 tsubo + 4,500 tsubo

Capacity of distribution centers being expanded one by one
365-day operation of logistics and delivery (from December 2012)
Fulfillment service also expected to start at the beginning of next term

Continuous Environmental Initiatives

Simultaneous Reduction in Cost and Environmental Load (CO_2 Emissions)

ASKUL

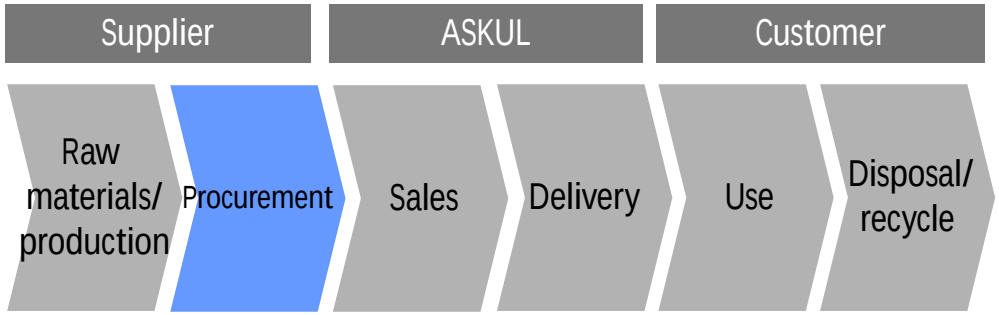
Wins the Award of Excellence (Large Companies section) at the 14th Green Purchasing Network (GPN) Awards

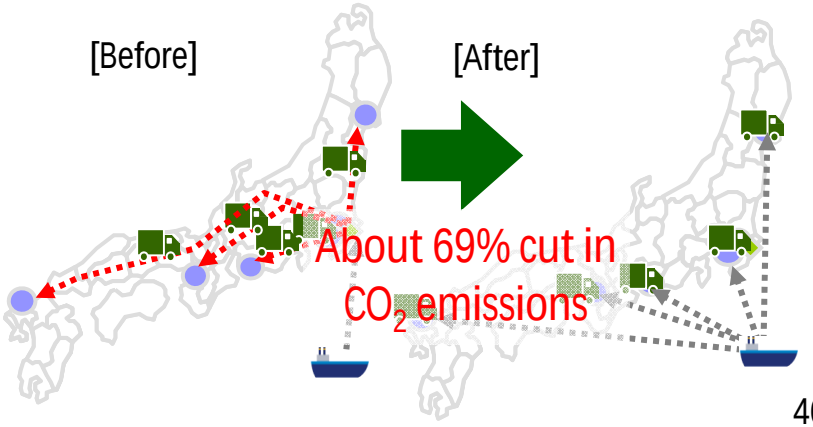
We won high acclaim for joint efforts with suppliers in procurement process for reducing environmental load (CO_2 emissions)

[Sponsored by] Green Purchasing Network

Visualization of and Reduction in the Purchasing Process

Work towards visualization and reduction of CO_2 emissions in procurement by sharing information with suppliers. In the case of imports, CO_2 emissions during vehicular transportation within Japan were slashed by about 69% through modal shift.





Evolving for Our Customers


ASKUL

Appendix

Gross profit: ¥24.4 billion

Difference from the plan: -¥0.97 billion / YoY change: +¥1.51 billion

Gross profit margin: 22.3% Difference from the plan: -0.6p.p. / YoY change: -0.1p.p.

<Quarterly gross profit margin trend>
1Q: 22.3% 2Q: 22.2%

<Reasons behind gross profit margin difference from the plan>

Due to the opening on November 20 of LOHACO's PC website, which has an earnings structure different from existing businesses (high gross margin ratio as well as ratio of SG&A expenses to net sales)

(opening was originally scheduled for October 1)

*Note: Differences from the plan are in comparison to the plan announced at the beginning of FY5/2013.

SG&A expenses: ¥20.8 billion

Difference from the plan: -¥1.35 billion / YoY change: +¥0.94 billion

Ratio of SG&A expenses to net sales: 19.0%

Difference from the plan: -1.0p.p. / YoY change: -0.4p.p.

<Quarterly trend of the ratio of SG&A expenses to net sales>
1Q: 19.0% 2Q: 19.0%

<Reasons behind SG&A expense difference from the plan>

- Impact of promotion of low-cost operation aimed at strengthening competitiveness
- Decrease in variable cost following the opening on November 20 of LOHACO's PC website, which has an earnings structure different from existing businesses (high gross margin ratio as well as ratio of SG&A expenses to net sales)
  (opening was originally scheduled for October 1)

*Note: Differences from the plan are in comparison to the plan announced at the beginning of FY5/2013.

Capital Expenditures: ¥1.20 billion

(Annual plan: ¥27.4 billion)

LOHACO website	¥0.50 billion
Enhancement of distribution centers and new establishment	¥0.14billion

(Ref.) Depreciation and amortization of software: ¥1.3 billion

(Annual plan: ¥3.4 billion)

<Appendix>

(1) Share of orders placed on the Internet in net sales

	1H FY5/2013	YoY change	1H FY5/2012
Orders via the Internet	69.6%	+2.3p.p.	67.3%
Other	30.4%	-2.3p.p.	32.7%

Note: The percentages above are based on orders placed.

(2) ASKUL original products

(items)

	November 2012 (single month)	YoY change	November 2011 (single month)
Number of original products	4,117	+723	3,394
Share in net sales	15.0%	+1.6p.p.	13.4%

Notes:

1. The figures above are the results for the month of November each year.
2. Net sales of original products used as the numerators in calculating the shares in net sales do not include net sales of original copier paper.
3. The figures above include the products listed in Medical & Care Catalogs and Medical Pro Catalogs.

(3) Capital expenditures

(¥million)

Item	1H FY5/2013		1H FY5/2012
	Amount	YoY change	Amount
[Capital expenditures]	1,202	+8.9%	1,104
Property, plant and equipment	337	-28.2%	470
Intangible assets	865	+36.4%	634
Construction in progress (Note 2)	4	-91.1%	55
Software in progress (Note 2)	113	-70.9%	388

Notes:

1. Capital expenditures are stated on an accrual basis and do not reflect reductions.
2. Construction in progress and software in progress partially include consumption and other taxes.